

Audited Financial Statements

Town of Readfield, Maine

June 30, 2013



Proven Expertise and Integrity

TOWN OF READFIELD, MAINE

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JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Select Board
Town of Readfield
Readfield, 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 Readfield, Maine, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes examining, on a test basis, evidence supporting 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 assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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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 Readfield, Maine as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity 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 on pages 4 through 11 and budgetary comparison information on page 37 and 38 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 Readfield, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major 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. The 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 taken as a whole.

RHR Smith & Company

Buxton, Maine
October 17, 2013

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

(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, 2013. 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 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 financial statements mentioned above 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, solid waste, recreation, community services and other.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of 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 are categorized as 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 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 for governmental activities increased by \$216,950 from \$22.48 million to \$22.69 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 for the governmental activities to a balance of \$1,694,943 at the end of the fiscal year.

Table 1
Town of Readfield, Maine
Net Position
June 30,

	Governmental Activities	
	2013	2012
Assets		
Current and Other Assets	\$ 1,887,714	\$ 2,051,832
Capital Assets	21,906,149	21,841,168
Total Assets	<u>23,793,863</u>	<u>23,893,000</u>
Liabilities		
Current Liabilities	241,903	357,257
Long-Term Debt Outstanding	846,676	1,059,215
Total Liabilities	<u>1,088,579</u>	<u>1,416,472</u>
Deferred Inflows of Resources		
Prepaid Taxes	11,806	13,061
Total Deferred Inflows of Resources	<u>11,806</u>	<u>13,061</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	20,876,756	20,570,479
Restricted: Permanent Funds	121,779	121,779
Unrestricted	1,694,943	1,784,270
Total Net Position	<u>\$ 22,693,478</u>	<u>\$ 22,476,528</u>

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

	Governmental Activities	
	2013	2012
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 196,285	\$ 187,029
Operating Grants and Contributions	44,442	61,473
<i>General Revenues:</i>		
Taxes	4,309,193	4,178,457
Grants and Contributions Not Restricted to Specific Programs	271,032	262,051
Miscellaneous	571,970	86,018
Total Revenues	<u>5,392,922</u>	<u>4,775,028</u>
Expenses		
General Government	388,950	411,044
Boards and Commissions	4,416	13,542
Town Buildings	36,190	25,702
Community Services	56,817	54,964
Recreation, Parks & Activities	33,363	26,521
Protection	124,993	174,205
Cemeteries	30,013	29,354
Roads & Drainage	1,078,863	832,003
Solid Waste	243,641	266,411
Education	2,715,243	2,609,446
Regional Assessments	318,600	311,921
Unclassified	57,056	22,752
Interest on long-term debt	68,519	58,118
Program Expenditures	23,008	-
Total Expenses	<u>5,179,672</u>	<u>4,835,983</u>
Change in Net Position	213,250	(60,955)
Special Item: Sale of Equipment	3,700	313,535
Net Position - July 1	<u>22,476,528</u>	<u>22,223,948</u>
Net Position - June 30	<u><u>\$ 22,693,478</u></u>	<u><u>\$ 22,476,528</u></u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 12.94%, while total expenses increased by 7.11%.

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 Readfield, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2013</u>	<u>2012</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 4,047	\$ 4,047
Committed	675,023	783,574
Unassigned	801,170	788,693
Total General Fund	<u>\$ 1,480,240</u>	<u>\$ 1,576,314</u>
Non-Major Funds:		
Special revenue funds:		
Assigned	\$ 4,767	\$ 4,767
Permanent funds:		
Restricted	121,779	121,779
Assigned	84,464	72,165
Total Non-Major Funds	<u>\$ 211,010</u>	<u>\$ 198,711</u>

The general fund total fund balance decreased by \$96,074 from the prior fiscal year. The non-major fund balances increased by \$12,299 from 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 under budget by \$380,835. This was primarily the result of several miscellaneous revenues budgeted but not received, partially offset by greater than anticipated revenues received for taxes.

The general fund actual expenditures were under the budget by \$929,818. All expenditure categories were under budget with the exception of town buildings, community services and cemeteries.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2013, the net book value of capital assets recorded by the Town increased by \$64,981 from the prior year. This increase is a result of capital additions less current year depreciation expense. Refer to Note 4 of Notes to Financial Statements for more detailed information.

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

	<u>2013</u>	<u>2012</u>
Land and construction in progress	\$ 3,478,966	\$ 3,066,312
Buildings and improvements	368,707	387,844
Equipment and vehicles	249,210	253,365
Infrastructure	<u>17,809,266</u>	<u>18,133,647</u>
Total	<u><u>\$ 21,906,149</u></u>	<u><u>\$ 21,841,168</u></u>

Debt

At June 30, 2013, the Town had \$960,000 in bonds outstanding versus \$1,152,085 last year. Other obligations include capital leases payable and accrued vacation and sick 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 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 POSITION

