

TOWN OF FREEPOR, MAINE

Annual Financial Report

**For the Year Ended
June 30, 2015**

TOWN OF FREEPORT, MAINE
Annual Financial Report
For the Year Ended June 30, 2015

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Independent Auditor's Report

Town Council
Town of Freeport, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Freeport, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from 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, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Freeport, Maine, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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, the schedule of funding progress for the retiree healthcare plan, the schedule of town's proportionate share of net pension liability, and the schedule of town contributions, as listed in the table of contents, 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 Freeport, Maine's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 fund financial statements 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 October 21, 2015 on our consideration of the Town of Freeport, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 the 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 Freeport, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Raymond Hudson Ouellette". The signature is written in a cursive style with a large initial 'R'.

October 21, 2015
South Portland, Maine

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2015

As the management of the Town of Freeport, Maine, we are pleased to provide this Management Discussion and Analysis as part of our annual financial statements. We offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Freeport for the year ended June 30, 2015. It is the belief of management that all the information contained herein is accurate in all material respects and reflects fairly the financial position and operations of the Town. This Management Discussion and Analysis is designed to offer further explanation of the information contained herein. We encourage readers to consider the information that we have furnished in the Town's basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The governmental activities assets of the Town of Freeport exceeded its liabilities as of June 30, 2015 by \$36,214,946 (net position). Of this amount, \$17,129,258 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Town of Freeport's governmental funds reported combined fund balances of \$19,376,374 (Statement 4) which is an increase of \$198,258 from FY 2014.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,052,376.

The Town of Freeport's total outstanding long-term debt decreased by \$715,000 during the course of the fiscal year; the June 30, 2015 outstanding debt totaled \$3,915,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Freeport's basic financial statements. The Town's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Table of Contents in the front section of the audit provides the specific pages where the various statements and exhibits can be found.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Freeport's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets and deferred outflows of resources; and liabilities and deferred inflows of resources, with the difference between these reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Freeport that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

The Town currently reports the activities of the Nonemergency Transportation Program (NET Program) as a business-type activity. The governmental activities of the Town include general government, public safety, public works, education, and community services.

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 Freeport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 Town'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*.

ENTITY-WIDE CONDENSED PRESENTATION OF NET POSITION

Net position will serve as a useful indicator of a government's financial position. The following information is condensed from Statement 1, Statement of Net Position for Fiscal Year 2015. It distinguishes between capital and other assets, includes the Town's general liabilities and long-term debt obligations, and shows the Town's net position by restricted and unrestricted amounts.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

This information is for the Town's Governmental Activities and Business-type Activities as of June 30:

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	Restated <u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	Restated <u>2014</u>
ASSETS						
Cash and cash equivalents	\$ 12,959,294	13,348,587	-	-	12,959,294	13,348,587
Investments	6,441,888	6,095,819	-	-	6,441,888	6,095,819
Receivables	1,312,587	1,113,380	200,328	215,326	1,512,915	1,328,706
Receivable from RSU #5	2,875,113	3,310,568	-	-	2,875,113	3,310,568
Prepaid items	-	-	8,537	8,537	8,537	8,537
Internal balances	67,418	13,156	(67,418)	(13,156)	-	-
Inventory	9,576	28,831	-	-	9,576	28,831
Capital assets, net	19,964,303	19,910,947	69,052	83,581	20,033,355	19,994,528
Total assets	43,630,179	43,821,288	210,499	294,288	43,840,678	44,115,576
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions	262,344	173,612	-	-	262,344	173,612
Total deferred outflows of resources	262,344	173,612	-	-	262,344	173,612
LIABILITIES						
Current liabilities	629,128	757,546	6,781	15,034	635,909	772,580
Noncurrent liabilities	6,211,314	7,894,201	-	-	6,211,314	7,894,201
Total liabilities	6,840,442	8,651,747	6,781	15,034	6,847,223	8,666,781
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	837,135	-	-	-	837,135	-
Total deferred inflows of resources	837,135	-	-	-	837,135	-
NET POSITION						
Net investment in capital assets	16,049,303	15,280,947	69,052	83,581	16,118,355	15,364,528
Restricted	3,036,385	2,815,170	-	-	3,036,385	2,815,170
Unrestricted	17,129,258	17,247,036	134,666	195,673	17,263,924	17,442,709
Total net position	\$ 36,214,946	35,343,153	203,718	279,254	36,418,664	35,622,407

A large portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be expended. The remaining unrestricted balance of net position may be used to meet the government's ongoing obligations to its citizens and creditors.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

