

Federal Compliance Audit

Town of Wiscasset, Maine

June 30, 2015



Proven Expertise and Integrity

TOWN OF WISCASSET, MAINE

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Wiscasset, Maine
Wiscasset, 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 Wiscasset, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4 through 11 and 51 through 53 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 Wiscasset, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Town of Wiscasset, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wiscasset, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
November 30, 2015

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

(UNAUDITED)

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

Financial Statement Overview

The Town of Wiscasset'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 pension information, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the above mentioned financial statements have one column for the town activities. The types of activities presented for the Town of Wiscasset are:

- *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, leisure services and unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Wiscasset, 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 Wiscasset can be divided into two categories: governmental funds and fiduciary 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 Wiscasset presents seven 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 funds are the general fund, general equipment fund, capital reserve fund, construction reserve fund, cemetery perpetual care fund, and the recreation building reserve fund. All other funds are shown as nonmajor and are combined in the "Nonmajor Funds" column on these statements.

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

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 decreased by \$2,899,836 from \$31.28 million to \$28.38 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 governmental activities to a balance of \$11,614,822 at the end of this year.

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

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
Assets:		
Current Assets	\$ 18,545,438	\$ 17,884,360
Capital Assets	14,950,671	15,187,024
Total Assets	<u>33,496,109</u>	<u>33,071,384</u>
Deferred Outflows of Resources:		
Deferred Amount on Pensions	197,818	26,336
Total Deferred Inflows of Resources	<u>197,818</u>	<u>26,336</u>
Liabilities:		
Current Liabilities	4,149,711	545,761
Long-term Debt Outstanding	1,016,484	1,258,807
Total Liabilities	<u>5,166,195</u>	<u>1,804,568</u>
Deferred Inflows of Resources:		
Prepaid Taxes	18,483	8,226
Deferred Amount on Pensions	124,159	-
Total Deferred Inflows of Resources	<u>142,642</u>	<u>8,226</u>
Net Position:		
Net Investment in Capital Assets	14,626,269	14,128,662
Restricted	2,143,999	1,178,172
Unrestricted	11,614,822	15,978,092
Total Net Position	<u>\$ 28,385,090</u>	<u>\$ 31,284,926</u>

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

	<u>2015</u>	<u>2014</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 3,484,158	\$ 1,849,650
Operating grants and contributions	1,948,788	98,834
<i>General Revenues:</i>		
Taxes	8,280,440	7,756,333
Grants and contributions not restricted to specific programs	1,176,315	533,903
Investment income	573,083	1,788,397
Transfers from RSU #12	80,702	-
Miscellaneous	262,917	130,510
Total Revenues	<u>15,806,403</u>	<u>12,157,627</u>
Expenses		
General government	615,263	769,532
Public safety	1,219,445	1,064,760
Health and sanitation	1,068,181	1,098,962
Public works	779,975	761,085
Leisure services	933,484	953,041
Contingencies	8,534	17,595
Public assistance	93,828	77,823
Education	9,842,924	5,164,327
County tax	510,122	495,710
TIF	81,960	8,439
Unclassified	2,851,605	725,445
State of Maine on-behalf payments	662,091	-
Capital outlay	20,716	189,253
Unallocated depreciation	18,111	18,111
Total Expenses	<u>18,706,239</u>	<u>11,344,083</u>
Change in Net Position	(2,899,836)	813,544
Net Position - July 1, Restated	<u>31,284,926</u>	<u>30,471,382</u>
Net Position - June 30	<u>\$ 28,385,090</u>	<u>\$ 31,284,926</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 30.01% while total expenses increased by 64.09%. Both of these increases are due to the withdrawal of the Wiscasset School Department from RSU #12 and its inclusion now in the Town's financial statements.

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 Wiscasset, Maine
Fund Balances - Governmental Funds
June 30,

	2015	2014
Major Funds:		
General Fund:		
Nonspendable	\$ 37,938	\$ 5,899
Restricted	787,938	-
Committed	-	125,000
Assigned	300,753	299,729
Unassigned	1,181,509	1,000,738
Total General Fund	2,308,138	1,431,366
General Equipment:		
Committed	3,578,149	3,656,301
Capital Reserve:		
Committed	2,048,538	3,257,071
Construction Reserve:		
Committed	2,522,807	2,488,860
Cemetery Perpetual Care:		
Committed	1,731,479	1,736,841
Recreation Building Reserve:		
Committed	1,518,804	1,607,085
Total Major Funds	\$ 13,707,915	\$ 14,177,524
Non-Major Funds:		
Special Revenue Funds:		
Restricted	\$ 96,472	\$ 8,726
Assigned	234,831	134,798
Unassigned	(77,357)	(66,006)
Capital Projects Funds:		
Committed	1,082,254	1,091,296
Permanent Funds:		
Restricted	1,259,589	1,169,446
Total Non-Major Funds	\$ 2,595,789	\$ 2,338,260

The general fund total fund balance increased by \$876,772 from the prior fiscal year. The other major fund balances decreased by \$1,346,381. The non-major fund balances increased by \$257,529.

Budgetary Highlights

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues were over budget by \$2,658,011. This was a result of most items being received in excess of budget expectations, especially transfers from other funds which had a favorable variance of \$638,104 and the proceeds of a bond anticipation note for \$2,000,000.

The general fund actual expenditures were under budget by \$1,337,161. All expenditures were under budget with the exception of public safety, health and sanitation, public works, and leisure services.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by \$236,353. This decrease was a result of capital additions of \$500,364 less current year depreciation expense of \$736,717.

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

	2015	2014 (Restated)
Land and improvements	\$ 2,664,603	\$ 2,756,928
Buildings and improvements	7,094,861	7,314,090
Machinery and equipment	556,662	653,304
Vehicles	1,204,769	1,112,474
Art works and historical treasures	87,500	87,500
Infrastructure	3,342,276	3,262,728
Total	\$ 14,950,671	\$ 15,187,024

Debt

At June 30, 2015, the Town had \$854,663 in bonds outstanding versus \$930,436 last year. The bonds of \$599,075 are guaranteed by a promissory note and tax increment financing district. Other obligations include capital leases payable, accrued vacation pay and sick leave and net pension liability. For additional comparative information on the Town's outstanding debt, refer to Note 5 of Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance decreased in the current year and is still below the level sufficient to sustain government operations for a period of approximately two months (\$2,988,077). As evidence of this, unassigned general fund balance increased to \$1,004,353 for the year ended June 30, 2015 from \$1,000,738 for the same period in 2014. The Town does maintain significant reserves for future capital and program needs. The Town is working to rebuild the unassigned balance to a sufficient level.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 51 Bath Road, Wiscasset, Maine 04578.

TOWN OF WISCASSET, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,684,792
Investments	13,446,479
Accounts receivable (net of allowance for uncollectibles):	
Taxes	50,707
Liens	1,479,124
Other	1,200,048
Note receivable	599,075
Due from other governments	47,275
Prepaid items	37,938
Total current assets	<u>18,545,438</u>
Noncurrent assets:	
Capital assets	
Land and other assets not being depreciated	2,035,160
Buildings, equipment, vehicles and infrastructure, net of accumulated depreciation	<u>12,915,511</u>
Total noncurrent assets	<u>14,950,671</u>
TOTAL ASSETS	<u>33,496,109</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on pensions	197,818
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>197,818</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 33,693,927</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 663,867
Accrued payroll	695,309
Bond anticipation note payable	2,652,950
Current portion of long-term obligations	137,585
Total current liabilities	<u>4,149,711</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	776,256
Capital leases payable	36,769
Accrued compensated absences	109,978
Net pension liability	93,481
Total noncurrent liabilities	<u>1,016,484</u>
TOTAL LIABILITIES	<u>5,166,195</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	18,483
Deferred amount on pensions	124,159
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>142,642</u>
NET POSITION	
Net investment in capital assets	14,626,269
Restricted	2,143,999
Unrestricted	11,614,822
TOTAL NET POSITION	<u>28,385,090</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 33,693,927</u>

