

**TOWN OF STANDISH
FINANCIAL REPORT**



JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Council and Manager
Town of Standish
Standish, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Standish, Maine as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Standish, Maine as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-20, Exhibit 1, and page 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Standish, Maine's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate 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 fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Certified Public Accountants
December 5, 2014



Town of Standish

Management's Discussion and Analysis

Our discussion and analysis of the Town of Standish's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2014. Please read this in conjunction with the transmittal letter and the Town's financial statements both published and provided by our independent outside auditors, Berry Talbot Royer, Certified Public Accountants.

Financial Highlights

- ✓ The Town's property values decreased in taxable valuation from \$992,030,710 to \$989,448,228, an overall decrease of \$2,582,482 or roughly less than 0.5%. Furthermore, the Town's mil-rate increased from \$11.60 in Fiscal Year 2013 to \$12.08 in Fiscal Year 2014, an increase of \$0.48 per thousand. This increase to the mil-rate can be attributed a small decrease in valuation due to the property value market adjustment, a small increase to the municipal budget and the increase in MSAD 6 total appropriation.
- ✓ The Town of Standish assets exceeded its liabilities at the close of Fiscal Year 2014 by \$32,834,118¹. This year's total net position is comprised, in part, by "unrestricted net position," \$3,600,631, which may be used to meet the Town's ongoing obligations to employees, citizens, and creditors (an increase from prior year of \$360,339).
- ✓ The Town's operations for this year resulted in a decrease of \$419,584 in "change in net position" as presented in the Statement of Activities²; the Town's net expenses were \$14,401,123 offset by revenues of \$13,981,539. This decrease in net position is supported by the changes in the Statement of Net Position³.
- ✓ A comparison of Total Governmental Activities per Statement 2 of the Statement of Activities this year to last shows an increase of \$239,596 in expenditure and an increase in revenue of \$418,675 decreasing the change in net position by \$179,079.
- ✓ As of the close of the current fiscal year, the Town's General Fund reported an ending unassigned fund balance of \$2,884,884 compared to what was the unassigned fund balance of \$2,595,059 for the prior year, an increase of \$289,825 which is due to a small decrease in all other fund balance categories with the largest decrease coming from Subsequent Years' Ongoing Expenditures otherwise known as carry forwards⁴. The total fund balance of \$3,675,730 represents an increase of \$199,971 in comparison with the prior year and is attributable to similar spending trends, revenue collections, and carry forward policies (the use of such items) from last year to this year.
- ✓ The Town has remained in compliance until Fiscal Year 2011 with an "Undesignated Fund Balance Policy" established in 2005 and updated in 2012, "to establish a target level of fund balance for the general fund and to establish a process and criteria for the continued evaluation of the target level as conditions warrant. This policy shall also establish a process for reaching and maintaining the targeted level of unassigned fund balance, and the priority for the use of amounts in excess of the target. Finally, this policy shall provide a mechanism for monitoring and reporting the Town's general fund balance.

¹ See "Statement of Net Position" as listed in Table A of this MD&A; net position is the level of the Town's total assets in excess of its total liabilities.

² See "Change in Net Position" as listed in Table B of this MD&A; based on operating revenues in excess of expenses.

³ See "Statement of Net Position" as listed in Table A of this MD&A; the total of the dollar change between current and prior fiscal year by balance sheet category.

⁴ Please see Schedule 1, "Balance Sheet – General Fund, With Comparative Totals for the Year Ended June 30, 2014," of the financial statements. Primary factors are shown on Statement 6 "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended June 30, 2014"



Town of Standish

Management's Discussion and Analysis

This policy applies only to the general fund.” In Fiscal Year 2014 the balance resulted in **\$(259,145)** below the target amount of \$3,144,029. This is mostly due to starting the fiscal year off well below the target level from last year and although we increased unassigned fund balance it wasn't enough to bring the balance back into compliance. The current economic conditions have remained relatively the same which is one reason for the modest comeback.

- ✓ At the close of the current fiscal year, the Town's ratio of general fund unassigned fund balance to general fund expenses equaled 18.63% as compared to prior year's 17.57% due to the slight increase of unassigned fund balance. This is true even though actual expenses increased \$714,455 because revenue also increased \$682,700 from prior to current year as well as committed and assigned fund balances from prior year were utilized. This is an indication that even in these difficult economic times the town was able to effectively control spending as well as not rely on unassigned fund balance to decrease appropriations but use other available resources to fund appropriations.⁵
- ✓ The Town's total bonded debt increased by \$421,442 (current year bond/loan proceeds of \$1,030,546 received vs. bond/loan repayments of \$609,104), during the current fiscal year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. For governmental activities, fund financial statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

The Statement of Net Position and the Statement of Activities (Reporting the Town as a Whole)

One of the most important questions asked about the Town's finances is, “Is the municipality as a whole better off or worse off as a result of the year's activities?” The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and changes in it. You can think of the municipality's net position—the difference between assets and liabilities—as one way to measure the Town's financial health, or *financial standing*. Over time, increases or decreases in the municipality's net position is one indicator of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the *overall health* of the Town of Standish.

⁵ The basis for this ratio is extracted from Schedule 1, “Unassigned Fund Balance for 2014” or \$2,884,884 divided by “Total Actual Expenditures” from Exhibit 1, or \$15,481,812.



Town of Standish

Management's Discussion and Analysis

In the Statement of Net Position and the Statement of Activities we divide the Town into three kinds of activities:

- **Governmental activities**—Most of the Town's basic services are reported here, including the law enforcement, fire and EMS, public works and solid waste, parks and recreation departments, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities**—If the Town of Standish charged a fee to customers to help it cover all or most of the cost certain services it provides, it would report them grouped separately from governmental activities. Water supply and sewer treatment/disposal systems are examples of activities that would be reported as business-type. The Town of Standish currently has no such operations. Where public water supply infrastructure exists within the Town of Standish it is the property of the Portland Water District.
- **Component units**— Examples of these are separate legal entities such as a Town School District or a Town Landfill Authority. Although legally separate, these "component units" are important because the Town would be financially accountable for them. The Town of Standish has no component units, being assessed annually by its participation in School Administrative District 6 (SAD#6) which is reported within "governmental activities."

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- **Governmental funds**—Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities and governmental *funds* in reconciliation at the bottom of the fund financial statements).
- **Proprietary funds**—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. If the Town of Standish had enterprise funds (a component of proprietary funds) which are the same as business-type activities they would be reported in the government-wide statements but provide more detail. As stated previously, the Town of Standish currently has no proprietary funds.



Town of Standish

Management's Discussion and Analysis

- Fiduciary funds**-The Town is the trustee, or *fiduciary*, for its employees' deferred benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the Town's other financial statements because the municipality cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government – wide Financial Analysis (“The Town as a Whole”)

The Town's *combined* net position decreased from a year ago by \$419,584 from \$33,253,702 to \$32,834,118 due to among other activities the decrease in the town's assets, specifically its cash and investments as well as its tax receivables. Our analysis focuses on the net position (Table A, below) and changes in net position (Table B, page 8) of the Town's governmental activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Standish, assets exceeded liabilities by \$32,834,118 at the close the 2014 fiscal year.

Town of Standish - Statement of Net Position

		Governmental Activities					
		Fiscal 2014		Fiscal 2013		Change	
<u>ASSETS</u>		Dollars	Percent	Dollars	Percent	Dollars	Percent
	Current Assets	\$4,719,733	12.57%	\$5,007,885	13.35%	(\$288,152)	-5.8%
	Capital Assets/Land (Net of Depreciation/Amort.)	\$32,839,892	87.43%	\$32,513,604	86.65%	\$326,288	1.0%
	Total Assets:	\$37,559,625	100.00%	\$37,521,489	100.00%	\$38,136	0.1%
<u>LIABILITIES</u>							
	Current and Other	\$1,196,577	25.37%	\$1,065,691	24.97%	\$130,886	12.3%
	Long-Term	\$3,520,485	74.63%	\$3,202,095	75.03%	\$318,390	9.9%
	Total Liabilities:	\$4,717,062	100.00%	\$4,267,786	100.00%	\$449,276	10.5%
<u>DEFERRED INFLOWS OF RESOURCES</u>							
	Taxes Collected in Advance	\$8,445	100.00%	\$0	\$0	\$0	\$0
	Total Deferred Inflows of Resources:	\$8,445	100.00%	\$0	0.00%	\$0	0.0%
<u>NET POSITION</u>							
	Net Investment in Capital Assets	\$28,858,981	87.89%	\$29,292,110	88.09%	(\$433,129)	-1.5%
Restricted for:							
	Specific Purposes	\$336,579	1.03%	\$663,056	1.99%	(\$326,477)	
	Special Revenues	\$13,466	0.04%	\$19,257	0.06%	(\$5,791)	-30.1%
	Nonexpendable Trust Principal	\$19,957	0.06%	\$19,957	0.06%	\$0	0.0%
	Expendable Trust Funds	\$4,504	0.01%	\$19,030	0.06%	(\$14,526)	
Unrestricted:		\$3,600,631	10.97%	\$3,240,292	9.74%	\$360,339	11.1%
	Total Net Position:	\$32,834,118	100.00%	\$33,253,702	100.00%	(\$419,584)	-1.3%

Table A - Statement of Net Position

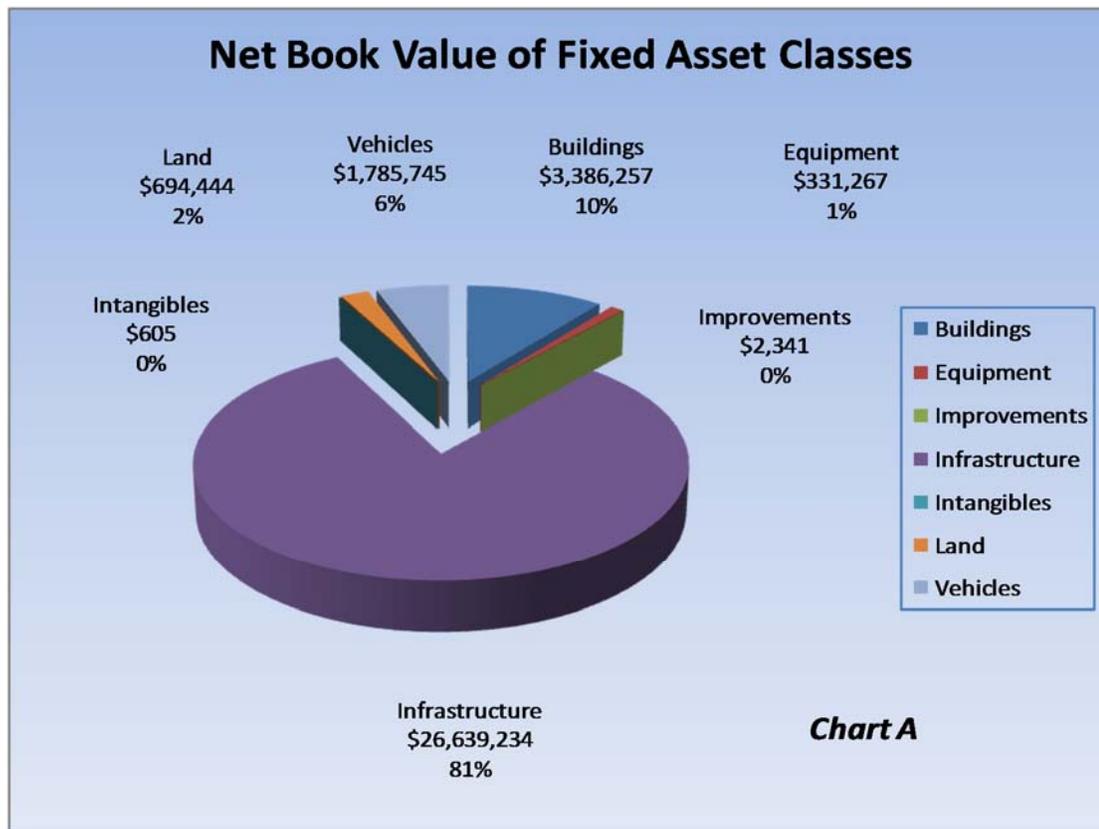
By far the largest portion of the Town of Standish's assets, 87.43 percent, or \$32,839,892 reflects its investment in capital assets net of depreciation and amortization, segregated into; vehicles, equipment, land, buildings, infrastructure (paved roads, gravel roads, sidewalks, culverts, bridges, erosion control systems, traffic light controllers and systems, fire tanks, dry hydrants, and wharfs and docks) and improvements, net of any accumulated amortization or depreciation and net of related debt (see Table A). The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future



Town of Standish

Management's Discussion and Analysis

spending. The Town's fixed assets can be reported by function of activity as well as attribution to fund, however, the Town of Standish's activities are all governmental. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



A portion of the Town of Standish net position represents resources that are not subject to external restrictions on how they may be used. The *unrestricted net position* of \$3,600,631⁶ may be used to meet the Town's ongoing obligations to employees, citizens, and creditors. Table A, on the previous page, is an abbreviated version of the "Statement of Net Position" which is found in Statement 1 of the government wide financial statements.

