

# Audited Financial Statements

## Town of Readfield, Maine

June 30, 2011



*Proven Expertise and Integrity*

TOWN OF READFIELD, MAINE

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JUNE 30, 2011

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## INDEPENDENT AUDITORS' REPORT

October 27, 2011

Select Board  
Town of Readfield  
Readfield, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Readfield, Maine, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Readfield's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Readfield, Maine as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 through 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

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

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Readfield, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*RHR Smith & Company*

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Readfield, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Readfield'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 Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets 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 been presented for the following activity:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, health and sanitation, recreation and 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 Readfield, 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 Readfield can be divided into one category: governmental funds.

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

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

The Town of Readfield 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 “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 schedule of 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 assets, and changes in net assets of the Town’s governmental activities. The Town’s total net assets for governmental activities increased by \$119,590 from \$22.10 million to \$22.22 million.

Unrestricted net assets-the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements- decreased for the governmental activities by \$63,747 to a balance of \$1,844,259 at the end of the fiscal year.



**Table 1**  
**Town of Readfield, Maine**  
**Net Assets**  
**June 30,**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Assets:		
Current and Other Assets	\$ 2,049,000	\$ 2,168,721
Capital Assets	22,175,227	22,302,700
Total Assets	<u>\$ 24,224,227</u>	<u>\$ 24,471,421</u>
Liabilities:		
Current Liabilities	\$ 390,069	\$ 306,615
Long-Term Debt Outstanding	1,610,210	2,060,448
Total Liabilities	<u>\$ 2,000,279</u>	<u>\$ 2,367,063</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 20,260,312	\$ 20,020,487
Restricted	119,377	175,865
Unrestricted	1,844,259	1,908,006
Total Net Assets	<u>\$ 22,223,948</u>	<u>\$ 22,104,358</u>

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues</b>				
Taxes	\$ 4,175,410	\$ 3,970,725	\$ -	\$ -
Intergovernmental	258,296	334,601	-	-
Charges for services	239,210	210,459	-	-
Miscellaneous	199,547	207,884	-	-
Total Revenues	<u>4,872,463</u>	<u>4,723,669</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>				
General Government	432,798	404,691	-	-
Boards and Commissions	3,787	11,097	-	-
Town Buildings	48,661	42,813	-	-
Community Services	46,202	48,446	-	-
Recreation, Parks & Activities	24,913	31,272	-	-
Protection	168,221	183,516	-	-
Cemeteries	25,832	29,528	-	-
Roads & Drainage	921,561	468,371	-	-
Solid Waste	246,473	263,040	-	-
Education	2,364,287	2,155,056	-	-
Regional Assessments	327,220	307,844	-	-
Unclassified	75,983	23,727	-	-
Interest on long-term debt	63,161	68,327	-	-
Program Expenditures	3,774	22	-	-
Total Expenses	<u>4,752,873</u>	<u>4,037,750</u>	<u>-</u>	<u>-</u>
Transfers	<u>-</u>	<u>4,419</u>	<u>-</u>	<u>(4,419)</u>
Change in Net Assets	119,590	690,338	-	(4,419)
Net Assets - July 1 Restated	<u>22,104,358</u>	<u>21,414,020</u>	<u>-</u>	<u>4,419</u>
Net Assets - June 30	<u>\$ 22,223,948</u>	<u>\$ 22,104,358</u>	<u>\$ -</u>	<u>\$ -</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.15%, while total expenses increased by 17.71%. The primary reasons for this increase were in the roads, education and unclassified.

## 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, unreserved 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 Readfield, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2011</u>	<u>2010</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 3,103	\$ 3,103
Committed	572,447	491,371
Unassigned	1,111,456	1,300,208
Total General Fund	<u>\$ 1,687,006</u>	<u>\$ 1,794,682</u>
Non-Major Funds:		
Special revenue funds		
Assigned	\$ 4,767	\$ 4,767
Permanent funds		
Restricted	119,377	119,903
Assigned	68,218	51,195
Total Non-Major Funds	<u>\$ 192,362</u>	<u>\$ 175,865</u>

The general fund total fund balance decreased by \$107,676 over the prior fiscal year. The non-major fund balances increased by \$16,497 over the prior fiscal year.

### Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were over the budget by \$2,776. This was a result due largely to taxes.

The general fund actual expenditures were under the budget by \$666,241. All expenditures were under budget with the exception of town buildings.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2011, the net book value of capital assets recorded by the Town decreased by \$127,473 over the prior year. This decrease is a result of current year depreciation of \$454,638 less current year additions of \$327,165.

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

	<b>2011</b>	<b>2010</b>
Land and construction in progress	\$ 2,902,350	\$ 2,874,351
Buildings and improvements	406,745	406,683
Equipment	175,629	114,759
Vehicles	550,993	638,652
Infrastructure	18,139,510	18,268,255
Total	<u>\$ 22,175,227</u>	<u>\$ 22,302,700</u>

### **Debt**

At June 30, 2011, the Town had \$1,367,028 in bonds outstanding versus \$1,583,790 last year, a decrease of 13.69%, as shown in Note 5.

### **Currently Known Facts, Decisions, or Conditions**

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

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

#### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at 8 Old Kents Hill Road, Readfield, Maine 04355.