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

TOWN OF WISCASSET, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities:					
General government	\$ 615,263	\$ 242,363	\$ -	\$ -	\$ (372,900)
Public safety	1,219,445	259,452	-	-	(959,993)
Health and sanitation	1,068,181	702,456	-	-	(365,725)
Public works	779,975	-	14,592	-	(765,383)
Leisure services	933,484	431,493	-	-	(501,991)
Contingencies	8,534	-	-	-	(8,534)
Public assistance	93,828	-	-	-	(93,828)
Education	9,842,924	1,498,272	1,272,105	-	(7,072,547)
County tax	510,122	-	-	-	(510,122)
TIF	81,960	-	-	-	(81,960)
Unclassified	2,851,605	350,122	-	-	(2,501,483)
State of Maine on-behalf payments	662,091	-	662,091	-	-
Capital outlay	20,716	-	-	-	(20,716)
Unallocated depreciation (Note 4)*	18,111	-	-	-	(18,111)
Total government	<u>\$ 18,706,239</u>	<u>\$ 3,484,158</u>	<u>\$ 1,948,788</u>	<u>\$ -</u>	<u>(13,273,293)</u>

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

STATEMENT B (CONTINUED)

TOWN OF WISCASSET, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(13,273,293)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	7,709,571
Excise taxes	570,869
Grants and contributions not restricted to specific programs	1,176,315
Investment income	573,083
Transfers from RSU #12	80,702
Miscellaneous	262,917
Total general revenues	<u>10,373,457</u>
Change in net position	(2,899,836)
NET POSITION - JULY 1, RESTATED	<u>31,284,926</u>
NET POSITION - JUNE 30	<u><u>\$ 28,385,090</u></u>

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

TOWN OF WISCASSET, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	General Equipment	Capital Reserve	Construction Reserve	Cemetery Perpetual Care	Recreation Building Reserve	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 1,604,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,809	\$ 1,684,792
Investments	-	3,578,149	2,012,538	2,394,407	1,766,046	1,518,804	2,176,535	13,446,479
Accounts receivable (net of allowance for uncollectibles)								
Taxes	50,707	-	-	-	-	-	-	50,707
Liens	1,479,124	-	-	-	-	-	-	1,479,124
Other	859,035	-	-	-	-	-	341,013	1,200,048
Due from other governments	47,275	-	-	-	-	-	-	47,275
Prepaid items	37,938	-	-	-	-	-	-	37,938
Due from other funds	466,328	-	36,000	128,400	-	-	447,334	1,078,062
TOTAL ASSETS	\$ 4,545,390	\$ 3,578,149	\$ 2,048,538	\$ 2,522,807	\$ 1,766,046	\$ 1,518,804	\$ 3,044,691	\$ 19,024,425
LIABILITIES								
Accounts payable	\$ 646,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,141	\$ 663,867
Accrued payroll	695,309	-	-	-	-	-	-	695,309
Due to other funds	611,734	-	-	-	34,567	-	431,761	1,078,062
TOTAL LIABILITIES	1,953,769	-	-	-	34,567	-	448,902	2,437,238
DEFERRED INFLOWS OF RESOURCES								
Prepaid taxes	18,483	-	-	-	-	-	-	18,483
Deferred revenue	265,000	-	-	-	-	-	-	265,000
TOTAL DEFERRED INFLOWS OF RESOURCES	283,483	-	-	-	-	-	-	283,483
FUND BALANCES								
Nonspendable	37,938	-	-	-	-	-	-	37,938
Restricted	787,938	-	-	-	-	-	1,356,061	2,143,999
Committed	-	3,578,149	2,048,538	2,522,807	1,731,479	1,518,804	1,082,254	12,482,031
Assigned	300,753	-	-	-	-	-	234,831	535,584
Unassigned	1,181,509	-	-	-	-	-	(77,357)	1,104,152
TOTAL FUND BALANCES	2,308,138	3,578,149	2,048,538	2,522,807	1,731,479	1,518,804	2,595,789	16,303,704
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,545,390	\$ 3,578,149	\$ 2,048,538	\$ 2,522,807	\$ 1,766,046	\$ 1,518,804	\$ 3,044,691	\$ 19,024,425

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

TOWN OF WISCASSET, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 16,303,704
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	14,950,671
Note receivable that offsets the debt of \$599,075	599,075
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	265,000
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	197,818
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bond anticipation note payable	(2,652,950)
Bonds payable	(854,663)
Capital leases payable	(68,814)
Accrued compensated absences	(113,688)
Net pension liability	(116,904)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds	(124,159)
	\$ 28,385,090
Net position of governmental activities	

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

TOWN OF WISCASSET, MAINE

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

	General Fund	General Equipment	Capital Reserve	Construction Reserve	Cemetery Perpetual Care	Recreation Building Reserve	Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes:								
Property	\$ 7,709,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,709,571
Excise	570,869	-	-	-	-	-	-	570,869
Intergovernmental	2,323,954	-	-	-	-	-	801,149	3,125,103
Investment income, net of unrealized gains/(losses)	5,075	147,751	89,930	97,348	77,005	61,719	94,255	573,083
Interest income	50,561	-	-	-	-	-	-	50,561
Charges for services	3,415,913	-	-	-	4,170	-	64,075	3,484,158
Other income	166,117	-	-	13,800	-	-	32,439	212,356
TOTAL REVENUES	14,242,060	147,751	89,930	111,148	81,175	61,719	991,918	15,725,701
EXPENDITURES								
Current:								
General government	763,196	-	-	-	-	-	-	763,196
Public safety	1,139,585	-	-	-	-	-	-	1,139,585
Health and sanitation	923,552	-	-	-	-	-	-	923,552
Public works	647,019	-	-	-	-	-	-	647,019
Leisure services	814,893	-	-	-	-	-	-	814,893
Contingencies	8,534	-	-	-	-	-	-	8,534
Public assistance	93,828	-	-	-	-	-	-	93,828
Education	8,768,215	-	-	-	-	-	966,138	9,734,353
County tax	510,122	-	-	-	-	-	-	510,122
TIF	38,587	-	-	-	-	-	-	38,587
Unclassified	2,189,825	-	-	-	-	-	637,768	2,827,593
State of Maine on-behalf payments	662,091	-	-	-	-	-	-	662,091
Capital outlay	508,080	-	-	-	-	-	-	508,080
TOTAL EXPENDITURES	17,067,527	-	-	-	-	-	1,603,906	18,671,433
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,825,467)	147,751	89,930	111,148	81,175	61,719	(611,988)	(2,945,732)
OTHER FINANCING SOURCES (USES)								
Proceeds from bond issuance	2,000,000	-	-	-	-	-	652,950	2,652,950
Transfers in from RSU #12	-	-	-	-	-	-	80,702	80,702
Transfers in	1,888,104	-	-	-	-	-	185,865	2,073,969
Transfers (out)	(185,865)	(225,903)	(1,298,463)	(77,201)	(86,537)	(150,000)	(50,000)	(2,073,969)
TOTAL OTHER FINANCING SOURCES (USES)	3,702,239	(225,903)	(1,298,463)	(77,201)	(86,537)	(150,000)	869,517	2,733,652
NET CHANGE IN FUND BALANCES	876,772	(78,152)	(1,208,533)	33,947	(5,362)	(88,281)	257,529	(212,080)
FUND BALANCES - JULY 1	1,431,366	3,656,301	3,257,071	2,488,860	1,736,841	1,607,085	2,338,260	16,515,784
FUND BALANCES - JUNE 30	\$ 2,308,138	\$ 3,578,149	\$ 2,048,538	\$ 2,522,807	\$ 1,731,479	\$ 1,518,804	\$ 2,595,789	\$ 16,303,704

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

TOWN OF WISCASSET, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (212,080)</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 report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	493,864
Depreciation expense	<u>(736,717)</u>
	<u>(242,853)</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>-</u>
Payment of note payment in the modified accrual statements already recorded in the full accrual statements	<u>(43,373)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>171,482</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Position.	<u>(2,659,450)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position	<u>108,748</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(4,538)
Net pension liability	<u>106,387</u>
	<u>101,849</u>
Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(124,159)</u>
Change in net position of governmental activities (Statement B)	<u>\$ (2,899,836)</u>

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

TOWN OF WISCASSET, MAINE

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

	Private- Purpose Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ -
Investments	<u>947,230</u>
TOTAL ASSETS	<u>\$ 947,230</u>
LIABILITIES	
Due to other governments	<u>\$ 8,794</u>
TOTAL LIABILITIES	<u>\$ 8,794</u>
NET POSITION	
Held in trust for special purposes	<u>\$ 938,436</u>

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

TOWN OF WISCASSET, MAINE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private- Purpose Trust
	<u> </u>
ADDITIONS	
Contributions	\$ 68,143
Investment earnings:	
Net increase (decrease) in fair value of investments	22,540
Total investment earnings	<u>22,540</u>
TOTAL ADDITIONS	<u>90,683</u>
DEDUCTIONS	
Withdrawal for general fund	16,815
Other withdrawals	<u>16,115</u>
TOTAL DEDUCTIONS	<u>32,930</u>
Change in net position	57,753
NET POSITION - JULY 1	<u>880,683</u>
NET POSITION - JUNE 30	<u><u>\$ 938,436</u></u>

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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 Statements No. 39 and No. 61.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as governmental. All the Town's activities 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 – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 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.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

2. Fiduciary Funds:

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

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The 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.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Revenues per budgetary basis	\$17,468,073
Add: On-behalf payments	<u>662,091</u>
Total GAAP basis	<u>\$18,130,164</u>
Expenditures per budgetary basis	\$16,591,301
Add: On-behalf payments	<u>662,091</u>
Total GAAP basis	<u>\$17,253,392</u>

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 WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. A meeting of the Board of Selectmen 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 Wiscasset's investment policy is in agreement with the State of Maine Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

Interfund Receivables and Payables

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

TOWN OF WISCASSET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of governmental activities.

