

Audited Financial Statements and  
Other Financial Information

Town of Acton, Maine

June 30, 2015



*Proven Expertise and Integrity*

TOWN OF ACTON, MAINE

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JUNE 30, 2015

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Acton  
Acton, Maine

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4 through 10 and 47 through 49 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 Acton, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 20-A MRSA §6051, Sub-chapter 1(K) of the Maine Revised Statutes as amended, and is also not a required part of the basic financial statements

The combining and individual non-major fund financial statements and the schedule of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the

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

*RHR Smith & Company*

Buxton, Maine  
November 19, 2015

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

**(UNAUDITED)**

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

**Financial Statement Overview**

The Town of Acton's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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



Both of the above mentioned financial statements have one column for the town's activities. The type of activity presented for the Town of Acton is:

- *Governmental activities* – the activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, social services, recreation and other unclassified.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Acton, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Acton can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town of Acton presents two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other

funds are shown as nonmajor and are combined in the “Nonmajor Funds” column on these statements.

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

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Fiduciary Fund Financial Statements.

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

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

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$170,071 from \$6.02 million to \$6.19 million.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a balance of \$1,917,320 at the end of this year.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 4,018,203	\$ 3,541,620
Capital Assets	3,136,181	3,342,193
Total Assets	<u>7,154,384</u>	<u>6,883,813</u>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	97,382	-
Total Deferred Outflows of Resources	<u>97,382</u>	<u>-</u>
<b>Liabilities:</b>		
Current Liabilities	702,955	440,490
Long-term Debt Outstanding	295,191	408,078
Total Liabilities	<u>998,146</u>	<u>848,568</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid taxes	18,677	14,329
Deferred Inflows Related to Pensions	43,956	-
Total Deferred Inflows of Resources	<u>62,633</u>	<u>14,329</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	2,962,828	3,077,852
Restricted: General fund	1,195,425	1,184,273
Special revenue funds	4,814	3,659
Permanent funds	110,600	112,609
Unrestricted	1,917,320	1,642,523
Total Net Position	<u>\$ 6,190,987</u>	<u>\$ 6,020,916</u>

### Revenues and Expenses

Revenues for the Town's governmental activities decreased by 1.21%, while total expenses decreased by .34%. The decrease in revenues was mainly due to operating grants and contributions, while the decrease in expenditures was primarily the result of decreases in education and county tax.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 78,593	\$ 74,252
Operating grants & contributions	863,954	1,018,269
<i>General Revenues:</i>		
Property taxes	6,241,039	6,218,774
Excise taxes	468,852	444,202
Grants and contributions not restricted to specific programs	167,917	163,002
Investment income	10,074	24,678
Other income	142,214	127,125
Total revenues	<u>7,972,643</u>	<u>8,070,302</u>
<b>Expenses</b>		
General government	545,376	503,955
Public safety	207,480	108,564
Public works	1,144,819	900,213
Building	65,342	65,187
Recreation	14,013	13,067
General assistance	1,172	9,683
Education	5,145,785	5,327,845
County tax	290,079	447,956
Interest on debt service	3,292	5,317
Other expenses	100,584	183,078
Unallocated depreciation (Note 4)	9,456	7,632
State of Maine on-behalf payments	275,174	203,385
Total expenses	<u>7,802,572</u>	<u>7,775,882</u>
Change in Net Position	170,071	294,420
Net Position - July 1, Restated	<u>6,020,916</u>	<u>5,726,496</u>
Net Position - June 30	<u>\$ 6,190,987</u>	<u>\$ 6,020,916</u>

## Financial Analysis of the Town's Fund Statements

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

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

	<b>2015</b>	<b>2014 (Restated)</b>
General Fund:		
Nonspendable	\$ 6,314	\$ 18,021
Restricted	1,195,425	1,079,165
Committed	338,668	375,683
Assigned	87,809	73,426
Unassigned	1,290,163	1,152,930
Total General Fund	<u>\$ 2,918,379</u>	<u>\$ 2,699,225</u>
Nonmajor Funds:		
Special revenue funds:		
Restricted	\$ 4,814	\$ 3,659
Unassigned	-	(2,846)
Permanent funds:		
Restricted	110,600	112,609
Total Nonmajor Funds	<u>\$ 115,414</u>	<u>\$ 113,422</u>

The general fund total fund balance increased by \$219,154 over the prior fiscal year. The non-major fund balances increased by \$1,992 over the prior fiscal year.

### Budgetary Highlights

The significant difference between the original and final budget for the general fund was the use of committed and unassigned fund balances as well as applied revenues.

The general fund actual revenues exceeded the budget by \$259,753. All revenue categories exceeded budgeted amounts.

The general fund actual expenditures were under the budget by \$322,440. All expenditures categories were under budget with the exception of public safety.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by \$206,012 from the prior year. This decrease is the result of capital additions of \$46,108 less current year depreciation of \$252,120.

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

	<u>2015</u>	<u>2014</u>
Land	\$ 110,200	\$ 110,200
Land improvements	194,189	198,170
Buildings and improvements	1,913,843	2,033,518
Machinery and equipment	174,900	199,166
Vehicles	443,428	495,044
Infrastructure	299,621	306,095
Total	<u>\$ 3,136,181</u>	<u>\$ 3,342,193</u>

### Debt

At June 30, 2015, the Town had \$149,494 in notes outstanding versus \$221,303 as of June 30, 2014. The Town's other obligations include capital leases payable, accrued vacation and sick time and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

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

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

### Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer's Office at 35 H Road, Acton, Maine 04001.