JUNE 30, 2013

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,197,143
Investments	314,145
Accounts receivable (net of allowance for uncollectibles):	
Taxes	295,510
Liens	66,610
Other	10,259
Tax acquired property	4,047
Total current assets	<u>1,887,714</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	3,478,966
Buildings, equipment and infrastructure, net of accumulated depreciation	18,427,183
Total noncurrent assets	<u>21,906,149</u>
TOTAL ASSETS	<u>\$ 23,793,863</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ -
Accrued payroll	14,981
Other liabilities	12,831
Current portion of long-term obligations	214,091
Total current liabilities	<u>241,903</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	780,000
Capital leases payable	35,302
Accrued compensated absences	31,374
Total noncurrent liabilities	<u>846,676</u>
TOTAL LIABILITIES	<u>1,088,579</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	11,806
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,806</u>
NET POSITION	
Invested in capital assets, net of related debt	20,876,756
Restricted	121,779
Unrestricted	1,694,943
TOTAL NET POSITION	<u>22,693,478</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 23,793,863</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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Totals
Governmental activities:					
General government	\$ 388,950	\$ 28,778	\$ -	\$ -	\$ (360,172)
Boards and commissions	4,416	-	-	-	(4,416)
Town buildings	36,190	-	-	-	(36,190)
Community services	56,817	-	-	-	(56,817)
Recreation, parks & activities	33,363	23,808	-	-	(9,555)
Protection	124,993	-	7,506	-	(117,487)
Cemeteries	30,013	-	-	-	(30,013)
Roads & drainage	1,078,863	-	36,936	-	(1,041,927)
Solid waste	243,641	135,792	-	-	(107,849)
Education	2,715,243	-	-	-	(2,715,243)
Regional assessments	318,600	7,907	-	-	(310,693)
Unclassified	57,056	-	-	-	(57,056)
Interest on long-term debt	68,519	-	-	-	(68,519)
Capital outlay	23,008	-	-	-	(23,008)
Total government	<u>\$ 5,179,672</u>	<u>\$ 196,285</u>	<u>\$ 44,442</u>	<u>\$ -</u>	<u>(4,938,945)</u>

STATEMENT B (CONTINUED)

TOWN OF READFIELD, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(4,938,945)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,880,994
Excise taxes	428,199
Grants and contributions not restricted to specific programs	271,032
Miscellaneous	571,970
<i>Special item</i> -sale of equipment	3,700
Total general revenues and special items	<u>5,155,895</u>
Change in net position	216,950
NET POSITION - JULY 1	<u>22,476,528</u>
NET POSITION - JUNE 30	<u><u>\$ 22,693,478</u></u>

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

STATEMENT C

TOWN OF READFIELD, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,162,876	\$ 34,267	\$ 1,197,143
Investments	121,864	192,281	314,145
Accounts receivables (net of allowance for uncollectibles):	10,259	-	10,259
Taxes	295,510	-	295,510
Liens	66,610	-	66,610
Tax acquired property	4,047	-	4,047
Due from other funds	20,305	4,767	25,072
TOTAL ASSETS	<u>\$ 1,681,471</u>	<u>\$ 231,315</u>	<u>\$ 1,912,786</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	14,981	-	14,981
Other liabilities	12,831	-	12,831
Due to other funds	4,767	20,305	25,072
TOTAL LIABILITIES	<u>32,579</u>	<u>20,305</u>	<u>52,884</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenues	156,846	-	156,846
Prepaid taxes	11,806	-	11,806
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>168,652</u>	<u>-</u>	<u>168,652</u>
FUND BALANCES			
Nonspendable	4,047	-	4,047
Restricted	-	121,779	121,779
Committed	675,023	-	675,023
Assigned	-	89,231	89,231
Unassigned	801,170	-	801,170
TOTAL FUND BALANCES	<u>1,480,240</u>	<u>211,010</u>	<u>1,691,250</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,681,471</u>	<u>\$ 231,315</u>	<u>\$ 1,912,786</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 POSITION
JUNE 30, 2013

	Total Governmental Funds
Total Fund Balances	\$ 1,691,250
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	21,906,149
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	156,846
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	(960,000)
Capital leases payable	(69,393)
Accrued compensated absences	(31,374)
Net position of governmental activities	<u>\$ 22,693,478</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, 2013

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 3,884,994	\$ -	\$ 3,884,994
Excise taxes	428,199	-	428,199
Intergovernmental revenues	307,968	-	307,968
Charges for services	196,285	-	196,285
Miscellaneous revenues	567,141	12,335	579,476
TOTAL REVENUES	<u>5,384,587</u>	<u>12,335</u>	<u>5,396,922</u>
EXPENDITURES			
Current:			
General government	413,407	-	413,407
Boards and commissions	4,416	-	4,416
Town buildings	36,190	-	36,190
Community services	56,817	-	56,817
Recreation, parks & activities	30,541	-	30,541
Protection	99,031	-	99,031
Cemeteries	30,013	-	30,013
Roads & drainage	754,482	-	754,482
Solid waste	225,308	-	225,308
Education	2,715,243	-	2,715,243
Regional assessments	318,600	-	318,600
Unclassified	57,020	36	57,056
Debt service:			
Principal	192,085	-	192,085
Interest	68,519	-	68,519
Capital outlay	482,689	-	482,689
TOTAL EXPENDITURES	<u>5,484,361</u>	<u>36</u>	<u>5,484,397</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(99,774)</u>	<u>12,299</u>	<u>(87,475)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM			
Proceeds from sale of equipment	3,700	-	3,700
NET CHANGE IN FUND BALANCES	(96,074)	12,299	(83,775)
FUND BALANCES - JULY 1	<u>1,576,314</u>	<u>198,711</u>	<u>1,775,025</u>
FUND BALANCES - JUNE 30	<u>\$ 1,480,240</u>	<u>\$ 211,010</u>	<u>\$ 1,691,250</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, 2013