ENTITY-WIDE CONDENSED PRESENTATION OF CHANGES IN NET POSITION

Our next analysis focuses on changes in net position of the Town's governmental and business-type activities. Governmental activities increased the Town of Freeport's net position by \$871,793 during the year ended June 30, 2015. The following analysis provides the key elements of the increases.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 1,962,156	1,765,682	631,822	571,385	2,593,978	2,337,067
Operating grants and contributions	267,992	190,566	-	-	267,992	190,566
Capital grants and contributions	16,388	-	-	-	16,388	-
General revenues:						
Property taxes	22,746,875	21,943,346	-	-	22,746,875	21,943,346
Motor vehicle excise tax	1,625,735	1,523,164	-	-	1,625,735	1,523,164
Interest and penalties	51,011	55,101	-	-	51,011	55,101
Homestead exemption	137,501	143,580	-	-	137,501	143,580
BETE reimbursements	407,330	-	-	-	407,330	-
State Revenue Sharing	352,856	366,761	-	-	352,856	366,761
Other state aid	133,347	449,393	-	-	133,347	449,393
Investment earnings	155,198	644,184	-	-	155,198	644,184
Miscellaneous revenues	203,606	689,354	-	-	203,606	689,354
Total revenues	<u>28,059,995</u>	<u>27,771,131</u>	<u>631,822</u>	<u>571,385</u>	<u>28,691,817</u>	<u>28,342,516</u>
Program expenses:						
General government	2,488,989	4,575,795	-	-	2,488,989	4,575,795
Public safety	3,132,424	3,209,289	-	-	3,132,424	3,209,289
Public works	3,238,348	3,137,243	-	-	3,238,348	3,137,243
Community services	1,384,280	1,158,068	-	-	1,384,280	1,158,068
Community development	1,307,761	-	-	-	1,307,761	-
Education	15,076,758	14,116,053	-	-	15,076,758	14,116,053
Unclassified	570,017	2,351,771	-	-	570,017	2,351,771
Interest	39,625	151,759	-	-	39,625	151,759
Nonemergency transportation	-	-	657,358	558,903	657,358	558,903
Total expenses	<u>27,238,202</u>	<u>28,699,978</u>	<u>657,358</u>	<u>558,903</u>	<u>27,895,560</u>	<u>29,258,881</u>
Excess (deficiency) of revenues over (under) expenses	821,793	(928,847)	(25,536)	12,482	796,257	(916,365)
Transfers	50,000	(19,208)	(50,000)	19,208	-	-
Change in net position	<u>871,793</u>	<u>(948,055)</u>	<u>(75,536)</u>	<u>31,690</u>	<u>796,257</u>	<u>(916,365)</u>
Net position - July 1, restated	35,343,153	36,291,208	279,254	247,564	35,622,407	36,538,772
Net position - June 30	<u>\$ 36,214,946</u>	<u>35,343,153</u>	<u>203,718</u>	<u>279,254</u>	<u>36,418,664</u>	<u>35,622,407</u>

It should be noted that this presentation is prepared on an entity-wide condensed net position presentation and not prepared on a basis consistent with the budget. A detailed budgetary presentation can be found in the basic financial statements in Exhibit A-2.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

ANALYSIS OF TOWN POSITION AND OPERATIONS – GOVERNMENTAL FUNDS BUDGETARY BASIS

In Freeport, the Town managed over the past several years to build its unassigned General Fund balance (the equivalent of a savings account) to \$3.05 million. The Town Council established a figure of approximately \$3 million (one and-one-half months of the annual budgets for the Town, RSU #5 Town portion, and County tax) as a minimum level of fund balance to maintain. The Town Council budgeted to use \$825,000 to offset taxes in the FY 2016 budget; that is an assigned fund balance. Under the Town's fund balance policy, amounts in excess of one and one-half months of the annual budget can be used to set aside additional reserves for capital needs, used to reduce property taxes for subsequent years' budgets or be used for immediate operational or capital needs. The Town Council modified its fund balance policy approximately ten years ago, establishing a Tax Rate Stabilization Account. The Council funded the stabilization account each of the first three years for a total of \$1 million. No additional funding was provided during FY 2015 and the account remained at \$1 million at June 30, 2015. In Statement No. 54, the Governmental Accounting Standards Board (GASB) required Stabilization funds to be used only in situations meeting two criteria: specific and non-routine. The Council defined the need to use the stabilization fund in Freeport as a five percent increase in the combined budgets of the Town, RSU (Town portion) and County tax (Town portion) or a five percent increase in the Town's overall mil rate. In these cases, up to fifty (50) percent of the Tax Rate Stabilization Account may be used annually to offset the property tax rate.