Allowance for Uncollectible Accounts

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$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.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, capital leases payable, compensated absences and net pension liability.

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, 2015, the Town's liability for compensated absences is \$113,688.

Pensions

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

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

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

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

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

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

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

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one type of this item, deferred amount on pensions, which arises only under an accrual basis of accounting that qualifies for reporting in this category.

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 16, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due in two instalments on October 24, 2014 and April 24, 2015. Interest on unpaid taxes commenced on October 25, 2014 and April 25, 2015, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$44,930 for the year ended June 30, 2015.

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

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

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.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider 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 maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's cash balances amounting to \$1,684,792 were comprised of bank deposits of \$2,933,904. Of these bank deposits, \$445,598 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The remaining bank deposits of \$2,488,306 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,818,115
Money market accounts	115,789
	<u>\$ 2,933,904</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 have a policy for custodial credit risk for investments and the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. The Town's investment in certificates of deposit of \$90,096 is fully insured by federal depository insurance and consequently is not exposed to custodial credit risk. Investments of \$547,091 held by the International City Managers Association Retirement Corporation were covered by Securities Investor Protection Corporation (SIPC). The remaining investments of \$13,756,522 were covered by Securities Investor Protection Corporation (SIPC) up to \$500,000. Investments in excess of \$500,000 were uncollateralized and uninsured.

At June 30, 2015, the Town had the following investments and maturities (maturity dates are not available for all items of investments):

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>
Certificates of deposit	\$ 90,096	\$ -	\$ 12,931	\$ 77,165
Cash and cash equivalents	1,614,643	1,614,643	-	-
Fixed Income:				
U S government obligations	724,832	-	724,832	-
Municipal obligations	576,098	-	576,098	-
Corporate bonds	3,418,382	-	42,176	3,376,206
Total fixed income	<u>4,719,312</u>	<u>-</u>	<u>1,343,106</u>	<u>3,376,206</u>
Equities:				
Common stock	7,193,729	7,193,729	-	-
Foreign stock	317,683	317,683	-	-
Specialty stock	5,101	5,101	-	-
Total equities	<u>7,516,513</u>	<u>7,516,513</u>	<u>-</u>	<u>-</u>
Mutual Funds:				
Mutual funds - corporate bonds	135,033	135,033	-	-
Mutual funds - stock	216,839	216,839	-	-
Mutual funds - foreign	101,273	101,273	-	-
Total mutual funds	<u>453,145</u>	<u>453,145</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,393,709</u>	<u>\$ 9,584,301</u>	<u>\$ 1,356,037</u>	<u>\$ 3,453,371</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.

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

The Town maintains a cash pool that is available for use by all funds. Each fund type's position of this pool is displayed on the combined balance sheet as "due from other funds" under each fund's caption.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

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

	Receivables (Due From)	Payables (Due To)
General fund	\$ 466,328	\$ 611,734
Capital reserve fund	36,000	-
Construction reserve fund	128,400	-
Cemetery perpetual care fund	-	34,567
Nonmajor special revenue funds	335,342	405,268
Nonmajor capital projects funds	108,254	-
Nonmajor permanent funds	3,738	26,493
	<u>\$ 1,078,062</u>	<u>\$ 1,078,062</u>

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

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

	Balance 7/1/14 (Restated)	Additions	Disposals	Balance 6/30/15
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 1,947,660	\$ -	\$ -	\$ 1,947,660
Art works & historical treasures	87,500	-	-	87,500
	<u>2,035,160</u>	<u>-</u>	<u>-</u>	<u>2,035,160</u>
Depreciated assets:				
Land improvements	1,999,488	-	-	1,999,488
Buildings	17,109,381	-	-	17,109,381
Building improvements	1,388,552	47,600	-	1,436,152
Furniture & fixtures	329,964	-	-	329,964
Machinery & equipment	3,328,758	30,965	-	3,359,723
Vehicles	3,603,291	229,694	(61,578)	3,771,407
Infrastructure	7,934,821	192,105	-	8,126,926
	<u>35,694,255</u>	<u>500,364</u>	<u>(61,578)</u>	<u>36,133,041</u>
Less: accumulated depreciation	<u>(22,542,391)</u>	<u>(736,717)</u>	<u>61,578</u>	<u>(23,217,530)</u>
	<u>13,151,864</u>	<u>(236,353)</u>	<u>-</u>	<u>12,915,511</u>
Net capital assets	<u>\$ 15,187,024</u>	<u>\$ (236,353)</u>	<u>\$ -</u>	<u>\$ 14,950,671</u>
Current year depreciation:				
Administration				\$ 1,613
Police				4,730
Fire				59,868
Ambulance				28,025
Highway				132,956
Transfer station				55,725
Airport				64,475
Parks & recreation				108,663
Harbor master				20,665
Sewer				106,224
Education				135,662
Town-wide				18,111
Total depreciation expenses				<u>\$ 736,717</u>

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	Balance, 7/1/14 (Restated)	Additions	Reductions	Balance, 6/30/15	Due Within One Year
Bonds payable	\$ 930,436	\$ -	\$ (75,773)	\$ 854,663	\$ 78,407
Capital leases payable	95,289	6,500	(32,975)	68,814	32,045
Accrued compensated absences	109,150	4,538	-	113,688	3,710
Net pension liability	223,291	22,850	(129,237)	116,904	23,423
Totals	<u>\$ 1,358,166</u>	<u>\$ 33,888</u>	<u>\$ (237,985)</u>	<u>\$ 1,154,069</u>	<u>\$ 137,585</u>

The following is a summary of the outstanding bonds payable:

\$937,500 Bond with The First dated April 28, 2006. Interest is stated at 3.75%, with varying annual principal installments. The bond is part of a tax increment financing arrangement and will be funded with annual payments from the district. Maturity in April 2026.	\$ 599,075
\$350,000 Waterfront Pier Improvements Bond with The First dated June 22, 2012. Interest is stated at 2.91% with varying annual principal installments. Maturity in June 2025.	<u>255,588</u>
Total bonds payable	<u>\$ 854,663</u>

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

	Principal	Interest	Total Debt Service
2016	\$ 78,407	\$ 32,950	\$ 111,357
2017	81,079	29,463	110,542
2018	83,844	26,791	110,635
2019	86,705	24,026	110,731
2020	89,664	21,165	110,829
2021-2025	369,933	61,625	431,558
2026-2030	65,031	7,235	72,266
	<u>\$ 854,663</u>	<u>\$ 203,255</u>	<u>\$ 1,057,918</u>

TOWN OF WISCASSET, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of the outstanding capital leases payable:

The Town leases equipment under a noncancelable lease agreement. The term of the lease is for a 5 year period expiring in May of 2017. Annual payments are \$7,697.

The Town leases equipment under a noncancelable lease agreement. The term of the lease is for a 5 year period expiring in February of 2017. Annual payments are \$11,110.

The Town leases equipment under a noncancelable lease agreement. The term of the lease is for a 5 year period expiring in July of 2017. Monthly payments are \$1,064.

The Town leases equipment under a noncancelable lease agreement. The term of the lease is for a 5 year period expiring in February of 2020. Monthly payments are \$126.