## TOWN OF ACTON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2015

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,532,433
Investments	51,789
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	338,552
Other	89,115
Inventory	3,289
Tax acquired property	3,025
Total current assets	<u>4,018,203</u>
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	110,200
Infrastructure, buildings and vehicles, net of accumulated depreciation	3,025,981
Total noncurrent assets	<u>3,136,181</u>
TOTAL ASSETS	<u>7,154,384</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	97,382
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>97,382</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,251,766</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 391,649
Accrued expenses	217,662
Due to other governments	14,010
Current portion of long-term obligations	79,634
Total current liabilities	<u>702,955</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes payable	89,835
Capital leases payable	3,884
Accrued compensated absences	108,412
Net pension liability	93,060
Total noncurrent liabilities	<u>295,191</u>
TOTAL LIABILITIES	<u>998,146</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	18,677
Deferred inflows related to pensions	43,956
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>62,633</u>
NET POSITION	
Net investment in capital assets	2,962,828
Restricted: General fund	1,195,425
Special revenue funds	4,814
Permanent funds	110,600
Unrestricted	1,917,320
TOTAL NET POSITION	<u>6,190,987</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 7,251,766</u>

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

## TOWN OF ACTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants & Contributions		Capital Grants & Contributions
				Governmental Activities	
Governmental activities:					
General government	\$ 545,376	\$ 74,407	\$ -	\$ -	\$ (470,969)
Public safety	207,480	1,625	-	-	(205,855)
Public works	1,144,819	-	49,780	-	(1,095,039)
Building	65,342	-	-	-	(65,342)
Recreation	14,013	2,561	-	-	(11,452)
General assistance	1,172	-	453	-	(719)
Education	5,145,785	-	538,547	-	(4,607,238)
County tax	290,079	-	-	-	(290,079)
Interest on debt service	3,292	-	-	-	(3,292)
Other expenses	100,584	-	-	-	(100,584)
Unallocated depreciation (Note 4)*	9,456	-	-	-	(9,456)
State of Maine on-behalf payments	275,174	-	275,174	-	-
Total governmental activities	<u>\$ 7,802,572</u>	<u>\$ 78,593</u>	<u>\$ 863,954</u>	<u>\$ -</u>	<u>(6,860,025)</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs.



STATEMENT B (CONTINUED)  
TOWN OF ACTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(6,860,025)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	6,241,039
Excise taxes	468,852
Grants and contributions not restricted to specific programs	167,917
Investment income	10,074
Other income	142,214
Total general revenues	7,030,096
Change in net position	170,071
Net position - July 1, Restated	6,020,916
Net position - June 30	\$ 6,190,987

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

## TOWN OF ACTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,473,622	\$ 58,811	\$ 3,532,433
Investments	-	51,789	51,789
Receivables (net of allowance for uncollectibles):			
Taxes	246,751	-	246,751
Liens	91,801	-	91,801
Other	89,115	-	89,115
Inventory	3,289	-	3,289
Tax acquired property	3,025	-	3,025
Due from other funds	-	4,814	4,814
<b>TOTAL ASSETS</b>	<b><u>\$ 3,907,603</u></b>	<b><u>\$ 115,414</u></b>	<b><u>\$ 4,023,017</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 391,649	\$ -	\$ 391,649
Accrued expenses	217,662	-	217,662
Accrued compensated absences	108,412	-	108,412
Due to other governments	14,010	-	14,010
Due to other funds	4,814	-	4,814
<b>TOTAL LIABILITIES</b>	<b><u>736,547</u></b>	<b><u>-</u></b>	<b><u>736,547</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	18,677	-	18,677
Deferred revenue	234,000	-	234,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>252,677</u></b>	<b><u>-</u></b>	<b><u>252,677</u></b>
<b>FUND BALANCES</b>			
Nonspendable	6,314	-	6,314
Restricted	1,195,425	115,414	1,310,839
Committed	338,668	-	338,668
Assigned	87,809	-	87,809
Unassigned	1,290,163	-	1,290,163
<b>TOTAL FUND BALANCES</b>	<b><u>2,918,379</u></b>	<b><u>115,414</u></b>	<b><u>3,033,793</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 3,907,603</u></b>	<b><u>\$ 115,414</u></b>	<b><u>\$ 4,023,017</u></b>

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

## TOWN OF ACTON, MAINE

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

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,033,793
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,136,181
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	234,000
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	97,382
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes Payable	(149,494)
Capital lease payable	(23,859)
Net pension liability	(93,060)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(43,956)</u>
Net position of governmental activities	<u><u>\$ 6,190,987</u></u>

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

## STATEMENT E

## TOWN OF ACTON, MAINE

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

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 6,267,039	\$ -	\$ 6,267,039
Excise taxes	468,852	-	468,852
Intergovernmental revenues:			
State revenue sharing	76,979	-	76,979
Education subsidy	251,665	-	251,665
Homestead exemption	44,566	-	44,566
Local road assistance	49,780	-	49,780
Other education revenue	93,172	-	93,172
Other	46,825	193,710	240,535
State of Maine on-behalf payments	275,174	-	275,174
Charges for services	78,593	-	78,593
Investment income, net of unrealized gains/(losses)	10,059	15	10,074
Other revenue	140,238	1,976	142,214
TOTAL REVENUES	<u>7,802,942</u>	<u>195,701</u>	<u>7,998,643</u>
EXPENDITURES			
Current:			
General government	570,676	-	570,676
Public safety	161,300	-	161,300
Public works	1,128,762	-	1,128,762
Social services	65,342	-	65,342
Recreation	9,523	-	9,523
General assistance	1,172	-	1,172
Education	4,907,229	192,555	5,099,784
County tax	290,079	-	290,079
Other	96,584	4,000	100,584
State of Maine on-behalf payments	275,174	-	275,174
Debt service:			
Principal	71,809	-	71,809
Interest	3,292	-	3,292
TOTAL EXPENDITURES	<u>7,580,942</u>	<u>196,555</u>	<u>7,777,497</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	222,000	(854)	221,146
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,846	2,846
Transfers (out)	(2,846)	-	(2,846)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,846)</u>	<u>2,846</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	219,154	1,992	221,146
FUND BALANCES - JULY 1, RESTATED	<u>2,699,225</u>	<u>113,422</u>	<u>2,812,647</u>
FUND BALANCES - JUNE 30	<u>\$ 2,918,379</u>	<u>\$ 115,414</u>	<u>\$ 3,033,793</u>

