

Federal Compliance Audit

Town of Winthrop, Maine

June 30, 2015



*Proven Expertise and Integrity*

TOWN OF WINTHROP, MAINE

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JUNE 30, 2015

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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Winthrop  
Winthrop, Maine

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

### Opinion

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension-related information on pages 4 through 11 and 52 through 55 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 an opinion on the financial statements that collectively comprise the Town of Winthrop, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016, on our consideration of the Town of Winthrop, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Winthrop, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
January 26, 2016

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

**(UNAUDITED)**

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

**Financial Statement Overview**

The Town of Winthrop'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 a general fund budgetary comparison schedule and pension-related schedules, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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



Both of the above mentioned financial statements have one column for the Town's type of activity. The type of activity presented for the Town of Winthrop 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, health and sanitation, recreation and culture and other.

### **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 Winthrop, 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 Winthrop can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town of Winthrop presents five columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, the school construction fund, the CIP bond fund and the library expansion fund. All other funds are shown as nonmajor and are combined in the "Other 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.

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town of Winthrop. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **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 Fiduciary Fund Financial Statements.

### **Required Supplementary Information**

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

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental funds is \$11,836,431 compared to \$12,010,387 in the prior year, a decrease of \$173,956.

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 – is a deficit of \$484,333 at the end of this year for governmental activities compared to \$28,307 in the prior year, a decrease of \$512,640.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 3,638,978	\$ 3,555,465
Capital Assets	19,137,206	19,290,417
Total Assets	<u>22,776,184</u>	<u>22,845,882</u>
<b>Deferred Outflows of Resources</b>	<u>473,777</u>	<u>118,073</u>
<b>Liabilities:</b>		
Current Liabilities	2,435,902	2,001,916
Long-Term Debt Outstanding	8,349,393	8,943,773
Total Liabilities	<u>10,785,295</u>	<u>10,945,689</u>
<b>Deferred Inflows of Resources</b>	<u>628,235</u>	<u>7,879</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	10,335,327	10,890,657
Restricted	1,985,437	1,091,423
Unrestricted (deficit)	(484,333)	28,307
Total Net Position	<u><u>\$ 11,836,431</u></u>	<u><u>\$ 12,010,387</u></u>

### **Revenues and Expenses**

Revenues increased by 8.98% while expenses increased by 7.07% for governmental activities. Taxes and program revenues realized the most notable increases during the year, while public safety, general government, public works, recreation and culture, health and sanitation, and several other government programs all incurred increases over the period.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 1,372,550	\$ 1,268,048
Operating grants and contributions	5,620,483	5,067,532
Capital grants and contributions	254,697	-
<i>General Revenues:</i>		
Taxes	10,371,652	9,473,062
Grants and contributions not restricted to specific programs	631,310	476,077
Investment income	10,924	73,431
Miscellaneous	319,511	692,354
<b>Total Revenues</b>	<b>18,581,127</b>	<b>17,050,504</b>
<b>Expenses</b>		
<i>Current:</i>		
General government	1,264,130	1,195,812
Public safety	2,606,257	2,328,091
Public works	753,836	706,010
Recreation and culture	333,777	256,679
Health and sanitation	519,725	480,753
Social services	35,038	39,578
Education	10,451,096	10,521,281
County tax	638,179	622,095
TIF	64,356	58,881
Overlay	2,314	7,161
Unclassified	137,285	123,222
Program expenses	610,983	133,710
State of Maine on-behalf payments	983,149	602,937
Capital outlay	312,203	385,949
Interest on long-term debt	42,755	55,307
<b>Total expenses</b>	<b>18,755,083</b>	<b>17,517,466</b>
<b>Total transfers</b>	<b>-</b>	<b>(145,000)</b>
<b>Change in Net Position</b>	<b>(173,956)</b>	<b>(611,962)</b>
<b>Net Position - July 1, Restated</b>	<b>12,010,387</b>	<b>12,622,349</b>
<b>Net Position - June 30</b>	<b>\$ 11,836,431</b>	<b>\$ 12,010,387</b>

## Financial Analysis of the Town's Fund Statements

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

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

	<b>2015</b>	<b>2014 (Restated)</b>
Major Funds:		
General Fund:		
Nonspendable	\$ 5,835	\$ 23,934
Restricted	200,000	225,000
Unassigned	51,741	714,035
School Construction:		
Committed	13,335	291,053
CIP Bond Fund:		
Restricted	1,092,102	-
Library Expansion Fund:		
Restricted	8,290	-
Total Major Funds	<u>\$ 1,371,303</u>	<u>\$ 1,254,022</u>
Nonmajor Funds:		
Special revenue funds:		
Nonspendable - Inventory	\$ 4,882	\$ -
Restricted	97,213	110,169
Committed	21,821	22,525
Assigned	-	17
Unassigned	(187,497)	(112,387)
Capital projects funds:		
Restricted	-	53
Committed	165,202	148,303
Unassigned	(25,213)	(24,187)
Permanent funds:		
Nonspendable - principal	203,492	203,492
Restricted	587,832	587,300
Total Nonmajor Funds	<u>\$ 867,732</u>	<u>\$ 935,285</u>

The general fund total fund balance decreased by \$705,393 from the prior fiscal year. The School Maintenance Reserve decreased by \$277,718, the CIP Bond Fund increased by \$1,092,102 and the Library Expansion Fund increased by \$8,290. The non-major fund balances decreased by \$67,553 from the prior fiscal year.

### **Budgetary Highlights**

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues were below budget by \$123,959. This was primarily due to over budgeted BETE and Homestead tax exemptions.

The general fund actual expenditures were under budget by \$85,068. Education, social services and overlay costs were less than anticipated, partially offset by budget overages in all other expenditures categories.

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

#### **Capital Assets**

As of June 30, 2015 the net book value of capital assets recorded by the Town decreased by \$153,211. This decrease was due to capital additions of \$1,090,465 less current year depreciation expense of \$1,243,676.

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

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 1,259,869	\$ 1,260,620
Construction in progress	1,825,605	735,140
Buildings and improvements	12,545,101	13,130,984
Books and collections	221,904	243,044
Furniture and fixtures	1,768	2,261
Machinery and equipment	59,124	365,414
Vehicles	1,002,212	1,179,210
Infrastructure	<u>2,221,623</u>	<u>2,373,744</u>
Total	<u>\$ 19,137,206</u>	<u>\$ 19,290,417</u>

#### **Debt**

At June 30, 2015, the Town had \$8.45 million in bonds outstanding versus \$7.91 million last year. Other obligations include capital leases payable, accrued vacation and

sick time, and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

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

The Town's unassigned fund balance has fallen below a level sufficient to sustain government operations for a period of approximately two months while also maintaining significant reserves for future operations, capital and program needs. The Town is working to rebuild this balance to a sufficient level.

### **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's Finance Department at 17 Highland Avenue, Winthrop, Maine 04364.

## TOWN OF WINTHROP, MAINE

## STATEMENT OF NET POSITION

JUNE 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,706,385
Investments	791,024
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	564,132
Other	333,087
Due from other governments	233,633
Prepaid expenses	3,186
Inventory	7,531
Total current assets	<u>3,638,978</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	3,054,314
Buildings and vehicles, net of accumulated depreciation	16,082,892
Total noncurrent assets	<u>19,137,206</u>
<b>TOTAL ASSETS</b>	<u>22,776,184</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	473,777
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>473,777</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 23,249,961</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 147,595
Accrued payroll and related benefits	647,412
Due to other governments	-
Other liabilities	117,620
Current portion of long-term obligations	1,523,275
Total current liabilities	<u>2,435,902</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	7,286,868
Capital lease payable	210,401
Accrued compensated absences	390,896
Net pension liability	461,228
Total noncurrent liabilities	<u>8,349,393</u>
<b>TOTAL LIABILITIES</b>	<u>10,785,295</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	8,772
Deferred inflows related to pensions	619,463
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>628,235</u>
<b>NET POSITION</b>	
Net investment in capital assets	10,335,327
Restricted	1,985,437
Unrestricted (deficit)	(484,333)
<b>TOTAL NET POSITION</b>	<u>11,836,431</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 23,249,961</u></u>

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



## TOWN OF WINTHROP, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue & Changes
					Total Governmental Activities
<u>Governmental activities:</u>					
General government	\$ 1,264,130	\$ 80,961	\$ -	\$ -	\$ (1,183,169)
Public safety	2,606,257	876,200	-	-	(1,730,057)
Public works	753,836	-	-	-	(753,836)
Recreation and culture	333,777	15,375	-	-	(318,402)
Health and sanitation	519,725	235,985	-	-	(283,740)
Social services	35,038	-	-	-	(35,038)
Education	10,451,096	164,029	4,637,334	-	(5,649,733)
County tax	638,179	-	-	-	(638,179)
TIF	64,356	-	-	-	(64,356)
Overlay	2,314	-	-	-	(2,314)
Unclassified	137,285	-	-	-	(137,285)
Program expenses	610,983	-	-	-	(610,983)
State of Maine on-behalf payments	983,149	-	983,149	-	-
Capital outlay	312,203	-	-	215,317	(96,886)
Interest on long-term debt	42,755	-	-	39,380	(3,375)
Total government	\$ 18,755,083	\$ 1,372,550	\$ 5,620,483	\$ 254,697	(11,507,353)

STATEMENT B (CONTINUED)

TOWN OF WINTHROP, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(11,507,353)</u>
General revenues:	
Taxes	
Property taxes, levied for general purposes	9,318,337
Excise taxes	1,053,315
Grants and contributions not restricted to specific programs	631,310
Investment income	10,924
Other income	319,511
Total general revenues	<u>11,333,397</u>
Change in net position	(173,956)
NET POSITION - JULY 1, RESTATED	<u>12,010,387</u>
NET POSITION - JUNE 30	<u><u>\$ 11,836,431</u></u>