## TOWN OF READFIELD, MAINE

## STATEMENT OF NET ASSETS

JUNE 30, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,443,132
Investments	333,068
Accounts receivable (net of allowance for uncollectibles):	
Taxes	224,976
Prepaid expenses	3,103
Total current assets	<u>2,049,000</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	2,902,350
Buildings and equipment, net of accumulated depreciation	19,272,877
Total noncurrent assets	<u>22,175,227</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 24,224,227</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 5,704
Accrued payroll	18,368
Other liabilities	11,895
Prepaid taxes	9,244
Current portion of long-term obligations	344,858
Total current liabilities	<u>390,069</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	1,152,085
Capital leases payable	417,972
Accrued compensated absences	40,153
Total noncurrent liabilities	<u>1,610,210</u>
<b>TOTAL LIABILITIES</b>	<u>2,000,279</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	20,260,312
Restricted	119,377
Unrestricted	1,844,259
<b>TOTAL NET ASSETS</b>	<u>22,223,948</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 24,224,227</u></u>

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

## STATEMENT B

## TOWN OF READFIELD, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General Government	\$ 432,798	\$ 25,305	\$ -	\$ -	\$ (407,493)	\$ -	\$ (407,493)
Boards and Commissions	3,787	-	-	-	(3,787)	-	(3,787)
Town Buildings	48,661	-	-	-	(48,661)	-	(48,661)
Community Services	46,202	-	-	-	(46,202)	-	(46,202)
Recreation, Parks & Activities	24,913	25,952	-	-	1,039	-	1,039
Protection	168,221	-	118,787	-	(49,434)	-	(49,434)
Cemeteries	25,832	-	-	-	(25,832)	-	(25,832)
Roads & Drainage	921,561	56,405	36,936	-	(828,220)	-	(828,220)
Solid Waste	246,473	131,548	-	-	(114,925)	-	(114,925)
Education	2,364,287	-	-	-	(2,364,287)	-	(2,364,287)
Regional Assessments	327,220	-	-	-	(327,220)	-	(327,220)
Unclassified	75,983	-	-	-	(75,983)	-	(75,983)
Interest on Long-Term Debt	63,161	-	-	-	(63,161)	-	(63,161)
Program Expenditures	3,774	-	-	-	(3,774)	-	(3,774)
Total governmental activities	4,752,873	239,210	155,723	-	(4,357,940)	-	(4,357,940)

STATEMENT B (CONTINUED)

TOWN OF READFIELD, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(4,357,940)</u>
General revenue:	
Property taxes	3,757,071
Excise taxes	418,339
Grants and contributions not restricted to specific programs	102,573
Miscellaneous	199,547
Total general revenue	<u>4,477,530</u>
Change in net assets	119,590
NET ASSETS - JULY 1, 2010, RESTATED	<u>22,104,358</u>
NET ASSETS - JUNE 30, 2011	<u><u>\$ 22,223,948</u></u>

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

## STATEMENT C

## TOWN OF READFIELD, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash	\$ 1,443,132	\$ -	\$ 1,443,132
Investments	120,829	212,239	333,068
Receivables (net of allowance):			
Taxes	224,976	-	224,976
Liens	44,721	-	44,721
Prepaid expenses	3,103	-	3,103
Due from other funds	24,644	4,767	29,411
TOTAL ASSETS	<u>\$ 1,861,405</u>	<u>\$ 217,006</u>	<u>\$ 2,078,411</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 5,704	\$ -	\$ 5,704
Accrued payroll	18,368	-	18,368
Other liabilities	11,895	-	11,895
Deferred tax revenues	116,166	-	116,166
Prepaid taxes	9,244	-	9,244
Due to other funds	4,767	24,644	29,411
Accrued compensated absences	8,255	-	8,255
TOTAL LIABILITIES	<u>174,399</u>	<u>24,644</u>	<u>199,043</u>
Fund Equity			
Nonspendable	3,103	-	3,103
Restricted	-	119,377	119,377
Committed	572,447	-	572,447
Assigned	-	72,985	72,985
Unassigned	1,111,456	-	1,111,456
TOTAL FUND EQUITY	<u>1,687,006</u>	<u>192,362</u>	<u>1,879,368</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,861,405</u>	<u>\$ 217,006</u>	<u>\$ 2,078,411</u>

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



## TOWN OF READFIELD, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Total Governmental Funds
Total Fund Equity	\$ 1,879,368
Amounts reported for governmental activities in the statement 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	22,175,227
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	116,166
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(1,367,028)
Capital leases payable	(547,887)
Accrued compensated absences	(31,898)
Net assets of governmental activities	<u>\$ 22,223,948</u>

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

## TOWN OF READFIELD, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 3,765,071	\$ -	\$ 3,765,071
Excise taxes	418,339	-	418,339
Intergovernmental revenues	258,296	-	258,296
Charges for services	239,210	-	239,210
Miscellaneous revenues	179,276	20,271	199,547
TOTAL REVENUES	<u>4,860,192</u>	<u>20,271</u>	<u>4,880,463</u>
EXPENDITURES			
Current:			
General government	379,388	-	379,388
Boards and commissions	3,787	-	3,787
Town buildings	48,661	-	48,661
Community services	46,202	-	46,202
Recreation, parks & activities	23,204	-	23,204
Protection	196,107	-	196,107
Cemeteries	25,832	-	25,832
Roads & drainage	862,264	-	862,264
Solid waste	227,256	-	227,256
Education	2,364,287	-	2,364,287
Regional assessments	327,220	-	327,220
Unclassified	75,983	-	75,983
Debt service:			
Principal	236,082	-	236,082
Interest	63,161	-	63,161
Capital outlay	88,434	-	88,434
Program Expenditures	-	3,774	3,774
TOTAL EXPENDITURES	<u>4,967,868</u>	<u>3,774</u>	<u>4,971,642</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(107,676)</u>	<u>16,497</u>	<u>(91,179)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(107,676)</u>	<u>16,497</u>	<u>(91,179)</u>
FUND BALANCES - JULY 1, RESTATED	<u>1,794,682</u>	<u>175,865</u>	<u>1,970,547</u>
FUND BALANCES - JUNE 30	<u>\$ 1,687,006</u>	<u>\$ 192,362</u>	<u>\$ 1,879,368</u>