The Town's General Fund operations showed revenues over expenditures of \$290,662 before other financing sources and uses (transfers from and to other funds in this case). After transfers in-and-out of other funds, the general fund showed a \$662 increase in fund balance. This is due in part to the \$675,000 transfer to the reserve funds for future capital projects. As of June 30, 2015, the Town's fund balance policy required the Town to hold just over \$3.3 million in fund balance (one and-a-half months of Town, RSU, and County budgets), and the unassigned fund balance was \$3.05 million. The Town's policy allows fund balance to be higher than the minimum by five percent, so the amount above that minimum plus the allowance is approximately \$3.53 million. Each year, staff presents the fund balance to the Town Council and recommends uses for any amount over the policy guideline. During the FY 2016 presentation, staff will recommend that the Town Council leave the funds in fund balance, as the Town is just below the minimum level of its policy. In addition, over the past two fiscal years (2015 and 2016), the Town has maintained its transfer from fund balance of \$675,000 to offset declining revenue sharing from the State of Maine. This is not a sustainable method of offsetting the revenue sharing cuts, and the Town Council is likely to make a decision to cut expenditures or levy taxes to offset this.

General Fund Revenues Budget to Actual Summary

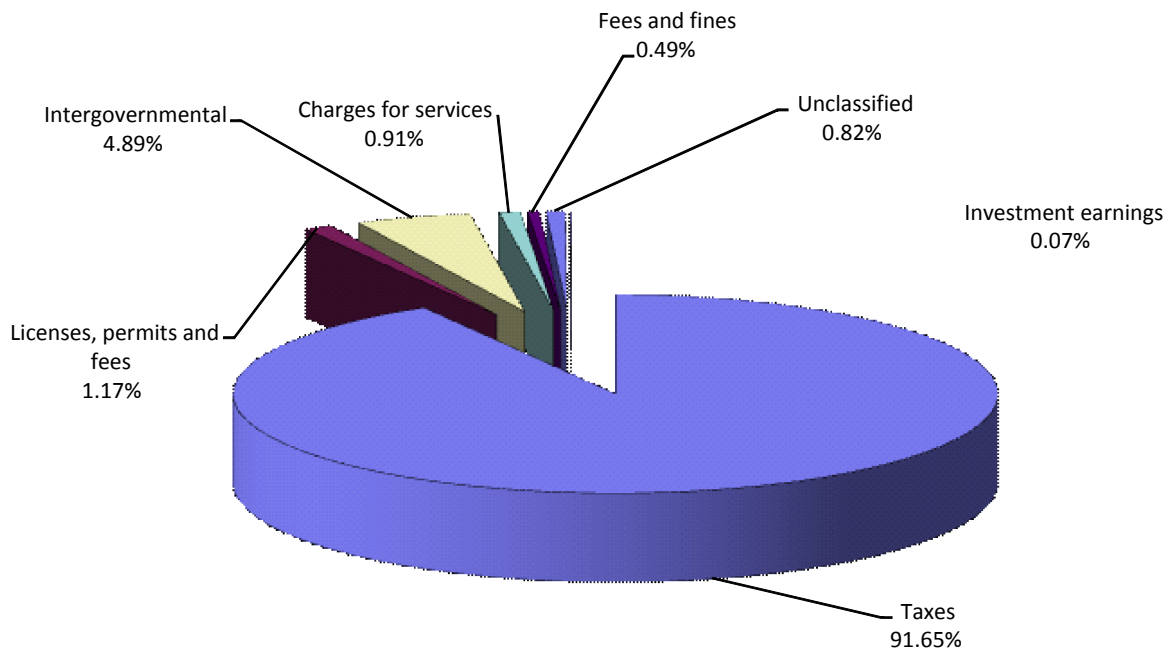
For fiscal year 2015, revenues exceeded expenditures by \$290,662. The major reason for this is that the Town budgeted its expenditures to be \$1.06 million less than revenues; the difference was budgeted to be made up by transfers into the General Fund from fund balance (\$675,000), Bartol Building lease fund transfers (\$175,000), emergency and non-emergency rescue revenues (\$55,000), and miscellaneous transfers in (\$155,000). The property tax collection rate for the year decreased slightly to 97.20% from the previous year's collection rate of 97.35%.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

General Fund Revenues Budget to Actual Summary
Budget and Actual – General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Taxes	\$ 22,252,825	22,252,825	22,708,938	456,113
Licenses, permits, and fees	233,690	233,690	288,463	54,773
Intergovernmental	1,050,375	1,050,375	1,212,588	162,213
Charges for services	183,500	183,500	226,014	42,514
Fees and fines	95,400	95,400	121,943	26,543
Unclassified	25,700	25,700	201,920	176,220
Investment earnings	20,000	20,000	18,092	(1,908)
Total Revenues	\$ 23,861,490	23,861,490	24,777,958	916,468