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

## STATEMENT C

## TOWN OF WINTHROP, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	School Maintenance Reserve	CIP Bond Fund	Library Expansion Fund	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,548,517	\$ -	\$ -	\$ -	\$ 157,868	\$ 1,706,385
Investments	-	-	-	-	791,024	791,024
Accounts receivable (net of allowance for uncollectibles):						
Taxes/liens	564,132	-	-	-	-	564,132
Other	333,087	-	-	-	-	333,087
Due from other governments	85,028	135,000	-	-	13,605	233,633
Prepaid expenses	3,186	-	-	-	-	3,186
Inventory	2,649	-	-	-	4,882	7,531
Due from other funds	284,504	-	1,092,102	8,290	111,497	1,496,393
<b>TOTAL ASSETS</b>	<b>\$ 2,821,103</b>	<b>\$ 135,000</b>	<b>\$ 1,092,102</b>	<b>\$ 8,290</b>	<b>\$ 1,078,876</b>	<b>\$ 5,135,371</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 145,799	\$ -	\$ -	\$ -	\$ 1,796	\$ 147,595
Accrued payroll and related expenditures	647,412	-	-	-	-	647,412
Due to other funds	1,165,380	121,665	-	-	209,348	1,496,393
Other liabilities	117,620	-	-	-	-	117,620
Due to other governments	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>2,076,211</b>	<b>121,665</b>	<b>-</b>	<b>-</b>	<b>211,144</b>	<b>2,409,020</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	8,772	-	-	-	-	8,772
Deferred tax revenues	478,544	-	-	-	-	478,544
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>487,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>487,316</b>
<b>FUND BALANCES</b>						
Nonspendable	5,835	-	-	-	208,374	214,209
Restricted	200,000	-	1,092,102	8,290	685,045	1,985,437
Committed	-	13,335	-	-	187,023	200,358
Unassigned - School	(596,908)	-	-	-	-	(596,908)
Unassigned - Town	648,649	-	-	-	(212,710)	435,939
<b>TOTAL FUND BALANCES</b>	<b>257,576</b>	<b>13,335</b>	<b>1,092,102</b>	<b>8,290</b>	<b>867,732</b>	<b>2,239,035</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,821,103</b>	<b>\$ 135,000</b>	<b>\$ 1,092,102</b>	<b>\$ 8,290</b>	<b>\$ 1,078,876</b>	<b>\$ 5,135,371</b>

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

## TOWN OF WINTHROP, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 2,239,035
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	19,137,206
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	478,544
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	473,777
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(8,446,070)
Capital lease payable	(355,809)
Accrued compensated absences	(499,703)
Net pension liability	(571,086)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(619,463)
Net position of governmental activities	<u>\$ 11,836,431</u>

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

## STATEMENT E

## TOWN OF WINTHROP, MAINE

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

	General Fund	School Maintenance Reserve	CIP Bond Fund	Library Expansion Fund	Nonmajor Funds	Totals Governmental Funds
<b>REVENUES</b>						
General tax revenue	\$ 10,332,523	\$ -	\$ -	\$ -	\$ -	\$ 10,332,523
Intergovernmental revenue	4,315,070	-	-	-	953,574	5,268,644
Charges for services	1,208,521	-	-	-	137,667	1,346,188
Investment income, net of unrealized gains/(losses)	4,147	-	-	-	6,777	10,924
State of Maine on-behalf payments	756,909	-	-	-	-	756,909
Other revenue	298,612	1,700	-	215,317	45,561	561,190
<b>TOTAL REVENUES</b>	<b>16,915,782</b>	<b>1,700</b>	<b>-</b>	<b>215,317</b>	<b>1,143,579</b>	<b>18,276,378</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,436,939	-	-	-	-	1,436,939
Public safety	2,288,876	-	-	-	12,325	2,301,201
Public works	467,270	-	-	-	-	467,270
Recreation and culture	324,401	-	-	-	-	324,401
Health and sanitation	519,725	-	-	-	-	519,725
Social services	35,038	-	-	-	-	35,038
Education	9,966,425	-	-	-	645,731	10,612,156
County tax	638,179	-	-	-	-	638,179
TIF	64,356	-	-	-	-	64,356
Overlay	2,314	-	-	-	-	2,314
Unclassified	137,285	-	-	-	-	137,285
Program expenses	-	-	-	-	610,983	610,983
State of Maine on-behalf payments	756,909	-	-	-	-	756,909
Debt service	299,087	-	-	-	-	299,087
Capital outlay	151,140	279,418	447,278	687,181	10,000	1,575,017
<b>TOTAL EXPENDITURES</b>	<b>17,087,944</b>	<b>279,418</b>	<b>447,278</b>	<b>687,181</b>	<b>1,279,039</b>	<b>19,780,860</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(172,162)</b>	<b>(277,718)</b>	<b>(447,278)</b>	<b>(471,864)</b>	<b>(135,460)</b>	<b>(1,504,482)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term debt	-	-	1,539,380	-	-	1,539,380
Transfers in	-	-	-	-	145,000	145,000
Transfers (out)	(145,000)	-	-	-	-	(145,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(145,000)</b>	<b>-</b>	<b>1,539,380</b>	<b>-</b>	<b>145,000</b>	<b>1,539,380</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(317,162)</b>	<b>(277,718)</b>	<b>1,092,102</b>	<b>(471,864)</b>	<b>9,540</b>	<b>34,898</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>574,738</b>	<b>291,053</b>	<b>-</b>	<b>480,154</b>	<b>858,190</b>	<b>2,204,135</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 257,576</b>	<b>\$ 13,335</b>	<b>\$ 1,092,102</b>	<b>\$ 8,290</b>	<b>\$ 867,730</b>	<b>\$ 2,239,033</b>

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

## TOWN OF WINTHROP, MAINE

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

Net change in fund balances - total governmental funds (Statement D)	<u>\$ 34,898</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	1,090,465
Depreciation expense	<u>(1,243,676)</u>
	<u>(153,211)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported:	
Taxes and liens receivable	<u>39,129</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	<u>355,704</u>
Debt proceeds provide current financial resources to governmental funds, but long-term liabilities in the Statement of Net Position.	<u>(1,500,000)</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>1,097,881</u>
Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	<u>(619,463)</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	(50,673)
Net pension liability	<u>621,779</u>
Change in net position of governmental activities (Statement B)	<u>\$ (173,956)</u>

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

## TOWN OF WINTHROP, MAINE

STATEMENT OF NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Agency Funds</u> <u>Student</u> <u>Activities</u>
ASSETS	
Cash and cash equivalents	\$ 118,642
Investments	<u>-</u>
TOTAL ASSETS	<u><u>\$ 118,642</u></u>
LIABILITIES	
Accounts payable	\$ -
Deposits held for others	<u>118,642</u>
TOTAL LIABILITIES	<u><u>\$ 118,642</u></u>

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Winthrop was incorporated under the laws of the State of Maine. The Town operates under Town council-manager form of government and provides the following services: general government, public safety, public works, health and sanitation, education, recreation and culture and other.

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).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and 61.

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

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

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the Town as governmental.

In the government-wide Statement of Net Position, the governmental 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 is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (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. 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.



TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town's policy for authorizing and spending investment income follows State statutes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position which is reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activities category. 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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$16,158,873
Add: On-behalf payments	<u>756,909</u>
Total GAAP basis	<u>\$16,915,782</u>
Expenditures per budgetary basis	\$16,422,764
Add: On-behalf basis	<u>756,909</u>
Total GAAP basis	<u>\$17,179,673</u>

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 Town Council 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 Town Council.
4. The Town does not adopt budgets for Special Revenue Funds.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations.
- Prime bankers acceptances
- Prime commercial papers
- Repurchase agreements whose underlying collateral consist of the foregoing
- Money market mutual funds whose portfolios consist of the foregoing

It is the policy of the Town of Winthrop, Maine to invest public funds in a manner in which will provide safety of principal with a market rate of return while meeting the daily cash flow demands of the town, and conforming to all state and local statutes governing the investment of public funds.

**Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of gasoline. The special revenue funds inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

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

**Interfund Receivables and Payables**

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

Allowances for uncollectible accounts are maintained on certain receivables that historically experience collectible amounts. Allowances are based on collection experience and management's evaluation of the current status of those receivables. The allowance for uncollectible accounts is estimated to be \$65,000 as of June 30, 2015. The allowance is for ambulance accounts receivable in the general fund.

**Capital Assets**

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

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

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

Estimated useful lives are as follows:

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

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

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

**Compensated Absences**

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2015, the Town's liability for compensated absences is \$499,703.

**Pensions**

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

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

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

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

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

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Deferred Outflows and Inflows of Resources**

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

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.



TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town's property tax for the current year was levied August 19, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due on October 1, 2014 and April 1, 2015. Interest on unpaid taxes commenced on October 2, 2014 and April 2, 2015, at 7% per annum.

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

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 \$18,125 for the year ended June 30, 2015.

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

**Program Revenues**

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

**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.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's cash balance of \$2,616,051 was comprised of bank deposits amounting to \$2,607,838. Of these bank deposits, \$622,774 was insured by federal depository insurance or by the National Credit Union Administration and consequently not exposed to custodial credit risk. Of the remaining bank deposits of \$1,985,064, \$1,258,396 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 124,075
Savings accounts	177,672
Money market	1,511,542
Sweep accounts	794,549
	<u>\$ 2,607,838</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. However, in accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. As such, the Town's investments in fixed income and equity securities for \$550,766 are not exposed to custodial credit risk because those securities are registered in the Town's name and are fully covered by the Securities Investor Protection Corporation (SIPC). \$227,562 of investments in open-ended mutual funds are not exposed to custodial credit risk because their underlying securities do not

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

exist in physical or book-entry form. The remaining investments of \$12,696 are uncollateralized and uninsured.