The following is a summary of outstanding capital lease payments for the following fiscal years:

Year Ending June 30:	
2016	\$ 33,083
2017	33,083
2018	2,577
2019	1,513
2020	1,009
Total minimum lease payment	71,265
Less amount representing interest	(2,451)
Present value of future minimum lease payments	\$ 68,814

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - NONSPENDABLE FUND BALANCES

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

General Fund:	
Prepaid expenses	\$ 37,938
	<u> </u>

NOTE 7 - RESTRICTED FUND BALANCES

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

General Fund:	
Education	\$ 610,782
Education encumbrances	177,156
Nonmajor Special Revenue Funds (Schedule D)	96,472
Nonmajor Permanent Funds (Schedule H)	1,259,589
	<u> </u>
	<u>\$ 2,143,999</u>

NOTE 8 - COMMITTED FUND BALANCES

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

General Equipment	\$ 3,578,149
Capital Reserve	2,048,538
Construction Reserve	2,522,807
Cemetery Perpetual Care	1,731,479
Recreation Building Reserve	1,518,804
Nonmajor Capital Projects Funds (Schedule F)	1,082,254
	<u> </u>
	<u>\$ 12,482,031</u>

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - ASSIGNED FUND BALANCES

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

General Fund:	
Planning Department	\$ 4,915
WWTP Equipment replacement	15,800
WWTP loan interest	15,000
EMS pagers	2,720
Repeaters	9,083
Misc capital projects	16,174
Main St. pier/electric upgrade	4,703
WCC roof	149,184
Airport - tractor/mower	1,282
Road and sidewalk construction	12,018
Economic development TIF reserve	69,874
Subtotal General Fund	<u>300,753</u>
Nonmajor Special Revenue Funds (Schedule D)	234,831
	<u>\$ 535,584</u>

NOTE 10 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

Plan Description:

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and maintained by International City Managers Association Retirement Corporation (ICMA RC). The plan, available to employees who negotiate for such benefits as a condition of employment, permits them to defer a portion of their salary 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.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - DEFERRED COMPENSATION PLAN (CONTINUED)

Funding Policy:

Under the deferred compensation plan, employees may elect to participate. Participating members are required to contribute 6.0% of their annual covered salary and the Town is required to match 100% of the employee's contribution. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. The employee's contribution vests 100% with the employee when contributed. The Town's matching contribution vests 100% with the employee at the end of three years of service. The Town expended approximately \$69,296 for the year ended June 30, 2015, and \$48,208 and \$92,612 for the years ended June 30, 2014 and 2013, respectively.

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.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. All employees are part of the PLD's plan "AN" and are also required to contribute 7.0% of their annual salary and the Town is required to contribute at an actuarially determined rate. The current rate is 4.1% of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$35,912.

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

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

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$4,358,730 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 13.03% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL).

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions paid by the State were approximately \$567,943 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 2.65%, which totaled \$117,646 for 2015. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 13.50% of compensation and totaled \$21,410 the year ended June 30, 2015.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2015, the Town reported a liability of \$116,904 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was 0.075970% which was an increase of 0.003534% from its proportion measured as of June 30, 2013.

SET Plan

At June 30, 2015, the amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2014, the Wiscasset School Department was part of RSU No. 12 and as such, the Town's proportion of the net pension liability is unknown.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the Town recognized total pension expense of \$153,710. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,680	\$ -	\$ -	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	124,159	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,170	-	-	-
Contributions subsequent to the measurement date	35,912	-	139,056	-
Total	<u>\$ 58,762</u>	<u>\$ 124,159</u>	<u>\$ 139,056</u>	<u>\$ -</u>

\$174,968 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan	SET Plan
Year ended June 30:		
2016	\$ 23,423	\$ -
2017	23,423	-
2018	23,424	-
2019	31,040	-
2020	-	-
Thereafter	-	-

Actuarial Methods and Assumptions

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

Actuarial Cost Method

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Asset Valuation Method

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

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

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

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

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

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year; state employees, 3.50% to 10.50% per year; teachers, 3.50% to 13.5% per year.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Cost of Living Benefit Increases - 3.12% for participating local districts; 2.55% per annum for state employees and teachers.

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

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

Discount Rate

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.25% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.250%	7.250%	8.250%
Employer's proportionate share of the net pension liability	\$ 364,705	\$ 116,904	\$ (90,227)
<u>SET Plan:</u>			
Discount rate	6.125%	7.125%	8.125%
Employer's proportionate share of the net pension liability	\$ -	\$ -	\$ -

Changes in Net Pension Liability

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

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2014, this was 4 years for the PLD Consolidated Plan and 3 years for the SET Plan.

Differences between Projected and Actual Investment Earnings

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

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan. For the SET Plan, the change in the discount rate from 7.25% to 7.125% was the only change in assumption in the 2014 valuation.

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

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

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (800) 451-9800.

NOTE 12 - CONTINGENCIES

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member.

In the normal course of operations, the Town receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with condition precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

TOWN OF WISCASSET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - OVERSPENT APPROPRIATIONS

As of June 30, 2015 the Town had overdrafts in the following line items:

Public safety	\$ 7,151
Health and sanitation	14,173
Public works	6,278
Leisure services	567
	<u>\$ 28,169</u>

NOTE 14 - COMMITMENTS

On December 9, 2003, the Town legislative body authorized \$1,750,000 in principal debt and related finance costs to acquire 431 acres of land formerly owned by Maine Yankee Atomic Power Company. The Town worked with Wiscasset Development, Inc. (WDI) which is a private development entity. WDI owned Ferry Road Development Co, LLC (FRDCo) which was the WDI subsidiary that actually purchased and took title to the land. In a simultaneous transaction, FRDCo purchased the 431 acres of land from Maine Yankee and Wiscasset, LLC, a subsidiary of National RE/sources, LLC, a Greenwich, Ct-based developer purchased FRDCo.

The LLC made an initial \$500,000 payment at the time of closing on the total \$1,750,000 purchase. The Town issued a non-tax exempt bond in the amount of \$1,250,000 with a 5.5 % interest rate and loaned that same amount to WDI and FRDCo to pay the balance. The Town held a land-collateralized promissory note with WDI, which has been retired. WDI held a similar promissory note with Wiscasset, LLC. The Town has since foreclosed on the property and WDI is effectively dissolved.

The legal structure described above was established to remove financial and legal liability from the Town and place it on the private development entity, WDI. 412/A bond with an original amount of \$937,500 is also secured and being financed through a tax increment financing district.

NOTE 15 - SHORT-TERM DEBT

On January 31, 2014, the Town issued a bond anticipation note in anticipation of receipt of bond proceeds. Interest is payable at a rate of 1.15% per annum. Maturity of the principal and interest is on January 15, 2016 or upon receipt of the proceeds from a bond issue. The balance outstanding on the note as of June 30, 2015 was \$2,000,000.

On January 17, 2014, the Town issued a bond anticipation note in anticipation of receipt of bond proceeds. Interest is payable at a rate of 1.15% per annum. Maturity of the principal and interest is on January 15, 2016 or upon receipt of the proceeds from a bond issue. The balance outstanding on the note as of June 30, 2015 was \$652,950.

TOWN OF WISCASSET, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 16 - DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2015:

Waterfront Matching	\$	10,684
PD Special Detail		1,648
Alive on the River		1,664
Airport Master Plan		53,409
Celebrations Winter		125
E-Rate Fund		2,416
Adult Ed. Federal Literacy		5,871
Adult Education		1,540
		77,357
	\$	77,357

NOTE 17 - RESTATEMENT

The governmental activities beginning net position balance as of July 1, 2014 has been restated for the effects of GASB No. 68, corrections to long-term debt and to include the Wiscasset School Department's capital assets. The beginning balance has been reduced by \$196,955 for the effects of GASB No. 68, and increased by \$22,782 for the corrections to long-term debt and by \$1,429,891 to include the net capital assets, for a restated beginning net position balance of \$31,284,926.