The chart above provides a graphic depiction of the distribution of the net book value of fixed assets (capital assets, net of depreciation and amortization) by asset class. This summary data is supported by individual fixed assets, individually catalogued and associated with every operational department within the Town of Standish.

⁶ The value reflected in the Statement of Net Position for unrestricted net position plus restricted net position is the equivalent to all 5 categories of fund balance of all governmental funds reflected in Statement 3, Balance Sheet – Governmental Funds with the variance of \$322,192 comprised of adjustments for the 60-day rule of taxes, the change in accrued compensated absences and remaining capital project bond funds. This amount agrees with the "Other long term assets not available for current period expenditures" adjustment listed on Statement 4 of the Financial Statements.



Town of Standish

Management's Discussion and Analysis

The "Statement of Activities, (Statement 2)," reflects Governmental Activities consisting of revenues, special items and transfers of \$13,981,539 exceeded by expenses net of program revenues of \$14,401,123. These activities resulted in a decrease in net position of \$419,584. A comparative summary of the Statement of Activities is depicted in Table B below.

Note: The data compares current year operations with a decrease in net position of \$419,584 versus a prior year decrease in net position of \$598,663 resulting in a net change of \$179,079.

Town of Standish - Statement of Activities

	Governmental Activities					
	Fiscal 2014		Fiscal 2013		Change	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
REVENUES:						
General Revenues:						
Taxes, levied for general purposes	13,521,601	96.71%	\$12,983,261	95.73%	\$538,340	4.1%
Intergovernmental revenues	469,433	3.35%	\$575,832	4.24%	(\$106,399)	-18.5%
Investment earnings	3,938	0.03%	\$3,771	0.03%	\$167	4.4%
Loss on Disposal of Assets	(13,433)	-0.10%	\$0	0.00%	(\$13,433)	0.0%
Total General Revenues:	\$13,981,539	100.00%	\$13,562,864	100.00%	\$418,675	3.1%
EXPENSES:						
General Government	\$1,504,702	10.45%	\$1,470,905	10.39%	\$33,797	2.3%
Public Safety - Protection and Enforcement	\$1,104,429	7.67%	\$1,097,841	7.75%	\$6,588	0.6%
Public Works	\$2,212,531	15.36%	\$2,114,074	14.93%	\$98,457	4.7%
Capital Outlay	\$63,390	0.44%	\$326,700	2.31%	(\$263,310)	-80.6%
Community Services and Health	\$18,793	0.13%	\$68,597	0.48%	(\$49,804)	-72.6%
Education	\$8,666,113	60.18%	\$8,312,657	58.70%	\$353,456	4.3%
Fixed Charges	\$838,888	5.83%	\$786,688	5.56%	\$52,200	6.6%
Capital Reserve Activity	(\$7,723)	-0.05%	(\$15,935)	-0.11%	\$8,212	-51.5%
Total Governmental Activities Expenditures:	\$14,401,123	100.00%	\$14,161,527	100.00%	\$239,596	1.7%
Change in Net Position:	(\$419,584)		(\$598,663)		\$179,079	

Table B - Net Statement of Activities

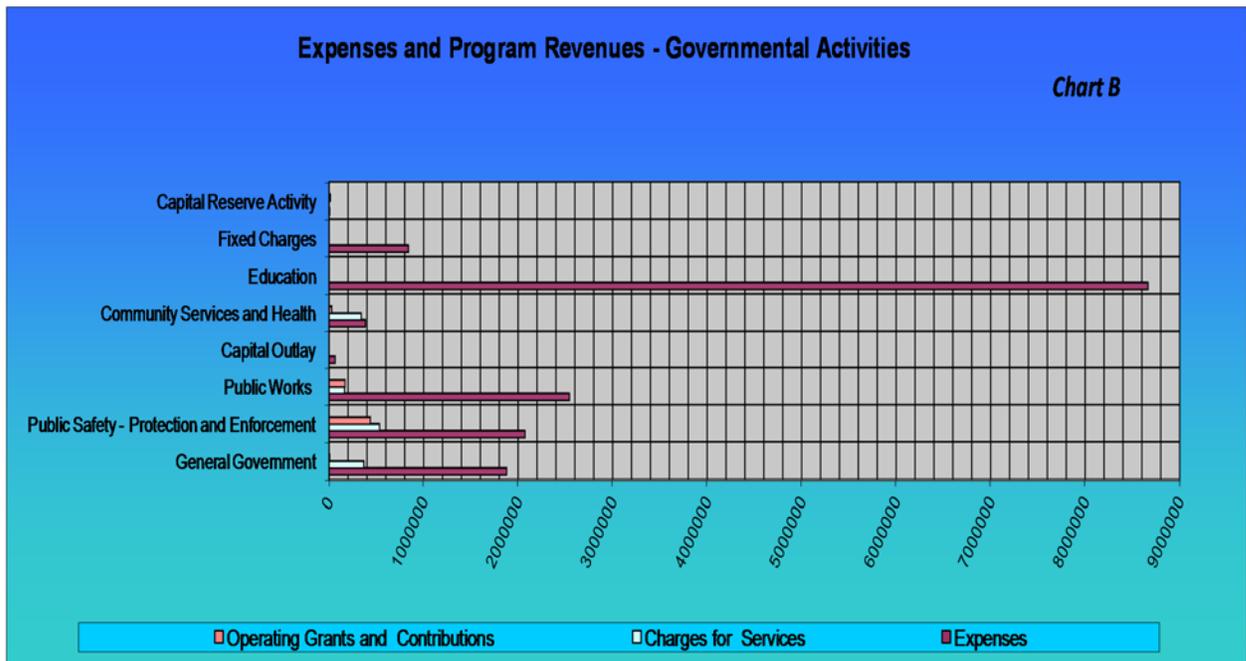
Overall revenue collection increased with a 3.1% increase in total revenues received in fiscal year 2014 over fiscal year 2013. Vehicle excise taxes increased slightly in Fiscal Year 2014 in comparison to last year where it's been a significant and stable contributor to the Town in prior years. Property taxes remain the primary source of overall revenues, particularly taxes on real estate. In FY 2013, the town received 96.4% of its budgeted state revenue sharing or \$382,546 out of a budgeted \$396,906. In FY 2014 the town received 92.5% of its budgeted funding, or \$262,781 out of \$283,985, due in part to the continual decrease of state revenue sharing each year. With the fluctuating economy this shows the unpredictability from year to year of state revenue sharing funding. Although there was some discussion in Augusta of not funding state revenue sharing in FY 2013 for FY 2014 that did not materialize, at least for FY 2014 but each year the trend seems to be provide cities and towns with less revenue sharing. The town anticipates about the same amount or less revenue sharing in FY 2015. The days of substantial investment income are well behind us. After a couple of years of higher yields on fixed and liquid investments, investment income has been down for several fiscal years although with a change in banking institutions a couple of years earlier, the move seems to be providing a small increase in investment funds each year. In FY 2013 the town received \$2,746 from investment interest while receiving \$3,329 in FY 2014. This is due to the continual low rates on investment funds as a reflection of the economic times we live in although less banking expenses has allowed for a small increase in revenue. Normally cash on hand in the bank leads to higher interest income but throughout Fiscal Year 2014 as well as the last four or five years the town has had to less cash on hand to invest, needing it for liquidity purposes. The small increase in investment income is due to the town re-



Town of Standish

Management's Discussion and Analysis

bidding its banking services in FY 2012 and eventually selecting a new banking partner who has guaranteed the town little to no expenses for typical banking fees as well as the opportunity to earn some interest on the town's funds without having to use those earnings to pay bank fees. The Town has realized higher investment income numbers as the investment interest in FY 2013 and FY 2014 have increased slightly each year.



Comparative expenses reflect an overall increase of 1.7% with the largest increase coming in education. Another increase was in public works and fixed charges. All other categories saw either small increases or decreases from prior year.

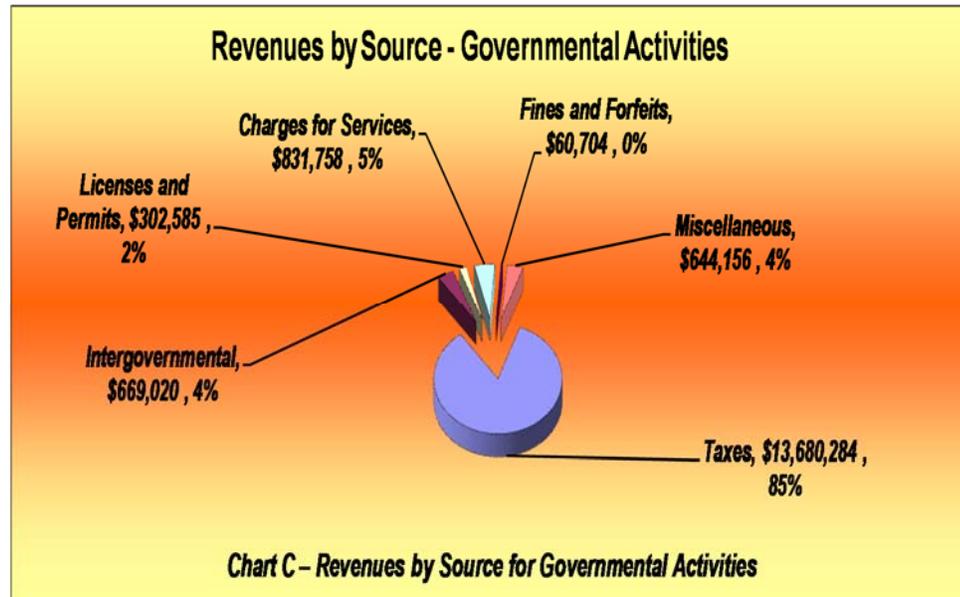
Governmental Activities

Governmental activities decreased the Town of Standish's net position by \$419,584, as described in the beginning paragraphs of this discussion and analysis report. Chart B, depicted above, shows expenses offset by program revenues in the areas of "capital grants and contributions, operating grants and contributions and charges for services," yielding a net expense as detailed in statement 2 of the financial statements. Additional revenues not related directly to programs are reflected as "General Revenues" on the Statement of Activities report and are depicted in graphical format in Chart C on the prior page. Note the percentages of the overall general revenues are depicted with each category in the pie chart for "Revenues by Source – Governmental Activities," as reported in Statement 5.



Town of Standish

Management's Discussion and Analysis



Financial Analysis of the Government's Funds

As noted earlier, the Town of Standish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town of Standish's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the Town's financing requirements. In past years, *unreserved fund balance* may have served as a useful measure of a government's net resources available for spending at the end of the fiscal year but with the implementation of GASB 54 the reader must look deeper.

GASB 54

As of June 15, 2010 all governments are required to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for fiscal years starting after that effective date. GASB's reasoning for this pronouncement is as follows:

“Primary Objective: The objectives of this project are to assess whether existing reporting requirements related to fund balance adequately meet the needs of financial statement users and to consider potential changes to improve the usefulness of fund balance information. Clarification of terms within governmental fund type definitions will also be addressed.”