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

## TOWN OF ACTON, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 221,146</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	46,108
Depreciation expense	<u>(252,120)</u>
	<u>(206,012)</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:</p>	
Taxes and liens receivable	<u>(26,000)</u>
<p>Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.</p>	
	<u>97,382</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position</p>	
	<u>90,988</u>
<p>Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.</p>	
	<u>(43,956)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:</p>	
Net pension liability	36,523
	<u>36,523</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 170,071</u></u>

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

## TOWN OF ACTON, MAINE

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 34,015
Investments	<u>-</u>
TOTAL ASSETS	<u>\$ 34,015</u>
LIABILITIES	
Deposits held for others	<u>\$ 34,015</u>
TOTAL LIABILITIES	<u>\$ 34,015</u>

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Acton was incorporated under the laws of the State of Maine. The Town operates under the selectmen form of government and provides the following services: general government services, public safety, public works, social services recreation and education.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

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

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

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

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

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

The following fund types are used by the Town:

1. Governmental Funds:

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

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



TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Fiduciary Funds:

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

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The Town has no component unites that are fiduciary in nature.

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

"Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

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

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

Revenues per budgetary basis	\$ 7,527,768
Add: On-behalf payments	<u>275,174</u>
Total GAAP basis	<u>\$ 7,802,942</u>
Expenditures per budgetary basis	\$ 7,308,614
Add: On-behalf basis	<u>275,174</u>
Total GAAP basis	<u>\$ 7,583,788</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Acton has no formal investment policy but instead follows the State of Maine Statutes.

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet, with the exception of gravel and school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2015.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$3,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Compensated Absences**

The Town's policies regarding vacation and sick time do not permit employees to accumulate earned but unused vacation and sick leave. However, the school department allows certain teachers to accumulated unused sick time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**Pensions**

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

**Net Position**

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balances**

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

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

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

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

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

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

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deferred Outflows and Inflows of Resources**

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

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

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

The Town's property tax for the current year was levied August 7, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due on in two installments on October 15, 2014 and April 15, 2015. Interest on unpaid taxes commenced on October 16, 2014 and April 16, 2015, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$51,902 for the year ended June 30, 2015.

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's deposits amounting to \$3,566,448 were comprised of bank deposits of \$3,467,465. Of these bank deposits, \$332,991 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining bank balances of \$3,134,474 were collateralized with an irrevocable standby letter of credit.



TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 3,384,474
Savings accounts	<u>82,991</u>
	<u>\$ 3,467,465</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in common stock, for \$51,789, is not exposed to custodial credit risk because those securities are registered in the Town's name and are held by the Town.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
Common stock	\$ 51,789	\$ 51,789	\$ -	\$ -
	<u>\$ 51,789</u>	<u>\$ 51,789</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ -	\$ 4,814
Nonmajor special revenue funds	4,814	-
	<u>\$ 4,814</u>	<u>\$ 4,814</u>

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance 7/1/14</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/15</u>
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 110,200	\$ -	\$ -	\$ 110,200
	<u>110,200</u>	<u>-</u>	<u>-</u>	<u>110,200</u>
Depreciated assets:				
Land improvements	385,143	8,890	-	394,033
Buildings/Improvements	5,421,034	25,300	-	5,446,334
Machinery & Equipment	973,995	11,918	-	985,913
Vehicles	858,186	-	-	858,186
Furniture & Fixtures	109,669	-	-	109,669
Infrastructure	312,185	-	-	312,185
	<u>8,060,212</u>	<u>46,108</u>	<u>-</u>	<u>8,106,320</u>
Less: accumulated depreciation	<u>(4,828,219)</u>	<u>(252,120)</u>	<u>-</u>	<u>(5,080,339)</u>
	<u>3,231,993</u>	<u>(206,012)</u>	<u>-</u>	<u>3,025,981</u>
Net capital assets	<u>\$ 3,342,193</u>	<u>\$ (206,012)</u>	<u>\$ -</u>	<u>\$ 3,136,181</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Public safety	\$ 66,988
Highway	10,490
Education	155,129
Transfer station	5,567
Parks/recreation	4,490
Town-wide	9,456
Total depreciation expenses	<u><u>\$ 252,120</u></u>

NOTE 5 - LONG-TERM DEBT

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

	Balance, 7/1/14 (Restated)	Additions	Reductions	Balance, 6/30/15	Current Portion
Notes payable	\$ 221,303	\$ -	\$ (71,809)	\$ 149,494	\$ 59,659
Capital leases payable	43,038	-	(19,179)	23,859	19,975
Accrued compensated absences	105,108	3,304	-	108,412	-
Net pension liability	129,583	97,382	(133,905)	93,060	-
Totals	<u><u>\$ 499,032</u></u>	<u><u>\$ 100,686</u></u>	<u><u>\$ (224,893)</u></u>	<u><u>\$ 374,825</u></u>	<u><u>\$ 79,634</u></u>

The following is a summary of the outstanding notes payable:

\$25,000, 2012 Commercial Note due in monthly installments of level principal and interest payments in the amount of \$433 through August 2017. Interest is charged at a rate of 1.49% per annum.	\$ 11,069
\$271,000, 2012 Commercial Note due in monthly installments of level principal and interest payments in the amount of \$4,727 through December 2017. Interest is charged at a rate of 1.78% per annum.	<u>138,425</u>
	<u><u>\$ 149,494</u></u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 59,659	\$ 2,260	\$ 61,919
2017	60,763	1,156	61,919
2018	29,072	155	29,227
2019	-	-	-
2020	-	-	-
	<u>\$ 149,494</u>	<u>\$ 3,571</u>	<u>\$ 153,065</u>

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

\$63,766, 2011 capital lease payable to Apple Financial Services for computers due in annual installments through July of 2015. Interest is charged at a rate of 5.00% per annum.