Revenue Sources 2015



TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

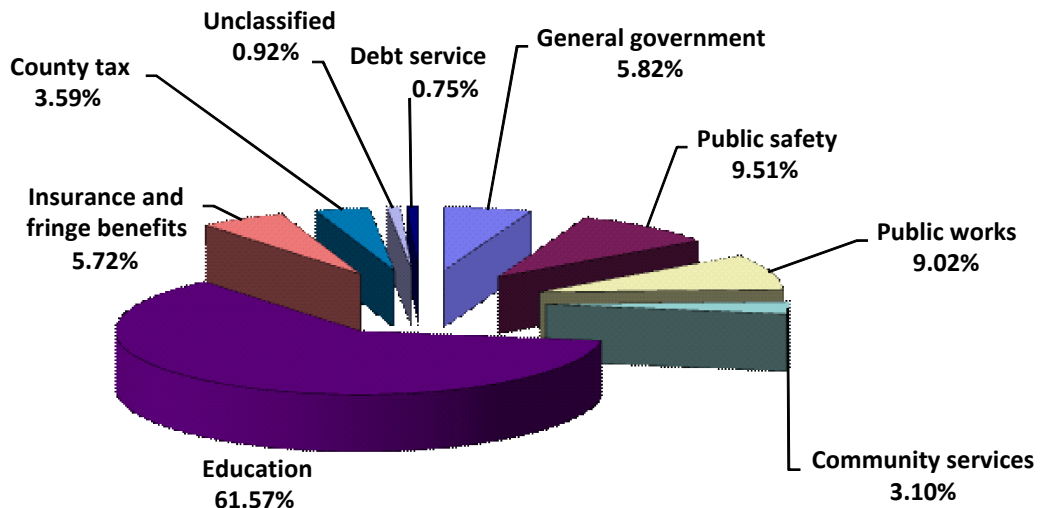
General Fund Expenditures Budget-to-Actual Summary

General Fund expenditure budgets are approved by the Town Council at the departmental level, with charter budgetary limits at the function level. Department managers are directed and make every effort to leave five percent surpluses in budgets, especially during tough economic times when revenue could be lower than budgeted for the fiscal year. All charter function levels were within budget limits. The following summarizes the Town of Freeport's General Fund budgeted appropriations to actual by function for the year ended June 30, 2015 (see Exhibit A-2 for a more detailed presentation):

General Fund Expenditures Budget-to-Actual Summary
Budget and Actual – General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
General government	\$ 1,506,670	1,506,670	1,425,446	81,224
Public safety	2,426,200	2,426,200	2,329,045	97,155
Public works	2,229,690	2,229,690	2,208,961	20,729
Community services	864,507	864,507	760,478	104,029
Education	15,076,758	15,076,758	15,076,758	-
Insurance and fringe benefits	1,523,180	1,523,180	1,401,289	121,891
County tax	879,073	879,073	879,073	-
Unclassified	230,550	230,550	221,383	9,167
Debt service	184,862	184,862	184,863	(1)
Totals	\$ 24,921,490	24,921,490	24,487,296	434,194

Expenditure Components 2015



TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

The Town has developed and maintained a five-year and a twenty-year Capital Improvement Plan (CIP) for over twenty years. This plan is updated annually as part of the budget cycle and is used for equipment, vehicles, building and Town wide infrastructure needs. Additionally, the Town has a street paving account in the public works department budget for ongoing street paving.

The Town's fiscal year 2016 capital budget that was approved in June of 2015 included the following:

**Summary of Funding Sources
FY 2016 Capital Program**

	FY 2015	FY 2016			Funding Source		
	Council <u>Approved</u>	Manager <u>Proposed</u>	Council <u>Approved</u>	Council <u>Appropriated</u>	<u>Reserve</u>	<u>TIF</u>	<u>Other</u>
Police	\$ 86,000	88,000	88,000	88,000	88,000	-	-
Fire	50,000	750,000	750,000	750,000	750,000	-	-
Rescue	214,000	196,000	196,000	196,000	196,000	-	-
Public Works	45,000	223,000	295,000	295,000	295,000	-	-
Solid Waste	12,000	170,000	170,000	170,000	170,000	-	-
Comprehensive Town Imp.	1,590,000	685,000	681,000	681,000	681,000	-	-
Municipal Facilities	191,500	170,500	165,500	165,500	165,500	-	-
Cable	36,000	3,000	3,000	3,000	3,000	-	-
Other	16,000	35,000	35,000	35,000	35,000	-	-
Destination Freeport TIF	247,000	166,000	166,000	166,000	-	166,000	-
Total	\$ 2,487,500	2,486,500	2,549,500	2,549,500	2,383,500	166,000	-

It is notable that the FY 2016 capital improvement plan is funded by June 30, 2015. This is the reason the Town reflects the FY 2016 plan in the MD&A section of the financial statements.

A summary of the Town's capital assets at June 30, 2015 and 2014 are as follows:

	2015	2014
General capital assets:		
Land	\$ 2,204,884	2,204,884
Land improvements	3,502,741	3,502,741
Buildings and improvements	8,484,229	8,473,012
Machinery, equipment and other	5,447,486	5,359,024
Vehicles	4,016,395	3,675,116
Infrastructure	11,405,796	11,036,375
Construction in process	741,688	374,944
	\$ 35,803,219	34,626,096

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

LONG-TERM DEBT

The State law allows municipalities to borrow up to 15% of their total valuation. Since the Town's State Valuation was \$1,385,250,000 for 2015, the debt limit was more than \$200 million. The Town's current debt is \$3,915,000, or less than 1% of State Valuation or approximately 1.9% of the Town's debt limit. Another measure of a municipality's debt load is debt-per-capita. As of June 30, 2015, the Town of Freeport's debt per capita was \$483 as compared to the prior year of \$572 (based upon a population of 8,100).