GASB further explains that fund balances will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)



Town of Standish

Management's Discussion and Analysis

- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

As of the end of the current fiscal year, the Town of Standish governmental funds reported combined ending fund balances of \$3,993,712 with \$3,675,730 specific to the general fund (Governmental Fund Balance Sheet, Statement 3). Approximately 78 percent of this amount, \$2,884,884, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Other portions of general fund balance are \$393,322 (\$350,000 + \$43,222), categorized as *assigned fund balance*, \$290,565 as *committed fund balance*, \$65,262 as *restricted fund balance* and \$41,697 as *nonspendable fund balance* (See Statement 3, "Balance Sheet - Government Funds").

The Town of Standish's general fund unassigned fund balance experienced an increase of \$289,825 as depicted in Schedule 1, "Balance Sheet - General Fund" (difference between \$2,595,059 in fiscal 2013 and \$2,884,884 this fiscal year end). The change in balance of unassigned fund balance is due to, among other things, reclassifications among the categories that make up fund balance such as Nonspendable, Restricted, Committed, Assigned and Unassigned from one year to the next⁷. It should be noted that with the implementation of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions," identifying and reporting what consists of fund balance has changed. What has been undesignated fund balance in the past is now referred to as Assigned and Unassigned and may not necessarily be what may have been listed as undesignated fund balance in the past.

Now that each category has been identified and explained, what happens to Fund Balance? Upon recommendation of independent outside auditors and the finance director, the council deliberated and adopted an "Undesignated Fund Balance Policy," council order 37-05, on March 8, 2005 and updated it with council order 21-12 on March 13, 2012 with the specific purpose of, "establishing a target level of fund balance for the general fund, establishing a process for reaching and maintaining the targeted level of unassigned fund balance and the priority for the use of amounts in excess of the target. This policy also shall provide a mechanism for monitoring and reporting the Town's general fund balance." The policy institutes a "target level" equal to two and one quarter twelfths (18.75%) of the approved appropriation for the municipal budget, the Town's portion of the SAD #6 assessment, county assessment, and overlay. The "Undesignated Fund Balance Policy" directs that any excess beyond the "target level" be identified in the Town's audited financial statements and may be used to adjust the mil rate upon the recommendation of the Town Manager and the Town Council with the approval of the Town Meeting. Fiscal Year 2014's

⁷ Please see Schedule 1, "Balance Sheet – General Fund, With Comparative Totals for the Year Ended June 30, 2014," and Schedule 2, "Statement of Changes in Fund Balance – General Fund for the Year Ended June 30, 2014," of the financial statements. Other primary factors are shown on Statement 6 "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended June 30, 2014"



Town of Standish

Management's Discussion and Analysis

“target level” for unassigned fund balance was \$3,144,029, or 18.75% of the budget items listed in the Fund Balance policy. The actual unassigned fund balance as listed earlier was \$2,884,884 or \$259,145 below the targeted amount. A review of the financial statements, Exhibit 1, shows that the actual expenditures were \$15,481,812 compared to an unassigned fund balance of \$2,884,884 displayed in Schedule 1, yielding a ratio of 18.63% (\$2,884,884 divided by \$15,481,812) compared to a 17.57% ratio in FY 2013.

Application of the “target level percentage” to the actual level of spending \$15,481,812 would have yielded an unassigned fund balance of \$2,902,840, a difference of \$17,956 from the actual unassigned fund balance of \$2,884,884⁸. The audited unassigned fund balance fell short of the FY 2014 “target level” amount of \$3,144,029 by \$259,145. It should be noted that once into the FY 2015 year, the “target level” becomes \$3,219,587 due to the new FY 2015 proposed budget used to compute the “target level.” The Town Manager has indicated that he intends to submit a budget for fiscal year 2015 that calls for the use of \$350,000 from unassigned fund balance.

General Fund Budgetary Highlights

In FY 2014 the town held 2 special town meeting(s). The first meeting took place on September 10, 2013 to adjust State Revenue Sharing budgeted amounts due to late cuts made by the Maine State legislature as well as to decrease budgeted heating expense amounts due to a locked-in price substantially lower than budgeted amounts after the budget was approved. The second meeting occurred on June 14, 2014 in order to appropriate more funding to cover over-expenditures in heating due to an abnormally cold winter.

The primary budgetary objectives used in preparing the Town of Standish's 2014 budget were to provide basic town services to its citizens while attempting to keep the property tax rate stable, reasonable, and provide for property tax relief in conjunction with state participation and regionalization initiatives that can increase economies of scale for all who participate. The overall fiscal year 2014 budget incorporated anticipated revenues of \$15,225,908, total budgeted expenditures of \$15,708,810, sources (uses) of other surplus (undesignated fund balance) of (\$482,902) including the use of surplus of \$350,000, prior year carry-over (designated fund balances) of \$112,903 as well as net transfers of \$-70,471. Actual revenues were above budget levels by \$456,741 and expenditures were below appropriation by \$226,998. Without considering the authorization to draw \$350,000 from surplus or use of carry forward amounts of \$112,903, the overall excess revenues combined with unexpended funds of the general fund were \$683,739 compared to the net difference of FY 2013's revenue and expense equaling \$668,188.

Some contributing factors in this balance deriving partly from activity from revenues and expenditures are as follows:

- **Revenues:** Overall were above target by \$456,741, with the following notable contributing segments:
 - Deferred Tax Revenue decreased \$158,683 as less real estate taxes were paid after the end of the Fiscal Year than in the prior year.
 - Vehicle Excise Tax increased \$124,355 over budget with a better than expected amount of registrations in FY 2014.

⁸ Please see Statement 5, “Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the year ended June 30, 2014” and Exhibit 1, “Statement of Revenues and Expenditures – Budget and Actual – General Fund – Budget Basis Year Ended June 30, 2014,” of the financial statements.



Town of Standish

Management's Discussion and Analysis

- FY 2014 included a decrease in \$-21,160 of State Revenue Sharing reimbursement due to cuts by the state legislature and governor.
- Building Permits increased \$32,538 as home building and projects have picked up over the course of the fiscal year again as in the prior year.
- Cable TV Franchise Fees showed another decrease of \$11,141 as the economy continues to sit tight. It is also possible customers are downgrading service or changing to satellite TV. These fees tie directly to the subscriptions Time Warner has throughout the year.
- EMS Revenues increased by \$41,447 as the town began servicing other locales in addition to Standish. Also more patients tend to be insured rather than not in prior years.
- Sale of Property came in well above budget as the \$94,811 increase included the harvesting of town land and subsequent sale of the cut wood.
- Other revenues of \$15,203 were due to Maine Municipal refunds for insurance.
- **Expenditures:** Overall expenses were within appropriations by \$226,998 of which \$43,322 is carried forward to 2015, with the following significant variances by governmental category:
 - General government expended \$131,911 less than appropriated against a total budget of \$1,942,518.
 - Public Safety – Protection and Enforcement was over its budget of 1,499,583 by \$(8,995).
 - Capital Outlays expended \$12,606 less than appropriated against a total budget of \$18,187.
 - Public Works expended \$70,029 less than appropriated against a total budget of \$1,656,266.
 - Community Services and Health expended \$44,954 less than appropriated against a total budget of \$472,517.
 - Fixed Charges, net of overlay, expended \$(23,507) more than appropriated against a combined total budget of \$1,453,626.
 - The overlay, a provision for tax abatements, provided for at the time of tax commitment, was placed at \$40,411 by the Town Assessor, in anticipation of abatement activity after the Town's 2014 commitment.

Capital Asset and Debt Administration

Capital Assets

The Town of Standish's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$32,839,892 (net of debt and accumulated depreciation/amortization) compared to \$32,513,604 as of June 30, 2013. The total decrease in the Town of Standish's investment in capital assets for FY 2014 was 1.0%.



Town of Standish

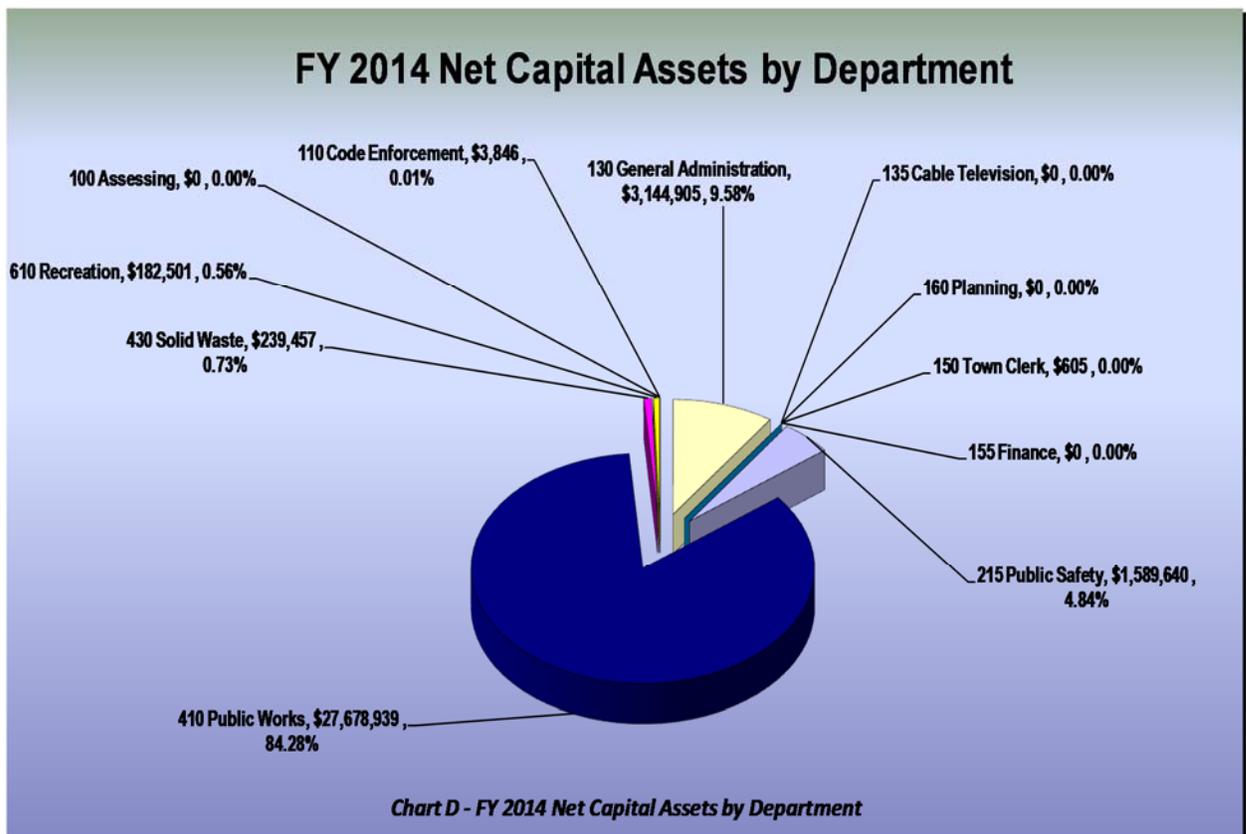
Management's Discussion and Analysis

Please refer to Table C, found below which compares the net values by asset class and reflects the change by class.

Asset Class	Fiscal 2014		Fiscal 2013		Change	
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total
Buildings	\$3,386,257	10.31%	\$3,236,163	9.95%	\$150,095	4.6%
Equipment	\$331,267	1.01%	\$454,247	1.40%	(\$122,981)	-27.1%
Improvements	\$2,341	0.01%	\$2,747	0.01%	(\$406)	-14.8%
Infrastructure	\$26,639,234	81.12%	\$26,779,630	82.36%	(\$140,396)	-0.5%
Intangibles	\$605	0.00%	\$675	0.00%	(\$70)	-10.4%
Land	\$694,444	2.11%	\$694,444	2.14%	\$0	0.0%
Vehicles	\$1,785,745	5.44%	\$1,345,699	4.14%	\$440,047	32.7%
Grand Total	\$32,839,892	100.00%	\$32,513,604	100.00%	\$326,288	1.0%

Table C - Change in Net Book Value of Capital Assets

The above table provides a statistical presentation of the same data presented on page 4 of this management discussion and analysis along with comparisons to the prior year. A definition of terms may be helpful in understanding the assets that fall within each of these classes as well as the sub categories which have their own distinct useful lives.