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

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Equities - common stock	\$ 155,920	\$ 155,920	\$ -	\$ -
Mutual funds - fixed income	394,846	394,846	-	-
Mutual funds - equities	189,101	189,101	-	-
Cash equivalents	51,157	51,157		
	<u>\$ 791,024</u>	<u>\$ 791,024</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

	Receivables (Due from)	Payables (Due to)
General fund	\$ 284,504	\$ 1,165,380
CIP bond fund	1,092,102	-
School maintenance reserve	-	121,665
Library expansion fund	8,290	-
Special revenue fund	76,871	160,794
Capital project fund	33,876	48,104
Permanent fund	750	450
	<u>\$ 1,496,393</u>	<u>\$ 1,496,393</u>

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2015:

	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 1,228,709	\$ -	\$ -	\$ 1,228,709
Construction in progress	735,140	1,090,465	-	1,825,605
	<u>1,963,849</u>	<u>1,090,465</u>	<u>-</u>	<u>3,054,314</u>
Depreciated assets:				
Land improvements	37,532	-	-	37,532
Buildings and improvements	22,037,973	-	-	22,037,973
Books and collections	407,239	-	-	407,239
Furniture and fixtures	4,932	-	-	4,932
Machinery and equipment	4,202,033	-	-	4,202,033
Vehicles	3,360,771	-	-	3,360,771
Infrastructure	5,572,717	-	-	5,572,717
	<u>35,623,197</u>	<u>-</u>	<u>-</u>	<u>35,623,197</u>
Less accumulated depreciation:				
Land improvements	(5,621)	(751)	-	(6,372)
Buildings and improvements	(8,906,989)	(585,883)	-	(9,492,872)
Books and collections	(164,195)	(21,140)	-	(185,335)
Furniture and fixtures	(2,671)	(493)	-	(3,164)
Machinery and equipment	(3,836,619)	(306,290)	-	(4,142,909)
Vehicles	(2,181,561)	(176,998)	-	(2,358,559)
Infrastructure	(3,198,973)	(152,121)	-	(3,351,094)
	<u>(18,296,629)</u>	<u>(1,243,676)</u>	<u>-</u>	<u>(19,540,305)</u>
	<u>17,326,568</u>	<u>(1,243,676)</u>	<u>-</u>	<u>16,082,892</u>
Correction to BB				
Net capital assets	<u>\$ 19,290,417</u>	<u>\$ (153,211)</u>	<u>\$ -</u>	<u>\$ 19,137,206</u>
Current year depreciation:				
General government				\$ 134,538
Public safety				305,056
Recreation & culture				9,376
Education				508,140
Public works				286,566
Total depreciation expense				<u>\$ 1,243,676</u>

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG TERM DEBT

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.

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

	Balance, 7/1/14 (Restated)	Additions	Deletions	Balance, 6/30/15	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable	\$ 7,907,271	\$ 1,500,000	\$ (961,201)	\$ 8,446,070	\$ 1,159,202
Capital leases payable	492,489	-	(136,680)	355,809	145,408
Accrued compensated absences	449,030	50,673	-	499,703	108,807
Net pension liability	1,192,865	235,475	(857,254)	571,086	109,858
Total long-term debt	<u>\$ 10,041,655</u>	<u>\$ 1,786,148</u>	<u>\$ (1,955,135)</u>	<u>\$ 9,872,668</u>	<u>\$ 1,523,275</u>

The following is a summary of outstanding bonds payable:

Bonds Payable:	Town	School
\$200,000, 2001B General Obligation Bond due in annual installments and semiannual interest installments through November 2016. Interest is charged at a rate from 4.039% to 5.539% per annum. Annual principal Installments are \$13,334.	\$ 26,658	\$ -
\$300,000, 2001D General Obligation Bond due in annual installments and semiannual interest installments through November 2016. Interest is charged at a rate from 3.25% to 5.125% per annum. Annual principal Installments are \$20,000.	40,000	-
\$11,455,774, 2002C General Obligation Bond due in annual installments and semiannual interest installments through November 2022. Interest is charged at a rate from 3.05% to 5.25% per annum. Annual principal Installments are \$572,789.	-	4,582,312
\$775,000, 2004A General Obligation Bond due in annual installments and semiannual interest installments through November 2019. Interest is charged at a rate from 2.216% to 7.468% per annum. Annual principal Installments are \$51,667.	258,335	-

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG TERM DEBT (CONTINUED)

\$1,270,000, 2005D General Obligation Bond due in annual installments and semiannual interest installments through November 2015. Interest is charged at a rate from 3.000% to 5.00% per annum. Annual principal Installments are \$127,000.	127,000	-
\$1,200,000, 2009 General Obligation Bond due in annual installments and semiannual interest installments through October 2024. Interest is charged at a rate from 2.500% to 3.75% per annum. Annual principal Installments are \$80,000.	800,000	-
\$1,350,000, 2011 Qualified School Construction Bond due in annual installments and semiannual interest installments through November 2028. Interest is charged at a rate from 4.950% per annum. Annual principal installments are \$68,828.	-	1,111,765
\$1,500,000, 2014 General Obligation Bond due in annual installments and semiannual interest installments through November 2021. Interest is charged at a rate from 2.00% per annum. Annual principal Installments are from \$210,000 to \$215,000.	1,500,000	
Total Bonds Payable	<u>\$ 2,751,993</u>	<u>\$ 5,694,077</u>

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

	Governmental Activities		
	Principal	Interest	Total Debt Service
2016	\$ 1,159,202	\$ 325,686	\$ 1,484,888
2017	1,032,192	281,954	1,314,146
2018	998,868	239,903	1,238,771
2019	998,868	200,971	1,199,839
2020	998,868	195,907	1,194,775
2021-2025	2,940,426	198,140	3,138,566
2026-2029	317,646	133,650	451,296
	<u>\$ 8,446,070</u>	<u>\$ 1,576,211</u>	<u>\$ 10,022,281</u>

In 2011, the Town issued a Series 2011G Public Improvement Qualified School Construction Bond totaling \$1,350,000. Annual principal payments on the bond are required to be deposited into a sinking fund held by the Maine Municipal Bond Bank.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG TERM DEBT (CONTINUED)

The deposits and the interest earned on those deposits will be used to make the principal payment in November 2028. The Town is also required to pay its proportionate share of any investment losses incurred on the investment of sinking fund deposits resulting in insufficient funds to pay the bank bonds when due. As of June 30, 2015, the most recent financial information available, the balance in the sinking fund for the Town of Winthrop totaled \$217,772.

This bond is also eligible for federal interest subsidy payments equal to 92.9% of the true interest cost of the bond as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act.

Due to mandatory federal spending cuts that went into effect March 1, 2013 with sequestration, the federal interest subsidy payments are being adjusted downward. The current sequestration reduction rate is 7.3 percent and is subject to change at any time. The total financial impact to the Town is unknown.

The following is a summary of outstanding capital leases payable:

Capital Leases Payable:	<u>Town</u>	<u>School</u>
The Town leases a police cruiser under a non-cancelable lease agreement. The term of the lease is for 3 years expiring in July of 2017. Annual payments vary from \$6,366 to \$6,705. Interest is charged at a rate of 1.99% per annum.	\$ 18,636	\$ -
The Town leases an ambulance under a non-cancelable lease agreement. The term of the lease is for 4 years expiring in October of 2016. Annual payments are \$39,260. Interest is charged at a rate of 2.74% per annum.	75,302	-
The Town leases an ambulance under a non-cancelable lease agreement. The term of the lease is for 4 years expiring in September of 2017. Annual payments are \$44,156. Interest is charged at a rate of 2.53% per annum.	126,031	-
The Department leases copiers under a non-cancelable lease agreement. The term of the lease is for 6 years expiring in August of 2018. Annual principal and interest payments are \$17,454.	-	53,510
The Department leases a bus under a non-cancelable lease agreement. The term of the lease is for 3 years expiring in September of 2015. Annual principal and interest payments are \$27,893.	-	27,213

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

NOTE 5 - LONG TERM DEBT (CONTINUED)

The Town leases copiers under a non-cancelable lease agreement. The term of the lease is for 5 years expiring in July of 2017. Annual payments are \$4,097. Interest is charged at a rate of 2.47% per annum.

7,888                      -

The Town leases a defibrillator under a non-cancelable lease agreement. The term of the lease is for 5 years expiring in November of 2017. Annual principal payments are \$16,652. Interest is charged at a rate of 3.27% per annum.

47,229                      -

Total Capital Leases Payable

\$    275,086    \$       80,723

Future minimum payments, by year and in the aggregate, under these leases are as follows:

2016	\$    156,222
2017	128,073
2018	84,600
2019	<u>4,364</u>
Total minimum lease payments	373,259
Less: Amount representing interest	<u>(17,450)</u>
Present value of future minimum lease payments	<u>\$    355,809</u>

NOTE 6 – OPERATING LEASES

A summary of the outstanding operating leases payable is as follows:

The Department leases a truck under a non-cancelable lease agreement. The term of the lease is for 60 months ending in February of 2019. Monthly payments are \$335.

Future minimum lease payments at June 30, 2015, are as follows:

2016	\$       4,021
2017	4,021
2018	4,021
2019	2,680
2020	<u>-</u>
Total lease payments	<u>\$    14,743</u>



TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 - NONSPENDABLE FUND BALANCES

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

General fund:	
Prepaid expenses	\$ 3,186
Inventory	2,649
Nonmajor special revenue funds (See Schedule D)	4,882
Nonmajor permanent funds (See Schedule H)	<u>203,492</u>
	<u>\$ 214,209</u>

NOTE 8 - RESTRICTED FUND BALANCES

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

General fund:	
Education	\$ 200,000
CIP bond fund	1,092,102
Library expansion fund	8,290
Nonmajor special revenue funds (See Schedule D)	97,213
Nonmajor permanent funds (See Schedule H)	<u>587,832</u>
	<u>\$ 1,985,437</u>

NOTE 9 - COMMITTED FUND BALANCES

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

School Maintenance Reserve	\$ 13,335
Nonmajor special revenue funds (See Schedule D)	21,821
Nonmajor capital projects funds (See Schedule F)	<u>165,202</u>
	<u>\$ 200,358</u>

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**Plan Description**

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

**Benefits Provided**

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

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's plan members are required to contribute 7.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 7.8% of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$25,641.

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

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

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$2,391,318 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 13.03% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$311,589 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 2.65%, which totaled \$63,370 for 2015. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 13.50% of compensation and totaled \$19,948 the year ended June 30, 2015.