\$24,681, 2012 capital lease payable to Androscoggin Bank for copiers due in annual installments through January of 2017. Interest is charged at a rate of 1% to 3% per annum.

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

2016	\$ 20,958
2017	3,948
2018	-
2019	-
2020	-
Total minimum lease payment	<u>24,906</u>
Less amount representing interest	<u>(1,047)</u>
Present value of future minimum lease payments	<u>\$ 23,859</u>

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 6 – OPERATING LEASE

The Town leases a copier from U.S. Bank Equipment Finance under a non-cancellable lease agreement. The term of the lease is for a 5 year period ending in May of 2017. Interest is charged at a rate of 6.15% per annum. Monthly payments are \$135.

Year Ending June 30:	
2016	\$ 1,614
2017	1,479
2018	-
2019	-
2020	-
	<u>\$ 3,093</u>
Less: amount representing interest	<u>(435)</u>
Present value of minimum lease payments	<u><u>\$ 2,658</u></u>

NOTE 7 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2015, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 7,730,259	1.96%	<u>\$ 151,265</u>

NOTE 8 – NONSPENDABLE FUND BALANCES

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

General fund:	
School lunch inventory	\$ 3,289
Tax acquired property	<u>3,025</u>
	<u><u>\$ 6,314</u></u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 9 - RESTRICTED FUND BALANCES

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

General fund:	
Education	\$ 795,782
Education - capital	50,000
Education - fuel reserve	10,000
Education - tuition and assistive technology	150,000
Education - professional	10,000
Education - technology	10,000
Education - health	15,000
Education - security and safety upgrade	35,000
Education - capital improvement	40,000
Education - matching grant	10,000
LRAP	49,780
FEMA Reserve	19,863
Special revenue funds (Schedule F)	4,814
Permanent funds (Schedule H)	110,600
	<u>\$ 1,310,839</u>

NOTE 10 – COMMITTED FUND BALANCES

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

General fund:	
Gravel pit	\$ 28,302
Mary Grant	2,749
Town hall windows	898
Annual tree lighting	53
Forestry reserve	24,473
Fire department donations	869
Fire department grants	300
Fire department capital	57,499
Conservation committee	455
Gym donations	55
Cemeteries	900
District one road repair & maintenance	85,763
District two road repair & maintenance	8,552
Dams	17,800
FY 2016 appropriations	110,000
	<u>\$ 338,668</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 – ASSIGNED FUND BALANCES

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

General fund:	
Recreation	\$ 36,886
Capital improvements	<u>50,923</u>
	<u>\$ 87,809</u>

NOTE 12 – COMMITMENTS

The Town of Acton, Maine, has entered a contract for law enforcement services with the County of York, Maine. The contract term is for four years beginning January 1, 2013 and ending December 31, 2016. The Town of Shapleigh participates with the Town of Acton in the contract with a cost-sharing formula of 50% for each town. The annual contract cost is calculated on estimated salary and fringe benefits and other related operating expenses less federal grant funding as follows:

Fiscal Years	
Ending June 30,	Amount
2016	\$ 20,000
2017	20,000

For the twelve months ended June 30, 2015, the total contract cost was \$20,004. All future contract amounts are subject to annual appropriation by the Town of Acton.

NOTE 13 – 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 carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal and the Maine School Management Associations.

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 – DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description**

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

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights.



TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$1,918,273 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 13.03% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$236,045 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 2.65%, which totaled \$50,461 for 2015. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 13.50% of compensation and totaled \$14,408 the year ended June 30, 2015.

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

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

Town's proportionate share of the net pension liability	\$ 93,060
State's proportionate share of the net pension liability associated with the Town	<u>1,436,353</u>
Total	<u>\$ 1,529,413</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State, actuarially determined. At June 30, 2014, the Town's proportion was 0.008614%, which was a decrease of 0.000346% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized total pension expense of \$11,908 and revenue of \$78,041 for support provided by the State of Maine. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 465
Changes of assumptions	6,409	-
Net difference between projected and actual earnings on pension plan investments	-	39,824
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,104	3,667
Contributions subsequent to the measurement date	64,869	-
Total	<u>\$ 97,382</u>	<u>\$ 43,956</u>

\$64,869 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	SET Plan
Year ended June 30:	
2016	\$ (4,236)
2017	(4,238)
2018	9,956
2019	9,956
2020	-
Thereafter	-

**Actuarial Methods and Assumptions**

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

*Actuarial Cost Method*

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

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

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

*Asset Valuation Method*

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Amortization*

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

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

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

*Salary Increases, Merit and Inflation* - State Employees, 3.50% to 10.50% per year; Teachers, 3.50% to 13.5% per year.

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

*Cost of Living Benefit Increases* - 2.55% per annum for State employees and Teachers.