Town of Standish

Management's Discussion and Analysis

Chart D, on the previous page, presents the Town of Standish Capital Assets in conjunction with the Town's departments and associated areas of accountability. Annually the applicable department head participates in a comprehensive planning and analysis, physical inventorying, processing to catalog, assessing condition as well as determining dates of acquisition of new capital items greater than \$5,000 individually and any capital item retirements. The Town records serial numbers or VIN numbers along with fixed asset descriptions according to asset class.

- Road and Paving projects completed this year included the reclamation of Chicopee Rd. (0.77 miles) and Job Rd (1.02 miles), reconstruction of parts of Oakhill Rd. (0.4 miles) with the remainder in FY 2015 as well as and Job Rd (1.02 miles) as well as the repaving (overlay) of Birch Rd., Boulder Rd., Middle Rd., Saco Rd., Stoneridge Cir and Stoneridge Dr. amounting to (2.8 miles) and part of Job Rd. (0.48 miles). These projects were discussed and approved through the town's capital improvements committee and the 10 year capital plan established by this committee.
- Road and Subdivision Acceptances by the Town Council: None.
- You may be looking for depreciation expense and you will not find any reference to it in any of the financial statement other than "Capital Assets net of depreciation/amortization." This non-cash expense is carefully computed according to the town's "fixed asset policy" and it is noteworthy to review Statement 6, "Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended June 30, 2014." Depreciation/Amortization expense, in aggregate, reflects a system that recognizes age and obsolescence to the Town's capital assets over time. A value of \$339,721 found on Statement 6, "is the amount by which depreciation for Fiscal 2014, in the amount of (\$1,582,821) fell short of capital outlay for the year in the amount of 1,922,542." The change to the Town's Capital Assets by Class (as depicted in Table C of this report) of \$339,721 reflects that in aggregate the Town's contribution to and acceptance of capital asset investment over depreciation in fiscal year 2014.

Additional information on the Town of Standish's capital assets can be found in the "Notes to the Financial Statements" located in this report.

Long-term Debt

At the end of the 2014 fiscal year, the Town of Standish had total bonded debt outstanding of \$4,232,642, with almost 100% being general obligation bonds, backed by the full faith and credit of the Town (1.0% was a loan for public works truck). All of the Town's outstanding debt is associated with governmental activities. For more detailed information refer to Note 6 of the "Notes to the Financial Statements." In Fiscal Year 2014, \$1,030,546 of bonded indebtedness was approved in the budget. The Town of Standish participated with the Maine Municipal Bond Bank in their fall offering. Debt service for the FY 2014 Bond included funds for a new fire engine truck and dry hydrants for the public safety department, engineering services for a new proposed beach and field rehabilitation funds, facilities expansion and new plow pickup truck for public works as well as road construction funds for selected roads by the capital improvements committee. The town was required to make interest payments in the amount of \$122,875 in FY 2014. Future principal and interest payments are reflected in the stacked bar chart above. A total of \$609,104 of principle payments were made against all long term debt in 2014. The difference of (\$421,442) between bond principals received and paid in 2014 is shown on Statement 6. The level of debt at the end of Fiscal

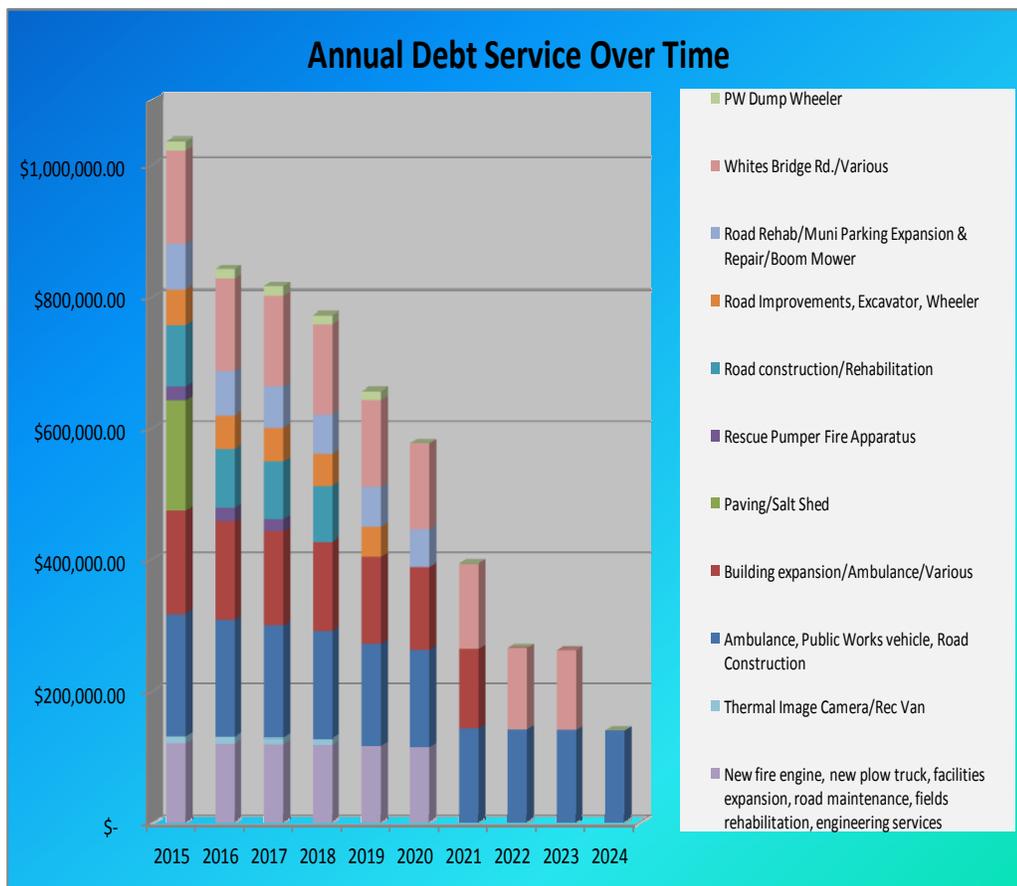


Town of Standish

Management's Discussion and Analysis

Year 2014 is still well within appropriate limits set by the state and accepted limits of the industry as described in the following paragraph.

State statutes limit the amount of general obligation debt a municipality may issue which can be up to 15 percent of its total state assessed valuation. The current debt limitation for the Town of Standish, based on a State valuation of \$978,750,000, is \$146,812,500, which is significantly higher than that of the Town of Standish's outstanding general obligation principal balance of \$4,232,642; in fact, Standish's general obligation bonded indebtedness calculates at about 2.67% of its statutory limit. If Standish's population is 9,874, the Town's debt allocates to about \$429 per resident and less than a half of percent of the town's valuation.



Economic Factors and Next Year's Budgets and Rates

Fiscal year 2005 marked the first time in over 20 years that the Town of Standish had been through a completed town-wide revaluation. The revaluation was required by State Law as our Assessment ratio had fallen below 70 %. Assessing records are audited annual by the State of Maine Tax Assessors Office to determine assessment ratios and analyze whether the tax burden is applied equally among all classes of property. The fiscal 2003-2004 audit disclosed that the Town was at 58.89% of market value overall. Residential properties away from the water were at 62% of market value and waterfront homes were at



Town of Standish

Management's Discussion and Analysis

The State of Maine has changed the Homestead Exemption program multiple times in the past several years. Prior to fiscal year 2006 it had been funded in full by the State, in the amount of \$13,000 of assessed value per qualified residence. Between fiscal years 2006 and 2010, the State continued the exemption of \$13,000 of assessed value for a property owners' homestead (primary residence), but only funded 50% of the exemption, with the remaining 50% being funded by the towns. In fiscal year 2010, the State reduced the exemption amount to \$10,000 per qualified residence and continued to only fund 50%. Municipalities are, therefore, required to increase the tax commitment to their residents to fund their 50% responsibility (\$5,000 of exempted assessed value) or they may remain consistent with pre-2010 levels and fund an additional \$3,000 to achieve a total exempt assessed value of \$13,000. The net effect of the municipal portion of the program is to shift some burden to taxpayers who did not qualify for homestead exemption (vacation homeowners, businesses, and commercial taxpayers).

Incorporating overlay, the net municipal budget for the upcoming fiscal 2015 year will decrease by \$3,191 from \$2,655,835 to \$2,652,644. The SAD #6 educational assessment will increase by \$78,398 (up from \$8,666,113 to \$8,744,511) as a result of educational costs increasing district wide. The Town of Standish's valuation percentage will decrease slightly in FY 2015 per SAD #6 to 38.53% as the total amount charged by the district increased to \$22,562,516. Cumberland County's assessment will increase by \$13,469 (up from \$630,586 to \$644,055). In short, the 2015 budget is created with the intent of not increasing but hoping to lower governmental spending in light of the economic landscape although this can prove to be challenging at times. Most aspects of the 2015 budget appropriations stayed close to the same. The notable exception was the capital items not passing at the referendum vote. A second election was held in September of 2014 to see once more if the voters would authorize needed capital expenditures. The change this time was the "unbundling" of capital items from one question to 3 questions organized by department with the exclusion of a sidewalk project. All 3 questions passed. Capital items are bonded with Maine Municipal Bond Bank in the upcoming fiscal year as was the case in past years. Fiscal Year 2015's capital expenditures will be funded in the spring as opposed to the fall as in prior years due to the delayed authorization.

*The presence of the **Portland Water District** lands has an economic impact upon development within the Town of Standish. PWD owns 2,500 acres of what is now generally undeveloped land along the shores of Sebago Lake to include some off shore islands. These holdings comprise approximately 15 miles of shoreline on the third largest lake in New England. A portion of this shoreline had been previously developed for its recreational and economic importance, but has now been set aside for its watershed-protection value. During fiscal 2005 PWD received approvals to install additional fencing to protect its watershed holdings. The town and the district continued litigation in fiscal year 2006 and 2007 over ownership and rights to a portion of Northeast Road Extension; In FY 2008 judgment was rendered in favor of PWD giving rights of the property in question to them. The Town maintains its prescriptive rights to area range ways of 99 feet. In FY 2009 the Town used dedicated bond funding to pave and rehabilitate the boat launch located at Northeast Road Extension. It also began charging fees for usage. The revamped boat launch has been an overall success and is managed 7 days a week from dawn until dusk from May 15 until September 15 or thereabouts.*

*The Town of Standish is host to **Saint Joseph's College of Maine** campus on the shores of Sebago Lake. The College is a strong economic driver upon the local economy and the Town has benefited from Saint Joseph's contributions to defray the cost of a ladder fire truck and a bike path on White's Bridge Road, as well as other Town capital acquisitions in years past. The campus covers approximately 350 acres of land on the shores of beautiful Sebago Lake. With a student body enrollment of over 1,000, the College is*



Town of Standish

Management's Discussion and Analysis

serviced by administrators, educators, support staff and grounds and facilities management personnel representing over \$10 million in annual salaries.

During the upcoming fiscal year the Town's management will continue to monitor and evaluate local economic conditions. In the forefront of our revenue and expenditure concerns are:

- Additional changes in State education funding due to recent deterioration of economic conditions at the state and federal level.
- Reductions in the amount of State municipal revenue sharing funds from the portion of sales and income taxes that Standish receives from the statewide collection pool.
- Bankruptcy and tax delinquency resulting from the remaining aftereffects of the sub-prime mortgage meltdown and subsequent economic and financial crash and any possible recovery.
- The possibility of decreasing excise tax revenue and other non-intergovernmental revenue sources due to economic conditions.
- Possible increasing energy costs and other expenditures this year.
- Rising educational costs, lack of state aid to the school district and the town's proportional percentage of that cost.

