

Audited Financial Statements

Town of Sangerville, Maine

December 31, 2015



*Proven Expertise and Integrity*

TOWN OF SANGERVILLE, MAINE

CONTENTS

DECEMBER 31, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	11
STATEMENT B - STATEMENT OF ACTIVITIES	12 - 13
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	14
STATEMENT D – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	15
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	16
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
NOTES TO FINANCIAL STATEMENTS	18 - 33
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	34
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	35
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	36

SCHEDULE A – SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND	37 - 38
SCHEDULE B - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	39
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	40
SPECIAL REVENUE FUNDS DESCRIPTION	41
SCHEDULE D - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	42
SCHEDULE E - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	43
CAPITAL PROJECTS FUNDS DESCRIPTION	44
SCHEDULE F - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	45 - 46
SCHEDULE G - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS	47 - 48
PERMANENT FUNDS DESCRIPTION	49
SCHEDULE H - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	50
SCHEDULE I - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	51
GENERAL CAPITAL ASSETS DESCRIPTION	52
SCHEDULE J - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	53
SCHEDULE K - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	54



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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Sangerville  
Sangerville, 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 Sangerville, Maine, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Sangerville, Maine as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 35 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 Sangerville, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*R.H.R. Smith & Company*

Buxton, Maine  
April 4, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Sangerville, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Sangerville'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 one type of activity. The type of activity presented for the Town of Sangerville is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, protection, health and sanitation, public works, leisure services, education and 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 Sangerville, 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 Sangerville are categorized as one fund type: governmental funds.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 Sangerville presents two columns in the governmental funds balance sheet and the governmental funds 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 "Other Governmental Funds" column on these statements.

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

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

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

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

### **Other Supplementary Information**

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

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

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position increased by \$236,383 from \$2.85 million to \$3.08 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 – decreased to a balance of \$1,277,498 at the end of this year for governmental activities.

**Table 1  
Town of Sangerville  
Net Position  
December 31,**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Current Assets	\$ 1,421,247	\$ 1,438,033
Capital Assets	<u>1,790,555</u>	<u>1,453,386</u>
Total Assets	<u>3,211,802</u>	<u>2,891,419</u>
<b>Liabilities:</b>		
Current Liabilities	21,616	20,231
Long-term Debt Outstanding	<u>86,560</u>	<u>6,231</u>
Total Liabilities	<u>108,176</u>	<u>26,462</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	4,459	2,347
Advance Payment of LRAP Funding	<u>17,128</u>	<u>16,954</u>
Total Deferred Inflows of Resources	<u>21,587</u>	<u>19,301</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	1,695,452	1,448,070
Restricted: General Fund	32,703	2,920
Permanent Funds	76,386	65,595
Unrestricted	<u>1,277,498</u>	<u>1,329,071</u>
Total Net Position	<u>\$ 3,082,039</u>	<u>\$ 2,845,656</u>

**Table 2**  
**Town of Sangerville**  
**Change in Net Position**  
**For the Years Ended December 31,**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 11,233	\$ 9,582
Operating grants and contributions	34,082	35,440
<i>General Revenues:</i>		
Taxes	1,684,522	1,594,581
Permits and fees not restricted to specific programs	12,176	13,497
Operating grants and contributions not restricted to specific programs	131,286	121,027
Other revenue	60,532	52,966
Total Revenues	<u>1,933,831</u>	<u>1,827,093</u>
<b>Expenses</b>		
General government	193,734	242,813
Protection	109,154	108,502
Health and sanitation	96,562	103,110
Public works	281,911	271,527
Leisure services	26,094	24,550
County tax	117,145	111,465
Education	768,305	723,528
Unclassified	100,874	90,293
Interest on long-term debt	1,755	958
Unallocated depreciation	1,914	1,914
Total Expenses	<u>1,697,448</u>	<u>1,678,660</u>
Change in Net Position	236,383	148,433
Net Position - January 1	<u>2,845,656</u>	<u>2,697,223</u>
Net Position - December 31	<u>\$ 3,082,039</u>	<u>\$ 2,845,656</u>

**Revenues and Expenses**

Revenues for the Town's governmental activities increased by 5.84%, while total expenses increased by 1.12%.