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

## TOWN OF READFIELD, 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, 2011

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (91,179)</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	327,165
Capital asset dispositions	-
Depreciation expense	<u>(454,638)</u>
	<u>(127,473)</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 Assets	<u>367,298</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	<u>-</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>(21,056)</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>(8,000)</u>
Change in net assets of governmental activities (Statement B)	<u>\$ 119,590</u>

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Readfield was incorporated under the laws of the State of Maine. The Town operates under Town selectmen-manager form of government and provides the following services: general government services, public safety, public works, health and welfare, education, and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

***Government –Wide and Fund Financial Statements***

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

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

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

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

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets 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, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Deposits and Investments**

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

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

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

The Town of Readfield has a formal investment policy that 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. The enterprise fund inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2011.

**Capital Assets**

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

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

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

Estimated useful lives are as follows:

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



TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

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

**Compensated Absences**

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2011 the Town's liability for compensated absences is \$40,153.

**Reserves**

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserve listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Equity**

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 Select Board.

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 READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town's property tax for the current year was levied August 19, 2010 on the assessed value listed as of April 1, 2010, for all real and personal property located in the Town. Taxes were due in two installments on September 30, 2010 and February 25, 2011. Interest on unpaid taxes commenced on October 1, 2010 and February 26, 2011, at 4% 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 \$14,288 for the year ended June 30, 2011.

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

**Program Revenues**

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

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, 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 investment policies apply to all Town funds.

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 or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2011, the Town's cash balance of \$1,443,132 was comprised of deposits amounting to \$1,461,130. This amount was comprised of \$570,041 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk, and \$891,089 which was collateralized with securities held by the financial institutions but not in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 375,328
Savings accounts	20,367
Sweep accounts	1,065,435
	<u>\$ 1,461,130</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At June 30, 2011, the Town's investment balance of \$333,068 was comprised of deposits amounting to \$333,068. This amount was insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Current</u>	<u>1 Year</u>	<u>2 - 5 Years</u>
Mutual funds	\$ 212,239	\$ -	\$ -
Certificates of deposit	120,829	-	-
	<u>\$ 333,068</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2011 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General fund	\$ 24,644	\$ 4,767
Nonmajor special revenue funds	4,767	-
Nonmajor permanent funds	-	24,644
	<u>\$ 29,411</u>	<u>\$ 29,411</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2011:

	Balance, 7/1/10	Additions	Disposals	Balance, 6/30/11
Governmental activities				
Non-depreciated assets:				
Land	\$ 2,865,844	\$ -	\$ -	\$ 2,865,844
Construction in progress	-	36,506		36,506
	<u>2,865,844</u>	<u>36,506</u>	<u>-</u>	<u>2,902,350</u>
Depreciated assets:				
Buildings & improvements	761,552	27,584	-	789,136
Land improvements	186,368	-	-	186,368
Equipment	250,747	79,460	-	330,207
Vehicles	1,081,150	-	-	1,081,150
Infrastructure	<u>23,080,969</u>	<u>183,615</u>	<u>-</u>	<u>23,264,584</u>
	25,360,786	290,659	-	25,651,445
Less: accumulated depreciation	<u>(5,923,930)</u>	<u>(454,638)</u>	<u>-</u>	<u>(6,378,568)</u>
	<u>19,436,856</u>	<u>(163,979)</u>	<u>-</u>	<u>19,272,877</u>
Net capital assets	<u>\$ 22,302,700</u>	<u>\$ (127,473)</u>	<u>\$ -</u>	<u>\$ 22,175,227</u>
Current year depreciation:				
General government				\$ 27,188
Recreation, parks & activities				1,708
Protection				27,230
Roads & drainage				379,295
Solid waste				<u>19,217</u>
Total depreciation expense				<u>\$ 454,638</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

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, 7/1/10	Additions	Deletions	Balance, 6/30/11	Current Year Portion
Bonds payable	\$ 1,583,790	\$ -	\$ (216,762)	\$ 1,367,028	\$ 214,943
Capital leases payable	698,423	-	(150,536)	547,887	129,915
Accrued compensated absences	45,733	-	(5,580)	40,153	-
Totals	<u>\$ 2,327,946</u>	<u>\$ -</u>	<u>\$ (372,878)</u>	<u>\$ 1,955,068</u>	<u>\$ 344,858</u>

The following is a summary of bonds outstanding as of June 30, 2011:

\$120,850, 2002 General Obligation Bond due in annual principal installments of \$12,085 through 2013. Interest is charged at a rate varying from 2.5% to 3.45% per annum.	\$ 24,170
\$300,000, 2004 General Obligation Bond due in annual principal installments of \$30,000 through 2015. Interest is charged at a rate varying from 3.019% to 3.644% per annum.	120,000
\$160,000, 2004 General Obligation Bond due in annual principal installments of \$22,858 through 2012. Interest is charged at a rate varying from 3.019% to 3.119% per annum.	22,858
\$1,500,000 2008 General Obligation Bond due in annual principal installments of \$150,000 through 2019. Interest is charged at a rate of 4.11% per annum.	<u>1,200,000</u>
Total Bonds Payable	<u>\$ 1,367,028</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2012	\$ 214,943	\$ 60,030	\$ 274,973
2013	192,085	52,138	244,223
2014	180,000	44,879	224,879
2015	180,000	37,537	217,537
2016	150,000	30,825	180,825
2017-2021	450,000	55,536	505,536
	<u>\$ 1,367,028</u>	<u>\$ 280,945</u>	<u>\$ 1,647,973</u>

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

The Town leases a Freightliner Rescue Truck under a non-cancellable lease agreement dated April of 2010. The term of the lease is for a four year period expiring in July of 2014. Annual principal and interest payments are \$34,720.