**Pension Liabilities**

*PLD Consolidated Plan*

At June 30, 2015, the Town reported a liability of \$87,815 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 –DEFINED BENEFIT PENSION PLANS (CONTINUED)

proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was 0.057067%, which was an increase of 0.009050% from its proportion measured as of June 30, 2013.

*SET Plan*

At June 30, 2015, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 121,699
State's proportionate share of the net pension liability associated with the Town	<u>4,312,029</u>
Total	<u>\$ 4,433,728</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2014, the Town's proportion was 0.014704%, which was a decrease of 0.002120% from its proportion measured as of June 30, 2013.

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

For the year ended June 30, 2015, the Town recognized total pension expense of \$4,745 for the PLD plan and pension expense of \$13,725 and revenue of \$113,393 for support provided by the State of Maine for the SET plan. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 –DEFINED BENEFIT PENSION PLANS (CONTINUED)

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,430	\$ -	\$ -	\$ 608
Changes of assumptions	-	-	8,381	-
Net difference between projected and actual earnings on pension plan investments	-	477,277	-	52,080
Changes in proportion and differences between contributions and proportionate share of contributions	15,527	-	78,714	89,498
Contributions subsequent to the measurement date	131,058	-	183,667	-
Total	<u>\$ 203,015</u>	<u>\$ 477,277</u>	<u>\$ 270,762</u>	<u>\$ 142,186</u>

\$25,641 for the PLD plan and \$83,318 for the SET plan were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan	SET Plan
Year ended June 30:		
2016	\$ 95,333	\$ 14,525
2017	95,333	14,526
2018	95,334	13,020
2019	119,319	13,020
2020	-	-
Thereafter	-	-

**Actuarial Methods and Assumptions**

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 –DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Actuarial Cost Method*

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

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

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

*Asset Valuation Method*

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

*Amortization*

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

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements.

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Investment Rate of Return* - For the PLD Plan, 7.25% per annum, compounded annually; for the State Employee and Teacher Plan, 7.125% per annum for the year ended June 30, 2014 and 7.25% for the year ended June 30, 2013, compounded annually.

*Salary Increases, Merit and Inflation* - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year; state employees, 3.50% to 10.50% per year; teachers, 3.50% to 13.5% per year.

*Mortality Rates* - For participating local districts and state employee members, the RP2000 Tables projected forward to 2015 using Scale AA are used; for active members and non-disabled retirees of the teachers' plan, the ages are set back two years; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

*Cost of Living Benefit Increases* - 3.12% for participating local districts; 2.55% per annum for state employees and teachers.

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

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



TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Discount Rate*

The discount rate used to measure the collective total pension liability was 7.25% for the PLD Plan and 7.125% for 2014 and 7.25% for 2013 for the SET Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.25% for the PLD Consolidated Plan and 7.125% for the SET Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ 1,401,955	\$ 449,387	\$ (346,841)
<u>SET Plan:</u>			
Discount rate	6.125%	7.125%	8.125%
Town's proportionate share of the net pension liability	\$ 233,104	\$ 121,699	\$ 28,479

**Changes in Net Pension Liability**

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2014, this was 4 years for the PLD Consolidated Plan and 3 years for the SET Plan.

*Differences between Projected and Actual Investment Earnings*

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

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan. For the SET Plan, the change in the discount rate from 7.25% to 7.125% was the only change in assumption in the 2014 valuation.

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

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

**Pension Plan Fiduciary Net Position**

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFERRED COMPENSATION PLAN

The Town offers its employees 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 employees, permits the employee to defer a portion of salary until future years. There is no employer match by the Town. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

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

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

The Town also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all School Department employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

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

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

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

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

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

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The current census of Town benefit participants as of June 30, 2015 was four participants

NOTE 13 – EXPENDITURES OVER APPROPRIATIONS

At June 30, 2015, the Town had the following overspent appropriations:

General government	\$ 59,217
Public safety	89,544
Public works	6,776
Recreation and culture	19,094
Health and sanitation	3,543
Unclassified	17,466
Debt service	1,243
Total	<u>\$ 196,883</u>

NOTE 14 - DEFICIT FUND BALANCES

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

Non-major funds:	
Drug forfeiture grant	856
Fire department grant	6,815
PD bullet vest grant	5,642
Forestry grant	2,040
MCCS facility maint grant	47
Green committee	96
Library roof repair	138
Highway safety	1,990
School grants	54,411
School lunch fund	70,590
Public works reserve	13,541
Workplace safety	7,967
Voting machine reserve	3,705
Total	<u>\$ 167,838</u>

At June 30, 2015, the Town's School Department had a deficit general fund balance of \$396,908, leaving the Town's general fund balance available for appropriation at \$648,649.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 15 - BUDGETARY VS. GAAP BASIS OF ACCOUNTING

Revenues and expenditures as reported in the Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund (Schedule 1) are reported on the basis budgeted by the Town. Statement E is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The following is a reconciliation of the GAAP and budgetary fund balances for the School Department's General Fund.

Fund balance June 30, 2015 - budgetary basis	\$ 182,693
Accrued Summer Salaries	<u>(579,601)</u>
Fund balance June 30, 2015 - GAAP basis	<u>\$ (396,908)</u>

NOTE 16 - JOINT VENTURE

The Town of Winthrop is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture). The Joint Venture is an organization that resulted from a contractual arrangement between certain member municipalities, Penobscot Energy Recovery Company (PERC) and Bangor Hydro Electric Company. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of June 30, 2015, the Town of Winthrop's share of the Joint Venture's net position was approximately \$626,311. Complete financial statements may be obtained from the Municipal Review Committee, 40 Harlow Street, Bangor, Maine 04401.

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.

TOWN OF WINTHROP, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 18 - RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association.

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

NOTE 19 – COMPARATIVE DATA/RECLASSIFICATIONS

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

NOTE 20 – RESTATEMENT

The beginning net position for the governmental activities has been restated as of July 1, 2014. This balance was restated to establish a Library Expansion Fund, eliminate the Library Fund, and move the School Lunch Fund, previously a business-type activity, to the special revenue funds. The governmental activities were restated by (\$247,176).

The beginning net position for the business-type activities has been restated as of July 1, 2014. This balance was restated to move the School Lunch Fund to governmental activities, special revenue funds. The business-type activities were increased by \$77,095, bringing the balance to \$0.

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance was reduced by \$1,074,792, comprised of \$778,284 for the PLD Plan and \$296,508 for the SET Plan.

### 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
- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund Revenues
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions

## TOWN OF WINTHROP, MAINE

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,101,068	\$ 1,101,068	\$ 1,101,068	\$ -
Resources (Inflows):				
General tax revenue	10,211,693	10,211,693	10,332,523	120,830
Intergovernmental revenue	4,371,819	4,371,819	4,315,070	(56,749)
Charges for services	1,275,076	1,275,076	1,208,521	(66,555)
Investment income	1,550	1,550	4,147	2,597
Other revenue	422,694	422,694	298,612	(124,082)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	17,383,900	17,383,900	17,259,941	(123,959)
Charges to Appropriation (Outflows):				
General government	1,377,722	1,377,722	1,436,939	(59,217)
Public safety	2,199,332	2,199,332	2,288,876	(89,544)
Public works	460,494	460,494	467,270	(6,776)
Recreation and culture	305,307	305,307	324,401	(19,094)
Health and sanitation	516,182	516,182	519,725	(3,543)
Social services	48,960	48,960	35,038	13,922
Education	10,094,802	10,094,802	9,913,154	181,648
County tax	638,179	638,179	638,179	-
TIF	64,356	64,356	64,356	-
Overlay	85,609	85,609	2,314	83,295
Unclassified	119,819	119,819	137,285	(17,466)
Debt service	297,844	297,844	299,087	(1,243)
Capital outlay	154,226	154,226	151,140	3,086
Transfers to other funds	145,000	145,000	145,000	-
Total Charges to Appropriations	16,507,832	16,507,832	16,422,764	85,068
Budgetary Fund Balance, June 30	\$ 876,068	\$ 876,068	\$ 837,177	\$ (38,891)
Utilization of unassigned fund balance	\$ 225,000	\$ 225,000	\$ -	\$ (225,000)

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



## TOWN OF WINTHROP, MAINE

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 9,320,693	\$ 9,320,693	\$ 9,279,208	\$ (41,485)
Vehicle excise taxes	875,500	875,500	1,037,602	162,102
Boat excise taxes	15,500	15,500	15,713	213
Intergovernmental revenues:				
Education subsidy	3,893,798	3,893,798	3,834,514	(59,284)
State revenue sharing	234,318	234,318	246,266	11,948
Homestead exemption	125,744	125,744	116,676	(9,068)
Other education intergovernmental	-	-	-	-
Urban rural initiative	61,356	61,356	56,024	(5,332)
BETE reimbursement	36,705	36,705	36,705	-
Tree growth reimbursement	5,383	5,383	5,727	344
Veterans reimbursement	6,140	6,140	6,038	(102)
General assistance	6,000	6,000	13,120	7,120
Other	2,375	2,375	-	(2,375)
Charges for services:				
Ambulance fees	874,308	874,308	808,585	(65,723)
Dispatch fees	61,958	61,958	59,865	(2,093)
Perc and other fees	65,000	65,000	64,258	(742)
Recycling income	67,465	67,465	50,443	(17,022)
Education charges for services	-	-	-	-
Commercial msw	39,195	39,195	38,827	(368)
Agent fees	21,000	21,000	23,115	2,115
Building permits	6,000	6,000	5,853	(147)
Plumbing fees	1,450	1,450	2,743	1,293
Septic fees	3,750	3,750	4,202	452
Vitals	3,600	3,600	3,764	164
Demo fees	100,000	100,000	82,457	(17,543)
Dog fees	9,150	9,150	7,750	(1,400)
Recreation	-	-	15,375	15,375
Other charges for services	22,200	22,200	41,284	19,084
Investment income:				
Investment income	1,550	1,550	4,147	2,597
Other income:				
Cable franchise fees	76,500	76,500	77,212	712
Interest on taxes	43,000	43,000	62,709	19,709
Cemetery maintenance	6,700	6,700	9,815	3,115
Dock rental	4,200	4,200	1,340	(2,860)
Lien fees	8,875	8,875	14,864	5,989
Consent agreements	10,000	10,000	-	(10,000)
Library income	24,984	24,984	25,759	775
Other town income	2,510	2,510	31,430	28,920
BETE and Homestead budgeted twice	155,425	155,425	-	(155,425)
Other education revenue	90,500	90,500	75,483	(15,017)
Total revenues	<u>\$ 16,282,832</u>	<u>\$ 16,282,832</u>	<u>\$ 16,158,873</u>	<u>\$ (123,959)</u>