## 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 Sangerville**  
**Fund Balances - Governmental Funds**  
**December 31,**

	2015	2014
Major Funds:		
General Fund:		
Restricted	\$ 32,703	\$ 2,920
Assigned	59,772	36,176
Unassigned	870,523	948,107
Total Major Funds	\$ 962,998	\$ 987,203
Non - Major Funds:		
Special Revenue Funds:		
Assigned	\$ 14,982	\$ 14,982
Capital Projects Funds:		
Committed	142,342	145,816
Permanent Funds:		
Restricted	76,386	76,309
Total Non- Major Funds	\$ 233,710	\$ 237,107

The general fund total fund balance decreased by \$24,205 from the prior fiscal year. The nonmajor fund balances decreased by \$3,397 from the prior fiscal year.

### Budgetary Highlights

The significant differences between the original and final budget for the general fund was the result of special town meeting adjustments and use of applied revenues.

The general fund actual revenues exceeded budget by \$344,891. This was mainly a result of unbudgeted excise tax revenue.

The general fund actual expenditures were under budget by \$204,857. All expenditure categories were under budget.

## Capital Asset and Debt Administration

### Capital Assets

As of December 31, 2015, the net book value of capital assets recorded by the Town increased by \$337,169. The increase was due to capital additions of \$441,124 less current year depreciation expense of \$103,955.

**Table 4**  
**Town of Sangerville**  
**Capital Assets (Net of Depreciation)**  
**December 31,**

	<u>2015</u>	<u>2014</u>
Land and Non-depreciable Assets	\$ 345,118	\$ 345,118
Buildings and Improvements	242,771	289,392
Furniture, Fixtures, Equipment and Vehicles	426,837	177,395
Infrastructure	<u>775,829</u>	<u>641,481</u>
Total	<u>\$ 1,790,555</u>	<u>\$ 1,453,386</u>

### Debt

At December 31, 2015, the Town had \$95,103 in notes outstanding versus \$5,316 last year. Other obligations include accrued sick and vacation time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

### Currently Known Facts, Decisions, or Conditions

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

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

### Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 1 Town Hall Avenue, Sangerville, Maine 04479-0188.

## STATEMENT A

## TOWN OF SANGERVILLE, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,210,554
Accounts receivable (net of allowance for uncollectibles):	
Taxes	170,293
Liens	40,340
Due from other governments	60
Total current assets	<u>1,421,247</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	345,118
Buildings and equipment, net of accumulated depreciation	1,445,437
Total noncurrent assets	<u>1,790,555</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,211,802</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 8,087
Accrued expenses	40
Current portion of long-term obligations	13,489
Total current liabilities	<u>21,616</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes payable	86,560
Total noncurrent liabilities	<u>86,560</u>
<b>TOTAL LIABILITIES</b>	<u>108,176</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	4,459
Advance payment of LRAP funding	17,128
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>21,587</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,695,452
Restricted for: General fund	32,703
Permanent funds	76,386
Unrestricted	1,277,498
<b>TOTAL NET POSITION</b>	<u>3,082,039</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 3,211,802</u></u>

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

## TOWN OF SANGERVILLE, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 193,734	\$ 11,233	\$ -	\$ -	\$ (182,501)
Protection	109,154	-	-	-	(109,154)
Health and sanitation	96,562	-	-	-	(96,562)
Public works	281,911	-	34,082	-	(247,829)
Leisure services	26,094	-	-	-	(26,094)
County tax	117,145	-	-	-	(117,145)
Education	768,305	-	-	-	(768,305)
Unclassified	100,874	-	-	-	(100,874)
Interest on long-term debt	1,755	-	-	-	(1,755)
Unallocated depreciation (Note 4)*	1,914	-	-	-	(1,914)
Total government	<u>\$ 1,697,448</u>	<u>\$ 11,233</u>	<u>\$ 34,082</u>	<u>\$ -</u>	<u>(1,652,133)</u>

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

STATEMENT B (CONTINUED)  
TOWN OF SANGERVILLE, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(1,652,133)</u>
General revenues:	
Taxes	
Property taxes, levied for general purposes	1,467,640
Excise taxes	216,882
Permits and fees not restricted to specific programs	12,176
Grants and contributions not restricted to specific programs	131,286
Miscellaneous	<u>60,532</u>
Total general revenues	<u>1,888,516</u>
Change in net position	236,383
NET POSITION - JANUARY 1	<u>2,845,656</u>
NET POSITION - DECEMBER 31	<u><u>\$ 3,082,039</u></u>