The Town leases a Toshiba copier under a non-cancellable lease agreement. The term of the lease is for a five year period expiring in February 2015. Interest is charged at a rate of 3.00% per annum. Annual principal and interest payments are \$1,927.

The Town leases public works equipment under a non-cancellable lease with Androscoggin Bank. The term of the lease is for five years due in annual installments of \$112,761 through July 2014. Interest is charged at a rate of 3.54% per annum.

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

2012	\$ 149,408
2013	149,408
2014	149,408
2015	149,408
2016	-
Total minimum lease payments	<u>597,632</u>
Less: Amount representing interest	<u>(49,745)</u>
Present value of future minimum lease payments	<u>\$ 547,887</u>



# TOWN OF READFIELD, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

### NOTE 6 - RESTRICTED NET ASSETS

The following net assets have been reserved at June 30, 2011 for the following purposes:

Reserved for permanent funds	<u>\$ 119,377</u>
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### NOTE 7 – NONSPENDABLE FUND EQUITY

The following accounts are nonspendable in the general fund at June 30, 2011:

Prepaid expenses	<u>\$ 3,103</u>
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### NOTE 8 – COMMITTED FUND EQUITY

At June 30, 2011, the General Fund committed fund balances consisted of:

	Balance 7/1/10	Appropriation	Applied Receipts	Actual Expenditures	Counted Rev Reduction	Use of CF to reduce Budget	Use of TF	Balance 6/30/11
Backhoe	\$ 11,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,069
Beach	9,969	14,665	8,138	6,952	10,915	-	(3,750)	11,155
Cemeteries	4,369	26,362	-	25,832	-	-	-	4,899
Community Park	(560)	400	-	349	-	-	-	(509)
Dispatching	13,039	21,278	-	20,578	-	-	-	13,739
FD Annual Physicals	4,333	750	-	302	-	-	-	4,781
FD Emerg Comm	5,400	-	1,500	-	-	-	-	6,900
Fire Dept Equip	(9,257)	87,173	117,287	159,327	15,625	3,000	-	17,251
Fire station Addition	39,000	-	-	-	-	-	-	39,000
Fire Stat'n Improvements	7,959	10,000	-	25,050	-	-	7,091	-
Forestry	697	-	-	-	-	-	-	697
Gardiner Sav Bldg	3,876	-	-	-	-	-	-	3,876
Gile Hall	2,044	10,000	-	2,488	-	-	-	9,556
Grant Writing	1,366	2,500	-	-	-	-	-	3,866
Heating Assistance	672	720	513	432	-	720	-	753
Heritage Days	1,687	9,245	4,059	9,334	3,600	645	-	1,412
Library Operations	1,941	24,517	4,018	26,029	2,000	-	-	2,447
Library Building Imp	18,568	18,000	-	375	-	-	-	36,193
Maranacook Dam	7,200	2,400	-	-	-	-	-	9,600
Open Space	2,897	1,000	-	1,000	-	-	-	2,897
Playground	1,095	-	-	-	-	-	-	1,095
Public Works Capital	7,476	25,000	-	6,090	-	-	-	26,386
Public Works Equip Lease	14,517	-	-	14,825	-	-	-	(308)
Recreation	21,075	14,447	9,687	5,569	12,192	-	-	27,448
Reflections	1,020	-	14	-	-	-	-	1,034
Revaluation	20,000	20,000	-	-	-	-	-	40,000
Road /Bridge Bond	5,830	-	-	-	-	-	-	5,830

# TOWN OF READFIELD, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

### NOTE 8 – COMMITTED FUND EQUITY (CONTINUED)

Road Bond	87,601	-	-	75,984	-	-	-	11,617
Sidewalks	-	500,000	7,115	39,038	500,000	-	-	(31,923)
Snowmobiling	1,688	-	1,417	1,688	-	-	-	1,417
Summer Roads/Regional	185,691	844,763	97,921	782,891	96,000	-	-	249,484
Torsey Pond Nature Preserve	1,918	-	-	-	-	-	-	1,918
Town Farm Forest	18,063	2,200	-	175	-	3,200	-	16,888
TS Operations	35,223	127,758	65,774	114,318	75,279	-	-	39,158
TS Capital	(38,976)	-	-	568	-	-	39,544	-
Vernal Pools	(86)	-	-	-	-	-	-	(86)
Water Holes(Fund 5)	2,967	500	-	560	-	-	-	2,907
	<u>\$ 491,371</u>	<u>\$ 1,763,678</u>	<u>\$ 317,443</u>	<u>\$ 1,319,754</u>	<u>\$ 715,611</u>	<u>\$ 7,565</u>	<u>\$ 42,885</u>	<u>\$ 572,447</u>

### NOTE 9 – JOINT VENTURE

The Town has entered into a joint venture with a number of other towns. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the Town of Readfield.