The following is a summary of bond transactions of the Town for the year ended June 30, 2015:

Bonds payable at June 30, 2014	\$ 4,630,000
Principal payments	(715,000)
<hr/>	
Bonds payable at June 30, 2015	\$ 3,915,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

Freeport has a vibrant downtown, many thriving businesses, and residential growth outside the downtown, but has not been immune to the national economic downturn. For example, on average, the Town permits 37 new single-family dwelling units per year. At the peak permitting year in 2004, 60 permits were issued for new single family homes. The Town then saw a steady decline the next few years, but luckily, Freeport was ahead of the trend with a sharp increase up in 2013 and 2014 with 45 and 44 single family permits being issued, respectively, and holding steady at 44 for 2015.

New commercial/industrial development projects approved by the Town in previous years became fully taxable in FY 2015. Most notable are the Maine Beer Company production facility at 525 U.S. Route 1, and Hughes Arbor and Land Management storage and garage facility at 284 U.S. Route 1. The calendar year 2014 had seen a number of investments designed at revitalizing commercial properties rather than constructing new space for businesses. Freeport continues to be a place that attracts a variety of investments.

In addition, Freeport's downtown storefront vacancy rate remains lower than that of other Southern Maine communities, which makes Freeport highly desirable for new retail businesses. Vacancy rate data is difficult to capture on any given date due to the different organizations tracking the information, but it is estimated that the average vacancy rate in Southern Maine retail districts is approximately 15-18%; Freeport's vacancy rate as of June 30, 2015 was only 10.4% of total storefront space. This has increased slightly from 8% in October 2014.

New Fiscal Year Budget

In adopting the budget for the ensuing fiscal year 2016, the Town officials considered many factors in making judgments and estimates about the finances for the upcoming year. A primary objective was to continue to provide basic town services to the citizens while attempting to keep the property tax rate steady. The Town Council focused on the tax rate during the FY 2016 budgeting process.

The budget for the fiscal year starting July 1, 2015 was approved by the Town Council with a tax rate of 16.80 mils, which is a \$1.00 increase per \$1,000 of valuation from FY 2015 to FY 2016. The increase is primarily due to the RSU 5 Budget increase. The tax bills are sent out twice each year, and during FY 2016 are due on November 16, 2015 and May 16, 2016.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis, Continued

The following summarizes the major components of the FY 2015 and FY 2016 budgets:

	<u>FY 2015 Appropriation</u>	<u>FY 2016 Appropriation</u>	<u>Increase (Decrease)</u>
REVENUES			
Town Non-property Tax	\$ 3,299,965	\$ 3,479,150	179,185
Property Tax	20,946,525	22,459,296	1,512,771
Fund Balance	675,000	825,000	150,000
TOTALS	24,921,490	26,763,446	1,841,956
EXPENDITURES			
Municipal	8,780,797	9,196,099	415,302
School	15,076,758	16,445,878	1,369,120
County Tax	879,073	941,811	62,738
Debt Service	184,862	179,658	(5,204)
TOTALS	24,921,490	26,763,446	1,841,956
Mill Rate	\$ 15.80	\$ 16.80	

While Freeport is currently in very good financial shape, the Town must be very careful of declining revenues from the State of Maine. Such revenues include, but are not limited to revenue sharing (a portion of sales and income taxes), road assistance, homestead exemption, and business equipment tax payments. The Town must maintain a tight budget in order to ensure that expenditures do not begin to outpace revenues in future years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Freeport's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Freeport, 30 Main Street, Freeport, Maine 04032.