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

## TOWN OF SANGERVILLE, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,134,168	\$ 76,386	\$ 1,210,554
Accounts receivable (net of allowance for uncollectibles):			
Taxes	170,293	-	170,293
Liens	40,340	-	40,340
Due from other governments	60	-	60
Due from other funds	-	157,324	157,324
<b>TOTAL ASSETS</b>	<b>\$ 1,344,861</b>	<b>\$ 233,710</b>	<b>\$ 1,578,571</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 8,087	\$ -	\$ 8,087
Accrued expenses	40	-	40
Due to other funds	157,324	-	157,324
<b>TOTAL LIABILITIES</b>	<b>165,451</b>	<b>-</b>	<b>165,451</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	4,459	-	4,459
Advance payment of LRAP funding	17,128	-	17,128
Deferred revenue	194,825	-	194,825
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>216,412</b>	<b>-</b>	<b>216,412</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	32,703	76,386	109,089
Committed	-	142,342	142,342
Assigned	59,772	14,982	74,754
Unassigned	870,523	-	870,523
<b>TOTAL FUND BALANCES</b>	<b>962,998</b>	<b>233,710</b>	<b>1,196,708</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,344,861</b>	<b>\$ 233,710</b>	<b>\$ 1,578,571</b>

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

## TOWN OF SANGERVILLE, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,196,708
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	1,790,555
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	194,825
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(95,103)
Accrued compensated absences	<u>(4,946)</u>
Net position of governmental activities	<u><u>\$ 3,082,039</u></u>

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

## TOWN OF SANGERVILLE, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property	\$ 1,452,322	\$ -	\$ 1,452,322
Excise	216,882	-	216,882
Intergovernmental	165,368	-	165,368
Interest and costs on taxes	23,671	-	23,671
Interest income	966	77	1,043
Charges for services/fees	11,233	-	11,233
Perc fees	12,176	-	12,176
Other revenue	27,890	7,928	35,818
<b>TOTAL REVENUES</b>	<b>1,910,508</b>	<b>8,005</b>	<b>1,918,513</b>
<b>EXPENDITURES</b>			
Current:			
General government	257,871	-	257,871
Protection	92,161	-	92,161
Health and sanitation	96,562	-	96,562
Public works	393,561	-	393,561
Leisure services	26,094	-	26,094
County tax	117,145	-	117,145
Education	768,305	-	768,305
Unclassified	82,624	-	82,624
Debt service:			
Principal	9,547	-	9,547
Interest	1,755	-	1,755
Capital outlay	60,987	138,837	199,824
<b>TOTAL EXPENDITURES</b>	<b>1,906,612</b>	<b>138,837</b>	<b>2,045,449</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,896</b>	<b>(130,832)</b>	<b>(126,936)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan proceeds	-	99,334	99,334
Transfers in	1,800	36,243	38,043
Transfers (out)	(29,901)	(8,142)	(38,043)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(28,101)</b>	<b>127,435</b>	<b>99,334</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(24,205)</b>	<b>(3,397)</b>	<b>(27,602)</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>987,203</b>	<b>237,107</b>	<b>1,224,310</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 962,998</b>	<b>\$ 233,710</b>	<b>\$ 1,196,708</b>

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

## TOWN OF SANGERVILLE, 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 DECEMBER 31, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (27,602)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	441,124
Depreciation expense	<u>(103,955)</u>
	<u>337,169</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>15,318</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(99,334)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>1,285</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>9,547</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 236,383</u></u>

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

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Sangerville was incorporated under the laws of the State of Maine. The Town operates under the selectmen-manager form of government and provides the following services: general government services, protection, health and sanitation, public works, leisure services, education and unclassified.

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 governmental. The Town categorizes all activities as governmental.

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

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

TOWN OF SANGERVILLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in governmental activities categories. Nonmajor 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 are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

TOWN OF SANGERVILLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

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

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

1. Late in the prior fiscal year the Town prepared a budget for the year beginning January 1. The operating budget included proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Sangerville was then called for the purpose of adopting the proposed budget after public notice of the meeting had been given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for special revenue funds.

**Deposits and Investments**

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

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

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

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

TOWN OF SANGERVILLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as December 31, 2015.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc.

These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and compensated absences.

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

**Compensated Absences**

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2015 the Town's liability for compensated absences is \$4,946.

**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

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

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

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

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

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

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

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

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

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

The Town's property tax for the current year was levied July 6, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due on August 31, 2015. Interest on unpaid taxes commenced on September 1, 2015, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$47,270 for the year ended December 31, 2015.

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Program Revenues**

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

**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 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 follows state statutes for the investment of funds, which 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. These 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.

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2015, the Town's cash balance of \$1,210,554 was comprised of bank deposits amounting to \$1,228,485. All of these bank deposits were covered by federal depository insurance and not exposed to custodial credit risk or were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 70,000
Repurchase agreement	1,082,099
Money market accounts	76,386
	<u>\$ 1,228,485</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

At December 31, 2015, the Town's had \$0 in investments.