Required Supplementary Information

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

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

TOWN OF WISCASSET, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,431,366	\$ 1,431,366	\$ 1,431,366	\$ -
Resources (Inflows):				
Property taxes	7,708,534	7,708,534	7,709,571	1,037
Excise taxes	500,000	500,000	570,869	70,869
Intergovernmental	1,665,501	1,665,501	1,661,863	(3,638)
Interest income	4,000	4,000	5,075	1,075
Interest/costs on liens	70,000	70,000	50,561	(19,439)
Charges for services	3,195,657	3,493,929	3,415,913	(78,016)
Other income	92,415	118,098	166,117	48,019
Proceeds from bond issuance	-	-	2,000,000	2,000,000
Transfers from other funds	1,250,000	1,250,000	1,888,104	638,104
Amounts Available for Appropriation	<u>15,917,473</u>	<u>16,241,428</u>	<u>18,899,439</u>	<u>2,658,011</u>
Charges to Appropriations (Outflows):				
General government	778,173	778,173	763,196	14,977
Public safety	1,132,434	1,132,434	1,139,585	(7,151)
Health and sanitation	909,379	909,379	923,552	(14,173)
Public works	640,741	640,741	647,019	(6,278)
Leisure services	814,326	814,326	814,893	(567)
Contingencies	35,000	35,000	8,534	26,466
Public assistance	95,460	95,460	93,828	1,632
Education	9,232,198	9,556,153	8,768,215	787,938
County tax	510,122	510,122	510,122	-
TIF	76,825	76,825	38,587	38,238
Overlay	44,930	44,930	6,058	38,872
Unclassified	2,502,936	2,502,936	2,183,767	319,169
Capital outlay	373,964	646,118	508,080	138,038
Transfers to other funds	185,865	185,865	185,865	-
Total Charges to Appropriations	<u>17,332,353</u>	<u>17,928,462</u>	<u>16,591,301</u>	<u>1,337,161</u>
Budgetary Fund Balance, June 30	<u>\$ (1,414,880)</u>	<u>\$ (1,687,034)</u>	<u>\$ 2,308,138</u>	<u>\$ 3,995,172</u>
Utilization of unassigned fund balance	<u>\$ 2,846,246</u>	<u>\$ 3,118,400</u>	<u>\$ -</u>	<u>\$ (3,118,400)</u>
	<u>\$ 2,846,246</u>	<u>\$ 3,118,400</u>	<u>\$ -</u>	<u>\$ (3,118,400)</u>

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

TOWN OF WISCASSET, MAINE

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

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Proportion of the net pension liability (asset)	0.08%	0.07%
Proportionate share of the net pension liability (asset)	\$ 116,904	\$ 223,291
Covered-employee payroll	\$ 845,903	\$ 968,708
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.82%	23.05%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%
 <u>SET Plan:</u>		
Town's proportion of the net pension liability	0.00%	
Town's proportionate share of the net pension liability	\$ -	
State's proportionate share of the net pension liability (asset) associated with the Town	<u>\$ -</u>	
Total	<u><u>\$ -</u></u>	
Town's covered-employee payroll	\$ 4,358,730	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	
Plan fiduciary net position as a percentage of the total pension liability	83.91%	

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

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

TOWN OF WISCASSET, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 97,225	\$ 99,569
Contributions in relation to the contractually required contribution	<u>(97,225)</u>	<u>(99,569)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 845,903	\$ 968,708
Contributions as a percentage of covered- employee payroll	11.49%	10.28%
 <u>SET Plan:</u>		
Contractually required contribution	\$ 139,056	
Contributions in relation to the contractually required contribution	<u>(139,056)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	
Town's covered-employee payroll	\$ 4,358,730	
Contributions as a percentage of covered- employee payroll	3.19%	

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

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

TOWN OF WISCASSET, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Administration	\$ 174,163	\$ -	\$ 174,163	\$ 157,096	\$ 17,067
Office of the Selectmen	27,380	-	27,380	24,548	2,832
Town assessor	78,348	-	78,348	59,924	18,424
Finance/tax collection	153,456	-	153,456	166,197	(12,741)
Town clerk/other	62,224	-	62,224	71,569	(9,345)
Elections	18,400	-	18,400	10,121	8,279
Municipal building maintenance	62,392	-	62,392	65,394	(3,002)
Community planning	77,384	-	77,384	61,089	16,295
Contracted services	84,000	-	84,000	133,313	(49,313)
TAN interest	17,000	-	17,000	8,566	8,434
Unemployment	5,000	-	5,000	4,945	55
Benefits	16,815	-	16,815	-	16,815
Boards and committees	1,611	-	1,611	434	1,177
Total	<u>778,173</u>	<u>-</u>	<u>778,173</u>	<u>763,196</u>	<u>14,977</u>
PUBLIC SAFETY					
Police department	376,374	-	376,374	372,782	3,592
Fire department	108,786	-	108,786	138,037	(29,251)
Insurance	83,876	-	83,876	81,649	2,227
Public utilities	182,000	-	182,000	201,474	(19,474)
Code enforcement	45,300	-	45,300	42,475	2,825
Ambulance services	325,708	-	325,708	294,978	30,730
Animal control	10,390	-	10,390	8,190	2,200
Total	<u>1,132,434</u>	<u>-</u>	<u>1,132,434</u>	<u>1,139,585</u>	<u>(7,151)</u>
HEALTH AND SANITATION					
Sewer treatment plant	391,649	-	391,649	396,294	(4,645)
Transfer station	517,730	-	517,730	527,258	(9,528)
Total	<u>909,379</u>	<u>-</u>	<u>909,379</u>	<u>923,552</u>	<u>(14,173)</u>

TOWN OF WISCASSET, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Highway	640,741	-	640,741	647,019	(6,278)
Total	640,741	-	640,741	647,019	(6,278)
LEISURE SERVICES					
Waterfront/harbors	51,254	-	51,254	53,824	(2,570)
Recreation	748,572	-	748,572	749,552	(980)
General celebrations	14,500	-	14,500	11,517	2,983
Total	814,326	-	814,326	814,893	(567)
CAPITAL PROJECTS					
Road & sidewalk construction/repair	77,201	129,600	206,801	194,783	12,018
Municipal building - fire roof	25,000	(32,400)	(7,400)	47,600	(55,000)
EMS pagers	7,000	-	7,000	4,280	2,720
Repeaters	12,000	-	12,000	2,917	9,083
Main St. pier/electric upgrade	10,000	-	10,000	5,297	4,703
WCC roof	150,000	-	150,000	816	149,184
Airport - tractor / mower	17,000	-	17,000	15,718	1,282
PW dump truck w/plow & wing	55,000	146,454	201,454	201,453	1
N-15 monitors	12,763	-	12,763	14,890	(2,127)
Miscellaneous capital items	8,000	28,500	36,500	20,326	16,174
Total	373,964	272,154	646,118	508,080	138,038
CONTINGENCIES					
Contingency	35,000	-	35,000	8,534	26,466
Total	35,000	-	35,000	8,534	26,466

TOWN OF WISCASSET, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
PUBLIC ASSISTANCE					
General assistance	20,510	-	20,510	18,878	1,632
Social service agencies	74,950	-	74,950	74,950	-
Total	<u>95,460</u>	<u>-</u>	<u>95,460</u>	<u>93,828</u>	<u>1,632</u>
EDUCATION					
Wiscasset School Department	9,232,198	323,955	9,556,153	8,768,215	787,938
Total	<u>9,232,198</u>	<u>323,955</u>	<u>9,556,153</u>	<u>8,768,215</u>	<u>787,938</u>
COUNTY TAX	<u>510,122</u>	<u>-</u>	<u>510,122</u>	<u>510,122</u>	<u>-</u>
TIF	<u>76,825</u>	<u>-</u>	<u>76,825</u>	<u>38,587</u>	<u>38,238</u>
UNCLASSIFIED					
Withdrawal expense from RSU #12	2,000,000	-	2,000,000	1,765,198	234,802
Airport	316,657	-	316,657	286,338	30,319
Airport - easement remediation	8,000	-	8,000	135	7,865
Cemeteries	86,537	-	86,537	62,546	23,991
Shellfish conservation	10,630	-	10,630	11,604	(974)
Pier bond debt service	40,463	-	40,463	40,463	-
Senior center	40,649	-	40,649	17,483	23,166
Total	<u>2,502,936</u>	<u>-</u>	<u>2,502,936</u>	<u>2,183,767</u>	<u>319,169</u>
OVERLAY	<u>44,930</u>	<u>-</u>	<u>44,930</u>	<u>6,058</u>	<u>38,872</u>
TRANSFERS					
Special revenue	185,865	-	185,865	185,865	-
Total	<u>185,865</u>	<u>-</u>	<u>185,865</u>	<u>185,865</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 17,332,353</u>	<u>\$ 596,109</u>	<u>\$ 17,928,462</u>	<u>\$ 16,591,301</u>	<u>\$ 1,337,161</u>

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

TOWN OF WISCASSET, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 79,809	\$ 79,809
Investments	-	974,000	1,202,535	2,176,535
Accounts receivable	341,013	-	-	341,013
Due from other funds	335,342	108,254	3,738	447,334
TOTAL ASSETS	\$ 676,355	\$ 1,082,254	\$ 1,286,082	\$ 3,044,691
LIABILITIES				
Accounts payable	\$ 17,141	\$ -	\$ -	\$ 17,141
Due to other funds	405,268	-	26,493	431,761
TOTAL LIABILITIES	422,409	-	26,493	448,902
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	96,472	-	1,259,589	1,356,061
Committed	-	1,082,254	-	1,082,254
Assigned	234,831	-	-	234,831
Unassigned	(77,357)	-	-	(77,357)
TOTAL FUND BALANCES	253,946	1,082,254	1,259,589	2,595,789
TOTAL LIABILITIES AND FUND BALANCES	\$ 676,355	\$ 1,082,254	\$ 1,286,082	\$ 3,044,691