Respectfully submitted,

Peter Joseph
Town Manager

Jessica L. Maloy
Finance Director

BASIC FINANCIAL STATEMENTS

TOWN OF FREEPORT, MAINE
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total	Component Unit FEDC
ASSETS				
Cash and cash equivalents	\$ 12,959,294	-	12,959,294	49,844
Investments	6,441,888	-	6,441,888	23,993
Receivables:				
Accounts, net	123,205	200,328	323,533	-
Due from other governments	197,402	-	197,402	-
Taxes receivable	696,212	-	696,212	-
Tax liens	295,768	-	295,768	-
Prepaid items	-	8,537	8,537	954
Internal balances	67,418	(67,418)	-	-
Inventory	9,576	-	9,576	-
Receivable - RSU #5 debt service payments	2,875,113	-	2,875,113	-
Capital assets, not being depreciated	2,946,572	-	2,946,572	-
Capital assets, net of accumulated depreciation	17,017,731	69,052	17,086,783	-
Total assets	43,630,179	210,499	43,840,678	74,791
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	262,344	-	262,344	-
Total deferred outflows of resources	262,344	-	262,344	-
LIABILITIES				
Accounts payable and other current liabilities	551,619	177	551,796	1,148
Accrued wages and benefits payable	50,461	6,604	57,065	2,769
Accrued interest	27,048	-	27,048	-
Noncurrent liabilities:				
Liabilities due in one year	777,000	-	777,000	-
Other long-term liabilities	733,827	-	733,827	-
Other postemployment benefits liability	604,417	-	604,417	-
Aggregate net pension liability	896,070	-	896,070	-
Liabilities due in more than one year	3,200,000	-	3,200,000	-
Total liabilities	6,840,442	6,781	6,847,223	3,917
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	837,135	-	837,135	-
Total deferred inflows of resources	837,135	-	837,135	-
NET POSITION				
Net investment in capital assets	16,049,303	69,052	16,118,355	-
Restricted for:				
Grants and other programs	1,656,689	-	1,656,689	-
Nonexpendable trust principal	1,339,881	-	1,339,881	-
Expendable trust - income portion	39,815	-	39,815	-
Unrestricted	17,129,258	134,666	17,263,924	70,874
Total net position	\$ 36,214,946	203,718	36,418,664	70,874

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Activities
For the Year Ended June 30, 2015

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position			Component Unit FEDC
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total	
					Governmental activities	Business-type activities		
Primary government:								
Governmental activities:								
General government	\$ 2,488,989	865,100	3,305	-	(1,620,584)	-	(1,620,584)	-
Public safety	3,132,424	405,369	46,397	-	(2,680,658)	-	(2,680,658)	-
Public works	3,238,348	213,872	132,412	-	(2,892,064)	-	(2,892,064)	-
Community services	1,384,280	477,815	8,847	16,388	(881,230)	-	(881,230)	-
Community development	1,307,761	-	-	-	(1,307,761)	-	(1,307,761)	-
Education	15,076,758	-	-	-	(15,076,758)	-	(15,076,758)	-
Unclassified	570,017	-	77,031	-	(492,986)	-	(492,986)	-
Interest on debt	39,625	-	-	-	(39,625)	-	(39,625)	-
Total governmental activities	27,238,202	1,962,156	267,992	16,388	(24,991,666)	-	(24,991,666)	-
Business-type activities:								
Nonemergency Transportation	657,358	631,822	-	-	-	(25,536)	(25,536)	-
Total business-type activities	657,358	631,822	-	-	-	(25,536)	(25,536)	-
Total primary government	\$ 27,895,560	2,593,978	267,992	16,388	(24,991,666)	(25,536)	(25,017,202)	-
Component Unit:								
Freeport Economic Development Corporation	88,512	-	95,000	-	-	-	-	6,488
General revenues:								
Property taxes, levied for general purposes					\$ 22,746,875	-	22,746,875	-
Motor vehicle excise taxes					1,625,735	-	1,625,735	-
Interest and lien costs					51,011	-	51,011	-
Grants and contributions not restricted to specific programs:								
Homestead exemption					137,501	-	137,501	-
BETE reimbursements					407,330	-	407,330	-
State Revenue Sharing					352,856	-	352,856	-
Other State aid					133,347	-	133,347	-
Unrestricted investment earnings (losses)					155,198	-	155,198	-
Miscellaneous revenues					203,606	-	203,606	-
Transfers in/out					50,000	(50,000)	-	-
Total general revenues					25,863,459	(50,000)	25,813,459	-
Change in net position					871,793	(75,536)	796,257	6,488
Net position - beginning, restated					35,343,153	279,254	35,622,407	64,386
Net position - ending					\$ 36,214,946	203,718	36,418,664	70,874

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

	General	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,573,126	1,737,457	648,711	12,959,294
Investments	463,744	4,605,559	1,372,585	6,441,888
Receivables:				
Accounts, net of allowance	33,380	89,825	-	123,205
Due from other governments	197,402	-	-	197,402
Taxes receivable	696,212	-	-	696,212
Tax liens	295,768	-	-	295,768
Interfund loans receivable	-	4,294,663	2,286,567	6,581,230
Inventory	9,576	-	-	9,576
Receivable - RSU #5 debt service payments	2,875,113	-	-	2,875,113
Total assets	\$ 15,144,321	10,727,504	4,307,863	30,179,688
LIABILITIES				
Accounts payable	375,558	37,101	10,711	423,370
Accrued wages and benefits	49,101	-	1,360	50,461
Interfund loans payable	5,116,653	1,258,545	138,614	6,513,812
Development escrows	94,990	-	-	94,990
Other unearned revenues	33,259	-	-	33,259
Total liabilities	5,669,561	1,295,646	150,685	7,115,892
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	794,602	-	-	794,602
Unavailable revenue - ambulance receivables	-	17,707	-	17,707
Unavailable revenue - RSU #5 debt service payments	2,875,113	-	-	2,875,113
Total deferred inflows of resources	3,669,715	17,707	-	3,687,422
FUND BALANCES				
Nonspendable	9,576	-	1,339,881	1,349,457
Restricted	-	-	1,696,504	1,696,504
Committed	1,918,093	9,414,151	1,152,486	12,484,730
Assigned	825,000	-	-	825,000
Unassigned	3,052,376	-	(31,693)	3,020,683
Total fund balances	5,805,045	9,414,151	4,157,178	19,376,374
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,144,321	10,727,504	4,307,863	