Requests for Information

This financial report is designed to provide a general overview of the Town of Standish's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

- Via U S Mail:**
Finance Director
Town of Standish
175 Northeast Road
Standish, ME 04084
- Via E-Mail:**
scottg@standish.org

These Fiscal 2014 Audited Financial Reports are available for review and printing in "PDF-file format" from our municipal website, www.standish.org. Simply navigate from the home page as follows:

1. Select "Treasurer" on the left side selection bar.
2. Select "FY 2014 Audited Financial Statement" under the Additional Links section on the left hand side of the Finance Department page.

BASIC FINANCIAL INFORMATION

TOWN OF STANDISH, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>
ASSETS:	
Cash/Investments	\$ 3,422,309
Receivables (Net of Allowance for Uncollectibles):	
Taxes	494,423
Liens	153,676
Accounts	571,528
Tax Acquired Property	36,100
Inventory and Prepaid Expense	41,537
Other Assets	160
Capital Assets:	
Land	694,444
Other Capital Assets, Net of Depreciation	32,145,448
Total Capital Assets	<u>32,839,892</u>
TOTAL ASSETS	37,559,625
LIABILITIES:	
Accounts Payable	183,901
Accrued Liabilities	14,617
Accrued Wages and Compensated Absences	198,077
Accrued Interest Payable	19,585
Unearned Revenues	68,239
Long-Term Liabilities:	
Due Within One Year	712,158
Due in More Than One Year	3,520,485
Total Liabilities	<u>4,717,062</u>
DEFERRED INFLOWS OF RESOURCES:	
Taxes Collected in Advance	8,445
Total Deferred Inflows of Resources	<u>8,445</u>
NET POSITION	
Net Investment in Capital Assets	28,858,981
Restricted for:	
Specific Purposes	336,579
Special Revenues	13,466
Nonexpendable Trust Principal	19,957
Expendable Trust Funds	4,504
Unrestricted	3,600,631
	<u>\$ 32,834,118</u>

**TOWN OF STANDISH, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental Activities				
General Government	\$ 1,878,026	\$ 367,092	\$ 6,232	\$ (1,504,702)
Public Safety - Protection and Enforcement	1,605,731	532,943	42,750	(1,030,038)
Public Works	2,959,716	162,817	559,123	(2,237,776)
Capital Outlay	63,390	-	-	(63,390)
Community Services and Health	432,384	338,542	25,903	(67,939)
Education	8,666,113	-	-	(8,666,113)
Fixed Charges	838,888	-	-	(838,888)
Capital Reserve Activity	5,000	-	12,723	7,723
Total Governmental Activities	<u>16,449,248</u>	<u>1,401,394</u>	<u>646,731</u>	<u>(14,401,123)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 16,449,248</u>	<u>\$ 1,401,394</u>	<u>\$ 646,731</u>	<u>\$ (14,401,123)</u>
General Revenues:				
Taxes-Property				\$ 11,977,696
Taxes-Excise				1,543,905
Intergovernmental				469,433
Loss on Disposal of Assets				(13,433)
Investment Earnings				3,938
Total General Revenues				<u>13,981,539</u>
Change in Net Position				(419,584)
Net Position - July 1, 2013				<u>33,253,702</u>
Net Position - June 30, 2014				<u>\$ 32,834,118</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

**TOWN OF STANDISH, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Capital Project Fund	Oak Hill Relocation MDOT Grant	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash/Investments	\$ 2,907,036	\$ 473,671	\$ -	\$ 41,602	\$ 3,422,309
Receivables:					
Taxes	494,423	-	-	-	494,423
Liens	153,676	-	-	-	153,676
Accounts	173,816	-	391,671	6,041	571,528
Tax Acquired Property	36,100	-	-	-	36,100
Inventory and Prepaid Expense	41,537	-	-	-	41,537
Other Assets	160	-	-	-	160
Due from Other Funds	547,908	-	-	20,651	568,559
TOTAL ASSETS	<u>\$ 4,354,656</u>	<u>\$ 473,671</u>	<u>\$ 391,671</u>	<u>\$ 68,294</u>	<u>\$ 5,288,292</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	136,806	-	40,943	6,152	183,901
Accrued Liabilities	14,617	-	-	-	14,617
Accrued Wages and Compensated Absences	128,627	-	-	-	128,627
Unearned Revenues	68,239	-	-	-	68,239
Due to Other Funds	-	202,354	350,728	15,477	568,559
Total Liabilities	<u>348,289</u>	<u>202,354</u>	<u>391,671</u>	<u>21,629</u>	<u>963,943</u>
Deferred Inflows of Resources:					
Unavailable Property Taxes	322,192	-	-	-	322,192
Taxes Collected in Advance	8,445	-	-	-	8,445
Total Deferred Inflows of Resources	<u>330,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,637</u>
Fund Balances:					
Nonspendable	41,697	-	-	19,957	61,654
Restricted For:					
Special Revenues	-	-	-	13,466	13,466
Permanent Funds	-	-	-	4,504	4,504
Impact Fees	65,262	-	-	-	65,262
Capital Bond Funds	-	271,317	-	-	271,317
Committed For:					
Special Revenues	-	-	-	8,738	8,738
Reserves	290,565	-	-	-	290,565
Assigned For:					
Subsequent Years' Expenditures, Ongoing					
Engineering and Equipment Purchases	43,322	-	-	-	43,322
Use of Fund Balance	350,000	-	-	-	350,000
Unassigned	2,884,884	-	-	-	2,884,884
	<u>3,675,730</u>	<u>271,317</u>	<u>-</u>	<u>46,665</u>	<u>3,993,712</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 4,354,656</u>	<u>\$ 473,671</u>	<u>\$ 391,671</u>	<u>\$ 68,294</u>	<u>\$ 5,288,292</u>

The reconciliation of the governmental balance sheet to the statement of net position is presented on a separate schedule on the next page.

TOWN OF STANDISH, MAINE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Amounts reported for governmental activities in the Statement of Net Position (Statement 1) are different because:

Total Fund Balance (From Statement 3)		\$ 3,993,712
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		32,839,892
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		322,192
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued Compensated Absences	\$ (69,450)	
Long-Term Debt	(4,232,643)	
Accrued Interest Payable	<u>(19,585)</u>	<u>(4,321,678)</u>
Net Position of Governmental Activities		<u><u>\$ 32,834,118</u></u>

TOWN OF STANDISH, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Capital Project Fund	Oak Hill Relocation MDOT Grant	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 13,680,284	\$ -	\$ -	\$ -	\$ 13,680,284
Intergovernmental	669,020	-	391,671	42,750	1,103,441
Charges for Services	831,758	-	-	-	831,758
Licenses, Permits and Fees	302,585	-	-	-	302,585
Fines and Forfeits	60,704	-	-	-	60,704
Miscellaneous	138,298	-	-	71,437	209,735
Total Revenues	<u>15,682,649</u>	<u>-</u>	<u>391,671</u>	<u>114,187</u>	<u>16,188,507</u>
EXPENDITURES:					
General Government	1,810,607	-	-	-	1,810,607
Public Safety - Protection and Enforcement	1,508,447	-	-	44,957	1,553,404
Public Works	1,586,368	-	391,671	25,114	2,003,153
Capital Outlay	5,581	1,440,059	-	-	1,445,640
Community Services and Health	427,563	-	-	49,146	476,709
Education	8,666,113	-	-	-	8,666,113
Fixed Charges	1,477,133	-	-	14,585	1,491,718
Reserve Activity - Net	(69,605)	-	-	-	(69,605)
Total Expenditures	<u>15,412,207</u>	<u>1,440,059</u>	<u>391,671</u>	<u>133,802</u>	<u>17,377,739</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	270,442	(1,440,059)	-	(19,615)	(1,189,232)
OTHER FINANCING SOURCES:					
Transfer from the General Fund	(88,678)	88,678	-	-	-
Transfer to General Fund	18,207	(18,207)	-	-	-
Bond Proceeds	-	1,030,546	-	-	1,030,546
	<u>(70,471)</u>	<u>1,101,017</u>	<u>-</u>	<u>-</u>	<u>1,030,546</u>
EXCESS OF REVENUES AND OTHER					
SOURCES OVER (UNDER) EXPENDITURES	199,971	(339,042)	-	(19,615)	(158,686)
FUND BALANCES - JULY 1, 2013					
	<u>3,475,759</u>	<u>610,359</u>	<u>-</u>	<u>66,280</u>	<u>4,152,398</u>
FUND BALANCES - JUNE 30, 2014					
	<u>\$ 3,675,730</u>	<u>\$ 271,317</u>	<u>\$ -</u>	<u>\$ 46,665</u>	<u>\$ 3,993,712</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net position in the statement of activities is presented on a separate schedule on the next page.

TOWN OF STANDISH, MAINE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency</u> <u>Developer</u> Bonds
ASSETS:	
Cash	\$ 645,153
	<u><u> </u></u>
LIABILITIES:	
Accounts Payable	\$ 645,153
	<u><u> </u></u>

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES

The Reporting Entity

The Town of Standish, Maine, incorporated in 1785, operates under a Council-Manager form of government adopted by charter in 1987. The Council consists of seven members elected by the registered voters for overlapping terms of three years. The financial statements of the Town of Standish conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may or may not be financially accountable and, as such, be includable within the Town's basic financial statements. In accordance with GASB, the Town (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Town. The Town also is financially accountable for organizations that are fiscally dependent on it and there is a financial benefit or burden relationship. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there are no other entities within the Town that should be included as part of these basic financial statements.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, comprised of the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function, service, program, or department. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds (if any) are reported as separate columns in the fund financial statements.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The Town had only one major special revenue fund during the year – the Oak Hill Relocation MDOT Grant. The revenues in this fund were expended for completion of the relocation of the Route 25 and Oak Hill Road intersection.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the town or its citizenry.

Fiduciary Funds

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements or results of operations. These funds, along with any component units that are fiduciary in nature, are not incorporated into the government-wide 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.

Accrual

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

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Modified Accrual

Governmental funds 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, as well as certain compensated absences, claims and judgments, are recorded only when the payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Resources received in advance are recorded as unearned revenues. Unearned revenues arise when resources are received by the Town before it has a legal claim to them. In subsequent periods when both the measurable and available criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Cash 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. Maine statutes authorize investments in obligations of the U. S. Treasury and U. S. Agencies, and repurchase agreements. The Town invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments are reported at fair value.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Management's estimation for allowances for uncollectible accounts receivable are based upon experience. No allowance for tax receivables is estimated as management deems delinquent accounts to be collectible through the lien process.

In the government fund financial statements, receivables are recorded when they are both measurable and available.

Inventory

Inventory is valued at cost and consists of sand, gravel, salt, and other chemicals and materials used in road maintenance.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Interfund Transactions

During the course of normal operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to/due from other funds” on the balance sheet of the governmental funds and fiduciary funds. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Operating transfers occur when the Town transfers budgeted resources between funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Capital outlays, which significantly extend the useful life of an asset, are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and building improvements	25 to 50 years
Vehicles and equipment	5 to 20 years
Infrastructure	10 to 40 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of 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 and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resource. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the Town’s deferred inflows of resources consist solely of property taxes collected in advance. In the fund financial statements, due to differences in the modified accrual basis of accounting, deferred inflows also include property taxes include unavailable property taxes (property taxes not collected within 60 days of the financial statement date).

Compensated Absences

Pursuant to the terms of the personnel policies, vacation time is granted in varying amounts according to length of service. At June 30, 2014, the accrual for compensated absences was determined to be \$101,811 (\$87,724 at June 30, 2013).

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of assets. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt and premiums received are reported as other financing resources. Discounts on debt issuances are reported as other financing uses.

Net Position and Fund Equity Classifications

Net position is required to be classified into the following three components:

Net investment in capital assets - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings (net of significant unspent debt proceeds) that are attributable to the acquisition, construction, or improvements of those assets.

Capital Assets	\$	55,477,783
Accumulated Depreciation		(22,637,891)
Bonds and Notes Payable		(3,961,326)
Accrued Interest Payable		<u>(19,585)</u>
 Total Net Investment in Capital Assets	 \$	 <u>28,858,981</u>

Restricted - This component consists of constraints placed on the use of net position which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital asset”.