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

## TOWN OF WINTHROP, MAINE

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

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Proportion of the net pension liability	0.29%	0.29%
Proportionate share of the net pension liability	\$ 449,387	\$ 879,522
Covered-employee payroll	\$ 1,680,235	\$ 1,542,683
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.75%	57.01%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%
 <u>SET Plan:</u>		
Town's proportion of the net pension liability	0.01%	
Town's proportionate share of the net pension liability	\$ 121,699	
State's proportionate share of the net pension liability associated with the Town	<u>4,312,029</u>	
Total	<u><u>\$ 4,433,728</u></u>	
Town's covered-employee payroll	\$ 5,106,910	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	2.38%	
Plan fiduciary net position as a percentage of the total pension liability	83.91%	

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

See accompanying independent auditors' report and notes to the financial statement

## TOWN OF WINTHROP, MAINE

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	2015	2014
<u>PLD Plan:</u>		
Contractually required contribution	\$ 82,062	\$ 49,166
Contributions in relation to the contractually required contribution	<u>(82,062)</u>	<u>(49,166)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,680,235	\$ 1,542,683
Contributions as a percentage of covered- employee payroll	4.88%	3.19%
<u>SET Plan:</u>		
Contractually required contribution	\$ 183,667	\$ 135,453
Contributions in relation to the contractually required contribution	<u>(183,667)</u>	<u>(135,453)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 5,106,910	\$ 4,614,614
Contributions as a percentage of covered- employee payroll	3.60%	2.94%

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

See accompanying independent auditors' report and notes to the 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
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## TOWN OF WINTHROP, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General government</b>					
Town council/boards	\$ 28,481	\$ -	\$ 28,481	\$ 24,212	\$ 4,269
Clerk/treasurer/tax collector	111,778	-	111,778	119,452	(7,674)
Finance	93,221	-	93,221	104,744	(11,523)
Executive administration	77,159	-	77,159	87,606	(10,447)
Insurance	86,665	-	86,665	82,999	3,666
Contracted services	10,013	-	10,013	11,313	(1,300)
Central services	839,176	-	839,176	870,630	(31,454)
Computer services	22,225	-	22,225	31,171	(8,946)
Assessing	47,540	-	47,540	43,509	4,031
Code enforcement	56,364	-	56,364	57,203	(839)
Donations	5,100	-	5,100	4,100	1,000
	<u>1,377,722</u>	<u>-</u>	<u>1,377,722</u>	<u>1,436,939</u>	<u>(59,217)</u>
<b>Public safety</b>					
Police department	655,910	-	655,910	648,686	7,224
Fire department	151,157	-	151,157	148,517	2,640
Communications center	200,436	-	200,436	220,045	(19,609)
Ambulance service	929,759	-	929,759	1,001,004	(71,245)
Street lights	32,800	-	32,800	40,109	(7,309)
Hydrant rental	229,220	-	229,220	230,515	(1,295)
Emergency management	50	-	50	-	50
	<u>2,199,332</u>	<u>-</u>	<u>2,199,332</u>	<u>2,288,876</u>	<u>(89,544)</u>
<b>Public works</b>					
Highways	460,494	-	460,494	467,270	(6,776)
	<u>460,494</u>	<u>-</u>	<u>460,494</u>	<u>467,270</u>	<u>(6,776)</u>
<b>Health and sanitation</b>					
Solid waste	516,182	-	516,182	519,725	(3,543)
	<u>516,182</u>	<u>-</u>	<u>516,182</u>	<u>519,725</u>	<u>(3,543)</u>

## TOWN OF WINTHROP, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Social services</b>					
General assistance	34,400	-	34,400	19,818	14,582
General assistance administration	14,560	-	14,560	15,220	(660)
	<u>48,960</u>	<u>-</u>	<u>48,960</u>	<u>35,038</u>	<u>13,922</u>
<b>Recreation and culture</b>					
Library	252,192	-	252,192	258,217	(6,025)
Recreation programs	51,240	-	51,240	64,055	(12,815)
Norcross point park	1,875	-	1,875	2,129	(254)
	<u>305,307</u>	<u>-</u>	<u>305,307</u>	<u>324,401</u>	<u>(19,094)</u>
<b>Education</b>	<u>10,094,802</u>	<u>-</u>	<u>10,094,802</u>	<u>9,913,154</u>	<u>181,648</u>
<b>County tax</b>	<u>638,179</u>	<u>-</u>	<u>638,179</u>	<u>638,179</u>	<u>-</u>
<b>Capital outlay</b>	<u>154,226</u>	<u>-</u>	<u>154,226</u>	<u>151,140</u>	<u>3,086</u>
<b>Debt service</b>					
Principal	254,788	-	254,788	256,332	(1,544)
Interest	43,056	-	43,056	42,755	301
	<u>297,844</u>	<u>-</u>	<u>297,844</u>	<u>299,087</u>	<u>(1,243)</u>
<b>TIF</b>	<u>64,356</u>	<u>-</u>	<u>64,356</u>	<u>64,356</u>	<u>-</u>
<b>Overlay</b>	<u>85,609</u>	<u>-</u>	<u>85,609</u>	<u>2,314</u>	<u>83,295</u>
<b>Unclassified</b>					
Cemetery	35,406	-	35,406	34,779	627
Cobbosse watershed district	76,518	-	76,518	76,518	-
Landfill building	7,895	-	7,895	9,982	(2,087)
Expenditures from fund balance	-	-	-	16,006	(16,006)
	<u>119,819</u>	<u>-</u>	<u>119,819</u>	<u>137,285</u>	<u>(17,466)</u>
<b>Total Expenditures</b>	<u>\$ 16,362,832</u>	<u>\$ -</u>	<u>\$ 16,362,832</u>	<u>\$ 16,277,764</u>	<u>\$ 85,068</u>

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

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,651	\$ 154,217	\$ -	\$ 157,868
Investments	-	-	791,024	791,024
Accounts receivable	13,605	-	-	13,605
Inventory	4,882	-	-	4,882
Due from other funds	76,871	33,876	750	111,497
<b>TOTAL ASSETS</b>	<u>\$ 99,009</u>	<u>\$ 188,093</u>	<u>\$ 791,774</u>	<u>\$ 1,078,876</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,796	\$ -	\$ -	\$ 1,796
Due to other funds	160,794	48,104	450	209,348
<b>TOTAL LIABILITIES</b>	<u>162,590</u>	<u>48,104</u>	<u>450</u>	<u>211,144</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	4,882	-	203,492	208,374
Restricted	97,213	-	587,832	685,045
Committed	21,821	165,202	-	187,023
Assigned	-	-	-	-
Unassigned	(187,497)	(25,213)	-	(212,710)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>(63,581)</u>	<u>139,989</u>	<u>791,324</u>	<u>867,732</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 99,009</u>	<u>\$ 188,093</u>	<u>\$ 791,774</u>	<u>\$ 1,078,876</u>

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

## TOWN OF WINTHROP, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 953,574	\$ -	\$ -	\$ 953,574
Investment income, net of unrealized gains/(losses)	-	-	529	529
Interest income	3	293	5,952	6,248
Charges for services	137,667	-	-	137,667
Other income	28,962	16,599	-	45,561
TOTAL REVENUES	<u>1,120,206</u>	<u>16,892</u>	<u>6,481</u>	<u>1,143,579</u>
EXPENDITURES				
Public safety	12,325	-	-	12,325
Education	642,081	-	3,650	645,731
Program expenses	607,610	1,073	2,300	610,983
Capital outlay	10,000	-	-	10,000
TOTAL EXPENDITURES	<u>1,272,016</u>	<u>1,073</u>	<u>5,950</u>	<u>1,279,039</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(151,810)</u>	<u>15,819</u>	<u>531</u>	<u>(135,460)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	145,000	-	-	145,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>145,000</u>
NET CHANGE IN FUND BALANCES	(6,810)	15,819	531	9,540
FUND BALANCES (DEFICITS) - JULY 1	<u>(56,771)</u>	<u>124,169</u>	<u>790,792</u>	<u>858,190</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u><u>\$ (63,581)</u></u>	<u><u>\$ 139,988</u></u>	<u><u>\$ 791,323</u></u>	<u><u>\$ 867,730</u></u>

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



### Special Revenue Funds

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

## TOWN OF WINTHROP, MAINE

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

	Winthrop Unites	Police Drug Forfeiture	Byrne PD Radio Equipment	Drug Forfeiture Grant	Homeland Security Grant	Fire Dept Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ 3,651	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	11,038	-
Due from other funds	8,129	-	1,044	-	-	-
TOTAL ASSETS	<u>\$ 8,129</u>	<u>\$ 3,651</u>	<u>\$ 1,044</u>	<u>\$ -</u>	<u>\$ 11,038</u>	<u>\$ -</u>
LIABILITIES						
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,380	-	856	11,038	6,815
TOTAL LIABILITIES	<u>-</u>	<u>1,380</u>	<u>-</u>	<u>856</u>	<u>11,038</u>	<u>6,815</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	2,271	-	-	-	-
Committed	8,129	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	1,044	(856)	-	(6,815)
TOTAL FUND BALANCES (DEFICITS)	<u>8,129</u>	<u>2,271</u>	<u>1,044</u>	<u>(856)</u>	<u>-</u>	<u>(6,815)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 8,129</u>	<u>\$ 3,651</u>	<u>\$ 1,044</u>	<u>\$ -</u>	<u>\$ 11,038</u>	<u>\$ -</u>