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (83,775)</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	459,681
Capital asset disposals	-
Depreciation expense	<u>(394,700)</u>
	<u>64,981</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>241,296</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>(1,552)</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>(4,000)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 216,950</u></u>

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, public safety, public works, solid waste, community services, education, recreation and other.

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

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB 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 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 - invested in capital assets, net of related debt; 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 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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental 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. 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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2013.

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

Long-term Obligations

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences

The Town's policies regarding vacation and sick time do 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, 2013, the Town's liability for compensated absences is \$31,374.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 July 17, 2012 on the assessed value listed as of April 1, 2012, for all real and personal property located in the Town. Taxes were due in two installments on September 28, 2012 and February 28, 2013. Interest on unpaid taxes commenced on September 29, 2012 and February 28, 2013, at 4% per annum.

TOWN OF READFIELD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$36,664, or approximately 11% of the permitted amount, for the year ended June 30, 2013.

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.

Encumbrance Accounting

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

Use of Estimates

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2013, the Town's cash and cash equivalents amounting to \$1,197,143 were comprised of bank deposits of \$1,202,458. All of these deposits were fully covered by federal depository insurance and consequently was not exposed to custodial credit risk. The cash equivalents of \$34,267 were registered in the Town's name and covered by the Securities Investor Protection Corporation (SIPC) and consequently not exposed to custodial credit risk.

Checking accounts	\$ 343,865
Sweep accounts	803,894
Savings accounts	20,432
Cash equivalents	34,267
	<u>\$ 1,202,458</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in certificates of deposit for \$121,864 was covered by federal depository insurance and not exposed to custodial credit risk. The mutual funds and fixed income securities of \$192,281 were not exposed to custodial credit risk because those securities are registered in the Town's name and are fully covered by the Securities Investor Protection Corporation (SIPC).

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2013, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Mutual funds	\$ 116,023	\$ 116,023	\$ -	\$ -
Fixed income	76,258	76,258	-	-
Certificates of deposit	121,864	-	121,864	-
	<u>\$ 314,145</u>	<u>\$ 192,281</u>	<u>\$ 121,864</u>	<u>\$ -</u>

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

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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2013 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 20,305	\$ 4,767
Nonmajor special revenue funds	4,767	-
Nonmajor permanent funds	-	20,305
	<u>\$ 25,072</u>	<u>\$ 25,072</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2013:

	Balance, 7/1/12	Additions	Disposals	Balance, 6/30/13
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 2,865,844	\$ -	\$ -	\$ 2,865,844
Construction in progress	200,468	412,654	-	613,122
	<u>3,066,312</u>	<u>412,654</u>	<u>-</u>	<u>3,478,966</u>
Depreciated assets:				
Buildings & improvements	784,814	23,027	-	807,841
Land improvements	213,952	-	-	213,952
Equipment	166,626	24,000	-	190,626
Vehicles	755,178	-	-	755,178
Infrastructure	23,583,101	-	-	23,583,101
	<u>25,503,671</u>	<u>47,027</u>	<u>-</u>	<u>25,550,698</u>
Less: accumulated depreciation	<u>(6,728,815)</u>	<u>(394,700)</u>	<u>-</u>	<u>(7,123,515)</u>
	<u>18,774,856</u>	<u>(347,673)</u>	<u>-</u>	<u>18,427,183</u>
Net capital assets	<u>\$ 21,841,168</u>	<u>\$ 64,981</u>	<u>\$ -</u>	<u>\$ 21,906,149</u>
<u>Current year depreciation</u>				
General government				\$ 23,202
Recreation, parks & activities				2,822
Protection				25,962
Roads & drainage				324,381
Solid waste				<u>18,333</u>
Total depreciation expense				<u>\$ 394,700</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2013:

	Balance, 7/1/12	Additions	Deletions	Balance, 6/30/13	Current Year Portion
Bonds payable	\$ 1,152,085	\$ -	\$ (192,085)	\$ 960,000	\$ 180,000
Capital leases payable	118,604	-	(49,211)	69,393	34,091
Accrued compensated absences	29,822	1,552	-	31,374	-
Totals	<u>\$ 1,300,511</u>	<u>\$ 1,552</u>	<u>\$ (241,296)</u>	<u>\$ 1,060,767</u>	<u>\$ 214,091</u>

The following is a summary of bonds outstanding as of June 30, 2013:

\$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. \$ 60,000

\$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. 900,000

Total Bonds Payable \$ 960,000

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

Year Ending June 30,	Principal	Interest	Totals
2014	\$ 180,000	\$ 44,879	\$ 224,879
2015	180,000	37,537	217,537
2016	150,000	30,825	180,825
2017	150,000	24,660	174,660
2018	150,000	18,546	168,546
2019-2023	150,000	12,330	162,330
	<u>\$ 960,000</u>	<u>\$ 168,777</u>	<u>\$ 1,128,777</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

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 \$1,928.