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

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

*Discount Rate*

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

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

	1% Decrease	Discount Rate	1% Increase
SET Plan: Discount rate	6.125%	7.125%	8.125%
Employer's proportionate share of the net pension liability	\$ 178,248	\$ 93,060	\$ 21,777

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability**

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

*Differences between Expected and Actual Experience*

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

*Differences between Projected and Actual Investment Earnings*

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

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For the State Employee and Teacher Plan, the change in the discount rate from 7.25% to 7.125% was the only change in assumption in the 2014 valuation.

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

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

NOTE 15 - DEFERRED COMPENSATION PLAN

The School Department offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all school employees, permits them to defer a portion of their salary until future years. There is no employer match by the School Department. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

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

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

NOTE 16 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

NOTE 17 – CONTINGENCIES

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

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 17 – CONTINGENCIES (CONTINUED)

established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 18 – LETTER OF CREDIT

At June 30, 2015, the Town has an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at Sanford Institution for Savings. This letter of credit, which expires at the close of business on January 28, 2016, authorizes one draw only up to the amount of \$3,400,000. There were no draws for the year ended June 30, 2015.

NOTE 19 – RELATED PARTIES TRANSACTIONS

One of the Town's Selectmen provides student transportation to the Town. We understand that the Selectman recuses himself in any matters concerning school transportation. During the fiscal year ended June 30, 2015, payments to the Selectman for student transportation totaled \$58,369. Also, the School's maintenance director is sometimes contracted for the use of his backhoe. During fiscal year 2015, payments for these services totaled \$900.

NOTE 20 – EXPENDITURES OVER APPROPRIATIONS

At June 30, 2014 the Town of Acton had the following overspent appropriations:

Governing body	\$	308
General office assistant		12,571
Registrar of voters		262
Finance/Treasury		605
Town clerk/Tax collector		1,106
Communications		426
Public works buildings/equipment		4,383
	\$	<u>19,661</u>

NOTE 21 – SEVERANCE PAY

On June 13, 2014, the Town of Acton entered into an agreement with an employee to pay severance pay upon the employee's departure from the town. The Town agreed to pay the employee \$406 per week until the final fiscal pay week ending before June 30, 2015. The Town also agreed to pay the employee's currently existing supplemental health insurance premium until the final fiscal pay week ending before June 30, 2016.



TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 22 – COMPARATIVE DATA/RECLASSIFICATIONS

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

NOTE 23 - RESTATEMENTS

The beginning fund balances of the Lawrence Family Trust fund and the Dorothy Dunnells fund in the permanent funds have been restated as of July 1, 2014. These balances were restated to correct the cash balances in funds. The Lawrence Family Trust fund and the Dorothy Dunnells fund were restated by \$300 and (\$300), respectively. The net restatement to the permanent funds, and governmental activities is \$0.

The beginning fund balance of the general fund has been restated as of July 1, 2014. This balance was restated to reclassify the School's accrued compensated absences balance as a liability. The general fund was restated by (\$105,108). The net restatement to the governmental activities is \$0.

The beginning net position of the governmental activities has been restated as of July 1, 2014. This balance was restated to correct the accrued compensated absences balance. The governmental activities were restated by \$2,229.

The beginning net position of the governmental activities has been restated as of July 1, 2014 for the effects of GASB No. 68. The beginning balance has been restated by (\$129,583).

The net restatement to the general fund and governmental activities was (\$105,108) and (\$127,354), respectively.

NOTE 24 – SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the voters of the Town of Acton approved a construction project for a new salt shed with a bond potential up to \$500,000.

Subsequent to June 30, 2015, The Town voters approved absorbing the assets of the Acton Ambulance Association and making that service part of the Town's public safety operation.

## Required Supplementary Information

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

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

## TOWN OF ACTON, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 2,699,225	\$ 2,699,225	\$ 2,699,225	\$ -
Resources (Inflows):				
Property taxes	6,241,038	6,241,038	6,267,039	26,001
Excise taxes	360,000	360,000	468,852	108,852
Intergovernmental	139,990	506,409	562,987	56,578
Charges for services	50,100	50,100	78,593	28,493
Investment income	10,000	10,000	10,059	59
Other revenue	100,468	100,468	140,238	39,770
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	9,600,821	9,967,240	10,226,993	259,753
Charges to Appropriations (Outflows):				
General government	611,180	611,180	570,676	40,504
Public safety	161,002	161,002	161,300	(298)
Public works	1,023,120	1,199,364	1,128,762	70,602
Social services	65,342	65,342	65,342	-
Recreation	12,400	12,400	9,523	2,877
General assistance	10,000	10,000	1,172	8,828
County tax	290,079	290,079	290,079	-
Education	4,654,829	4,965,933	4,907,229	58,704
Debt service:				
Principal	71,809	71,809	71,809	-
Interest	7,295	7,295	3,292	4,003
Other	163,816	196,650	96,584	100,066
Transfers to other funds	40,000	40,000	2,846	37,154
Total Charges to Appropriations	7,110,872	7,631,054	7,308,614	322,440
Budgetary Fund Balance, June 30	\$ 2,489,949	\$ 2,336,186	\$ 2,918,379	\$ 582,193
Utilization of committed fund balance	\$ 131,144	\$ 201,298	\$ -	\$ (201,298)
Utilization of unassigned fund balance	78,132	161,741	-	(161,741)
	\$ 209,276	\$ 363,039	\$ -	\$ (363,039)

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

## TOWN OF ACTON, MAINE

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

	<u>2015</u>
<u>SET Plan:</u>	
Town's proportion of the net pension liability	0.01%
Town's proportionate share of the net pension liability	\$ 93,060
State's proportionate share of the net pension liability associated with the Unit	<u>\$ 1,436,353</u>
Total	<u>\$ 1,529,413</u>
Town's covered-employee payroll	\$ 1,918,273
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.85%
Plan fiduciary net position as a percentage of the total pension liability	83.91%