Fund Balance

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. Classifications are hierarchical and are based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this Standard, the fund balance classifications of reserved, designated, and undesignated were replaced with the following classifications:

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

Restricted - represents those portions of fund equity that have externally enforceable legal restrictions.

Committed - describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Assigned - reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Council and Town Manager have the authority to assign amounts to be used for specific purposes.

Unassigned - represents amounts that are available for any purpose. Only the General Fund may carry an unassigned fund balance.

The Town has no formal revenue spending policy for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

It is the policy of the Town to maintain unassigned fund balance in the general fund at the "target level", 18.75%, or two and one quarter twelfths, of the approved appropriation for the municipal budget, the Town's portion of MSAD #6 local assessment, county tax, and the overlay. In the event that the unassigned fund balance drops below this level, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three (3) years. Any excess in the Unassigned Fund Balance identified in the Town's audited financial statements that exceeds the target level above may be used to adjust the mil rate upon the recommendation of the Town Manager and the Town Council with the approval of the Town Meeting.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Note 2 - DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover the value of its deposits and investments that are in the possession of an outside party.

Deposits

The Town has a deposit policy for custodial credit risk. Deposit and investment of funds can only be made in financial institutions that are insured by the FDIC or the FSLIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution, or the excess funds must be placed with other financial institutions. As of June 30, 2014, \$2,221,212 of the Town's bank balance of \$3,367,393 was insured by the FDIC, and the remaining \$1,146,181 was insured by an irrevocable standby letter of credit.

Note 3 - PROPERTY TAX

The Town's property taxes for the July 1, 2013 - June 30, 2014 fiscal year were committed on September 11, 2013. Taxes were due semi-annually on November 15, 2013 and May 15, 2014. Unpaid taxes are charged interest of 7% per annum. The tax commitment was based on the April 1, 2013 assessed real estate and personal property values totaling \$989,448,228.

**TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 3 - PROPERTY TAX (Continued)

The following summarizes the levy:

VALUATION AND ASSESSMENT

Valuation	
Real Estate	\$ 983,435,959
Personal Property	<u>6,012,269</u>
Total Valuation	989,448,228
Property Tax Rate	x <u>.01208</u>
Tax Commitment	<u>\$ 11,952,536</u>

COLLECTION OF 2013/2014 TAXES

Original Tax Commitment	\$ 11,952,536
Supplemental Tax Commitment	<u>25,160</u>
Total Tax Commitment	11,977,696
Less:	
Current Year Collections*	11,455,708
Abatements	<u>38,194</u>
2013/2014 Taxes Receivable	<u>\$ 483,794</u>

**Current year collections are net of adjustments and refunds.*

TAXES RECEIVABLE JUNE 30, 2014

Taxes – Current Year	\$ 483,794
Taxes – Prior Years	<u>10,629</u>
Total Taxes Receivable	<u>\$ 494,423</u>

The Town is permitted by the laws of the State of Maine to levy taxes 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 \$40,411 for the year ended June 30, 2014.

Property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. The receivables collected during the year and during the first sixty (60) days after June 30, 2014 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

**TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 3 - PROPERTY TAX (Continued)

The 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. Property acquired by foreclosure for non-payment of taxes is recorded at the amount of expired tax liens plus the cost involved in foreclosure. Liens and any current taxes on the same parcel are not included as part of the tax acquired property account until expiration of statutory time limits.

Note 4 – ACCOUNTS RECEIVABLE

During the year, the Town expended \$391,671 on the Oakhill Road relocation project. This project was pre-qualified for reimbursement under the Maine Department of Transportation’s (MDOT) Municipal Partnership Initiative (MPI), and the Town management believes project meets all MPI Grant requirements. Revenue was recognized in the current period to properly match expenditures and a receivable is recorded from the MDOT. Management believes the collectability of the revenue is reasonably assured and, therefore, has not provided for an allowance for uncollectible accounts related to this amount.

Of the remaining accounts receivable, over 75% are amounts due from the State of Maine for various grants, reimbursements, revenue sharing, and general assistance. Management believes the collectability of all remaining receivables is reasonably assured and, therefore, has not provided for an allowance for uncollectible accounts.

Note 5 - INTERFUND RECEIVABLES / PAYABLES AND TRANSFERS

Interfund Receivables / Payables

Individual interfund receivable and payable balances at June 30, 2014 per Statement 3 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 547,908	\$ -
Capital Projects Fund	-	202,354
Major and Nonmajor Special Revenue Funds		<u>20,651</u>
		<u>366,205</u>
Total interfund receivables / payables	<u>\$ 568,559</u>	<u>\$ 568,559</u>

The purpose of the interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking. The balances represent each fund’s portion of the centralized account.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 5 - INTERFUND RECEIVABLES / PAYABLES AND TRANSFERS (Continued)

Transfers

Interfund transfers for the year ended June 30, 2013 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net In / (Out)</u>
General Fund	\$ 18,207	\$ (88,678)	\$ (70,471)
Capital Projects Fund	<u>88,678</u>	<u>(18,207)</u>	<u>70,471</u>
Total interfund transfers	<u>\$ 106,885</u>	<u>\$ (106,885)</u>	<u>\$ -</u>

Transfers are used to report money appropriated out of the General Fund for specific outlays reported in other funds and to report liquidations of other fund amounts back into the General Fund.

Note 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was:

Governmental Activities	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Capital Assets not Being Depreciated				
Land	\$ 694,444	\$ -	\$ -	\$ 694,444
Capital Assets Being Depreciated				
Buildings	4,153,318	228,890	-	4,382,208
Improvements Other Than Buildings	46,124	-	-	46,124
Machinery and Equipment	3,899,413	557,944	(106,274)	4,351,083
Infrastructure	<u>44,868,216</u>	<u>1,135,708</u>	<u>-</u>	<u>46,003,924</u>
Total	52,967,071	1,922,542	(106,274)	54,783,339
Less: Accumulated Depreciation				
Buildings	917,155	78,795	-	995,950
Improvements Other Than Buildings	43,376	407	-	43,783
Machinery and Equipment	2,098,792	227,516	(92,841)	2,233,467
Infrastructure	<u>18,088,588</u>	<u>1,276,103</u>	<u>-</u>	<u>19,364,691</u>
Total	<u>21,147,911</u>	<u>1,582,821</u>	<u>(92,841)</u>	<u>22,637,891</u>
General Capital Assets, net	<u>\$ 32,513,604</u>	<u>\$ 339,721</u>	<u>\$ (13,433)</u>	<u>\$ 32,839,892</u>

Retirement of capital assets during the current period resulted in a loss on disposal of \$11,412.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 - CAPITAL ASSETS

Depreciation was charged to governmental functions as follows:

General Government	\$	59,290
Community Services and Health		13,697
Public Works		1,356,523
Public Safety		<u>153,311</u>
 Total Depreciation Expense	 \$	 <u>1,582,821</u>

Note 7 - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2014:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable	\$ 3,758,399	\$ 1,030,546	\$ 595,902	\$ 4,193,043	\$ 698,958
Notes Payable	<u>52,800</u>	<u>-</u>	<u>13,200</u>	<u>39,600</u>	<u>13,200</u>
 Total Long-term Debt	 <u>\$ 3,811,199</u>	 <u>\$ 1,030,546</u>	 <u>\$ 609,102</u>	 <u>\$ 4,232,643</u>	 <u>\$ 712,158</u>

Total interest expense on long-term debt was \$122,875 for the year.

General long-term debt consists of the following:

<u>Description</u>	<u>Amount</u>
2004 General Obligation Bonds, dated October 28, 2004; annual principal payment in November of \$18,500. Semi-annual interest payable in November and May; variable interest rate from 3.019% to 3.644% per annum. Final installment due November 2014. Authorized and issued \$185,000.	\$ 18,500
2005 General Obligation Bonds, dated October 27, 2005; annual principal payment in November of \$81,962. Semi-annual interest payable in November and May; variable interest rate from 3.000% to 5.000% per annum. Final installment due November 2015. Authorized and issued \$819,615.	163,924
2006 General Obligation Bonds, dated October 26, 2006; annual principal payment in November of \$46,867. Semi-annual interest payable in November and May; variable interest rate from 2.000% to 5.350% per annum. Final installment due November 2016. Authorized and issued \$468,665.	140,601
2007 General Obligation Bonds, dated October 25, 2007; annual principal payment in November of \$57,425. Semi-annual interest payable in November and May; variable interest rate from 2.000% to 5.800% per annum. Final installment due November 2017. Authorized and issued \$574,250.	229,700

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 - LONG-TERM DEBT (Continued)

Description	Amount
2008 General Obligation Bonds, dated October 30, 2008; annual principal payment in November of \$121,075. Semi-annual interest payable in November and May; variable interest rate from 2.075% to 5.757% per annum. Final installment due November 2018. Authorized and issued \$1,210,750.	605,375
2010 General Obligation Bonds, dated October 28, 2010; annual principal payment in November of \$121,000. Semi-annual interest payable in November and May; variable interest rate from 2.124% to 5.500% per annum. Final installment due November 2020. Authorized and issued \$1,210,000.	847,000
2011 General Obligation Bonds, dated October 27, 2011; annual principal payment in November of \$140,275. Semi-annual interest payable in November and May; variable interest rate from 0.500% to 5.500% per annum. Final installment due November 2021. Authorized and issued \$1,402,746.	1,122,197
Norway Savings Public Works Dump Truck Loan, dated March 15, 2012; annual principal payment in July of \$13,200. Annual interest payable in July; fixed interest rate of 2.990% per annum. Final installment due July 2017. Authorized and issued \$66,000.	39,600
2012 General Obligation Bonds, dated October 25, 2012; annual principal payment in November of \$8,800. Semi-annual interest payable in November and May; variable interest rate from 0.330% to 2.380% per annum. Final installment due November 2017. Authorized and issued \$44,000.	35,200
2013 General Obligation Bonds, dated October 24, 2013; annual principal payment in November of \$103,055. Semi-annual interest payable in November and May; variable interest rate from 0.450% to 3.120% per annum. Final installment due November 2023. Authorized and issued \$1,030,546.	<u>1,030,546</u>
Total long-term debt	<u>\$ 4,232,643</u>

The annual requirement to amortize debt outstanding as of June 30, 2013 is as follows:

	Principal	Interest	Total
Fiscal Year 2015	\$ 712,158	\$ 106,015	\$ 818,173
Fiscal Year 2016	693,658	81,266	774,924
Fiscal Year 2017	611,696	58,497	670,193
Fiscal Year 2018	551,629	39,290	590,919
Fiscal Year 2019	485,405	26,413	511,818
Fiscal Years Thereafter	<u>1,178,097</u>	<u>45,887</u>	<u>1,223,984</u>
Totals	<u>\$ 4,232,643</u>	<u>\$ 357,368</u>	<u>\$ 4,590,011</u>

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 - LONG-TERM DEBT (Continued)

In accordance with 30-A MRSA, Section 5702, as amended, no municipality shall incur debt (a) for school purposes in excess of 10% of its last full state valuation, (b) for storm or sanitary sewer purposes in excess of 7.5% of its last full state valuation, (c) for municipal airport and special district purposes in excess of 3% of its last full state valuation, and (d) for all other purposes in excess of 7.5% of its last full state valuation. Additionally, a municipality's total debt may not exceed 15% of its last full state valuation. The Town's last full state valuation, dated January 17, 2014, was \$978,750,000.

The Town's debt types and margins below statutory limits are as follows:

<u>Debt Type</u>	<u>Statutory Limit %</u>	<u>Debt Type Limit</u>	<u>Outstanding Debt</u>	<u>Debt Margin</u>
School purposes	10%	\$ 97,875,000	\$ -	\$ 97,875,000
Storm or sanitary sewer purposes	7.5%	73,406,250	-	73,406,250
Airport and special districts	3%	29,362,500	-	29,362,500
All other purposes	7.5%	73,406,250	4,232,643	69,173,607
Total debt	15%	146,812,500	4,232,643	142,579,857

Note 8 - SHORT-TERM DEBT OBLIGATIONS

During the year, the Town had \$1,916,000 and \$1,708,400 in tax anticipation notes for working capital needs. Short-term debt activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax Anticipation Notes	\$ -	\$ 3,624,400	\$ 3,624,400	\$ -

Note 9 - OVERLAPPING DEBT

The Town's proportionate share of Cumberland County's and Maine School Administrative District No. 6's bonded debt are not reported in the Town's financial statements. Debt service is included in the annual County and School assessments to the Town. The Town's share is 2.53% (\$971,279) of Cumberland County's outstanding debt of \$38,325,000, and 39.29% (\$8,352,675) of Maine School Administrative District No. 6's outstanding bonded debt of \$21,257,473.