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.	19,964,303
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Unavailable revenue - property taxes	794,602
Unavailable revenue - ambulance billings	17,707
Unavailable revenue - RSU #5 debt service payments	2,875,113
Long-term liabilities, including the net pension liability and related deferred inflows and outflows of resources, and payable in the current period and therefore, are not reported in the funds.	(6,813,153)

Net position of governmental activities **\$ 36,214,946**

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	General	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 22,708,938	-	1,579,245	24,288,183
Licenses, permits and fees	288,463	-	-	288,463
Intergovernmental	1,212,588	-	29,855	1,242,443
Charges for services	226,014	380,119	949,737	1,555,870
Fees and fines	121,943	-	-	121,943
Unclassified	207,695	-	84,493	292,188
Investment earnings	25,580	90,074	39,544	155,198
Total revenues	24,791,221	470,193	2,682,874	27,944,288
Expenditures:				
Current:				
General government	1,425,446	-	-	1,425,446
Public safety	2,329,045	-	-	2,329,045
Public works	2,208,961	-	-	2,208,961
Community services	760,478	-	268,164	1,028,642
Community development	-	-	1,307,761	1,307,761
Education	15,076,758	-	-	15,076,758
Insurance and fringe benefits	1,401,289	-	-	1,401,289
County tax	879,073	-	-	879,073
Unclassified	225,051	57,451	74,849	357,351
Capital outlay	-	1,387,772	69,319	1,457,091
Debt service	184,863	-	139,750	324,613
Total expenditures	24,490,964	1,445,223	1,859,843	27,796,030
Excess (deficiency) of revenues over (under) expenditures	300,257	(975,030)	823,031	148,258
Other financing sources (uses):				
Transfers from other funds	385,000	2,383,500	-	2,768,500
Transfers to other funds	(675,000)	(1,522,970)	(520,530)	(2,718,500)
Total other financing sources (uses)	(290,000)	860,530	(520,530)	50,000
Net change in fund balances	10,257	(114,500)	302,501	198,258
Fund balances, beginning of year	5,794,788	9,528,651	3,854,677	19,178,116
Fund balances, end of year	\$ 5,805,045	9,414,151	4,157,178	19,376,374

See accompanying notes to financial statements.

TOWN OF FREEPORT, 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 (from Statement 4) \$ 198,258

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the loss from disposal of capital assets in the current period. 53,356

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 115,707

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 224,927

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments. 715,000

The Town has bonds that were originally issued for School purposes. These amounts will be funded by Regional School Unit #5 when the debt service payments are due. The Town has recorded a long-term receivable for the amount that will be paid by the School Unit for these bonds. The amount of the receivable at year end was \$2,875,113 with principal amounts paid off during the year totaling \$435,455. (435,455)

Change in net position of governmental activities (see Statement 2) \$ 871,793

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the year ended June 30, 2015

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 22,252,825	22,252,825	22,708,938	456,113
Licenses, permits and fees	233,690	233,690	288,463	54,773
Intergovernmental	1,050,375	1,050,375	1,212,588	162,213
Charges for services	183,500	183,500	226,014	42,514
Fees and fines	95,400	95,400	121,943	26,543
Unclassified	25,700	25,700	201,920	176,220
Investment earnings	20,000	20,000	18,092	(1,908)
Total revenues	23,861,490	23,861,490	24,777,958	916,468
Expenditures:				
Current:				
General government	1,506,670	1,506,670	1,425,446	81,224
Public safety	2,426,200	2,426,200	2,329,045	97,155
Public works	2,229,690	2,229,690	2,208,961	20,729
Community services	864,507	864,507	760,478	104,029
Education	15,076,758	15,076,758	15,076,758	-
Insurance and fringe benefits	1,523,180	1,523,180	1,401,289	121,891
County tax	879,073	879,073	879,073	-
Unclassified	230,550	230,550	221,383	9,167
Debt service	184,862	184,862	184,863	(1)
Total expenditures	24,921,490	24,921,490	24,487,296	434,194
Excess (deficiency) of revenues over under expenditures	(1,060,000)	(1,060,000)	290,662	1,350,662
Other financing sources (uses):				
Use of unassigned fund balance	675,000	675,000	-	(675,000)
Transfers from other funds	385,000	385,000	385,000	-
Transfers to other funds	-	-	(675,000)	(675,000)
Total other financing sources (uses)	1,060,000	1,060,000	(290,000)	(1,350,000)
Net change in fund balance - budgetary basis	-	-	662	662
Fund balance, beginning of year - budgetary basis			5,298,117	
Fund balance, end of year - budgetary basis			5,298,779	
Reconciliation to GAAP basis:				
Committed reserve funds fund balance			506,266	
Fund balance, end of year - GAAP basis	\$		5,805,045	