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

2014	\$	36,648
2015		36,648
2016		-
2017		-
2018		-
Total minimum lease payments		<u>73,296</u>
Less: Amount representing interest		<u>(3,903)</u>
Present value of future minimum lease payments	\$	<u><u>69,393</u></u>

NOTE 6 – NONSPENDABLE FUND BALANCES

At June 30, 2013, the Town had the following nonspendable fund balances

General fund:	
Tax acquired property	\$ <u><u>4,047</u></u>

NOTE 7 – RESTRICTED FUND BALANCES

At June 30, 2013, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule F)	\$ <u><u>121,779</u></u>
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TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 – COMMITTED FUND BALANCES

At June 30, 2013, the Town had the following committed fund balances:

	Balance 7/1/12	Appropriation	Applied Receipts	Actual Expenditures	Counted Rev Reduction	Use of CF to reduce Budget	Balance 6/30/13
Admin Technology	\$ 1,067	\$ 5,000	\$ -	\$ 1,828	\$ -	\$ -	\$ 4,239
Backhoe	12,423	1,750	3,468	2,530	-	-	15,111
Ballfield	7,586	200,000	-	864	195,000	-	11,722
Beach	17,563	13,053	7,858	13,583	10,053	3,000	11,838
Cemeteries	2,083	28,496	139	30,013	-	3,800	(3,095)
Cemetery Capital	1,680	-	-	-	-	-	1,680
Community Park	(592)	567	-	230	-	-	(255)
Dispatching	981	22,800	-	21,181	-	-	2,600
FD Annual Physicals	4,667	125	-	-	-	125	4,667
FD Emerg Comm	8,200	-	1,500	-	1,500	5,852	2,348
Fire Dept Equip	30,416	87,792	6,006	59,664	11,750	-	52,800
Fire PPG Replacement	2,000	2,000	-	-	-	-	4,000
Fire Station Addition	37,101	37,000	-	1,579	-	37,000	35,522
Forestry	697	-	-	-	-	-	697
Gardiner Sav Bldg	3,876	-	-	-	-	-	3,876
Gile Hall	16,758	20,000	1,937	23,027	-	-	15,668
Grant Writing	3,866	2,500	-	-	-	-	6,366
Heating Assistance	1,643	1,000	1,367	1,509	1,000	-	1,501
Heritage Days	877	9,100	4,616	9,872	3,600	-	1,121
Library Operations	3,329	25,820	3,732	25,900	2,075	-	4,906
Library Building Imp	12,932	-	-	-	-	-	12,932
Maranacook Dam	12,000	2,400	-	-	-	-	14,400
MillStream Bridge	369	-	-	-	-	-	369
Open Space	3,897	1,000	-	-	-	-	4,897
Playground	1,095	-	-	-	-	-	1,095
PW cap building	4,500	-	-	-	-	-	4,500
Capital Equipment	21,887	12,000	-	8,948	-	12,000	12,939
Public Works equip lease	(308)	-	-	-	-	-	(308)
Recreation	27,008	13,632	7,603	6,821	10,342	8,290	22,790
Reflections	1,041	-	3	-	-	-	1,044
Revaluation	50,000	5,000	-	-	-	-	55,000
Road /Bridge Bond	5,830	-	-	-	-	-	5,830
Road Bond 08-09	11,617	-	-	-	-	11,617	-
Sidewalks	(271,066)	600,000	486,081	412,654	600,000	-	(197,639)
Snowmobiling	1,588	1,588	1,053	1,588	1,588	-	1,053
Summer Roads/Regional	349,127	763,050	44,856	734,489	40,500	150,000	232,044
Torsey Pond Nature Preserve	1,918	-	-	-	-	-	1,918
Town Farm Forest	16,712	125	-	258	-	745	15,834
TS Operations	41,107	126,518	20,020	111,389	18,275	20,000	37,981
TS Capital	8,000	38,000	-	18,789	10,000	-	17,211
Vernal Pools	(86)	-	-	-	-	-	(86)
Water Holes(Fund 5	3,407	500	-	-	-	-	3,907
	458,796	2,020,816	590,239	1,486,716	905,683	252,429	425,023
FY 2014 Budget	250,000	-	-	-	-	-	250,000
	\$ 708,796	\$ 2,020,816	\$ 590,239	\$ 1,486,716	\$ 905,683	\$ 252,429	\$ 675,023

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 – ASSIGNED FUND BALANCES

At June 30, 2013, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 4,767
Nonmajor permanent funds (Schedule F)	84,464
	<u>\$ 89,231</u>

NOTE 10 – 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. A brief description of the joint venture, FirstPark, follows:

FirstPark

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 startup costs and then jointly benefit from the tax revenues generated later on. There are currently 24 local governments who are members of the Authority, including the Town of Readfield.

This statute states that the Town may be responsible for liabilities it incurs during its membership that may not have been paid for. It may withdraw its membership at any time with one year's warning to the corporation and the sale of its stake. An amount for any contingent liabilities at this time cannot be determined.