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 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 SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ -	\$ 157,324
Nonmajor Special Revenue Funds	14,982	-
Nonmajor Capital Projects Funds	142,342	-
	<u>\$ 157,324</u>	<u>\$ 157,324</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Balance 1/1/15	Additions	Disposals	Balance 12/31/15
Non-depreciated assets:				
Land	\$ 218,365	\$ -	\$ -	\$ 218,365
Construction in progress	126,753	-	-	126,753
	<u>345,118</u>	<u>-</u>	<u>-</u>	<u>345,118</u>
Depreciated assets:				
Buildings and improvements	1,836,119	-	-	1,836,119
Machinery & equipment	197,777	6,386	-	204,163
Vehicles	566,644	270,000	-	836,644
Infrastructure	704,610	164,738	-	869,348
	<u>3,305,150</u>	<u>441,124</u>	<u>-</u>	<u>3,746,274</u>
Less: accumulated depreciation	(2,196,882)	(103,955)	-	(2,300,837)
	<u>1,108,268</u>	<u>337,169</u>	<u>-</u>	<u>1,445,437</u>
Net capital assets	<u>\$ 1,453,386</u>	<u>\$ 337,169</u>	<u>\$ -</u>	<u>\$ 1,790,555</u>

TOWN OF SANGERVILLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General Government	\$ 13,710
Protection	16,993
Abbie Fowler (Unclassified)	18,250
Public Works	53,088
Town-wide	1,914
	\$ 103,955

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2015:

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Current Year Portion
Notes payable	\$ 5,316	\$ 99,334	\$ (9,547)	\$ 95,103	\$ 8,543
Accrued compensated absences	6,231	-	(1,285)	4,946	4,946
Totals	\$ 26,710	\$ 99,334	\$ (9,547)	\$ 100,049	\$ 13,489

The following is a summary of the outstanding note payable:

\$99,334 note payable to Camden National Bank, monthly principal payments varying from \$692 to \$986. Interest is charged at an average rate of 3.64% per annum. Maturity in 2025.

\$ 95,103

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding note principal and interest requirements for the following years ending December 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ 8,543	\$ 3,323	\$ 11,866
2017	8,860	3,006	11,866
2018	9,187	2,679	11,866
2019	9,527	2,339	11,866
2020	9,880	1,986	11,866
2021-2025	49,106	4,212	53,318
	<u>\$ 95,103</u>	<u>\$ 17,545</u>	<u>\$ 112,648</u>

All bonds and notes are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for special assessment debt. All bonds and notes are payable from taxes levied on all taxable property located within the Town. The General Fund is used to liquidate the liability for the bonds, and notes.

NOTE 6 – EXPENDITURES OVER APPROPRIATIONS

At December 31, 2015, the Town had the following overspent appropriations:

	<u>Excess</u>
Contractual	\$ 2,514
Insurance	183
Plumbing Inspector	25
	<u>\$ 2,722</u>

TOWN OF SANGERVILLE, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015

NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2015, the Town had the following restricted fund balances:

General fund:	
Animal control	\$ 5,530
Education	25,488
Cemeteries	1,685
Nonmajor permanent funds (Schedule H)	76,386
	<u>\$ 109,089</u>

NOTE 8 – COMMITTED FUND BALANCES

At December 31, 2015, the Town had the following committed fund balances:

Nonmajor capital projects funds (Schedule F)	<u>\$ 142,342</u>
--	-------------------

NOTE 9 – ASSIGNED FUND BALANCES

At December 31, 2015, the Town had the following assigned fund balances:

General fund:	
Abbie Fowler	\$ 15,314
Road improvement	18,625
Recreation	1,500
Erosion control	7,385
Center pond rd	6,179
ATV signage & poles	2,250
Legal	8,519
Nonmajor special revenue funds (Schedule D)	14,982
	<u>\$ 74,754</u>

NOTE 10 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials' liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

TOWN OF SANGERVILLE, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 11 – CONTINGENCIES

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2015, the County of Piscataquis had no outstanding debt. The Town’s share of school debt was approximately:

	<u>Outstanding Debt</u>	<u>Percentage</u>	<u>Amount</u>
RSU 4	\$ 1,239,448	21.30%	<u>\$ 264,002</u>

NOTE 12 – COMMITMENTS

The Town of Sangerville, Maine, has entered into two contracts for snow removal services with C & W Nuite. Both of these contracts are effective until 2017. The annual contracts’ costs are as follows:

	<u>Contract 1</u>	<u>Contract 2</u>	<u>Total</u>
2016	41,788	37,320	79,108
2017	28,215	25,217	53,432

For the twelve months ended December 31, 2015, the Town paid a total of \$78,591 for both of these contracts for snow removal service. All future contract amounts are subject to annual appropriation by the Town of Sangerville.