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

TOWN OF WISCASSET, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ -	\$ 39,593	\$ 54,662	\$ 94,255
Intergovernmental	801,149	-	-	801,149
Charges for services	64,075	-	-	64,075
Other income	26,074	1,365	5,000	32,439
TOTAL REVENUES	891,298	40,958	59,662	991,918
EXPENDITURES				
Education	915,917	-	50,221	966,138
Other	637,768	-	-	637,768
TOTAL EXPENDITURES	1,553,685	-	50,221	1,603,906
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(662,387)</u>	<u>40,958</u>	<u>9,441</u>	<u>(611,988)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	652,950	-	-	652,950
Transfers in from RSU #12	-	-	80,702	80,702
Transfers in	185,865	-	-	185,865
Transfers (out)	-	(50,000)	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	838,815	(50,000)	80,702	869,517
NET CHANGE IN FUND BALANCES	176,428	(9,042)	90,143	257,529
FUND BALANCES - JULY 1	<u>77,518</u>	<u>1,091,296</u>	<u>1,169,446</u>	<u>2,338,260</u>
FUND BALANCES - JUNE 30	<u><u>\$ 253,946</u></u>	<u><u>\$ 1,082,254</u></u>	<u><u>\$ 1,259,589</u></u>	<u><u>\$ 2,595,789</u></u>

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

Special Revenue Funds

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

TOWN OF WISCASSET, MAINE

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

	<u>Gymnastics</u>	<u>Roof Warranty</u>	<u>Waterfront Matching</u>	<u>PD Special Detail</u>	<u>Youth Baseball</u>	<u>Alive on the River</u>	<u>Freeman Tree</u>	<u>Airport Master Plan</u>
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Due from other funds	5,254	5,083	-	-	3,979	-	263	-
TOTAL ASSETS	<u>\$ 5,254</u>	<u>\$ 5,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,979</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ -</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	10,684	1,648	-	1,664	-	53,409
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>10,684</u>	<u>1,648</u>	<u>-</u>	<u>1,664</u>	<u>-</u>	<u>53,409</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	5,254	5,083	-	-	3,979	-	263	-
Unassigned	-	-	(10,684)	(1,648)	-	(1,664)	-	(53,409)
TOTAL FUND BALANCES	<u>5,254</u>	<u>5,083</u>	<u>(10,684)</u>	<u>(1,648)</u>	<u>3,979</u>	<u>(1,664)</u>	<u>263</u>	<u>(53,409)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,254</u>	<u>\$ 5,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,979</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ -</u>

TOWN OF WISCASSET, MAINE

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

	PEG Grant Cable TV	Celebrations Winter	Impact Fees	TAP Sales	Holiday Gifts	Airport SRE Building	USDA Sewer Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	8,726	-	113,618	7,483	640	45,170	39,591
TOTAL ASSETS	\$ 8,726	\$ -	\$ 113,618	\$ 7,483	\$ 640	\$ 45,170	\$ 39,591
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	125	-	-	-	-	-
TOTAL LIABILITIES	-	125	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	8,726	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	113,618	7,483	640	45,170	39,591
Unassigned	-	(125)	-	-	-	-	-
TOTAL FUND BALANCES	8,726	(125)	113,618	7,483	640	45,170	39,591
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,726	\$ -	\$ 113,618	\$ 7,483	\$ 640	\$ 45,170	\$ 39,591

TOWN OF WISCASSET, MAINE

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

	Recreation Pier Project	TIF Grant	Proficiency Based Educ. Grant	MELMAC Planning Grant	Maine College Transition	Title IA Grant	Local Entitlement Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	43,803	-	-	-	115,169	138,692
Due from other funds	13,750	-	4,833	16,602	-	-	-
TOTAL ASSETS	\$ 13,750	\$ 43,803	\$ 4,833	\$ 16,602	\$ -	\$ 115,169	\$ 138,692
LIABILITIES							
Accounts payable	\$ -	\$ 3,116	\$ -	\$ -	\$ -	\$ 84	\$ 9,902
Due to other funds	-	40,687	-	-	-	115,085	128,790
TOTAL LIABILITIES	-	43,803	-	-	-	115,169	138,692
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	4,833	16,602	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	13,750	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	13,750	-	4,833	16,602	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,750	\$ 43,803	\$ 4,833	\$ 16,602	\$ -	\$ 115,169	\$ 138,692

TOWN OF WISCASSET, MAINE

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

	REAP Fund	Title IIA Fund	E-Rate Fund	Adult Ed. Federal Literacy	Adult Education	School Lunch Fund	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	9,881	33,468	-	-	-	-	341,013
Due from other funds	-	-	-	-	-	70,350	335,342
TOTAL ASSETS	<u>\$ 9,881</u>	<u>\$ 33,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,350</u>	<u>\$ 676,355</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,039	\$ 17,141
Due to other funds	9,881	33,468	2,416	5,871	1,540	-	405,268
TOTAL LIABILITIES	<u>9,881</u>	<u>33,468</u>	<u>2,416</u>	<u>5,871</u>	<u>1,540</u>	<u>4,039</u>	<u>422,409</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	66,311	96,472
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	234,831
Unassigned	-	-	(2,416)	(5,871)	(1,540)	-	(77,357)
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>(2,416)</u>	<u>(5,871)</u>	<u>(1,540)</u>	<u>66,311</u>	<u>253,946</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,881</u>	<u>\$ 33,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,350</u>	<u>\$ 676,355</u>

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

TOWN OF WISCASSET, MAINE

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

	<u>Gymnastics</u>	<u>Roof Warranty</u>	<u>Waterfront Matching</u>	<u>PD Special Detail</u>	<u>Youth Baseball</u>	<u>Alive on the River</u>	<u>Freeman Tree</u>	<u>Airport Master Plan</u>
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ 1,063
Charges for services	-	-	-	5,177	-	-	-	-
Other income	1,522	-	-	-	-	-	-	-
TOTAL REVENUES	<u>1,522</u>	<u>-</u>	<u>-</u>	<u>8,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,063</u>
EXPENDITURES								
Other	-	-	50	8,656	-	-	-	2,668
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>50</u>	<u>8,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,668</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,522</u>	<u>-</u>	<u>(50)</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,605)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from bond issuance	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,522	-	(50)	21	-	-	-	(1,605)
FUND BALANCES - JULY 1	<u>3,732</u>	<u>5,083</u>	<u>(10,634)</u>	<u>(1,669)</u>	<u>3,979</u>	<u>(1,664)</u>	<u>263</u>	<u>(51,804)</u>
FUND BALANCES - JUNE 30	<u>\$ 5,254</u>	<u>\$ 5,083</u>	<u>\$ (10,684)</u>	<u>\$ (1,648)</u>	<u>\$ 3,979</u>	<u>\$ (1,664)</u>	<u>\$ 263</u>	<u>\$ (53,409)</u>

TOWN OF WISCASSET, MAINE

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

	PEG Grant Cable TV	Celebrations Winter	Impact Fees	TAP Sales	Holiday Gifts	Airport SRE Building	USDA Sewer Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,700	\$ -
Charges for services	-	-	-	-	-	-	-
Other income	-	1,365	-	-	-	-	-
TOTAL REVENUES	-	1,365	-	-	-	50,700	-
EXPENDITURES							
Other	-	1,255	-	-	-	5,530	613,359
TOTAL EXPENDITURES	-	1,255	-	-	-	5,530	613,359
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	110	-	-	-	45,170	(613,359)
OTHER FINANCING SOURCES (USES)							
Proceeds from bond issuance	-	-	-	-	-	-	652,950
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	652,950
NET CHANGE IN FUND BALANCES	-	110	-	-	-	45,170	39,591
FUND BALANCES - JULY 1	8,726	(235)	113,618	7,483	640	-	-
FUND BALANCES - JUNE 30	\$ 8,726	\$ (125)	\$ 113,618	\$ 7,483	\$ 640	\$ 45,170	\$ 39,591