Kennebec Regional Development Authority (FirstPark) was formed in 1998 through an act of the Maine State Legislature. Its primary purposes according to the act were to strengthen the financial condition of local governments within the geographic territory of the Authority, while combining resources and sharing costs for meeting regional and economic development needs and challenges: to promote and develop infrastructure and programs for employment and economic development opportunities and other conditions to positively affect regional development. The intent was that the members would fund the start up costs and then jointly benefit from the tax revenues generated in the future. There are currently 24 local governments who are members of the Authority, including the Town of Readfield.

### NOTE 10 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of certain outside agency's debt. As of June 30, 2011 the Town's share was as follows:

	Outstanding Debt	Town's Percentage	Total Share
County of Kennebec	\$ 70,000	2.76%	\$ 1,932
RSU #38	5,637,628	26.68%	1,504,119
First Park	2,490,877	4.35%	108,353

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 11 – CONTINGENCIES

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

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

NOTE 12 – RESTATEMENT

As of July 1, 2010, a restatement was made to the general fund in the amount of \$26,636. This amount represents a liability for accrued compensated absences that was recorded incorrectly. The fund balance in this fund and the net assets for the governmental activities both have been increased by \$26,636 as of July 1, 2010.

### Required Supplementary Information

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

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

## TOWN OF READFIELD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 1,794,682	\$ 1,794,682	\$ 1,794,682	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	3,719,794	3,719,794	3,742,945	23,151
Excise Taxes	391,000	391,000	418,339	27,339
Interest on Taxes	20,000	20,000	22,126	2,126
Total Taxes	4,130,794	4,130,794	4,183,410	52,616
Intergovernmental revenues:				
State Revenue Sharing	150,000	150,000	163,614	13,614
Homestead Exemption	64,468	64,468	46,775	(17,693)
Local Road Assistance	36,000	36,000	36,936	936
Other	12,100	12,100	10,971	(1,129)
Total Intergovernmental Revenues	262,568	262,568	258,296	(4,272)
Licenses, permits & fees	21,050	21,050	25,305	4,255
Charges for services:				
Library	2,000	4,018	4,018	-
Recreation	26,707	17,675	21,934	4,259
Regional Assesments	60,000	60,000	56,405	(3,595)
Transfer Station	150,558	180,597	131,548	(49,049)
Total Charges for Services	239,265	262,290	213,905	(48,385)
Investment income	9,000	9,000	5,401	(3,599)
Miscellaneous revenues:				
Trails Donations	11,150	11,150	-	(11,150)
Cable TV Franchise Fees	20,000	20,000	24,839	4,839
First Park	9,000	9,000	9,731	731
Sidewalks	500,000	7,115	7,115	-
Protection	17,125	124,378	118,787	(5,591)
Other	2,000	71	13,403	13,332
Transfers in	-	-	-	-
Total Miscellaneous Revenues	559,275	171,714	173,875	2,161
Amounts Available for Appropriation	7,016,634	6,652,098	6,654,874	2,776

SCHEDULE 1 (CONTINUED)  
TOWN OF READFIELD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u> <u>(Negative)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	400,171	401,537	379,388	22,149
Boards and commissions	20,843	20,757	3,787	16,970
Town buildings	48,205	48,205	48,661	(456)
Community services	47,795	67,082	46,202	20,880
Recreation, parks & activities	39,757	65,607	23,204	42,403
Protection	138,041	247,785	196,107	51,678
Cemeteries	26,362	30,731	25,832	4,899
Roads & drainage	844,763	1,136,875	862,264	274,611
Solid waste	255,516	281,234	227,256	53,978
Education	2,364,287	2,364,287	2,364,287	-
Regional assessments	339,183	339,183	327,220	11,963
Unclassified	98,663	128,700	75,983	52,717
Debt service:				
Principal	247,117	247,117	236,082	11,035
Interest	71,171	71,171	63,161	8,010
Capital outlay	565,400	183,838	88,434	95,404
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>5,507,274</u>	<u>5,634,109</u>	<u>4,967,868</u>	<u>666,241</u>
Budgetary Fund Balance, June 30	<u>\$ 1,509,360</u>	<u>\$ 1,017,989</u>	<u>\$ 1,687,006</u>	<u>\$ 669,017</u>
Utilization of undesignated fund balance	\$ 285,322	\$ 285,322	\$ -	\$ (285,322)
Utilization of designated fund balance	-	491,371	-	(491,371)
	<u>\$ 285,322</u>	<u>\$ 776,693</u>	<u>\$ -</u>	<u>\$ (776,693)</u>

See accompanying independent auditors' report.