NOTE 13 – JOINT VENTURE

The Town of Sangerville is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture). The Joint Venture is an organization that resulted from a contractual arrangement between certain member municipalities, Penobscot Energy Recovery Company (PERC) and Bangor Hydro Electric Company. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of December 31, 2014 (most recent data available), the Town of Sangerville’s share of the Joint Venture’s net position was \$106,493. Complete financial statements may be obtained from the Municipal Review Committee, 40 Harlow Street, Bangor, Maine 04401.

NOTE 14 – RELATED PARTIES

During fiscal year 2015 the Town hired an individual to provide road grading services. This individual is related to the road commissioner. In fiscal year 2015, payments for these services totaled \$1,720.

TOWN OF SANGERVILLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 15 – COMPARATIVE DATA/RECLASSIFICATIONS

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

## 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 to Actual - General Fund

TOWN OF SANGERVILLE, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance - January 1	\$ 987,203	\$ 987,203	\$ 987,203	\$ -
Resources (Inflows):				
Property taxes	1,466,762	1,466,762	1,452,322	(14,440)
Excise taxes	-	-	216,882	216,882
Intergovernmental:				
State revenue sharing	-	-	71,274	71,274
Highway block grant	40,000	40,000	34,082	(5,918)
Homestead reimbursement	34,295	34,295	34,868	573
Tree growth	-	-	18,124	18,124
Other	693	1,388	7,020	5,632
Interest and costs on taxes	-	-	23,671	23,671
Interest income	-	-	966	966
Charges for services/fees	-	3,904	11,233	7,329
Perc fees	-	-	12,176	12,176
Miscellaneous:				
Other revenue	5,718	19,268	27,890	8,622
Transfers from other funds	-	1,800	1,800	-
Amounts Available for Appropriation	<u>2,534,671</u>	<u>2,554,620</u>	<u>2,899,511</u>	<u>344,891</u>
Charges to Appropriations (Outflows):				
General government	257,737	270,137	257,871	12,266
Protection	105,130	105,130	92,161	12,969
Health and sanitation	114,880	114,880	96,562	18,318
Public works	447,545	451,545	393,561	57,984
Leisure services	26,245	27,745	26,094	1,651
County tax	117,145	117,145	117,145	-
Education	793,793	793,793	768,305	25,488
Unclassified	125,367	140,766	82,624	58,142
Debt service:				
Principal	15,657	15,657	9,547	6,110
Interest	11,171	11,171	1,755	9,416
Capital outlay	62,100	63,500	60,987	2,513
Transfers to other funds	28,901	29,901	29,901	-
Total Charges to Appropriations	<u>2,105,671</u>	<u>2,141,370</u>	<u>1,936,513</u>	<u>204,857</u>
Budgetary Fund Balance, December 31	<u>\$ 429,000</u>	<u>\$ 413,250</u>	<u>\$ 962,998</u>	<u>\$ 549,748</u>
Utilization of unassigned fund balance	\$ 519,110	\$ 534,860	\$ -	\$ (534,860)
Utilization of assigned fund balance	36,174	36,174	-	(36,174)
Utilization of restricted fund balance	2,919	2,919	-	(2,919)
	<u>\$ 558,203</u>	<u>\$ 573,953</u>	<u>\$ -</u>	<u>\$ (573,953)</u>