The Authority derives the bulk of its revenue from the participants, but also receives some grant revenues from the State of Maine and tenant's rental income. In fiscal year 2013, the Town of Readfield contributed \$25,537. Complete financial statements may be obtained from Kennebec Regional Development Authority/First Park at P.O. Box 246, Oakland, Maine 04963.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of certain outside agency's debt. As of June 30, 2013, the Town's share was as follows:

	Outstanding Debt	Town's Percentage	Total Share
County of Kennebec	\$ 15,000	2.63%	\$ 395
RSU #38	4,483,080	27.50%	1,232,636
			<u>\$ 1,233,031</u>

NOTE 12 – RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2013.

NOTE 13 – DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION –
RETIREMENT CORPORATION

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to Town employees, Town management and professional level employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries. Employees may opt to use a different plan with similar terms.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 – DEFERRED COMPENSATION PLAN (CONTINUED)

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

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Select Board. For professional employees that choose to participate in the 457 plan alone, the Town will contribute an amount equal to the required employer contribution for the defined benefit plan up to 10.00% of an employee's annual salary. For the Town's non-professional employees, the Town will contribute an amount equal to 5%, 8%, or 10% of their annual salary depending on years of service. Employees may contribute additional amounts of their own choosing.

The Town's contributions to the plan for 2013, 2012, and 2011 were \$ 14,936, \$11,951, and \$12,900, respectively.

NOTE 14 – OVERSPENT APPROPRIATIONS

At June 30, 2013, the Town had the following overspent appropriations which were approved in the subsequent town meeting:

Administration	\$ 1,190
Insurances	3,284
Traffic calming	<u>1,994</u>
	<u>\$ 6,468</u>

NOTE 15 – 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.

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, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,576,314	\$ 1,576,314	\$ 1,576,314	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	3,849,050	3,849,050	3,867,015	17,965
Excise Taxes	391,000	391,000	428,199	37,199
Interest on Taxes	17,000	17,000	17,979	979
Total Taxes	4,257,050	4,257,050	4,313,193	56,143
Intergovernmental revenues:				
State Revenue Sharing	170,000	170,000	184,673	14,673
Homestead Exemption	67,311	67,311	67,232	(79)
Local Road Assistance	36,000	36,000	36,936	936
Other	28,921	28,921	19,127	(9,794)
Total Intergovernmental Revenues	302,232	302,232	307,968	5,736
Licenses, permits & fees	19,200	25,785	28,778	2,993
Charges for services:				
Library	2,075	3,731	3,731	-
Recreation	23,995	25,010	20,077	(4,933)
Regional Assessments	4,500	4,500	7,907	3,407
Transfer Station	144,792	148,260	135,792	(12,468)
Total Charges for Services	175,362	181,501	167,507	(13,994)
Investment income	3,600	3,600	3,001	(599)
Miscellaneous revenues:				
Athletic Fields	195,000	195,000	-	(195,000)
Cable TV Franchise Fees	26,000	26,000	25,396	(604)
First Park	9,000	9,000	10,259	1,259
Sidewalks	600,000	600,000	486,081	(113,919)
Protection	13,250	13,250	7,506	(5,744)
Sale of Equipment	-	-	3,700	3,700
Other	153,400	155,704	34,898	(120,806)
Operating Transfers In	-	-	-	-
Total Miscellaneous Revenues	996,650	998,954	567,840	(431,114)
Amounts Available for Appropriation	7,330,408	7,345,436	6,964,601	(380,835)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Charges to Appropriations (Outflows):				
General government	447,779	449,789	413,407	36,382
Boards and commissions	6,946	6,946	4,416	2,530
Town buildings	33,234	51,929	36,190	15,739
Community services	55,191	82,561	56,817	25,744
Recreation, parks & activities	37,352	55,510	30,541	24,969
Protection	131,417	137,958	99,031	38,927
Cemeteries	28,496	30,579	30,013	566
Roads & drainage	781,050	781,050	754,482	26,568
Solid waste	254,785	278,400	225,308	53,092
Education	2,715,243	2,715,243	2,715,243	-
Regional assessments	336,453	336,453	318,600	17,853
Unclassified	256,008	256,008	57,020	198,988
Debt service:				
Principal	192,085	192,085	192,085	-
Interest	68,519	68,519	68,519	-
Capital outlay	929,400	971,149	482,689	488,460
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	6,273,958	6,414,179	5,484,361	929,818
Budgetary Fund Balance, June 30	\$ 1,056,450	\$ 931,257	\$ 1,480,240	\$ 548,983
Utilization of unassigned fund balance	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Utilization of committed fund balance	269,864	395,057	-	(395,057)
	\$ 519,864	\$ 645,057	\$ -	\$ (645,057)