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

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

TOWN OF ACTON, MAINE  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	2015	2014
<u>SET Plan:</u>		
Contractually required contribution	\$ 64,869	\$ 55,265
Contributions in relation to the contractually required contribution	(64,869)	(55,265)
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	\$ 1,918,273	\$ 1,605,351
Contributions as a percentage of covered- employee payroll	3.38%	3.44%

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

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

## Other Supplementary Information

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

- Budgetary Comparison Schedule – Budget and Actual General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Budgetary Comparison Schedule – School Department
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF ACTON, MAINE

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

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 6,241,038	\$ 6,241,038	\$ 6,267,039	\$ 26,001
Motor vehicle excise	350,000	350,000	454,328	104,328
Boat excise	10,000	10,000	14,524	4,524
Intergovernmental revenues:				
State revenue sharing	73,424	73,424	76,979	3,555
Education subsidy	-	228,104	251,665	23,561
Homestead exemption	44,566	44,566	44,566	-
Local road assistance	-	54,276	49,780	(4,496)
School - Mainecare	-	15,000	7,792	(7,208)
School lunch revenue	-	68,000	85,380	17,380
Tree growth	20,000	20,000	21,596	1,596
General assistance	2,000	2,000	453	(1,547)
Veterans' reimbursement	-	-	2,878	2,878
Other state/federal funds	-	1,039	21,898	20,859
Charges for services:				
Town clerk fees	10,000	10,000	12,000	2,000
Building permits	30,000	30,000	45,279	15,279
Plumbing permits	5,000	5,000	8,338	3,338
Animal control fees	1,000	1,000	1,625	625
Planning board fees	-	-	100	100
Marriage licenses	-	-	684	684
Other	4,100	4,100	10,567	6,467
Investment income, net of unrealized gains/(losses)	10,000	10,000	10,059	59
Other revenues:				
Recycling income	25,500	25,500	29,621	4,121
Transfer station	-	-	50	50
Cable access	41,968	41,968	41,278	(690)
Interest and fees on taxes	33,000	33,000	31,535	(1,465)
Misc. other	-	-	37,754	37,754
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>\$ 6,901,596</u>	<u>\$ 7,268,015</u>	<u>\$ 7,527,768</u>	<u>\$ 259,753</u>

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

TOWN OF ACTON, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Governing body	\$ 52,129	\$ -	\$ 52,129	\$ 52,437	\$ (308)
Town gym expenses	4,550	-	4,550	3,778	772
General office assistant	23,631	-	23,631	36,202	(12,571)
Warrant and finance	266	-	266	31	235
Municipal management	300,011	-	300,011	266,318	33,693
Elections	6,883	-	6,883	4,150	2,733
Registrar of voters	4,570	-	4,570	4,832	(262)
Planning/Economic development	4,100	-	4,100	1,126	2,974
Finance/Treasury	39,643	-	39,643	40,248	(605)
Town clerk/Tax collector	44,591	-	44,591	45,697	(1,106)
Assesment and revaluations	41,400	-	41,400	35,109	6,291
CEO and building inspector	89,406	-	89,406	80,748	8,658
Total	611,180	-	611,180	570,676	40,504
<b>PUBLIC SAFETY</b>					
Fire department	126,556	-	126,556	126,530	26
Communications	22,335	-	22,335	22,761	(426)
Animal control	9,118	-	9,118	9,118	-
EMA	1,293	-	1,293	1,292	1
Street lights	1,700	-	1,700	1,599	101
Total	161,002	-	161,002	161,300	(298)
<b>PUBLIC WORKS</b>					
Transfer station	274,847	-	274,847	217,164	57,683
District 1	311,000	73,964	384,964	369,146	15,818
District 2	301,852	41,716	343,568	342,084	1,484
Sand/Salt Stockpile	120,383	60,564	180,947	180,947	-
Public works buildings/equipment	15,038	-	15,038	19,421	(4,383)
Total	1,023,120	176,244	1,199,364	1,128,762	70,602
<b>RECREATION</b>					
	12,400	-	12,400	9,523	2,877
<b>GENERAL ASSISTANCE</b>					
	10,000	-	10,000	1,172	8,828
<b>COUNTY TAX</b>					
	290,079	-	290,079	290,079	-



TOWN OF ACTON, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
<b>EDUCATION</b>					
General education	4,654,829	311,104	4,965,933	4,907,229	58,704
Total	4,654,829	311,104	4,965,933	4,907,229	58,704
<b>SOCIAL SERVICES</b>					
Donations	65,342	-	65,342	65,342	-
Total	65,342	-	65,342	65,342	-
<b>DEBT SERVICE</b>					
Principal	71,809	-	71,809	71,809	-
Interest	7,295	-	7,295	3,292	4,003
Total	79,104	-	79,104	75,101	4,003
<b>OTHER</b>					
Health officer	108	-	108	108	-
Mary Grant	-	460	460	460	-
SCBA capital	10,800	-	10,800	10,800	-
Cemeteries	250	300	550	550	-
Cable access	39,968	-	39,968	39,692	276
Forestry reserve	538	-	538	538	-
Blueberry Hill communication tower	4,800	-	4,800	4,800	-
Conservation	250	-	250	165	85
Fire capital	30,000	-	30,000	-	30,000
Balch Lake	5,200	-	5,200	5,200	-
Dams	5,000	-	5,000	2,200	2,800
Overlay	51,902	-	51,902	-	51,902
Window improvement	-	1,331	1,331	1,331	-
Town hall roof	-	29,454	29,454	29,454	-
Tree lighting	-	250	250	247	3
Contingency	15,000	-	15,000	-	15,000
Snowmobile club	-	1,039	1,039	1,039	-
Total	163,816	32,834	196,650	96,584	100,066
<b>TRANSFERS TO OTHER FUNDS</b>					
Special revenue funds	40,000	-	40,000	2,846	37,154
Total	40,000	-	40,000	2,846	37,154
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,110,872</b>	<b>\$ 520,182</b>	<b>\$ 7,631,054</b>	<b>\$ 7,308,614</b>	<b>\$ 322,440</b>