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

## Other Supplementary Information

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

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

SCHEDULE A

TOWN OF SANGERVILLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Administration	\$ 113,202	\$ 750	\$ 113,952	\$ 112,940	\$ 1,012
Town hall	16,540	-	16,540	14,751	1,789
Town hall maintenance	7,312	-	7,312	6,613	699
Contractual	29,710	-	29,710	32,224	(2,514)
Insurance	59,785	-	59,785	59,968	(183)
Plumbing inspector	-	1,650	1,650	1,675	(25)
Planning board	1,430	-	1,430	1,320	110
Employee benefits	1,574	-	1,574	1,325	249
Legal	9,999	10,000	19,999	11,480	8,519
Town office operations	18,185	-	18,185	15,575	2,610
<b>Totals</b>	<b>257,737</b>	<b>12,400</b>	<b>270,137</b>	<b>257,871</b>	<b>12,266</b>
<b>PROTECTION</b>					
Fire department	60,000	-	60,000	47,436	12,564
Hydrant rental	41,000	-	41,000	40,595	405
Street lights	4,130	-	4,130	4,130	-
<b>Totals</b>	<b>105,130</b>	<b>-</b>	<b>105,130</b>	<b>92,161</b>	<b>12,969</b>
<b>HEALTH AND SANITATION</b>					
PERC	60,000	-	60,000	52,368	7,632
Dover-Foxcroft	54,080	-	54,080	43,404	10,676
Pump septic tanks	550	-	550	550	-
Trash pick up	250	-	250	240	10
<b>Totals</b>	<b>114,880</b>	<b>-</b>	<b>114,880</b>	<b>96,562</b>	<b>18,318</b>
<b>LEISURE SERVICES</b>					
Recreation	8,245	1,500	9,745	8,094	1,651
Library	18,000	-	18,000	18,000	-
<b>Totals</b>	<b>26,245</b>	<b>1,500</b>	<b>27,745</b>	<b>26,094</b>	<b>1,651</b>

SCHEDULE A (CONTINUED)  
TOWN OF SANGERVILLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>PUBLIC WORKS</b>					
Summer roads	46,450	-	46,450	41,409	5,041
Winter roads	115,000	-	115,000	109,159	5,841
Public works	35,244	-	35,244	35,344	(100)
Equipment 15	19,180	-	19,180	9,264	9,916
Unifirst uniforms for P/W	1,200	-	1,200	1,065	135
Road improvement	197,000	-	197,000	178,375	18,625
Department training	300	-	300	130	170
Road equipment	20,034	-	20,034	17,475	2,559
ATV signage & poles	-	3,000	3,000	750	2,250
Street signs	400	-	400	419	(19)
Erosion control	12,737	1,000	13,737	171	13,566
<b>Totals</b>	<b>447,545</b>	<b>4,000</b>	<b>451,545</b>	<b>393,561</b>	<b>57,984</b>
<b>COUNTY TAX</b>	<b>117,145</b>	<b>-</b>	<b>117,145</b>	<b>117,145</b>	<b>-</b>
<b>EDUCATION</b>	<b>793,793</b>	<b>-</b>	<b>793,793</b>	<b>768,305</b>	<b>25,488</b>
<b>DEBT SERVICE</b>					
Principal	15,657	-	15,657	9,547	6,110
Interest	11,171	-	11,171	1,755	9,416
<b>Totals</b>	<b>26,828</b>	<b>-</b>	<b>26,828</b>	<b>11,302</b>	<b>15,526</b>
<b>CAPITAL OUTLAY</b>	<b>62,100</b>	<b>1,400</b>	<b>63,500</b>	<b>60,987</b>	<b>2,513</b>
<b>UNCLASSIFIED</b>					
Abbie Fowler	25,655	-	25,655	10,341	15,314
Cemeteries	12,830	-	12,830	11,145	1,685
Historical Society	750	-	750	750	-
Animal welfare	6,412	2,254	8,666	3,136	5,530
Monument lot	10,850	12,450	23,300	22,465	835
Municipal welfare	11,000	-	11,000	9,480	1,520
Overlay	47,270	-	47,270	23,508	23,762
Contingency	10,000	-	10,000	504	9,496
Snowmobile refund	-	695	695	695	-
Social services	600	-	600	600	-
<b>Totals</b>	<b>125,367</b>	<b>15,399</b>	<b>140,766</b>	<b>82,624</b>	<b>58,142</b>
<b>TRANSFERS TO OTHER FUNDS</b>	<b>28,901</b>	<b>1,000</b>	<b>29,901</b>	<b>29,901</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,105,671</b>	<b>\$ 35,699</b>	<b>\$ 2,141,370</b>	<b>\$ 1,936,513</b>	<b>\$ 204,857</b>

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

## TOWN OF SANGERVILLE, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 76,386	\$ 76,386
Due from other funds	14,982	142,342	-	157,324
<b>TOTAL ASSETS</b>	<u>\$ 14,982</u>	<u>\$ 142,342</u>	<u>\$ 76,386</u>	<u>\$ 233,710</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	-	-	76,386	76,386
Committed	-	142,342	-	142,342
Assigned	14,982	-	-	14,982
<b>TOTAL FUND BALANCES</b>	<u>14,982</u>	<u>142,342</u>	<u>76,386</u>	<u>233,710</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 14,982</u>	<u>\$ 142,342</u>	<u>\$ 76,386</u>	<u>\$ 233,710</u>