Note 10 - CONTINGENT LIABILITY

Litigation

The Town is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, the Town has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the Town.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 - CONTINGENT LIABILITY

State and Federal Grants

The Town participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Maine DOT Sidewalk Grant

In fiscal year 2013, the Maine Department of Transportation approved the Town's application requesting funding for pedestrian and/or bicycle safety project. The Maine DOT's policy requires a municipality to have completed the design phase of a project before being eligible to receive construction funding. During fiscal year 2012, the Town spent \$30,132 on the design of the project, \$24,106 of which was reimbursed by the MaineDOT. In the event that the construction phase does not get approved by the Town's voters by October 15, 2015, the Town will have to return \$24,106 of the grant to the MaineDOT.

Note 11- RISK MANAGEMENT

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 either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association.

Based on coverage provided by the pool, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2014.

Note 12 - OUTSIDE COMPENSATION FUNDS

The Town maintains a worker's compensation fund and an unemployment compensation fund as part of a pool with Maine Municipal Association (MMA). Contributions are made by the Town during the year and are invested by MMA to administer workers' compensation and unemployment benefits for the Town, if any. The Town has a positive experience, that is, contributions and income exceed payment of benefits. These plans do not allow for retroactive premium adjustment by the pool and the pool retains the risk of loss. Therefore, these amounts are not part of the Town's financial statements.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 13 - RETIREMENT PLAN

The Town participates in a 401(a), money purchase retirement plan, on behalf of each full-time non-union employee. This money purchase retirement plan is administered by the ICMA Retirement Corporation. The funds are invested in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plan. The Town contributes 6% of each qualified employees' earnings for the plan year on condition that each qualified participant contributes 2% of their earnings to the plan. For the fiscal year ending June 30, 2014, the Town's share of the retirement contributions on behalf of the qualified employees amounted to \$73,257. Participants are not fully vested until the fifth year of participation.

Assets of the plan are placed in trusts for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred, including earnings on plan assets, are not included in the Town's financial statements.

In addition, the Town participates in the Social Security Retirement and Medicare Program. The Town's contribution was \$144,003, for the year ended June 30, 2014.

Note 14 – RELATED-PARTY TRANSACTIONS

During fiscal year 2013, the Town entered into a contract with the Cumberland County, State of Maine, to facilitate a grant to an assisted business, owned by one of the Councilors. The grant is provided by the US Department of Housing and Urban Development to purchase business equipment and create at least 7 full-time jobs to be taken for Town residents. The grant involves matching funds to be paid by the assisted business. No expenditure is to be incurred by the Town in connection with the grant. The Town makes payments on the grant invoices and then receives reimbursement in the same amounts from the Cumberland County. No funds were disbursed by the Town during the year for this purpose.

Note 15 – COMPONENTS OF FUND BALANCE

The General Fund's unassigned fund balance as of June 30, 2014 is \$2,884,884. The remainder of the governmental funds' balances are classified in the table on the following page.

The negative fund balance in the Oak Hill Tree Canopy Grant is due to expenditures from this fund for the fund's designated purpose in excess of its revenues by \$5,791. Town management anticipates future grant revenues to off-set this negative fund balance. Any remaining negative fund balance will be absorbed by the General Fund.

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 15 – COMPONENTS OF FUND BALANCE (Continued)

	<u>Non- Spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund				
Prepaid Expenses and Inventories	\$ 41,697	\$ -	\$ -	\$ -
Impact Fees	-	65,262	-	-
Multi-Purpose Skate Park	-	-	2,172	-
Community Center	-	-	23,298	-
Bond Levelization	-	-	183,092	-
Conservation	-	-	40,627	-
Athletic Fields Improvement	-	-	13,516	-
Government Access	-	-	26,874	-
New Fire Engine #4	-	-	287	-
Donations	-	-	699	-
Subsequent Years' Expenditures				
<i>Town Council – General</i>	-	-	-	519
<i>Finance – General</i>	-	-	-	1,116
<i>Planning Board – General</i>	-	-	-	27,844
<i>Town Clerk – Capital Outlay</i>	-	-	-	8,000
<i>Public Works – Capital Outlay</i>	-	-	-	4,606
<i>Cable Television – Community Services</i>	-	-	-	1,237
Fund Balance Appropriated for 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Total General Fund	41,697	65,262	290,565	393,322
Capital Projects Fund				
Unexpended Capital Bond Funds	-	271,317	-	-
Special Revenue Funds				
Bottles 4 Fuel Fund	-	-	7,344	-
Public Safety Fair Funds	-	-	1,394	-
Homeland Security Grant	-	953	-	-
Fire Prevention / Education Grant	-	225	-	-
Comprehensive Plan Upgrade Grant	-	6,379	-	-
Standish Corner Grant	-	6,489	-	-
Steep Falls Library Grant	-	5,211	-	-
Oak Hill Tree Canopy Grant	<u>-</u>	<u>(5,791)</u>	<u>-</u>	<u>-</u>
Total Special Revenue Funds	-	13,466	8,738	-
Permanent Funds				
Hasty Fund	14,911	120	-	-
Wescott Fund	<u>5,046</u>	<u>4,384</u>	<u>-</u>	<u>-</u>
Total Permanent Funds	<u>19,957</u>	<u>4,504</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>\$ 61,654</u>	<u>\$ 354,549</u>	<u>\$ 299,303</u>	<u>\$ 393,322</u>

TOWN OF STANDISH
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 16 - SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through December 5, 2014, the date the financial statements were available to be issued.

In September 2014, the Town Council approved a tax anticipation note not to exceed \$2,177,600 for the working capital needs.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF STANDISH, MAINE
BUDGETARY COMPARISON SCHEDULE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
TAXES:			
Real Estate	\$ 11,952,536	\$ 11,977,696	\$ 25,160
Change in Deferred Tax Revenue	-	158,683	158,683
Excise:			
Vehicle	1,400,000	1,524,355	124,355
Boat	21,500	19,550	(1,950)
	<u>13,374,036</u>	<u>13,680,284</u>	<u>306,248</u>
INTERGOVERNMENTAL:			
State Municipal Revenue Sharing	283,985	262,781	(21,204)
Homestead Exemption Reimbursement	138,638	138,638	-
Local Road Assistance	165,000	167,452	2,452
General Assistance	30,032	22,646	(7,386)
Tree Growth	56,012	60,098	4,086
Veterans Tax Loss Reimbursement	5,892	7,282	1,390
Snowmobile Reimbursement	4,000	3,257	(743)
BETE Reimbursement	620	634	14
FEMA Reimbursement	-	6,232	6,232
	<u>684,179</u>	<u>669,020</u>	<u>(15,159)</u>
LICENSES AND PERMITS:			
Transfer Station Sticker Fees	80,000	93,482	13,482
Building Permits/Code Enforcement	80,000	112,538	32,538
Transfer Station User Fees	40,000	38,294	(1,706)
Plumbing	16,000	14,055	(1,945)
Sport Licenses/RV Agent Fees	4,200	3,273	(927)
Marriage Licenses	2,200	2,060	(140)
Municipal Licenses	5,300	5,361	61
Recycling Revenue	36,000	31,032	(4,968)
CEO Consultant Fees	5,000	-	(5,000)
Dog Licenses	2,900	2,137	(763)
Septage Permits	200	10	(190)
Recording/Advertising Fees	350	343	(7)
	<u>272,150</u>	<u>302,585</u>	<u>30,435</u>

**TOWN OF STANDISH, MAINE
BUDGETARY COMPARISON SCHEDULE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
CHARGES FOR SERVICES:			
Motor Vehicle Agent Fee	30,000	30,159	159
Planning Board	10,000	8,380	(1,620)
Animal Control	850	500	(350)
Boat Launch Fees	18,000	20,613	2,613
Cable TV Franchise Fees	128,423	117,282	(11,141)
EMS Revenues	330,000	371,447	41,447
Dispatch Services	19,820	26,000	6,180
Subscription Fees	15,000	17,205	2,205
Recreation	221,800	221,259	(541)
Passport Services	6,000	6,689	689
Vital Statistics	4,100	3,755	(345)
Appeals Board	600	-	(600)
Other	9,450	8,469	(981)
	<u>794,043</u>	<u>831,758</u>	<u>37,715</u>
FINES AND FORFEITS:			
Lien Notice Filing Charges	15,000	12,025	(2,975)
Tax Lien Interest	50,000	45,654	(4,346)
Ordinance Fines	5,000	3,025	(1,975)
	<u>70,000</u>	<u>60,704</u>	<u>(9,296)</u>
OTHER REVENUES:			
Investment Interest	6,000	3,329	(2,671)
Leases/Rentals	18,000	17,455	(545)
Sale of Property	7,500	102,311	94,811
Other	-	15,203	15,203
	<u>31,500</u>	<u>138,298</u>	<u>106,798</u>
TOTAL REVENUES	15,225,908	15,682,649	456,741
EXPENDITURES:			
General Government	1,942,518	1,810,607	131,911
Public Safety - Protection and Enforcement	1,499,583	1,508,447	(8,864)
Public Works	1,656,266	1,586,368	69,898
Capital Outlay	18,187	5,581	12,606
Community Services and Health	472,517	427,563	44,954
Education	8,666,113	8,666,113	-
Fixed Charges	1,453,626	1,477,133	(23,507)
	<u>15,708,810</u>	<u>15,481,812</u>	<u>226,998</u>
TOTAL EXPENDITURES	15,708,810	15,481,812	226,998
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(482,902)	200,837	683,739

**TOWN OF STANDISH, MAINE
BUDGETARY COMPARISON SCHEDULE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
OTHER FINANCING SOURCES (USES):			
Use of Surplus	440,470	-	(440,470)
Transfer to Capital Projects	(88,678)	(88,678)	-
Transfer from Capital Projects	18,207	18,207	-
Prior Year Carryover	112,903	-	(112,903)
TOTAL OTHER FINANCING SOURCES (USES)	<u>482,902</u>	<u>(70,471)</u>	<u>(553,373)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES			
	<u>\$ -</u>	130,366	<u>\$ 130,366</u>
RECONCILIATION TO GAAP BASIS:			
Interest and Other Income to Reserves		13,273	
Expenditures and Transfers by Reserve		56,332	
		<u>69,605</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			
		<u>\$ 199,971</u>	

TOWN OF STANDISH
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

NOTE 1 – BUDGETARY ACCOUNTING

Budgets are adopted for the General Fund only on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with U.S. generally accepted accounting principles.

NOTE 2 - BUDGET VS GAAP BASIS OF ACCOUNTING

The following is an explanation of the various differences and their effect on current year revenues and expenditures on a GAAP basis as presented in Statement 5:

Excess of revenues and other sources over expenditures and other uses (Exhibit 1)	\$ 130,366
Interest and other receipts in reserves (Schedule 1)	13,273
Expenses and transfers from reserves (Schedule 1)	<u>56,332</u>
Excess of revenues over expenditures (Statement 5)	<u>\$ 199,971</u>

NOTE 3 - BUDGETED USE OF SURPLUS

During the year ended June 30, 2014, the Town budgeted to utilize prior year unassigned fund balance as a budgeted use of surplus.

2013 Carry-forward Balance	\$ 112,903
Current Year Use of Surplus	<u>440,470</u>
Total	<u>\$ 553,373</u>

SUPPLEMENTAL DATA

GENERAL FUND

The General Fund accounts for all revenues and expenditures of the Town which are not accounted for in other funds. Most governmental services are provided by the General Fund including public works, public safety, education, recreation, health and welfare, and general administrative services.