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

## SCHEDULE C

## TOWN OF ACTON, MAINE

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 1,008,442	\$ 1,008,442	\$ 1,008,442	\$ -
Resources (Inflows):				
State subsidy	228,104	228,104	251,665	23,561
Local appropriation	4,654,829	4,654,829	4,654,829	-
School lunch revenue	68,000	68,000	85,380	17,380
Mainecare	15,000	15,000	7,792	(7,208)
Investment income, net of unrealized gains/(losses)	-	-	980	980
Other	-	-	30,058	30,058
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>5,974,375</u>	<u>5,974,375</u>	<u>6,039,146</u>	<u>64,771</u>
Charges to Appropriations (Outflows):				
Regular instruction (Article 2)	2,582,006	2,582,006	2,525,395	56,611
Special education (Article 3)	914,346	914,346	811,870	102,476
Other instruction (Article 5)	42,545	42,545	34,274	8,271
Student & staff support (Article 6)	366,766	366,766	360,637	6,129
System administration (Article 7)	216,873	216,873	216,829	44
School administration (Article 8)	174,805	174,805	172,951	1,854
Transportation (Article 9)	252,610	252,610	248,481	4,129
Facilities maintenance (Article 10)	422,524	422,524	420,989	1,535
All other expenditures (Article 12)	123,778	123,778	115,803	7,975
Transfers to other funds	-	-	2,846	(2,846)
Total Charges to Appropriations	<u>5,096,253</u>	<u>5,096,253</u>	<u>4,910,075</u>	<u>186,178</u>
Budgetary Fund Balance, June 30	<u>\$ 878,122</u>	<u>\$ 878,122</u>	<u>1,129,071</u>	<u>\$ 250,949</u>
Utilization of unassigned fund balance	<u>\$ 130,320</u>	<u>\$ 130,320</u>	<u>\$ -</u>	<u>\$ (130,320)</u>

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

TOWN OF ACTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 58,811	\$ 58,811
Investments	-	51,789	51,789
Due from other funds	4,814	-	4,814
<b>TOTAL ASSETS</b>	<u>\$ 4,814</u>	<u>\$ 110,600</u>	<u>\$ 115,414</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	4,814	110,600	115,414
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>FUND BALANCES</b>	<u>4,814</u>	<u>110,600</u>	<u>115,414</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,814</u>	<u>\$ 110,600</u>	<u>\$ 115,414</u>

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

## TOWN OF ACTON, MAINE

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

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenue	\$ 193,710	\$ -	\$ 193,710
Investment income, net of unrealized gains/(losses)	-	15	15
Other income	-	1,976	1,976
TOTAL REVENUES	<u>193,710</u>	<u>1,991</u>	<u>195,701</u>
EXPENDITURES			
Education	192,555	-	192,555
Other	-	4,000	4,000
TOTAL EXPENDITURES	<u>192,555</u>	<u>4,000</u>	<u>196,555</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,155</u>	<u>(2,009)</u>	<u>(854)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,846	-	2,846
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,846</u>	<u>-</u>	<u>2,846</u>
NET CHANGE IN FUND BALANCES	4,001	(2,009)	1,992
FUND BALANCES - JULY 1	<u>813</u>	<u>112,609</u>	<u>113,422</u>
FUND BALANCES - JUNE 30	<u>\$ 4,814</u>	<u>\$ 110,600</u>	<u>\$ 115,414</u>

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

## Special Revenue Funds Description

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

TOWN OF ACTON, MAINE

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

	Local Entitlement	Title IA	Title IIA	Small Rural School	Local Entitlement Preschool	HS Diploma Assistance	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	4,814	4,814
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,814</b>	<b>\$ 4,814</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	4,814	4,814
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,814</b>	<b>4,814</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,814</b>	<b>\$ 4,814</b>

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

TOWN OF ACTON, MAINE

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

	Local Entitlement	Title IA	Title IIA	Small Rural School	Local Entitlement Preschool	HS Diploma Assistance	Totals
REVENUES							
Intergovernmental revenue	\$ 101,728	\$ 61,853	\$ 12,376	\$ 13,198	\$ 900	\$ 3,655	\$ 193,710
TOTAL REVENUES	101,728	61,853	12,376	13,198	900	3,655	193,710
EXPENDITURES							
Education	101,728	61,853	12,376	13,198	900	2,500	192,555
TOTAL EXPENDITURES	101,728	61,853	12,376	13,198	900	2,500	192,555
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	1,155	1,155
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	2,708	138	-	2,846
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,708	138	-	2,846
NET CHANGE IN FUND BALANCES	-	-	-	2,708	138	1,155	4,001
FUND BALANCES - JULY 1	-	-	-	(2,708)	(138)	3,659	813
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,814	\$ 4,814

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

## Permanent Funds Description

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



## TOWN OF ACTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Cemetery Fund	Holdsworth Scholarship	Lawrence Family Trust	Dorothy Dunnells	Holdsworth Trust	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,619	\$ 38,342	\$ 2,277	\$ 7,573	\$ -	\$ 58,811
Investments	-	-	-	-	51,789	51,789
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,619</b>	<b>\$ 38,342</b>	<b>\$ 2,277</b>	<b>\$ 7,573</b>	<b>\$ 51,789</b>	<b>\$ 110,600</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	10,619	38,342	2,277	7,573	51,789	110,600
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>FUND BALANCES</b>	<b>10,619</b>	<b>38,342</b>	<b>2,277</b>	<b>7,573</b>	<b>51,789</b>	<b>110,600</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,619</b>	<b>\$ 38,342</b>	<b>\$ 2,277</b>	<b>\$ 7,573</b>	<b>\$ 51,789</b>	<b>\$ 110,600</b>