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

## TOWN OF SANGERVILLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ -	\$ -	\$ 77	\$ 77
Other income	-	7,928	-	7,928
TOTAL REVENUES	<u>-</u>	<u>7,928</u>	<u>77</u>	<u>8,005</u>
EXPENDITURES				
Capital outlay	-	138,837	-	138,837
TOTAL EXPENDITURES	<u>-</u>	<u>138,837</u>	<u>-</u>	<u>138,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(130,909)</u>	<u>77</u>	<u>(130,832)</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	99,334	-	99,334
Transfers in	-	36,243	-	36,243
Transfers (out)	-	(8,142)	-	(8,142)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>127,435</u>	<u>-</u>	<u>127,435</u>
NET CHANGE IN FUND BALANCES	-	(3,474)	77	(3,397)
FUND BALANCES, JANUARY 1	<u>14,982</u>	<u>145,816</u>	<u>76,309</u>	<u>237,107</u>
FUND BALANCES, DECEMBER 31	<u>\$ 14,982</u>	<u>\$ 142,342</u>	<u>\$ 76,386</u>	<u>\$ 233,710</u>

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

## Special Revenue Funds

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

TOWN OF SANGERVILLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2015

	Woodlot Harvest Reserve	Totals
	<u>          </u>	<u>          </u>
ASSETS		
Due from other funds	\$ 14,982	\$ 14,982
TOTAL ASSETS	<u>\$ 14,982</u>	<u>\$ 14,982</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Assigned	14,982	14,982
TOTAL FUND BALANCES	<u>14,982</u>	<u>14,982</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,982</u>	<u>\$ 14,982</u>

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

TOWN OF SANGERVILLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Woodlot Harvest Reserve	Totals
	<u>          </u>	<u>          </u>
REVENUES		
Interest income	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-
FUND BALANCES, JANUARY 1	<u>14,982</u>	<u>14,982</u>
FUND BALANCES, DECEMBER 31	<u>\$ 14,982</u>	<u>\$ 14,982</u>

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

## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF SANGERVILLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2015

	<u>Road Improvement</u>	<u>Equipment Account</u>	<u>Town Hall Repair</u>	<u>Bicentennial</u>	<u>Sangerville Days</u>	<u>Abbie Fowler</u>
<b>ASSETS</b>						
Due from other funds	\$ 2,135	\$ 98,511	\$ 3,000	\$ -	\$ 14,286	\$ 3,477
<b>TOTAL ASSETS</b>	<u>\$ 2,135</u>	<u>\$ 98,511</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 14,286</u>	<u>\$ 3,477</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Committed	2,135	98,511	3,000	-	14,286	3,477
<b>TOTAL FUND BALANCES</b>	<u>2,135</u>	<u>98,511</u>	<u>3,000</u>	<u>-</u>	<u>14,286</u>	<u>3,477</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,135</u>	<u>\$ 98,511</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 14,286</u>	<u>\$ 3,477</u>

TOWN OF SANGERVILLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2015

	Fire Department Equipment	Firehouse Improvement Reserve	Recreation	Town Office Equipment	Monument	Total
<b>ASSETS</b>						
Due from other funds	\$ 4,410	\$ 10,928	\$ 4,345	\$ 750	\$ 500	\$ 142,342
<b>TOTAL ASSETS</b>	<u>\$ 4,410</u>	<u>\$ 10,928</u>	<u>\$ 4,345</u>	<u>\$ 750</u>	<u>\$ 500</u>	<u>\$ 142,342</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Committed	4,410	10,928	4,345	750	500	142,342
<b>TOTAL FUND BALANCES</b>	<u>4,410</u>	<u>10,928</u>	<u>4,345</u>	<u>750</u>	<u>500</u>	<u>142,342</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,410</u>	<u>\$ 10,928</u>	<u>\$ 4,345</u>	<u>\$ 750</u>	<u>\$ 500</u>	<u>\$ 142,342</u>

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

TOWN OF SANGERVILLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Road Improvement	Equipment Account	Town Hall Repair	Bicentennial	Sangerville Days	Abbie Fowler
REVENUES						
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	10,000	1,000	-	6,342	-
Transfers (out)	-	-	-	(6,342)	(1,800)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	10,000	1,000	(6,342)	4,542	-
NET CHANGE IN FUND BALANCES	-	10,000	1,000	(6,342)	4,542	-
FUND BALANCES, JANUARY 1	2,135	88,511	2,000	6,342	9,744	3,477
FUND BALANCES, DECEMBER 31	\$ 2,135	\$ 98,511	\$ 3,000	\$ -	\$ 14,286	\$ 3,477