TOWN OF WISCASSET, MAINE

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

	Recreation Pier Project	TIF Grant	Proficiency Based Educ. Grant	MELMAC Planning Grant	Maine College Transition	Title IA Grant	Local Entitlement Grant
REVENUES							
Intergovernmental	\$ 20,000	\$ 112,671	\$ 4,833	\$ -	\$ 35,000	\$ 115,169	\$ 138,692
Charges for services	-	-	-	-	-	-	-
Other income	-	-	-	23,187	-	-	-
TOTAL REVENUES	<u>20,000</u>	<u>112,671</u>	<u>4,833</u>	<u>23,187</u>	<u>35,000</u>	<u>115,169</u>	<u>138,692</u>
EXPENDITURES							
Other	6,250	112,671	-	6,585	35,000	115,169	138,692
TOTAL EXPENDITURES	<u>6,250</u>	<u>112,671</u>	<u>-</u>	<u>6,585</u>	<u>35,000</u>	<u>115,169</u>	<u>138,692</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,750</u>	<u>-</u>	<u>4,833</u>	<u>16,602</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from bond issuance	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	13,750	-	4,833	16,602	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ 4,833</u>	<u>\$ 16,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WISCASSET, MAINE

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

	REAP Fund	Title IIA Fund	E-Rate Fund	Adult Ed. Federal Literacy	Adult Education	School Lunch Fund	Totals
REVENUES							
Intergovernmental	\$ 9,881	\$ 33,468	\$ -	\$ 45,988	\$ 44,605	\$ 185,579	\$ 801,149
Charges for services	-	-	-	-	-	58,898	64,075
Other income	-	-	-	-	-	-	26,074
TOTAL REVENUES	<u>9,881</u>	<u>33,468</u>	<u>-</u>	<u>45,988</u>	<u>44,605</u>	<u>244,477</u>	<u>891,298</u>
EXPENDITURES							
Other	9,881	33,468	2,416	51,859	56,145	354,031	1,553,685
TOTAL EXPENDITURES	<u>9,881</u>	<u>33,468</u>	<u>2,416</u>	<u>51,859</u>	<u>56,145</u>	<u>354,031</u>	<u>1,553,685</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,416)</u>	<u>(5,871)</u>	<u>(11,540)</u>	<u>(109,554)</u>	<u>(662,387)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from bond issuance	-	-	-	-	-	-	652,950
Transfers in	-	-	-	-	10,000	175,865	185,865
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>175,865</u>	<u>838,815</u>
NET CHANGE IN FUND BALANCES	-	-	(2,416)	(5,871)	(1,540)	66,311	176,428
FUND BALANCES - JULY 1	-	-	-	-	-	-	77,518
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,416)</u>	<u>\$ (5,871)</u>	<u>\$ (1,540)</u>	<u>\$ 66,311</u>	<u>\$ 253,946</u>

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

Capital Projects Funds

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

TOWN OF WISCASSET, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	<u>Roof Repair</u>	<u>Major Repair</u>	<u>Replacement of Boiler</u>	<u>Sale of Cemetery Lots</u>	<u>Middle School Renovations</u>	<u>Fire Truck Replacement</u>	<u>WWTS/ Highway</u>	<u>Totals</u>
ASSETS								
Investments	\$ 253,282	\$ 371,551	\$ 275,820	\$ 69,187	\$ -	\$ 2,377	\$ 1,783	\$ 974,000
Due from other funds	-	-	-	4,955	103,299	-	-	108,254
TOTAL ASSETS	<u>\$ 253,282</u>	<u>\$ 371,551</u>	<u>\$ 275,820</u>	<u>\$ 74,142</u>	<u>\$ 103,299</u>	<u>\$ 2,377</u>	<u>\$ 1,783</u>	<u>\$ 1,082,254</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	253,282	371,551	275,820	74,142	103,299	2,377	1,783	1,082,254
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>253,282</u>	<u>371,551</u>	<u>275,820</u>	<u>74,142</u>	<u>103,299</u>	<u>2,377</u>	<u>1,783</u>	<u>1,082,254</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 253,282</u>	<u>\$ 371,551</u>	<u>\$ 275,820</u>	<u>\$ 74,142</u>	<u>\$ 103,299</u>	<u>\$ 2,377</u>	<u>\$ 1,783</u>	<u>\$ 1,082,254</u>

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

TOWN OF WISCASSET, MAINE

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

	<u>Roof Repair</u>	<u>Major Repair</u>	<u>Replacement of Boiler</u>	<u>Sale of Cemetery Lots</u>	<u>Middle School Renovations</u>	<u>Fire Truck Replacement</u>	<u>WWTS/ Highway</u>	<u>Totals</u>
REVENUES								
Investment income, net of unrealized gains/(losses)	\$ 10,288	\$ 15,106	\$ 11,217	\$ 2,813	\$ -	\$ 96	\$ 73	\$ 39,593
Other income	-	-	-	1,365	-	-	-	1,365
TOTAL REVENUES	10,288	15,106	11,217	4,178	-	96	73	40,958
EXPENDITURES								
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,288	15,106	11,217	4,178	-	96	73	40,958
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	(40,000)	(10,000)	-	-	-	-	-	(50,000)
TOTAL OTHER SOURCES (USES)	(40,000)	(10,000)	-	-	-	-	-	(50,000)
NET CHANGE IN FUND BALANCES	(29,712)	5,106	11,217	4,178	-	96	73	(9,042)
FUND BALANCES - JULY 1	282,994	366,445	264,603	69,964	103,299	2,281	1,710	1,091,296
FUND BALANCES - JUNE 30	\$ 253,282	\$ 371,551	\$ 275,820	\$ 74,142	\$ 103,299	\$ 2,377	\$ 1,783	\$ 1,082,254

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Wiscasset, 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 WISCASSET, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Larrabee Band Fund	Mary Bailey Fund	Seth Wingreen Fund	John French Fund	Lawrence Haggett Scholarship	Wiscasset Community Center Endowment
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	572,186	338,465	22,113	49,001	11,387	2,392
Due from other funds	-	-	3,738	-	-	-
TOTAL ASSETS	\$ 572,186	\$ 338,465	\$ 25,851	\$ 49,001	\$ 11,387	\$ 2,392
LIABILITIES						
Due to other funds	\$ 19,837	\$ 2,388	\$ -	\$ 1,000	\$ -	\$ -
TOTAL LIABILITIES	19,837	2,388	-	1,000	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	552,349	336,077	25,851	48,001	11,387	2,392
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	552,349	336,077	25,851	48,001	11,387	2,392
TOTAL LIABILITIES AND FUND BALANCES	\$ 572,186	\$ 338,465	\$ 25,851	\$ 49,001	\$ 11,387	\$ 2,392

TOWN OF WISCASSET, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Wiscasset Community Center Scholarship	Recreation	Jackson Cemetery	Harold and Priscilla Campbell Fund	Montsweag Reserve	Marie E. Harrison Scholarship
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,928
Investments	47,904	618	22,795	12,931	122,743	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 47,904	\$ 618	\$ 22,795	\$ 12,931	\$ 122,743	\$ 3,928
LIABILITIES						
Due to other funds	\$ 3,268	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	3,268	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	44,636	618	22,795	12,931	122,743	3,928
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	44,636	618	22,795	12,931	122,743	3,928
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,904	\$ 618	\$ 22,795	\$ 12,931	\$ 122,743	\$ 3,928

TOWN OF WISCASSET, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Daniel Leeman Scholarship	H.S. Lloyd Lowndes Memorial	Mark A. Perry Memorial	Katherine & Samual Sewall Scholarship	Harold & Priscilla Campbell Memorial	Ralph Hilton Scholarship	Totals
ASSETS							
Cash and cash equivalents	\$ 11,433	\$ 5,331	\$ 4,859	\$ 23,756	\$ 12,931	\$ 17,571	\$ 79,809
Investments	-	-	-	-	-	-	1,202,535
Due from other funds	-	-	-	-	-	-	3,738
TOTAL ASSETS	<u>\$ 11,433</u>	<u>\$ 5,331</u>	<u>\$ 4,859</u>	<u>\$ 23,756</u>	<u>\$ 12,931</u>	<u>\$ 17,571</u>	<u>\$ 1,286,082</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,493
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,493</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	11,433	5,331	4,859	23,756	12,931	17,571	1,259,589
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>11,433</u>	<u>5,331</u>	<u>4,859</u>	<u>23,756</u>	<u>12,931</u>	<u>17,571</u>	<u>1,259,589</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,433</u>	<u>\$ 5,331</u>	<u>\$ 4,859</u>	<u>\$ 23,756</u>	<u>\$ 12,931</u>	<u>\$ 17,571</u>	<u>\$ 1,286,082</u>