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

## TOWN OF ACTON, MAINE

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

	Cemetery Fund	Holdsworth Scholarship	Lawrence Family Trust	Dorothy Dunnells	Holdsworth Trust	Totals
<b>REVENUES</b>						
Investment income, net of unrealized gains/(losses)	\$ 2	\$ 8	\$ 1	\$ 4	\$ -	\$ 15
Other income	1,000	976	-	-	-	1,976
<b>TOTAL REVENUES</b>	<u>1,002</u>	<u>984</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1,991</u>
<b>EXPENDITURES</b>						
Scholarship / other	-	4,000	-	-	-	4,000
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>1,002</u>	<u>(3,016)</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>(2,009)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,002	(3,016)	1	4	-	(2,009)
<b>FUND BALANCES - JULY 1, RESTATED</b>	<u>9,617</u>	<u>41,358</u>	<u>2,276</u>	<u>7,569</u>	<u>51,789</u>	<u>112,609</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 10,619</u>	<u>\$ 38,342</u>	<u>\$ 2,277</u>	<u>\$ 7,573</u>	<u>\$ 51,789</u>	<u>\$ 110,600</u>

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

## General Capital Assets

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

## TOWN OF ACTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Public safety	\$ 37,500	\$ 600,390	\$ 979,219	\$ -	\$ 1,617,109
Highway	-	145,000	22,800	304,510	472,310
Education	-	4,550,770	853,411	-	5,404,181
Transfer station	-	124,515	49,905	-	174,420
Parks / recreation	29,000	128,100	-	-	157,100
Town-wide	43,700	291,592	48,433	7,675	391,400
Total General Capital Assets	110,200	5,840,367	1,953,768	312,185	8,216,520
Less: Accumulated Depreciation	-	(3,732,335)	(1,335,440)	(12,564)	(5,080,339)
Net General Capital Assets	<u>\$ 110,200</u>	<u>\$ 2,108,032</u>	<u>\$ 618,328</u>	<u>\$ 299,621</u>	<u>\$ 3,136,181</u>

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

TOWN OF ACTON, MAINE

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

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
Public safety	\$ 1,596,301	\$ 20,808	\$ -	\$ 1,617,109
Highway	472,310	-	-	472,310
Education	5,404,181	-	-	5,404,181
Transfer station	174,420	-	-	174,420
Parks/recreation	157,100	-	-	157,100
Town-wide	<u>366,100</u>	<u>25,300</u>	<u>-</u>	<u>391,400</u>
Total General Capital Assets	8,170,412	46,108	-	8,216,520
Less: Accumulated Depreciation	<u>(4,828,219)</u>	<u>(252,120)</u>	<u>-</u>	<u>(5,080,339)</u>
Net General Capital Assets	<u><u>\$ 3,342,193</u></u>	<u><u>\$ (206,012)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,136,181</u></u>

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

TOWN OF ACTON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Thru Grantor Number	Federal Expenditures
U.S. Department of Agriculture Passed through State of Maine - of Education and Cultural Services:			
Food Distribution	10.550	N/A	\$ 5,780
School Breakfast Program	10.555	013-06A-7127-05	16,688
School Lunch Program	10.555	013-06A-7128-95	45,744
Total Department of Agriculture			<u>68,212</u>
U.S. Department of Education Passed through State of Maine-Department of Education and Cultural Services:			
Title IA - Educationally Deprived	84.010	013-05A-3107-13	61,853
Local Entitlement	84.027	013-05A-3046-12	101,728
Title VI Rural Low Income	84.358	013-06A-3005-03	13,198
Local Entitlement - Part B Section 619	84.173	013-05A-6241-23	900
Title IIA-Teaching Quality	84.367	013-05A-3042-11	12,376
Total Department of Education			<u>190,055</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 258,267</u>

TOWN OF ACTON, MAINE

NOTES TO SCHEDULE OF FEDERAL AWARDS  
JUNE 30, 2015

1. General

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

2. Basis of Accounting

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



*Proven Expertise and Integrity*

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Selectmen  
Town of Acton  
Acton, Maine

We have audited the financial statements of the Acton School Department for the year ended June 30, 2015 and have issued our report thereon dated November 19, 2015. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

Management has determined that no adjustments were necessary to the fiscal books of the Department and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the MEDMS financial system maintained at the Department.

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

*RHR Smith & Company*

Buxton, Maine  
November 19, 2015

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Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)



TOWN OF ACTON, MAINE

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED  
TO THE MEDMS FINANCIAL SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Fund (3000)	Totals
June 30 Balance per MEDMS financial System	\$ 1,084,015	\$ 4,814	\$ -	\$ 1,088,829
<b>Revenue Adjustments:</b>				
<b>Expenditure Adjustments:</b>				
<b>Other Adjustments:</b>				
Deobligation of school fund balance	110,000	-	-	110,000
Adjustments to bring expenses to actual	(68,747)	-	-	(68,747)
Accrued compensated absences current year activity adjustment	3,304	-	-	3,304
Unallocated variance	499	-	-	499
 Audited GAAP Basis Fund balance June 30	 <u>\$ 1,129,071</u>	 <u>\$ 4,814</u>	 <u>\$ -</u>	 <u>\$ 1,133,885</u>