SCHEDULE G (CONTINUED)

TOWN OF SANGERVILLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Fire Department Equipment	Firehouse Improvement Reserve	Recreation	Town Office Equipment	Monument	Total
REVENUES						
Other income	\$ -	\$ 7,928	\$ -	\$ -	\$ -	\$ 7,928
TOTAL REVENUES	<u>-</u>	<u>7,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,928</u>
EXPENDITURES						
Capital outlay	138,837	-	-	-	-	138,837
TOTAL EXPENDITURES	<u>138,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(138,837)</u>	<u>7,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,909)</u>
OTHER FINANCING SOURCES (USES)						
Loan proceeds	99,334	-	-	-	-	99,334
Transfers in	15,651	1,000	1,000	750	500	36,243
Transfers (out)	-	-	-	-	-	(8,142)
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,985</u>	<u>1,000</u>	<u>1,000</u>	<u>750</u>	<u>500</u>	<u>127,435</u>
NET CHANGE IN FUND BALANCES	<u>(23,852)</u>	<u>8,928</u>	<u>1,000</u>	<u>750</u>	<u>500</u>	<u>(3,474)</u>
FUND BALANCES, JANUARY 1	<u>28,262</u>	<u>2,000</u>	<u>3,345</u>	<u>-</u>	<u>-</u>	<u>145,816</u>
FUND BALANCES, DECEMBER 31	<u>\$ 4,410</u>	<u>\$ 10,928</u>	<u>\$ 4,345</u>	<u>\$ 750</u>	<u>\$ 500</u>	<u>\$ 142,342</u>

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

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Sangerville, 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 SANGERVILLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2015

	Cemetery Trust	Ministerial Trust	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 72,307	\$ 4,079	\$ 76,386
<b>TOTAL ASSETS</b>	<b>\$ 72,307</b>	<b>\$ 4,079</b>	<b>\$ 76,386</b>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	72,307	4,079	76,386
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>72,307</b>	<b>4,079</b>	<b>76,386</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 72,307</b>	<b>\$ 4,079</b>	<b>\$ 76,386</b>

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

## TOWN OF SANGERVILLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Cemetery Trust	Ministerial Trust	Total
REVENUES			
Interest income	\$ 73	\$ 4	\$ 77
TOTAL REVENUES	<u>73</u>	<u>4</u>	<u>77</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>73</u>	<u>4</u>	<u>77</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	73	4	77
FUND BALANCES, JANUARY 1	<u>72,234</u>	<u>4,075</u>	<u>76,309</u>
FUND BALANCES, DECEMBER 31	<u>\$ 72,307</u>	<u>\$ 4,079</u>	<u>\$ 76,386</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 SANGERVILLE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2015

	Land and Non-depreciable Assets	Buildings and Improvements	Furniture, Fixtures Equipment & Vehicles	Infrastructure	Totals
General Government	\$ 10,000	\$ 548,416	\$ 12,247	\$ -	\$ 570,663
Protection	136,753	266,400	709,860	-	1,113,013
Public Works	10,000	243,460	318,700	869,348	1,441,508
Abbie Fowler	10,000	730,000	-	-	740,000
Town-wide	178,365	47,843	-	-	226,208
Total General Capital Assets	345,118	1,836,119	1,040,807	869,348	4,091,392
Less: Accumulated Depreciation	-	(1,593,348)	(613,970)	(93,519)	(2,300,837)
Net General Capital Assets	<u>\$ 345,118</u>	<u>\$ 242,771</u>	<u>\$ 426,837</u>	<u>\$ 775,829</u>	<u>\$ 1,790,555</u>

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

TOWN OF SANGERVILLE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Capital Assets <u>1/1/2015</u>	Additions	Deletions	General Capital Assets <u>12/31/2015</u>
General Government	\$ 564,277	\$ 6,386	\$ -	\$ 570,663
Protection	843,013	270,000	-	1,113,013
Public Works	1,276,770	164,738	-	1,441,508
Abbie Fowler	740,000	-	-	740,000
Town-wide	<u>226,208</u>	<u>-</u>	<u>-</u>	<u>226,208</u>
Total General Capital Assets	3,650,268	441,124	-	4,091,392
Less: Accumulated Depreciation	<u>(2,196,882)</u>	<u>(103,955)</u>	<u>-</u>	<u>(2,300,837)</u>
Net General Capital Assets	<u><u>\$ 1,453,386</u></u>	<u><u>\$ 337,169</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,790,555</u></u>

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