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

TOWN OF WISCASSET, MAINE

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

	Larrabee Band Fund	Mary Bailey Fund	Seth Wingreen Fund	John French Fund	Lawrence Haggett Scholarship	Wiscasset Community Center Endowment
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 26,123	\$ 14,754	\$ 1,008	\$ 2,129	\$ 495	\$ 104
Other income	-	-	-	-	-	-
TOTAL REVENUES	26,123	14,754	1,008	2,129	495	104
EXPENDITURES						
Education	27,199	4,708	985	1,000	500	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	27,199	4,708	985	1,000	500	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,076)	10,046	23	1,129	(5)	104
OTHER FINANCING SOURCES (USES)						
Transfers in from RSU #12	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,076)	10,046	23	1,129	(5)	104
FUND BALANCES - JULY 1	553,425	326,031	25,828	46,872	11,392	2,288
FUND BALANCES - JUNE 30	\$ 552,349	\$ 336,077	\$ 25,851	\$ 48,001	\$ 11,387	\$ 2,392

TOWN OF WISCASSET, MAINE

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

	Wiscasset Community Center Scholarship	Recreation	Jackson Cemetery	Harold and Priscilla Campbell Fund	Montsweag Reserve	Marie E. Harrison Scholarship
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 2,082	\$ 27	\$ 991	\$ 58	\$ 5,334	\$ 263
Other income	-	-	-	-	-	-
TOTAL REVENUES	2,082	27	991	58	5,334	263
EXPENDITURES						
Education	8,379	-	-	-	-	250
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	8,379	-	-	-	-	250
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,297)	27	991	58	5,334	13
OTHER FINANCING SOURCES (USES)						
Transfers in from RSU #12	-	-	-	-	-	3,915
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	3,915
NET CHANGE IN FUND BALANCES	(6,297)	27	991	58	5,334	3,928
FUND BALANCES - JULY 1	50,933	591	21,804	12,873	117,409	-
FUND BALANCES - JUNE 30	\$ 44,636	\$ 618	\$ 22,795	\$ 12,931	\$ 122,743	\$ 3,928

TOWN OF WISCASSET, MAINE

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

	Daniel Leeman Scholarship	H.S. Lloyd Lowndes Memorial	Mark A. Perry Memorial	Katherine & Samual Sewall Scholarship	Harold & Priscilla Campbell Memorial	Ralph Hilton Scholarship	Totals
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 516	\$ 13	\$ 10	\$ 662	\$ 58	\$ 35	\$ 54,662
Other income	-	-	-	-	-	5,000	5,000
TOTAL REVENUES	516	13	10	662	58	5,035	59,662
EXPENDITURES							
Education	500	500	600	600	-	5,000	50,221
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	500	500	600	600	-	5,000	50,221
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16	(487)	(590)	62	58	35	9,441
OTHER FINANCING SOURCES (USES)							
Transfers in from RSU #12	11,417	5,818	5,449	23,694	12,873	17,536	80,702
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	11,417	5,818	5,449	23,694	12,873	17,536	80,702
NET CHANGE IN FUND BALANCES	11,433	5,331	4,859	23,756	12,931	17,571	90,143
FUND BALANCES - JULY 1	-	-	-	-	-	-	1,169,446
FUND BALANCES - JUNE 30	\$ 11,433	\$ 5,331	\$ 4,859	\$ 23,756	\$ 12,931	\$ 17,571	\$ 1,259,589

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 WISCASSET, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Administration	\$ -	\$ -	\$ 68,635	\$ -	\$ 68,635
Police	-	-	141,507	-	141,507
Fire	87,500	-	1,731,575	-	1,819,075
Ambulance	-	-	439,833	-	439,833
Highway	90,300	422,671	1,190,399	4,158,765	5,862,135
Transfer station	59,400	717,713	715,826	-	1,492,939
Airport	178,900	987,183	237,890	1,360,785	2,764,758
Parks & recreation	136,700	4,843,149	349,503	-	5,329,352
Harbor master	181,400	489,353	9,450	-	680,203
Sewer	146,600	4,526,392	143,700	2,607,376	7,424,068
Education	461,860	7,908,506	2,406,776	-	10,777,142
Town-wide	692,500	650,054	26,000	-	1,368,554
Total General Capital Assets	2,035,160	20,545,021	7,461,094	8,126,926	38,168,201
Less: Accumulated Depreciation	-	(12,733,217)	(5,699,663)	(4,784,650)	(23,217,530)
Net General Capital Assets	\$ 2,035,160	\$ 7,811,804	\$ 1,761,431	\$ 3,342,276	\$ 14,950,671

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

TOWN OF WISCASSET, MAINE

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

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
Administration	\$ 68,635	\$ -	\$ -	\$ 68,635
Police	141,507	-	-	141,507
Fire	1,819,075	-	-	1,819,075
EMS	439,833	-	-	439,833
Highway	5,501,914	421,799	(61,578)	5,862,135
Transfer station	1,492,939	-	-	1,492,939
Airport	2,733,793	30,965	-	2,764,758
Parks & recreation	5,329,352	-	-	5,329,352
Harbor master	680,203	-	-	680,203
Sewer	7,424,068	-	-	7,424,068
Education	10,777,142	-	-	10,777,142
Town-wide	1,320,954	47,600	-	1,368,554
Total General Capital Assets	37,729,415	500,364	(61,578)	38,168,201
Less: Accumulated Depreciation	(22,542,391)	(736,717)	61,578	(23,217,530)
Net General Capital Assets	<u>\$ 15,187,024</u>	<u>\$ (236,353)</u>	<u>\$ -</u>	<u>\$ 14,950,671</u>

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

TOWN OF WISCASSET, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through State of Maine - Department of Education and Cultural Services:			
Donated Commodities	10.555	013-6134-05	\$ 15,265
Breakfast Program	10.553	013-7127-05	57,725
NationalSchool Lunch Program	10.555	013-7128-05	122,766
Total U.S. Department of Agriculture			<u>195,756</u>
U.S. Department of Education			
Passed through State of Maine - Department of Education and Cultural Services:			
Adult Basic Education	84.002	6296	45,988
Title IA	84.010	6334	115,169
Local Entitlement	84.027	6317	138,692
Title IIA	84.367	1138	33,468
Teacher Incentive Fund	84.377	N/A	112,671
Total U.S. Department of Education			<u>445,988</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 641,744</u>

TOWN OF WISCASSET, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

1. General

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

2. Basis of Accounting

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

3. The following programs were tested as Type A program as outlined in OMB Circular A-133.

- 1) 84.027 - Local Entitlement
- 2) 84.010 - Title IA
- 3) 84.377 - Teacher Incentive Fund



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Selectmen
Town of Wiscasset
Wiscasset, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wiscasset, Maine as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Wiscasset, Maine's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wiscasset, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wiscasset, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wiscasset, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wiscasset, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
November 30, 2015



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Board of Selectmen
Town of Wiscasset
Wiscasset, Maine

Report on Compliance for Each Major Federal Program

We have audited the Town of Wiscasset, Maine's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Wiscasset, Maine's major federal programs for the year ended June 30, 2015. The Town of Wiscasset, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Wiscasset, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Wiscasset, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Wiscasset, Maine's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Wiscasset, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town of Wiscasset, Maine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Wiscasset, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Wiscasset, Maine's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
November 30, 2015

TOWN OF WISCASSET, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
In accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	Local Entitlement
84.010	Title IA
84.377	Teacher Incentive Fund

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Selectmen
Town of Wiscasset, Maine
Wiscasset, Maine

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

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

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

Management has determined that adjustments were necessary to the fiscal books of the Town and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the MEDMS financial system maintained at the Town.

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

RHR Smith & Company

Buxton, Maine
November 30, 2015

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WISCASSET SCHOOL DEPARTMENT

RECONCILIATION OF MEDMS ANNUAL REPORT TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund (1000)	Special Revenue Funds (2000)	Totals
June 30, 2015 balance per MEDMS financial system	\$ 208,440	\$ (327,597)	\$ (119,157)
Revenue Adjustments:			
Fund 1500 - Reimbursement for AE Program	-	10,000	10,000
Expenditure Adjustments:			
Other adjustments:			
Fund 7000 - SAT - WPS & WHS	-	(827)	(827)
Audit Adjustments not posted:			
Due from Town	1,174,477	-	1,174,477
Accounts Receivable	4,436	386,913	391,349
Accounts Payable	(37,704)	-	(37,704)
Accrued Summer Salaries	(713,309)	-	(713,309)
Encumbrances	177,156	-	177,156
Other	(25,558)	9,430	(16,128)
Not reported on MEDMS:			
Audited GAAP Basis Fund balance June 30, 2015	<u>\$ 787,938</u>	<u>\$ 77,919</u>	<u>\$ 865,857</u>