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

Other Supplementary Information

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

- 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, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
Administration	\$ 286,590	\$ -	\$ 286,590	\$ 287,780	\$ (1,190)
Grant writing	2,500	-	2,500	-	2,500
Insurance	19,000	-	19,000	22,284	(3,284)
Office equipment	5,900	-	5,900	3,245	2,655
Assessing	31,335	-	31,335	24,931	6,404
Code enforcement	33,416	-	33,416	14,380	19,036
Municipal maintenance	68,038	-	68,038	59,278	8,760
Heating assistance	1,000	2,010	3,010	1,509	1,501
	<u>447,779</u>	<u>2,010</u>	<u>449,789</u>	<u>413,407</u>	<u>36,382</u>
Boards and Commissions -					
Appeals Board	610	-	610	-	610
Conservation Commission	970	-	970	759	211
Planning Board	3,271	-	3,271	1,589	1,682
Trail Committee	2,095	-	2,095	2,068	27
	<u>6,946</u>	<u>-</u>	<u>6,946</u>	<u>4,416</u>	<u>2,530</u>
Town Buildings -					
Fire Station	8,985	-	8,985	8,619	366
Gile Hall	16,154	18,695	34,849	23,404	11,445
Library	5,095	-	5,095	4,167	928
Winthrop Road Office	3,000	-	3,000	-	3,000
	<u>33,234</u>	<u>18,695</u>	<u>51,929</u>	<u>36,190</u>	<u>15,739</u>
Community Services -					
Animal control	16,451	6,585	23,036	19,965	3,071
Kennebec Land Trust	250	-	250	-	250
Library	25,820	4,985	30,805	25,899	4,906
Maranacook Lake Dam	250	-	250	-	250
Readfield TV	6,795	-	6,795	5,837	958
Street lights	5,500	-	5,500	5,025	475
Town farm forest	125	15,800	15,925	91	15,834
	<u>55,191</u>	<u>27,370</u>	<u>82,561</u>	<u>56,817</u>	<u>25,744</u>

TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Recreation, Parks & Activities -					
Beach	\$ 13,053	\$ 12,368	\$ 25,421	\$ 13,583	\$ 11,838
Recreation	13,632	-	13,632	6,821	6,811
Heritage Days	9,100	1,893	10,993	9,872	1,121
Open space	1,000	3,897	4,897	-	4,897
Community Park	567	-	567	265	302
	<u>37,352</u>	<u>18,158</u>	<u>55,510</u>	<u>30,541</u>	<u>24,969</u>
Protection -					
Fire department - Operations	79,792	-	79,792	59,664	20,128
Fire department - Equipment	8,000	-	8,000	-	8,000
Ambulance	18,200	-	18,200	18,186	14
Water holes	500	-	500	-	500
Dispatching	22,800	-	22,800	21,181	1,619
Annual physicals	125	4,541	4,666	-	4,666
Personal protection gear	2,000	2,000	4,000	-	4,000
	<u>131,417</u>	<u>6,541</u>	<u>137,958</u>	<u>99,031</u>	<u>38,927</u>
Cemeteries	<u>28,496</u>	<u>2,083</u>	<u>30,579</u>	<u>30,013</u>	<u>566</u>
Roads & drainage -					
Summer roads	486,150	-	486,150	479,708	6,442
Winter maintenance	261,125	-	261,125	241,244	19,881
Vehicle maintenance	15,775	-	15,775	13,536	2,239
Traffic calming	18,000	-	18,000	19,994	(1,994)
	<u>781,050</u>	<u>-</u>	<u>781,050</u>	<u>754,482</u>	<u>26,568</u>

TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Capital outlay -					
ADM technology	5,000	1,067	6,067	1,828	4,239
Fire station addition	37,000	100	37,100	1,579	35,521
Lovejoy Pond Dam	15,000	-	15,000	15,000	-
Gile Hall	20,000	18,695	38,695	23,027	15,668
Fairgrounds athletic fields	200,000	-	200,000	864	199,136
Sidewalks	600,000	-	600,000	412,654	187,346
Town maintenance equipment	12,000	9,887	21,887	8,948	12,939
Transfer station	38,000	-	38,000	18,789	19,211
Maranacook Dam	2,400	12,000	14,400	-	14,400
	<u>929,400</u>	<u>41,749</u>	<u>971,149</u>	<u>482,689</u>	<u>488,460</u>
Solid Waste -					
Transfer station	253,035	7,724	260,759	222,778	37,981
Backhoe	1,750	15,891	17,641	2,530	15,111
	<u>254,785</u>	<u>23,615</u>	<u>278,400</u>	<u>225,308</u>	<u>53,092</u>
Education -					
RSU #38	2,715,243	-	2,715,243	2,715,243	-
	<u>2,715,243</u>	<u>-</u>	<u>2,715,243</u>	<u>2,715,243</u>	<u>-</u>