## TOWN OF WINTHROP, MAINE

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

	Cops Fast Federal Grant	PD Bullet Vest Grant	Forestry Grant	MCCS Facility Maint Grant	Green Committee	MMA Safety Enhancement
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	14,618	-	-	-	-	2,536
TOTAL ASSETS	<u>\$ 14,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,536</u>
LIABILITIES						
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	5,642	2,040	47	96	-
TOTAL LIABILITIES	<u>-</u>	<u>5,642</u>	<u>2,040</u>	<u>47</u>	<u>96</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	14,618	-	-	-	-	2,536
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	(5,642)	(2,040)	(47)	(96)	-
TOTAL FUND BALANCES (DEFICITS)	<u>14,618</u>	<u>(5,642)</u>	<u>(2,040)</u>	<u>(47)</u>	<u>(96)</u>	<u>2,536</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 14,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,536</u>

## SCHEDULE D (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Solar Panel Grant	Summer Concert	Winthrop Community Coalition	FEMA Reimbursement PW Roads	Library Roof Repair	Trail Committee Project
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	1,156	1,678	4,400	2,016	-	2,468
<b>TOTAL ASSETS</b>	<u>\$ 1,156</u>	<u>\$ 1,678</u>	<u>\$ 4,400</u>	<u>\$ 2,016</u>	<u>\$ -</u>	<u>\$ 2,468</u>
<b>LIABILITIES</b>						
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	138	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	1,156	-	-	-	-	-
Committed	-	1,678	4,400	2,016	-	2,468
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(138)	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>1,156</u>	<u>1,678</u>	<u>4,400</u>	<u>2,016</u>	<u>(138)</u>	<u>2,468</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 1,156</u>	<u>\$ 1,678</u>	<u>\$ 4,400</u>	<u>\$ 2,016</u>	<u>\$ -</u>	<u>\$ 2,468</u>

## SCHEDULE D (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Snowmobile Grant	MEMA Grant Generator	Library Expansion Grant	Highway Safety	Community Development Grant	School Lunch Fund	School Grants	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,651
Accounts receivable	-	-	-	-	2,567	-	-	13,605
Inventory	-	-	-	-	-	4,882	-	4,882
Due from other funds	2,192	22,634	14,000	-	-	-	-	76,871
<b>TOTAL ASSETS</b>	<u>\$ 2,192</u>	<u>\$ 22,634</u>	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 4,882</u>	<u>\$ -</u>	<u>\$ 99,009</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,721	\$ 75	\$ 1,796
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	1,990	2,665	73,751	54,336	160,794
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,990</u>	<u>2,665</u>	<u>75,472</u>	<u>54,411</u>	<u>162,590</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	4,882	-	4,882
Restricted	2,192	22,634	14,000	-	-	-	37,806	97,213
Committed	-	-	-	-	-	-	3,130	21,821
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,990)	(98)	(75,472)	(95,347)	(187,497)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>2,192</u>	<u>22,634</u>	<u>14,000</u>	<u>(1,990)</u>	<u>(98)</u>	<u>(70,590)</u>	<u>(54,411)</u>	<u>(63,581)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 2,192</u>	<u>\$ 22,634</u>	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 4,882</u>	<u>\$ -</u>	<u>\$ 99,009</u>

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

## SCHEDULE E

## TOWN OF WINTHROP, MAINE

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

	Winthrop Unites	Police Drug Forfeiture	Byrne PD Radio Equipment	Drug Forfeiture Grant	Homeland Security Grant	Fire Dept Grant
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ 1,196	\$ -	\$ 11,038	\$ -
Interest income	-	3	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
TOTAL REVENUES	-	3	1,196	-	11,038	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Public safety	-	-	-	-	11,038	-
Education	-	-	-	-	-	-
Program expenses	1,419	-	-	-	-	-
TOTAL EXPENDITURES	1,419	-	-	-	11,038	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,419)	3	1,196	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,419)	3	1,196	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	9,548	2,268	(152)	(856)	-	(6,815)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 8,129	\$ 2,271	\$ 1,044	\$ (856)	\$ -	\$ (6,815)

## TOWN OF WINTHROP, MAINE

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

	Cops Fast Federal Grant	PD Bullet Vest Grant	Forestry Grant	MCCS Facility Maint Grant	Green Committee	MMA Safety Enhancement
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492
Interest income	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	1,492
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,287
Education	-	-	-	-	-	-
Program expenses	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	1,287
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	205
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	205
FUND BALANCES (DEFICITS) - JULY 1	14,618	(5,642)	(2,040)	(47)	(96)	2,331
FUND BALANCES (DEFICITS) - JUNE 30	\$ 14,618	\$ (5,642)	\$ (2,040)	\$ (47)	\$ (96)	\$ 2,536

## TOWN OF WINTHROP, MAINE

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

	Solar Panel Grant	Summer Concert	Winthrop Community Coalition	FEMA Reimbursement PW Roads	Library Roof Repair	Trail Committee Project
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenues	-	2,600	-	-	-	-
TOTAL REVENUES	-	2,600	-	-	-	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Education	-	-	-	-	-	-
Program expenses	-	1,507	-	-	-	-
TOTAL EXPENDITURES	-	1,507	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,093	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	1,093	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	1,156	585	4,400	2,016	(138)	2,468
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,156	\$ 1,678	\$ 4,400	\$ 2,016	\$ (138)	\$ 2,468



## SCHEDULE E (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Snowmobile Grant	MEMA Grant Generator	Library Expansion Grant	Highway Safety	Community Development Grant	School Lunch Fund	School Grants	Totals
REVENUES								
Intergovernmental revenue	\$ 3,025	\$ -	\$ -	\$ -	\$ 134,003	\$ 232,087	\$ 570,733	\$ 953,574
Interest income	-	-	-	-	-	-	-	3
Charges for services	-	-	-	-	-	99,339	38,328	137,667
Other revenues	-	-	-	-	-	662	25,700	28,962
TOTAL REVENUES	<u>3,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,003</u>	<u>332,088</u>	<u>634,761</u>	<u>1,120,206</u>
EXPENDITURES								
Capital outlay	-	-	10,000	-	-	-	-	10,000
Public safety	-	-	-	-	-	-	-	12,325
Education	-	-	-	-	-	-	642,081	642,081
Program expenses	-	-	-	-	134,101	470,583	-	607,610
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>134,101</u>	<u>470,583</u>	<u>642,081</u>	<u>1,272,016</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,025</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(98)</u>	<u>(138,495)</u>	<u>(7,320)</u>	<u>(151,810)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	145,000	-	145,000
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,000</u>	<u>-</u>	<u>145,000</u>
NET CHANGE IN FUND BALANCES	3,025	-	(10,000)	-	(98)	6,505	(7,320)	(6,810)
FUND BALANCES (DEFICITS) - JULY 1	<u>(833)</u>	<u>22,634</u>	<u>24,000</u>	<u>(1,990)</u>	<u>-</u>	<u>(77,095)</u>	<u>(47,091)</u>	<u>(56,771)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,192</u>	<u>\$ 22,634</u>	<u>\$ 14,000</u>	<u>\$ (1,990)</u>	<u>\$ (98)</u>	<u>\$ (70,590)</u>	<u>\$ (54,411)</u>	<u>\$ (63,581)</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 WINTHROP, MAINE

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

	Landfill Closing	Equipment Reserve	Community Mural Project	Fire Truck Reserve	Public Works Reserve	Sweeper Reserve
ASSETS						
Cash and cash equivalents	\$ 4,250	\$ 79	\$ 450	\$ 10,465	\$ 17,459	\$ 88,677
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	4,000
TOTAL ASSETS	<u>\$ 4,250</u>	<u>\$ 79</u>	<u>\$ 450</u>	<u>\$ 10,465</u>	<u>\$ 17,459</u>	<u>\$ 92,677</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	31,000	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,000</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	4,250	79	450	10,465	-	92,677
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(13,541)	-
TOTAL FUND BALANCES (DEFICITS)	<u>4,250</u>	<u>79</u>	<u>450</u>	<u>10,465</u>	<u>(13,541)</u>	<u>92,677</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 4,250</u>	<u>\$ 79</u>	<u>\$ 450</u>	<u>\$ 10,465</u>	<u>\$ 17,459</u>	<u>\$ 92,677</u>

## TOWN OF WINTHROP, MAINE

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

	Development Fund (TIF)	Transfer Stat Loading Area	Downtown Development	Fire Station Fund	Skate Park	Workplace Safety
ASSETS						
Cash and cash equivalents	\$ 67	\$ 9,431	\$ 8,274	\$ 1,411	\$ 4,090	\$ 4,118
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 67</u>	<u>\$ 9,431</u>	<u>\$ 8,274</u>	<u>\$ 1,411</u>	<u>\$ 4,090</u>	<u>\$ 4,118</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	12,085
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,085</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	67	9,431	8,274	1,411	4,090	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,967)
TOTAL FUND BALANCES (DEFICITS)	<u>67</u>	<u>9,431</u>	<u>8,274</u>	<u>1,411</u>	<u>4,090</u>	<u>(7,967)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 67</u>	<u>\$ 9,431</u>	<u>\$ 8,274</u>	<u>\$ 1,411</u>	<u>\$ 4,090</u>	<u>\$ 4,118</u>

## TOWN OF WINTHROP, MAINE

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

	Ambulance Reserve	Tax Loss Reserve	Sand / Salt Shed Reserve	Ball Field Reserve	Mt. Pisgah Trail Reserve	Voting Mach Reserve
ASSETS						
Cash and cash equivalents	\$ 147	\$ 111	\$ 1,662	\$ 169	\$ 1,990	\$ 1,314
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 147</u>	<u>\$ 111</u>	<u>\$ 1,662</u>	<u>\$ 169</u>	<u>\$ 1,990</u>	<u>\$ 1,314</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	5,019
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,019</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	147	111	1,662	169	1,990	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(3,705)
TOTAL FUND BALANCES (DEFICITS)	<u>147</u>	<u>111</u>	<u>1,662</u>	<u>169</u>	<u>1,990</u>	<u>(3,705)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 147</u>	<u>\$ 111</u>	<u>\$ 1,662</u>	<u>\$ 169</u>	<u>\$ 1,990</u>	<u>\$ 1,314</u>