## Other Supplementary Information

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

- Schedule of Departmental Operations
- 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 READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
General Government -					
Administration	\$ 276,750	\$ -	\$ 276,750	\$ 287,968	\$ (11,218)
Insurance	19,654	-	19,654	23,418	(3,764)
Office equipment	12,000	-	12,000	3,612	8,388
Assessing	29,781	-	29,781	27,448	2,333
Code enforcement	59,486	-	59,486	36,942	22,544
Grant writer	2,500	1,366	3,866	-	3,866
	<u>400,171</u>	<u>1,366</u>	<u>401,537</u>	<u>379,388</u>	<u>22,149</u>
Boards and Commissions -					
Appeals Board	610	-	610	70	540
Conservation Commission	1,800	-	1,800	1,502	298
Planning Board	5,708	-	5,708	640	5,068
Trail Committee	12,725	-	12,725	1,575	11,150
Vernal Pool mapping	-	(86)	(86)	-	(86)
	<u>20,843</u>	<u>(86)</u>	<u>20,757</u>	<u>3,787</u>	<u>16,970</u>
Town Buildings -					
Fire Station	8,445	-	8,445	7,774	671
Gile Hall	14,400	-	14,400	15,772	(1,372)
Library	5,260	-	5,260	4,657	603
Public works buildings	20,100	-	20,100	20,458	(358)
	<u>48,205</u>	<u>-</u>	<u>48,205</u>	<u>48,661</u>	<u>(456)</u>
Community Services -					
Animal control	7,919	-	7,919	11,353	(3,434)
K Land Trust	250	-	250	-	250
Library	24,517	3,959	28,476	26,253	2,223
Maranacook Lake Dam	250	-	250	-	250
Readfield TV	6,439	-	6,439	3,058	3,381
Street lights	5,500	-	5,500	4,931	569
Town farm forest	2,200	14,863	17,063	175	16,888
Heating assistance	720	465	1,185	432	753
	<u>47,795</u>	<u>19,287</u>	<u>67,082</u>	<u>46,202</u>	<u>20,880</u>



## TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Recreation, Parks & Activities -					
Beach	\$ 14,665	\$ 3,442	\$ 18,107	\$ 6,952	\$ 11,155
Recreation Board	14,447	18,570	33,017	5,569	27,448
Heritage Days	9,245	1,501	10,746	9,334	1,412
Open space	1,000	2,897	3,897	1,000	2,897
Community Park	400	(560)	(160)	349	(509)
	<u>39,757</u>	<u>25,850</u>	<u>65,607</u>	<u>23,204</u>	<u>42,403</u>
Protection -					
Fire department - Operations	87,173	89,405	176,578	159,327	17,251
Fire department - Equipment	13,000	-	13,000	-	13,000
Ambulance	15,340	-	15,340	15,340	-
Water holes	500	2,967	3,467	560	2,907
Dispatching	21,278	13,039	34,317	20,578	13,739
Annual physicals	750	4,333	5,083	302	4,781
	<u>138,041</u>	<u>109,744</u>	<u>247,785</u>	<u>196,107</u>	<u>51,678</u>
Cemeteries	<u>26,362</u>	<u>4,369</u>	<u>30,731</u>	<u>25,832</u>	<u>4,899</u>
Roads & drainage -					
Summer roads	844,763	187,612	1,032,375	786,280	246,095
Road bond 2008	-	87,601	87,601	75,984	11,617
Backhoe	-	11,069	11,069	-	11,069
Road bond 2002	-	5,830	5,830	-	5,830
	<u>844,763</u>	<u>292,112</u>	<u>1,136,875</u>	<u>862,264</u>	<u>274,611</u>
Capital improvements -					
Fire station improvement	10,000	15,050	25,050	25,050	-
Fire station addition	-	39,000	39,000	-	39,000
Public works escrow equipment	-	14,517	14,517	14,825	(308)
Fire dept emergency comm.	-	6,900	6,900	-	6,900
Gile Hall	10,000	2,044	12,044	2,488	9,556
Library buildings improvement	18,000	18,568	36,568	375	36,193
Sidewalks	500,000	(492,885)	7,115	39,038	(31,923)
Transfer station	-	568	568	568	-
Public works department	25,000	7,476	32,476	6,090	26,386
Maranacook Dam	2,400	7,200	9,600	-	9,600
	<u>565,400</u>	<u>(381,562)</u>	<u>183,838</u>	<u>88,434</u>	<u>95,404</u>

## TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Solid Waste -					
Transfer station	255,516	25,718	281,234	227,256	53,978
	<u>255,516</u>	<u>25,718</u>	<u>281,234</u>	<u>227,256</u>	<u>53,978</u>
Education -					
Elementary school	2,364,287	-	2,364,287	2,364,287	-
	<u>2,364,287</u>	<u>-</u>	<u>2,364,287</u>	<u>2,364,287</u>	<u>-</u>
Regional Assessments -					
Cobbossee Watershed District	18,828	-	18,828	18,828	-
Kennebec County Tax	289,515	-	289,515	277,555	11,960
Kennebec Valley Council of Governments	4,240	-	4,240	4,240	-
First Park	26,600	-	26,600	26,597	3
	<u>339,183</u>	<u>-</u>	<u>339,183</u>	<u>327,220</u>	<u>11,963</u>
Debt Service -					
2010 Fire truck	34,399	-	34,399	34,720	(321)
Fire station addition	20,000	-	20,000	-	20,000
2004 Fire truck	23,915	-	23,915	23,915	-
2004 Road & Bridge bond	34,489	-	34,489	34,489	-
2008 Road & Bridge bond	205,485	-	205,485	206,119	(634)
	<u>318,288</u>	<u>-</u>	<u>318,288</u>	<u>299,243</u>	<u>19,045</u>

## TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Unclassified -					
Abatements / Overlay	14,288	-	14,288	64,460	(50,172)
Non-profits	6,017	-	6,017	7,661	(1,644)
Revaluation	20,000	20,000	40,000	-	40,000
Snowmobiling	1,688	1,417	3,105	1,688	1,417
General assistance	4,200	-	4,200	2,174	2,026
Marranacook Lake assoc	1,500	-	1,500	-	1,500
Forestry project	-	697	697	-	697
Torsey Pond Association	750	-	750	-	750
Torsey Nature Preserve	-	1,918	1,918	-	1,918
Mile river watershed	220	-	220	-	220
Gardiner savings building	-	3,876	3,876	-	3,876
Reflections of Readfield	-	1,034	1,034	-	1,034
Playground	-	1,095	1,095	-	1,095
Contingency	50,000	-	50,000	-	50,000
	<u>98,663</u>	<u>30,037</u>	<u>128,700</u>	<u>75,983</u>	<u>52,717</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 5,507,274</u>	<u>\$ 126,835</u>	<u>\$ 5,634,109</u>	<u>\$ 4,967,868</u>	<u>\$ 666,241</u>

See accompanying independent auditors' report.

## TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	212,239	212,239
Accounts receivable	-	-	-
Due from other funds	4,767	-	4,767
Total assets	<u>\$ 4,767</u>	<u>\$ 212,239</u>	<u>\$ 217,006</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	24,644	24,644
Total liabilities	<u>-</u>	<u>24,644</u>	<u>24,644</u>
FUND EQUITY			
Nonspendable	-	-	-
Restricted	-	119,377	119,377
Committed	-	-	-
Assigned	4,767	68,218	72,985
Unassigned	-	-	-
Total fund equity	<u>4,767</u>	<u>187,595</u>	<u>192,362</u>
Total liabilities and fund equity	<u>\$ 4,767</u>	<u>\$ 212,239</u>	<u>\$ 217,006</u>

See accompanying independent auditors' report.

## TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	-	20,271	20,271
TOTAL REVENUES	-	20,271	20,271
EXPENDITURES	-	3,774	3,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	16,497	16,497
OTHER FINANCING SOURCES (USES)			
Operating Transfer In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	16,497	16,497
FUND BALANCES - JULY 1	4,767	171,098	175,865
FUND BALANCES - JUNE 30	\$ 4,767	\$ 187,595	\$ 192,362

See accompanying independent auditors' report.

### 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 READFIELD, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011

	Town Boundary Lines	Readfield Corner Sewage	Beach Tractor Replacement	Beach Equipment	Totals
<b>ASSETS</b>					
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	656	1,705	2,400	6	4,767
Total assets	<u>\$ 656</u>	<u>\$ 1,705</u>	<u>\$ 2,400</u>	<u>\$ 6</u>	<u>\$ 4,767</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>					
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	656	1,705	2,400	6	4,767
Unassigned	-	-	-	-	-
Total fund equity	<u>656</u>	<u>1,705</u>	<u>2,400</u>	<u>6</u>	<u>4,767</u>
Total liabilities and fund equity	<u>\$ 656</u>	<u>\$ 1,705</u>	<u>\$ 2,400</u>	<u>\$ 6</u>	<u>\$ 4,767</u>

See accompanying independent auditors' report.

## TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Town Boundary Lines	Readfield Corner Sewage	Beach Tractor Replacement	Beach Equipment	Totals
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Program Expenses	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	-	-	-	-
FUND BALANCES - JULY 1	656	1,705	2,400	6	4,767
FUND BALANCES - JUNE 30	\$ 656	\$ 1,705	\$ 2,400	\$ 6	\$ 4,767

See accompanying independent auditors' report.



### Permanent Funds Description

To account for assets held by Town of Readfield, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

## TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2011

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	103,828	3,459	13,668	18,974	721	1,931	1,783
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 103,828</u>	<u>\$ 3,459</u>	<u>\$ 13,668</u>	<u>\$ 18,974</u>	<u>\$ 721</u>	<u>\$ 1,931</u>	<u>\$ 1,783</u>
LIABILITIES							
Due to other funds	<u>\$ 10,119</u>	<u>\$ 605</u>	<u>\$ 253</u>	<u>\$ 8,117</u>	<u>\$ 45</u>	<u>\$ 72</u>	<u>\$ 35</u>
Total liabilities	<u>10,119</u>	<u>605</u>	<u>253</u>	<u>8,117</u>	<u>45</u>	<u>72</u>	<u>35</u>
FUND EQUITY							
Nonspendable	-	-	-	-	-	-	-
Restricted	69,900	500	4,909	-	300	500	500
Committed	-	-	-	-	-	-	-
Assigned	23,809	2,354	8,506	10,857	376	1,359	1,248
Unassigned	-	-	-	-	-	-	-
Total fund equity	<u>93,709</u>	<u>2,854</u>	<u>13,415</u>	<u>10,857</u>	<u>676</u>	<u>1,859</u>	<u>1,748</u>
Total liabilities and fund equity	<u>\$ 103,828</u>	<u>\$ 3,459</u>	<u>\$ 13,668</u>	<u>\$ 18,974</u>	<u>\$ 721</u>	<u>\$ 1,931</u>	<u>\$ 1,783</u>

## SCHEDULE F (CONTINUED)

## TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2011

	Cemetery Funds						
	Walker Fund	Townsend Fund	Couture Fund	War Memorial	Leon Tibbetts Fund	Beach Improvement Fund	Totals
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,931	2,207	26,127	2,738	3,099	31,773	212,239
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 1,931</u>	<u>\$ 2,207</u>	<u>\$ 26,127</u>	<u>\$ 2,738</u>	<u>\$ 3,099</u>	<u>\$ 31,773</u>	<u>\$ 212,239</u>
LIABILITIES							
Due to other funds	\$ 84	\$ 57	\$ 609	\$ 60	\$ 79	\$ 4,509	\$ 24,644
Total liabilities	<u>84</u>	<u>57</u>	<u>609</u>	<u>60</u>	<u>79</u>	<u>4,509</u>	<u>24,644</u>
FUND EQUITY							
Nonspendable	-	-	-	-	-	-	-
Restricted	600	1,737	20,000	2,157	1,359	16,915	119,377
Committed	-	-	-	-	-	-	-
Assigned	1,247	413	5,518	521	1,661	10,349	68,218
Unassigned	-	-	-	-	-	-	-
Total fund equity	<u>1,847</u>	<u>2,150</u>	<u>25,518</u>	<u>2,678</u>	<u>3,020</u>	<u>27,264</u>	<u>187,595</u>
Total liabilities and fund equity	<u>\$ 1,931</u>	<u>\$ 2,207</u>	<u>\$ 26,127</u>	<u>\$ 2,738</u>	<u>\$ 3,099</u>	<u>\$ 31,773</u>	<u>\$ 212,239</u>

See accompanying independent auditors' report.

## TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
REVENUES							
Investment income / (Losses)	\$ 9,134	\$ 304	\$ 1,202	\$ 1,669	\$ 63	\$ 170	\$ 158
Other income	1,200	-	-	400	-	-	-
TOTAL REVENUES	10,334	304	1,202	2,069	63	170	158
EXPENDITURES	-	-	-	-	8	8	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,334	304	1,202	2,069	55	162	158
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	10,334	304	1,202	2,069	55	162	158
FUND BALANCES - JULY 1	83,375	2,550	12,213	8,788	621	1,697	1,590
FUND BALANCES - JUNE 30	\$ 93,709	\$ 2,854	\$ 13,415	\$ 10,857	\$ 676	\$ 1,859	\$ 1,748

## TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Cemetery Funds				Leon Tibbetts Fund	Beach Improvement Fund	Totals
	Walker Fund	Townsend Fund	Couture Fund	War Memorial			
REVENUES							
Investment income / (Losses)	\$ 169	\$ 193	\$ 2,299	\$ 242	\$ 273	\$ 2,795	\$ 18,671
Other income	-	-	-	-	-	-	1,600
TOTAL REVENUES	169	193	2,299	242	273	2,795	20,271
EXPENDITURES	8	-	-	-	-	3,750	3,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	161	193	2,299	242	273	(955)	16,497
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	161	193	2,299	242	273	(955)	16,497
FUND BALANCES - JULY 1	1,686	1,957	23,219	2,436	2,747	28,219	171,098
FUND BALANCES - JUNE 30	\$ 1,847	\$ 2,150	\$ 25,518	\$ 2,678	\$ 3,020	\$ 27,264	\$ 187,595

See accompanying independent auditors' report.

## 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 assets.

## TOWN OF READFIELD, MAINE

SCHEDULE GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2011

	Land and Non-depreciable Assets	Buildings Buildings Improvments & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ -	\$ 449,995	\$ -	\$ -	\$ 449,995
Recreation, parks & activities	-	179,972	-	-	179,972
Protection	-	124,427	597,265	-	721,692
Roads & drainage	-	69,337	630,763	-	700,100
Solid waste	-	151,772	183,330	-	335,102
Town-wide	<u>2,902,350</u>	<u>-</u>	<u>-</u>	<u>23,264,584</u>	<u>26,166,934</u>
Total General Capital Assets	2,902,350	975,503	1,411,358	23,264,584	28,553,795
Less: Accumulated Depreciation	<u>-</u>	<u>(568,758)</u>	<u>(684,736)</u>	<u>(5,125,074)</u>	<u>(6,378,568)</u>
Net General Capital Assets	<u>\$ 2,902,350</u>	<u>\$ 406,745</u>	<u>\$ 726,622</u>	<u>\$ 18,139,510</u>	<u>\$ 22,175,227</u>

See accompanying independent auditors' report.

## TOWN OF READFIELD, MAINE

SCHEDULE CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2011

	General Capital Assets 7/1/10	Additions	Deletions	General Capital Assets 6/30/11
General government	\$ 449,996	\$ -	\$ -	\$ 449,996
Recreation, parks & activities	179,971	-	-	179,971
Protection	632,529	89,164	-	721,693
Roads & drainage	23,763,189	17,880	-	23,781,069
Solid waste	335,101	-	-	335,101
Town-wide	<u>2,865,844</u>	<u>220,121</u>	<u>-</u>	<u>3,085,965</u>
 Total General Capital Assets	 28,226,630	 327,165	 -	 28,553,795
 Less: Accumulated Depreciation	 <u>(5,923,930)</u>	 <u>(454,638)</u>	 <u>-</u>	 <u>(6,378,568)</u>
 Net General Capital Assets	 <u><u>\$ 22,302,700</u></u>	 <u><u>\$ (127,473)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 22,175,227</u></u>

See accompanying independent auditors' report.



## TOWN OF READFIELD, MAINE

SCHEDULE OF VALUATION, ASSESSMENT, AND COLLECTION OF TAXES  
FOR THE YEAR ENDED JUNE 30, 2011

## VALUATION:

Real Estate	\$ 232,224,757
Personal Property	<u>2,462,400</u>

TOTAL VALUATION	<u><u>\$ 234,687,157</u></u>
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## ASSESSMENT:

Valuation x Rate - \$234,687,157 x .01585	\$ 3,719,791
Supplemental Taxes	<u>12,218</u>

TOTAL ASSESSMENT CHARGED TO COLLECTOR	3,732,009
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## COLLECTION AND CREDITS:

Cash Collections (92.36% of assessment)	3,446,929
Tax Abatements (1.73% of assessment)	<u>64,460</u>

TOTAL COLLECTION AND CREDITS	<u>3,511,389</u>
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2010/2011 TAXES RECEIVABLE - JUNE 30, 2011	<u><u>\$ 220,620</u></u>
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