TOWN OF READFIELD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Regional Assessments -					
Cobbossee Watershed District	19,975	-	19,975	19,975	-
Kennebec County Tax	286,596	-	286,596	268,743	17,853
Kennebec Valley Council of Governments	4,345	-	4,345	4,345	-
First Park	25,537	-	25,537	25,537	-
	<u>336,453</u>	<u>-</u>	<u>336,453</u>	<u>318,600</u>	<u>17,853</u>
Debt Service -					
Principal	192,085	-	192,085	192,085	-
Interest	68,519	-	68,519	68,519	-
	<u>260,604</u>	<u>-</u>	<u>260,604</u>	<u>260,604</u>	<u>-</u>
Unclassified -					
Abatements/Overlay	36,664	-	36,664	17,810	18,854
Non-profits	8,556	-	8,556	7,556	1,000
Revaluation	5,000	-	5,000	-	5,000
Readfield enterprise fund	150,000	-	150,000	25,082	124,918
Contingency	50,000	-	50,000	638	49,362
Snowmobiling	1,588	-	1,588	1,588	-
General assistance	4,200	-	4,200	4,346	(146)
	<u>256,008</u>	<u>-</u>	<u>256,008</u>	<u>57,020</u>	<u>198,988</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 6,273,958</u>	<u>\$ 140,221</u>	<u>\$ 6,414,179</u>	<u>\$ 5,484,361</u>	<u>\$ 929,818</u>

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

TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 34,267	\$ 34,267
Investments	-	192,281	192,281
Due from other funds	4,767	-	4,767
TOTAL ASSETS	<u>\$ 4,767</u>	<u>\$ 226,548</u>	<u>\$ 231,315</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	20,305	20,305
TOTAL LIABILITIES	<u>-</u>	<u>20,305</u>	<u>20,305</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	121,779	121,779
Committed	-	-	-
Assigned	4,767	84,464	89,231
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>4,767</u>	<u>206,243</u>	<u>211,010</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,767</u>	<u>\$ 226,548</u>	<u>\$ 231,315</u>

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

TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ -	\$ 11,435	\$ 11,435
Miscellaneous	-	900	900
TOTAL REVENUES	<u>-</u>	<u>12,335</u>	<u>12,335</u>
EXPENDITURES	<u>-</u>	<u>36</u>	<u>36</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>12,299</u>	<u>12,299</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	12,299	12,299
FUND BALANCES - JULY 1	<u>4,767</u>	<u>193,944</u>	<u>198,711</u>
FUND BALANCES - JUNE 30	<u><u>\$ 4,767</u></u>	<u><u>\$ 206,243</u></u>	<u><u>\$ 211,010</u></u>

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

Special Revenue Funds Description

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

TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Town Boundary Lines	Readfield Corner Sewage	Beach Tractor Replacement	Beach Equipment	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
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>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	656	1,705	2,400	6	4,767
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>656</u>	<u>1,705</u>	<u>2,400</u>	<u>6</u>	<u>4,767</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 656</u>	<u>\$ 1,705</u>	<u>\$ 2,400</u>	<u>\$ 6</u>	<u>\$ 4,767</u>

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

TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	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)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-
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 and notes to financial statements.

Permanent Funds Description

Permanent funds are used to account for assets held by the Town of Readfield, 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 READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2013

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
ASSETS							
Cash and cash equivalents	\$ 16,763	\$ 558	\$ 2,207	\$ 3,064	\$ 116	\$ 312	\$ 288
Investments	94,064	3,134	12,383	17,190	654	1,749	1,615
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 110,827</u>	<u>\$ 3,692</u>	<u>\$ 14,590</u>	<u>\$ 20,254</u>	<u>\$ 770</u>	<u>\$ 2,061</u>	<u>\$ 1,903</u>
LIABILITIES							
Due to other funds	<u>\$ 6,819</u>	<u>\$ 605</u>	<u>\$ 254</u>	<u>\$ 7,017</u>	<u>\$ 65</u>	<u>\$ 92</u>	<u>\$ 35</u>
TOTAL LIABILITIES	<u>6,819</u>	<u>605</u>	<u>254</u>	<u>7,017</u>	<u>65</u>	<u>92</u>	<u>35</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	72,300	500	4,910	-	300	500	500
Committed	-	-	-	-	-	-	-
Assigned	31,708	2,587	9,426	13,237	405	1,469	1,368
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>104,008</u>	<u>3,087</u>	<u>14,336</u>	<u>13,237</u>	<u>705</u>	<u>1,969</u>	<u>1,868</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 110,827</u>	<u>\$ 3,692</u>	<u>\$ 14,590</u>	<u>\$ 20,254</u>	<u>\$ 770</u>	<u>\$ 2,061</u>	<u>\$ 1,903</u>

TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2013

	Cemetery Funds				Leon Tibbetts Fund	Beach Improvement Fund	Totals
	Walker Fund	Townsend Fund	Couture Fund	War Memorial			
ASSETS							
Cash and cash equivalents	\$ 312	\$ 356	\$ 4,218	\$ 443	\$ 500	\$ 5,130	\$ 34,267
Investments	1,749	2,000	23,671	2,480	2,808	28,784	192,281
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,061</u>	<u>\$ 2,356</u>	<u>\$ 27,889</u>	<u>\$ 2,923</u>	<u>\$ 3,308</u>	<u>\$ 33,914</u>	<u>\$ 226,548</u>
LIABILITIES							
Due to other funds	\$ 104	\$ 57	\$ 609	\$ 60	\$ 79	\$ 4,509	\$ 20,305
TOTAL LIABILITIES	<u>104</u>	<u>57</u>	<u>609</u>	<u>60</u>	<u>79</u>	<u>4,509</u>	<u>20,305</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	600	1,738	20,000	2,157	1,359	16,915	121,779
Committed	-	-	-	-	-	-	-
Assigned	1,357	561	7,280	706	1,870	12,490	84,464
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,957</u>	<u>2,299</u>	<u>27,280</u>	<u>2,863</u>	<u>3,229</u>	<u>29,405</u>	<u>206,243</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,061</u>	<u>\$ 2,356</u>	<u>\$ 27,889</u>	<u>\$ 2,923</u>	<u>\$ 3,308</u>	<u>\$ 33,914</u>	<u>\$ 226,548</u>