## SCHEDULE F (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Road Reconstruction	Library Building	Grounds Renovation	PD Station Painting	PD Cruiser Tablets	Maranacook Dam Repairs	Comm Tower Repairs	School Capital Reserve	Totals
ASSETS									
Cash and cash equivalents	\$ 53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,217
Investments	-	-	-	-	-	-	-	-	-
Due from other funds	-	7,381	1,500	2,000	1,469	7,330	300	9,896	33,876
TOTAL ASSETS	<u>\$ 53</u>	<u>\$ 7,381</u>	<u>\$ 1,500</u>	<u>\$ 2,000</u>	<u>\$ 1,469</u>	<u>\$ 7,330</u>	<u>\$ 300</u>	<u>\$ 9,896</u>	<u>\$ 188,093</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	48,104
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,104</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	53	7,381	1,500	2,000	1,469	7,330	300	9,896	165,202
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(25,213)
TOTAL FUND BALANCES (DEFICITS)	<u>53</u>	<u>7,381</u>	<u>1,500</u>	<u>2,000</u>	<u>1,469</u>	<u>7,330</u>	<u>300</u>	<u>9,896</u>	<u>139,989</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 53</u>	<u>\$ 7,381</u>	<u>\$ 1,500</u>	<u>\$ 2,000</u>	<u>\$ 1,469</u>	<u>\$ 7,330</u>	<u>\$ 300</u>	<u>\$ 9,896</u>	<u>\$ 188,093</u>

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

## TOWN OF WINTHROP, MAINE

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

	Landfill Closing	Equipment Reserve	Community Mural Project	Fire Truck Reserve	Public Works Reserve	Sweeper Reserve
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	9	-	1	5	35	177
Other income	-	-	-	-	-	4,000
TOTAL REVENUES	<u>9</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>35</u>	<u>4,177</u>
EXPENDITURES						
Program expenses	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>35</u>	<u>4,177</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9	-	1	5	35	4,177
FUND BALANCES (DEFICITS) - JULY 1	<u>4,241</u>	<u>79</u>	<u>449</u>	<u>10,460</u>	<u>(13,576)</u>	<u>88,500</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 4,250</u>	<u>\$ 79</u>	<u>\$ 450</u>	<u>\$ 10,465</u>	<u>\$ (13,541)</u>	<u>\$ 92,677</u>

## TOWN OF WINTHROP, MAINE

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

	Development Fund (TIF)	Transfer Stat Loading Area	Downtown Development	Fire Station Fund	Skate Park	Workplace Safety
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	19	16	3	8	9
Other income	-	-	-	-	-	-
TOTAL REVENUES	-	19	16	3	8	9
EXPENDITURES						
Program expenses	-	-	-	-	-	1,073
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	1,073
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	19	16	3	8	(1,064)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	19	16	3	8	(1,064)
FUND BALANCES (DEFICITS) - JULY 1	67	9,412	8,258	1,408	4,082	(6,903)
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 67</u>	<u>\$ 9,431</u>	<u>\$ 8,274</u>	<u>\$ 1,411</u>	<u>\$ 4,090</u>	<u>\$ (7,967)</u>



## SCHEDULE G (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Ambulance Reserve	Tax Loss Reserve	Sand / Salt Shed Reserve	Ball Field Reserve	Mt. Pisgah Trail Reserve	Voting Mach Reserve
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	3	-	4	3
Other income	-	-	-	-	-	-
TOTAL REVENUES	-	-	3	-	4	3
EXPENDITURES						
Program expenses	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	3	-	4	3
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	3	-	4	3
FUND BALANCES (DEFICITS) - JULY 1	147	111	1,659	169	1,986	(3,708)
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 147</u>	<u>\$ 111</u>	<u>\$ 1,662</u>	<u>\$ 169</u>	<u>\$ 1,990</u>	<u>\$ (3,705)</u>

## SCHEDULE G (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Road Reconstruction	Library Building	Grounds Renovation	PD Station Painting	PD Cruiser Tablets	Maranacook Dam Repairs	Comm Tower Repairs	School Capital Reserve	Totals
REVENUES									
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	1	-	-	-	-	-	-	293
Other income	-	-	1,500	2,000	1,469	7,330	300	-	16,599
TOTAL REVENUES	-	1	1,500	2,000	1,469	7,330	300	-	16,892
EXPENDITURES									
Program expenses	-	-	-	-	-	-	-	-	1,073
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-	1,073
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1	1,500	2,000	1,469	7,330	300	-	15,819
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	1	1,500	2,000	1,469	7,330	300	-	15,819
FUND BALANCES (DEFICITS) - JULY 1	53	7,380	-	-	-	-	-	9,896	124,169
FUND BALANCES (DEFICITS) - JUNE 30	\$ 53	\$ 7,381	\$ 1,500	\$ 2,000	\$ 1,469	\$ 7,330	\$ 300	\$ 9,896	\$ 139,988

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

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Alice Whiting	Avis Cadwell	Bud Clough	Charlie Rollins	Del Bisonette	George F. Wilson
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,936	25,056	7,048	645	9,037	4,757
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,936</u>	<u>\$ 25,056</u>	<u>\$ 7,048</u>	<u>\$ 645</u>	<u>\$ 9,037</u>	<u>\$ 4,757</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable - principal	1,000	15,000	3,783	250	5,000	2,473
Restricted	936	10,056	3,115	395	4,037	2,284
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,936</u>	<u>25,056</u>	<u>6,898</u>	<u>645</u>	<u>9,037</u>	<u>4,757</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,936</u>	<u>\$ 25,056</u>	<u>\$ 7,048</u>	<u>\$ 645</u>	<u>\$ 9,037</u>	<u>\$ 4,757</u>

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Harry & Flora May Davis	Helena Bisonette Seamans	Herbert E. Wadsworth	Nellie Tuttle Valedictorian	P. Daniel Coyne	Pam Webb
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	9,100	8,519	75,714	1,521	6,184	6,160
Due from other funds	-	-	-	-	150	250
TOTAL ASSETS	<u>\$ 9,100</u>	<u>\$ 8,519</u>	<u>\$ 75,714</u>	<u>\$ 1,521</u>	<u>\$ 6,334</u>	<u>\$ 6,410</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable - principal	5,000	5,000	35,626	1,000	3,313	3,301
Restricted	4,100	3,519	40,088	521	3,021	3,109
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>9,100</u>	<u>8,519</u>	<u>75,714</u>	<u>1,521</u>	<u>6,334</u>	<u>6,410</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,100</u>	<u>\$ 8,519</u>	<u>\$ 75,714</u>	<u>\$ 1,521</u>	<u>\$ 6,334</u>	<u>\$ 6,410</u>

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Rockwood Memorial Library	Ron Cross	Stanley A. Kazney	Thomas Calagni	Walter A. Taylor	Helen A. Griffin
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,642	13,654	178,177	4,263	6,697	8,417
Due from other funds	-	350	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,642</u>	<u>\$ 14,004</u>	<u>\$ 178,177</u>	<u>\$ 4,263</u>	<u>\$ 6,697</u>	<u>\$ 8,417</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable - principal	500	5,373	100,000	3,557	3,171	985
Restricted	1,142	8,631	77,877	706	3,526	7,432
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,642</u>	<u>14,004</u>	<u>177,877</u>	<u>4,263</u>	<u>6,697</u>	<u>8,417</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,642</u>	<u>\$ 14,004</u>	<u>\$ 178,177</u>	<u>\$ 4,263</u>	<u>\$ 6,697</u>	<u>\$ 8,417</u>

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Marshall Hills	Frank Parker	Subtotal Education Scholarships	Town Scholarship N. Tuttle Needy
ASSETS				
Cash and cash equivalents	\$ -	\$ -	-	\$ -
Investments	2,712	7,544	378,783	3,179
Due from other funds	-	-	750	-
TOTAL ASSETS	<u>\$ 2,712</u>	<u>\$ 7,544</u>	<u>\$ 379,533</u>	<u>\$ 3,179</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	450	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>450</u>	<u>-</u>
FUND BALANCES				
Nonspendable - principal	2,000	6,160	202,492	1,000
Restricted	712	1,384	176,591	2,179
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>2,712</u>	<u>7,544</u>	<u>379,083</u>	<u>3,179</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,712</u>	<u>\$ 7,544</u>	<u>\$ 379,533</u>	<u>\$ 3,179</u>

## TOWN OF WINTHROP, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Cemetery Trust	H. Johnson Fund	I Bonney Fund	Totals
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	402,953	2,556	3,553	791,024
Due from other funds	-	-	-	750
TOTAL ASSETS	<u>\$ 402,953</u>	<u>\$ 2,556</u>	<u>\$ 3,553</u>	<u>\$ 791,774</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ 450
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>450</u>
FUND BALANCES				
Nonspendable - principal	-	-	-	203,492
Restricted	402,953	2,556	3,553	587,832
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>402,953</u>	<u>2,556</u>	<u>3,553</u>	<u>791,324</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 402,953</u>	<u>\$ 2,556</u>	<u>\$ 3,553</u>	<u>\$ 791,774</u>

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



## TOWN OF WINTHROP, MAINE

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

	Alice Whiting	Avis Cadwell	Bud Clough	Charlie Rollins	Del Bisonette	George F. Wilson
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 1	\$ 18	\$ 5	\$ -	\$ 6	\$ 3
Interest income	14	194	52	5	69	36
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>15</u>	<u>212</u>	<u>57</u>	<u>5</u>	<u>75</u>	<u>39</u>
EXPENDITURES						
Scholarships	-	200	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15</u>	<u>12</u>	<u>57</u>	<u>5</u>	<u>75</u>	<u>39</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15	12	57	5	75	39
FUND BALANCES - JULY 1	<u>1,921</u>	<u>25,044</u>	<u>6,841</u>	<u>640</u>	<u>8,962</u>	<u>4,718</u>
FUND BALANCES - JUNE 30	<u>\$ 1,936</u>	<u>\$ 25,056</u>	<u>\$ 6,898</u>	<u>\$ 645</u>	<u>\$ 9,037</u>	<u>\$ 4,757</u>