The following schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements of the Town of Standish, Maine. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TOWN OF STANDISH, MAINE
BALANCE SHEETS - GENERAL FUND
JUNE 30, 2014
(With Comparative Totals for the Year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
ASSETS:		
Cash and Temporary Investments	\$ 2,907,036	\$ 3,264,450
Accounts Receivable	173,816	217,284
Taxes Receivable	494,423	699,114
Tax Liens	153,676	172,778
Tax Acquired Property	36,100	36,160
Inventory and Prepaid Expense	41,537	60,943
Other Assets	160	160
Due from Other Funds	547,908	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 4,354,656	\$ 4,450,889
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 136,806	\$ 158,742
Accrued Liabilities	14,617	24,340
Accrued Wages and Compensated Absences	128,627	102,484
Unearned Revenues	68,239	78,483
Due to Other Fund	-	120,190
Total Liabilities	<hr/> 348,289	<hr/> 484,239
Deferred Inflows of Resources:		
Unavailable Property Taxes	322,192	480,874
Taxes Collected in Advance	8,445	10,017
Total Deferred Inflows of Resources	<hr/> 330,637	<hr/> 490,891
Fund Balances:		
Nonspendable	41,697	61,103
Restricted For:		
Impact Fees	65,262	52,697
Committed For:		
Reserves	290,565	303,997
Assigned For:		
Subsequent Years' Expenditures,		
Ongoing Engineering and Equipment Purchases	43,322	112,903
Use of Fund Balance	350,000	350,000
Unassigned	2,884,884	2,595,059
Total Fund Balances	<hr/> 3,675,730	<hr/> 3,475,759
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:	\$ 4,354,656	\$ 4,450,889
	<hr/> <hr/>	<hr/> <hr/>

TOWN OF STANDISH, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2014

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>		<u>Unassigned</u>	
	<u>Inventories</u>	<u>Impact Fees</u>	<u>Reserves</u>	<u>Purchases</u>	<u>Use of Fund Balance</u>		<u>Total</u>
FUND BALANCE - JULY 1, 2013	\$ 61,103	\$ 52,697	\$ 303,997	\$ 112,903	\$ 350,000	\$ 2,595,059	\$ 3,475,759
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>(19,406)</u>	<u>12,565</u>	<u>(13,432)</u>	<u>(69,581)</u>	<u>-</u>	<u>289,825</u>	<u>199,971</u>
FUND BALANCE - JUNE 30, 2014	<u>\$ 41,697</u>	<u>\$ 65,262</u>	<u>\$ 290,565</u>	<u>\$ 43,322</u>	<u>\$ 350,000</u>	<u>\$ 2,884,884</u>	<u>\$ 3,675,730</u>

**TOWN OF STANDISH, MAINE
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013**

	<u>ASSETS</u>				<u>LIABILITIES AND FUND BALANCE</u>			
	<u>Cash</u>	<u>Accounts Receivable</u>	<u>Due from Other Funds</u>	<u>Total Assets</u>	<u>Accounts Payable</u>	<u>Due to Other Funds</u>	<u>Fund Balance</u>	<u>Total Liabilities and Fund Balance</u>
Bottles 4 Fuel	\$ 17,141	\$ -	\$ -	\$ 17,141	\$ -	\$ 9,797	\$ 7,344	\$ 17,141
Public Safety Fair Funds	-	-	1,394	1,394	-	-	1,394	1,394
Homeland Security Grant	-	-	953	953	-	-	953	953
Fire Prevention/Education Grant	-	-	225	225	-	-	225	225
Comp Plan Upgrade Grant	-	-	6,379	6,379	-	-	6,379	6,379
Standish Corner Grant	-	-	6,489	6,489	-	-	6,489	6,489
Steep Falls Library Grant	-	-	5,211	5,211	-	-	5,211	5,211
Canopy Oakhill Tree Grant	-	6,041	-	6,041	6,152	5,680	(5,791)	6,041
Total:	<u>\$ 17,141</u>	<u>\$ 6,041</u>	<u>\$ 20,651</u>	<u>\$ 43,833</u>	<u>\$ 6,152</u>	<u>\$ 15,477</u>	<u>\$ 22,204</u>	<u>\$ 43,833</u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Fund Balances Beginning of Year	Program Revenues		Program Expenditures	Fund Balances End of Year
		Inter- Governmental	Other		
Bottles 4 Fuel	\$ 7,610	\$ -	\$ 9,532	\$ 9,798	\$ 7,344
Public Safety Fair Funds	426	-	3,175	2,207	1,394
Homeland Security Grant	953	-	-	-	953
Fire Prevention/Education Grant	225	-	-	-	225
Comp. Plan Upgrade Grant	6,379	-	-	-	6,379
Standish Corner Grant	6,489	-	-	-	6,489
Steep Falls Library Grant	5,211	-	-	-	5,211
GPCOG Route 113 CDBG	-	-	13,282	13,282	-
Thermal Image Camera Grant	-	42,750	-	42,750	-
Johnson Field Play Equipment	-	-	39,348	39,348	-
Oak Hill Tree Canopy Grant	-	-	6,041	11,832	(5,791)
Total:	\$ 27,293	\$ 42,750	\$ 71,378	\$ 119,217	\$ 22,204

TOWN OF STANDISH, MAINE
COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2014
(With Comparative Totals for the Year ended June 30, 2013)

	NonExpendable		Totals	
	Hasty <u>Fund</u>	Wescott <u>Fund</u>	(Memorandum Only)	
			<u>2014</u>	<u>2013</u>
ASSETS:				
Cash	\$ 15,031	\$ 9,430	\$ 24,461	\$ 38,987
FUND BALANCE:				
Principal	\$ 14,911	\$ 5,046	\$ 19,957	\$ 19,957
Income	120	4,384	4,504	19,030
	\$ 15,031	\$ 9,430	\$ 24,461	\$ 38,987

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR PERMANENT FUNDS
YEAR ENDED JUNE 30, 2014
(With Comparative Totals for the Year ended June 30, 2013)

	<u>NonExpendable</u>		<u>Totals</u>	
	Hasty <u>Fund</u>	Wescott <u>Fund</u>	(Memorandum Only)	
			<u>2014</u>	<u>2013</u>
REVENUES:				
Interest	\$ 43	\$ 16	\$ 59	\$ 71
EXPENDITURES:				
Donation	<u>14,585</u>	<u>-</u>	<u>14,585</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,542)	16	(14,526)	71
FUND BALANCE - JULY 1	<u>29,573</u>	<u>9,414</u>	<u>38,987</u>	<u>38,916</u>
FUND BALANCE - JUNE 30	<u>\$ 15,031</u>	<u>\$ 9,430</u>	<u>\$ 24,461</u>	<u>\$ 38,987</u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF GENERAL FUND RESERVES
YEAR ENDED JUNE 30, 2014

	Fund Balances Beginning of Year	Program Revenues		Transfers In (Out)	Program Expenditures	Fund Balances End of Year
		Interest	Other			
Multi-Purpose Skate Park	\$ 7,165	\$ 7	\$ -	\$ -	\$ 5,000	\$ 2,172
Impact Fees	52,697	81	12,484	-	-	65,262
Community Center	23,262	36	-	-	-	23,298
Bond Levelization	140,218	216	-	42,658	-	183,092
Conservation	40,587	40	-	-	-	40,627
Athletic Fields Improvement	2,263	21	-	18,207	6,975	13,516
Government Access	8,177	23	-	18,674	-	26,874
New Fire Engine 4	81,865	126	-	(81,704)	-	287
Donations	460	-	239	-	-	699
Total:	<u>\$ 356,694</u>	<u>\$ 550</u>	<u>\$ 12,723</u>	<u>\$ (2,165)</u>	<u>\$ 11,975</u>	<u>\$ 355,827</u>

TOWN OF STANDISH, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2014

	<u>Appropriation Balances Forward</u>	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Appropriation Balances</u>		<u>Carried Forward</u>
						<u>Lapsed Overdrawn</u>	<u>Unexpended</u>	
GENERAL GOVERNMENT:								
Assessor	\$ 405	\$ 81,912	\$ -	\$ 82,317	\$ 78,502	\$ -	\$ 3,815	\$ -
Code Enforcement	-	77,643	-	77,643	71,042	-	6,601	-
Employee Benefits	-	655,355	-	655,355	608,289	-	47,066	-
General Administration	210	283,396	-	283,606	267,258	-	15,829	519
Town Council	-	45,479	-	45,479	45,479	-	-	-
Town Clerk/Collector/Treasurer	-	181,691	-	181,691	167,608	-	14,083	-
Finance	135	171,534	-	171,669	167,983	-	2,570	1,116
Planning Board	8,140	141,719	-	149,859	117,921	-	4,094	27,844
Building Maintenance and Utilities	-	219,334	-	219,334	217,801	-	1,533	-
Board of Appeals	-	726	-	726	107	-	619	-
Insurance	-	74,839	-	74,839	68,617	-	6,222	-
	<u>8,890</u>	<u>1,933,628</u>	<u>-</u>	<u>1,942,518</u>	<u>1,810,607</u>	<u>-</u>	<u>102,432</u>	<u>29,479</u>
PUBLIC SAFETY - PROTECTION AND ENFORCEMENT:								
Public Safety	34,513	934,823	-	969,336	978,200	8,864	-	-
Law Enforcement	-	530,247	-	530,247	530,247	-	-	-
	<u>34,513</u>	<u>1,465,070</u>	<u>-</u>	<u>1,499,583</u>	<u>1,508,447</u>	<u>8,864</u>	<u>-</u>	<u>-</u>
CAPITAL OUTLAY:								
Public Safety Equipment	2,394	-	-	2,394	2,394	-	-	-
Town Clerk	8,000	-	-	8,000	-	-	-	8,000
Public Works	7,793	-	-	7,793	3,187	-	-	4,606
	<u>18,187</u>	<u>-</u>	<u>-</u>	<u>18,187</u>	<u>5,581</u>	<u>-</u>	<u>-</u>	<u>12,606</u>

TOWN OF STANDISH, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2014

	<u>Appropriation Balances Forward</u>	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Appropriation Balances</u>		<u>Carried Forward</u>
						<u>Lapsed Overdrawn</u>	<u>Unexpended</u>	
PUBLIC WORKS:								
Highway	49,580	1,025,276	-	1,074,856	1,065,053	-	9,803	-
Solid Waste Services	1,733	579,677	-	581,410	521,315	-	60,095	-
	<u>51,313</u>	<u>1,604,953</u>	<u>-</u>	<u>1,656,266</u>	<u>1,586,368</u>	<u>-</u>	<u>69,898</u>	<u>-</u>
COMMUNITY SERVICES AND HEALTH:								
General Assistance	-	71,982	-	71,982	49,866	-	22,116	-
Cable Television	-	75,525	-	75,525	71,287	-	3,001	1,237
Recreation	-	290,610	-	290,610	272,694	-	17,916	-
Libraries and Associations	-	23,700	-	23,700	23,016	-	684	-
Provider Agencies	-	10,700	-	10,700	10,700	-	-	-
	<u>-</u>	<u>472,517</u>	<u>-</u>	<u>472,517</u>	<u>427,563</u>	<u>-</u>	<u>43,717</u>	<u>1,237</u>
EDUCATION	-	8,666,113	-	8,666,113	8,666,113	-	-	-
FIXED CHARGES:								
Debt Service	-	782,629	-	782,629	779,164	-	3,465	-
County Tax	-	630,586	-	630,586	630,586	-	-	-
Overlay	-	40,411	-	40,411	67,383	26,972	-	-
	<u>-</u>	<u>1,453,626</u>	<u>-</u>	<u>1,453,626</u>	<u>1,477,133</u>	<u>26,972</u>	<u>3,465</u>	<u>-</u>
TOTAL	<u>\$ 112,903</u>	<u>\$15,595,907</u>	<u>\$ -</u>	<u>\$15,708,810</u>	<u>\$15,481,812</u>	<u>\$ 35,836</u>	<u>\$ 219,512</u>	<u>\$ 43,322</u>