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

TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 5,448	\$ 181	\$ 717	\$ 1,296	\$ 38	\$ 101	\$ 93
Other income	900	-	-	-	-	-	-
TOTAL REVENUES	6,348	181	717	1,296	38	101	93
EXPENDITURES	-	-	-	-	12	12	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,348	181	717	1,296	26	89	93
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	6,348	181	717	1,296	26	89	93
FUND BALANCES - JULY 1	97,660	2,906	13,619	11,941	679	1,880	1,775
FUND BALANCES - JUNE 30	\$ 104,008	\$ 3,087	\$ 14,336	\$ 13,237	\$ 705	\$ 1,969	\$ 1,868

TOWN OF READFIELD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Cemetery Funds				Leon Tibbetts Fund	Beach Improvement Fund	Totals
	Walker Fund	Townsend Fund	Couture Fund	War Memorial			
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 100	\$ 116	\$ 1,371	\$ 144	\$ 163	\$ 1,667	\$ 11,435
Other income	-	-	-	-	-	-	900
TOTAL REVENUES	100	116	1,371	144	163	1,667	12,335
EXPENDITURES	12	-	-	-	-	-	36
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	88	116	1,371	144	163	1,667	12,299
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	88	116	1,371	144	163	1,667	12,299
FUND BALANCES - JULY 1	1,869	2,183	25,909	2,719	3,066	27,738	193,944
FUND BALANCES - JUNE 30	\$ 1,957	\$ 2,299	\$ 27,280	\$ 2,863	\$ 3,229	\$ 29,405	\$ 206,243

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 READFIELD, MAINE

SCHEDULE GENERAL CAPITAL ASSETS BY FUNCTION

JUNE 30, 2013

	Land and Non-depreciable Assets	Buildings Buildings Improvments & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ -	\$ 449,996	\$ -	\$ -	\$ 449,996
Recreation, parks & activities	-	226,260	-	-	226,260
Protection	-	124,428	597,265	-	721,693
Roads & drainage	-	69,337	141,210	23,583,101	23,793,648
Solid waste	-	151,772	207,329	-	359,101
Town-wide	<u>3,478,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,478,966</u>
Total General Capital Assets	3,478,966	1,021,793	945,804	23,583,101	29,029,664
Less: Accumulated Depreciation	<u>-</u>	<u>(653,086)</u>	<u>(696,594)</u>	<u>(5,773,835)</u>	<u>(7,123,515)</u>
Net General Capital Assets	<u>\$ 3,478,966</u>	<u>\$ 368,707</u>	<u>\$ 249,210</u>	<u>\$ 17,809,266</u>	<u>\$ 21,906,149</u>

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

TOWN OF READFIELD, MAINE

SCHEDULE CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2013

	General Capital Assets 7/1/12	Additions	Disposals	General Capital Assets 6/30/13
General government	\$ 449,996	\$ -	\$ -	\$ 449,996
Recreation, parks & activities	203,233	23,027	-	226,260
Protection	721,693	-	-	721,693
Roads & drainage	23,793,648	-	-	23,793,648
Solid waste	335,101	24,000	-	359,101
Town-wide	<u>3,066,312</u>	<u>412,654</u>	<u>-</u>	<u>3,478,966</u>
Total General Capital Assets	28,569,983	459,681	-	29,029,664
Less: Accumulated Depreciation	<u>(6,728,815)</u>	<u>(394,700)</u>	<u>-</u>	<u>(7,123,515)</u>
Net General Capital Assets	<u>\$ 21,841,168</u>	<u>\$ 64,981</u>	<u>\$ -</u>	<u>\$ 21,906,149</u>

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

TOWN OF READFIELD, MAINE

SCHEDULE OF VALUATION, ASSESSMENT, AND COLLECTION OF TAXES
FOR THE YEAR ENDED JUNE 30, 2013

VALUATION:

Real Estate	\$ 235,006,454
Personal Property	<u>2,589,200</u>

TOTAL VALUATION	<u><u>\$ 237,595,654</u></u>
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ASSESSMENT:

Valuation x Rate - \$237,595,654 x .0162	\$ 3,849,050
Supplemental Taxes	<u>13,966</u>

TOTAL ASSESSMENT CHARGED TO COLLECTOR	3,863,016
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COLLECTION AND CREDITS:

Cash Collections (92.02% of assessment)	3,554,753
Tax Abatements (0.46% of assessment)	<u>17,810</u>

TOTAL COLLECTION AND CREDITS	<u>3,572,563</u>
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2012/2013 TAXES RECEIVABLE - JUNE 30, 2013	<u><u>\$ 290,453</u></u>
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