## SCHEDULE I (CONTINUED)

## TOWN OF WINTHROP, MAINE

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

	Harry & Flora May Davis	Helena Bisonette Seamans	Herbert E. Wadsworth	Nellie Tuttle Valedictorian	P. Daniel Coyne	Pam Webb
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 7	\$ 6	\$ 54	\$ 1	\$ 4	\$ 4
Interest income	70	65	582	12	48	48
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>77</u>	<u>71</u>	<u>636</u>	<u>13</u>	<u>52</u>	<u>52</u>
EXPENDITURES						
Scholarships	-	-	-	-	-	100
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>77</u>	<u>71</u>	<u>636</u>	<u>13</u>	<u>52</u>	<u>(48)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	77	71	636	13	52	(48)
FUND BALANCES - JULY 1	<u>9,023</u>	<u>8,448</u>	<u>75,078</u>	<u>1,508</u>	<u>6,282</u>	<u>6,458</u>
FUND BALANCES - JUNE 30	<u>\$ 9,100</u>	<u>\$ 8,519</u>	<u>\$ 75,714</u>	<u>\$ 1,521</u>	<u>\$ 6,334</u>	<u>\$ 6,410</u>

## TOWN OF WINTHROP, MAINE

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

	Rockwood Memorial Library	Ron Cross	Stanley A. Kazney	Thomas Calagni	Walter A. Taylor	Helen A. Griffin
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 1	\$ 10	\$ 128	\$ 3	\$ 6	\$ 6
Interest income	7	105	1,367	35	62	65
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>8</u>	<u>115</u>	<u>1,495</u>	<u>38</u>	<u>68</u>	<u>71</u>
EXPENDITURES						
Scholarships	-	100	1,750	500	1,000	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>100</u>	<u>1,750</u>	<u>500</u>	<u>1,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8</u>	<u>15</u>	<u>(255)</u>	<u>(462)</u>	<u>(932)</u>	<u>71</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8	15	(255)	(462)	(932)	71
FUND BALANCES - JULY 1	<u>1,634</u>	<u>13,989</u>	<u>178,132</u>	<u>4,725</u>	<u>7,629</u>	<u>8,346</u>
FUND BALANCES - JUNE 30	<u>\$ 1,642</u>	<u>\$ 14,004</u>	<u>\$ 177,877</u>	<u>\$ 4,263</u>	<u>\$ 6,697</u>	<u>\$ 8,417</u>

## TOWN OF WINTHROP, MAINE

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

	Marshall Hills	Frank Parker	Subtotal Education Scholarships	Town Scholarship N. Tuttle Needy
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 2	\$ 5	270	\$ 2
Interest income	20	59	2,915	17
Other income	-	-	-	-
TOTAL REVENUES	<u>22</u>	<u>64</u>	<u>3,185</u>	<u>19</u>
EXPENDITURES				
Scholarships	-	-	3,650	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,650</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>22</u>	<u>64</u>	<u>(465)</u>	<u>19</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	22	64	(465)	19
FUND BALANCES - JULY 1	<u>2,690</u>	<u>7,480</u>	<u>379,548</u>	<u>3,160</u>
FUND BALANCES - JUNE 30	<u>\$ 2,712</u>	<u>\$ 7,544</u>	<u>\$ 379,083</u>	<u>\$ 3,179</u>

## TOWN OF WINTHROP, MAINE

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

	Cemetery Trust	H. Johnson Fund	I Bonney Fund	Totals
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 254	\$ 1	\$ 2	\$ 529
Interest income	2,992	10	18	5,952
Other income	-	-	-	-
TOTAL REVENUES	<u>3,246</u>	<u>11</u>	<u>20</u>	<u>6,481</u>
EXPENDITURES				
Scholarships	-	-	-	3,650
Other	2,300	-	-	2,300
TOTAL EXPENDITURES	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>5,950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>946</u>	<u>11</u>	<u>20</u>	<u>531</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	946	11	20	531
FUND BALANCES - JULY 1	<u>402,007</u>	<u>2,544</u>	<u>3,533</u>	<u>790,792</u>
FUND BALANCES - JUNE 30	<u>\$ 402,953</u>	<u>\$ 2,555</u>	<u>\$ 3,553</u>	<u>\$ 791,323</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 WINTHROP, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ 1,916,585	\$ 1,200,888	\$ 704,309	\$ -	\$ 3,821,782
Public safety	265,889	1,621,462	3,359,506	-	5,246,857
Recreation & culture	44,000	394,433	454,336	76,041	968,810
Education	735,140	17,580,872	1,580,922	-	19,896,934
Public works	92,700	1,277,850	1,875,902	5,496,676	8,743,128
Total General Capital Assets	3,054,314	22,075,505	7,974,975	5,572,717	38,677,511
Less: Accumulated Depreciation	-	(9,499,244)	(6,689,967)	(3,351,094)	(19,540,305)
Net General Capital Assets	\$ 3,054,314	\$ 12,576,261	\$ 1,285,008	\$ 2,221,623	\$ 19,137,206

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

## TOWN OF WINTHROP, MAINE

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

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
General government	\$ 2,731,317	\$ 1,090,465	\$ -	\$ 3,821,782
Public safety	5,246,857	-	-	5,246,857
Recreation & culture	968,810	-	-	968,810
Education	19,896,934	-	-	19,896,934
Public works	8,743,128	-	-	8,743,128
Total General Capital Assets	37,257,862	1,090,465	-	38,677,511
Less: Accumulated Depreciation	(18,296,629)	(1,243,676)	-	(19,540,305)
Net General Capital Assets	<u>\$ 19,290,417</u>	<u>\$ (153,211)</u>	<u>\$ -</u>	<u>\$ 19,137,206</u>

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



TOWN OF WINTHROP, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Thru Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through State of Maine - of Education and Cultural Services:			
School Breakfast Program	10.555	013-06A-7127-05	\$ 88,719
School Lunch Program	10.555	013-06A-7128-95	134,872
Total Department of Agriculture			<u>223,591</u>
U.S. Department of Education			
Passed through State of Maine-Department of Education and Cultural Services:			
Title IA - Educationally Deprived	84.010	013-05A-6334-13	197,375
Local Entitlement	84.027	013-05A-6317-12	252,297
Rural Low Income	84.358	013-05A-1078-03	21,594
Title IIA-Teaching Quality	84.367	013-05A-1138-11	52,218
College Access Grant	84.378	N/A	6,536
Adult Ed and Family Literacy	84.002	013-05A-6296-64	15,185
Total Department of Education			<u>545,205</u>
U.S. Department of Commerce			
Passed through State of Maine-Department of Education			
NTIA/MARTI	11.557	020-05A-3112-64	-
TOTAL FEDERAL ASSISTANCE			<u>\$ 768,796</u>

TOWN OF WINTHROP, MAINE

NOTES TO SCHEDULE OF FEDERAL AWARDS  
JUNE 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Town of Winthrop, Maine. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. The following programs were tested as Type A program as outlined in OMB Circular A-133.

- 1) 84.027 - Local Entitlement
- 2) 84.010 - Title IA



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

Town Council  
Town of Winthrop  
Winthrop, Maine

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winthrop, Maine as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Winthrop's basic financial statements, and have issued our report thereon dated January 26, 2016.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
January 26, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133

Town Council  
Town of Winthrop  
Winthrop, Maine

Report on Compliance for Each Major Federal Program

We have audited the Town of Winthrop, Maine's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Winthrop, Maine's major federal programs for the year ended June 30, 2015. The Town of Winthrop, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Winthrop, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Winthrop, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Winthrop, Maine's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Town of Winthrop, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

#### Report on Internal Control Over Compliance

Management of the Town of Winthrop, Maine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Winthrop, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Winthrop, Maine's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
January 26, 2016

TOWN OF WINTHROP, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

**Section I - Summary of Auditor's Results**

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no
- Noncompliance material to financial statements noted ☐ yes ☒ no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported

In accordance with section 510(a) of OMB Circular A-133? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	Local Entitlement
84.010	Title IA

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None





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## INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Town Council  
Town of Winthrop  
Winthrop, Maine

We have audited the financial statements of Town of Winthrop, Maine for the year ended June 30, 2015 and have issued our report thereon dated January 26, 2016. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place, and have reviewed the annual financial report that was submitted to the Unit for accuracy. In addition we have reviewed the Unit's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Winthrop complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Winthrop was in noncompliance with, or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the MEDMS financial system maintained at the Department.

This report is intended solely for the information of the Town Council, School Board, management and the Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

*RHR Smith & Company*

Buxton, Maine  
January 26, 2016

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
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WINTHROP SCHOOL DEPARTMENT

RECONCILIATION OF MEDMS ANNUAL REPORT TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Fund (3000)	Totals
June 30, 2015 Balance per MEDMS Financial System	\$ (6,814,570)	\$ (165,291)	\$ 26,868	\$ (6,952,993)
<b>Revenue Adjustments:</b>	-	-	-	-
<b>Expenditure Adjustments:</b>	-	-	-	-
<b>Other adjustments:</b>				
Fund 1500 - Adult Education	-	25,029	-	25,029
Fund 2300 - Title IA	-	14,984	-	14,984
Fund 2260 - Adult Ed ITV (beginning balance)	-	95	-	95
Fund 2470 - Local Entitlement	-	5,711	-	5,711
Fund 2900 - ITV (beginning balance)	-	(5,529)	-	(5,529)
Fund 4000 - Maintenance Reserve	-	-	(3,636)	(3,636)
Audit Adjustments Not Posted:				
Revenues - State and Local Funds	6,267,719	-	-	6,267,719
Revenues - Local School Lunch Funds	145,000	-	-	145,000
Beginning Balance Adjustments	4,943	-	-	4,943
Audited GAAP Basis Fund Balance (Deficit) June 30, 2015	<u>\$ (396,908)</u>	<u>\$ (125,001)</u>	<u>\$ 23,232</u>	<u>\$ (498,677)</u>