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2015

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
ASSETS		
Current assets:		
Accounts receivable less allowance for uncollectibles of \$83,000	\$	200,328
Prepaid items		8,537
Total current assets		208,865
Noncurrent assets:		
Property, plant, and equipment		151,193
Less accumulated depreciation		(82,141)
Total noncurrent assets		69,052
Total assets	\$	277,917
LIABILITIES		
Current liabilities:		
Interfund loans payable		67,418
Accounts payable		177
Accrued wages and benefits payable		6,604
Total current liabilities		74,199
Total liabilities	\$	74,199
NET POSITION		
Net investment in capital assets		69,052
Unrestricted		134,666
Total net position	\$	203,718

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
Operating revenues:		
Charges for services	\$	631,822
Total operating revenues		631,822
Operating expenses:		
Wages and benefits		578,910
Operational costs		63,918
Depreciation		14,530
Total operating expenses		657,358
Operating loss		(25,536)
Transfers out		(50,000)
Change in net position		(75,536)
Net position, beginning of year		279,254
Net position, end of year	\$	203,718

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2015

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
Cash flows from operating activities:		
Receipts from customers and users	\$	646,820
Payments to suppliers		(64,015)
Payments to employees		(587,066)
Net cash used in operating activities		(4,261)
Cash flows from capital and related financing activities:		
Interfund borrowing		54,261
Transfers out		(50,000)
Net cash provided by financing activities		4,261
Change in cash		-
Cash, beginning of year		-
Cash, end of year	\$	-
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$	(25,536)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		14,530
(Increase) decrease in operating assets:		
Accounts receivable		14,998
Increase (decrease) in operating liabilities:		
Accounts payable		(97)
Accrued wages and benefits payable		(8,156)
Net cash used in operating activities		(4,261)

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Freeport conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

A. Reporting Entity

The Town of Freeport, Maine was incorporated as a Town in 1789 under the laws of the State of Massachusetts and later the State of Maine. The Town operates under a council-manager form of government. Freeport is located in Cumberland County approximately 15 miles northeast of Portland along the southern Maine coast. The Council is comprised of seven members elected by district and at-large for staggered three-year terms.

Component Unit

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) 61 "The Financial Reporting Entity". The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability. Financial accountability is fiscal dependence upon the primary government in addition to financial benefits or burden relationship. It is notable that the use of TIF increment financing as a source of revenue for a component unit demonstrates a financial burden as it uses the government's taxing authority. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on the application of these criteria, the Town has reported the following component unit:

Freeport Economic Development Corporation (FEDC) is a component unit of the Town. Although it is legally separate from the Town, the FEDC is reported as if it were part of the primary government because its sole purpose is to attract new businesses to the Freeport area. There are no separately issued financial statements for this component unit and it is reported as a discretely presented component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, other governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund holds the Town's funds that are associated with capital and non-routine projects. As the Town Council appropriates funds from reserves (or other sources) for capital projects, these funds are transferred into the capital fund for expenditure on the project.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following proprietary fund:

Nonemergency Transportation Program (NET) accounts for the operation of a nonemergency transportation program operating in Southern Maine.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary fund are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Receivables

Accounts receivable for the business-type activities include an allowance for doubtful accounts in the amount of \$83,000 as of June 30, 2015. Management has determined that potential uncollectible accounts for intergovernmental, taxes and tax liens receivable are not material.

E. Investments

Investments are stated at fair value, unless otherwise indicated. Investments of the permanent funds, Town reserve accounts and certain capital project funds are pooled on a cost basis, with each individual fund subscribing to or disposing of interest in the investment pool on the basis of cost value at the beginning of the fiscal year. As such, investment income, investment expense, and gains and losses on sales of investments are allocated to each fund based on its proportionate interest in the investment pool.

F. Capital Assets

Capital assets, which include property, plant, equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years. Business-type fund capital assets are depreciated using the straight-line method over the assets' estimated useful lives ranging from 4 to 7 years. For all capital assets; buildings, vehicles and equipment, the Town elects to use the depreciation approach as defined by Statement No. 34 for reporting.

G. Vacation and Sick Leave

Under the terms of personnel policies and a union contract, vacation and sick leave are granted in varying amounts according to length of service. The Town has accrued accumulated vacation leave and vested sick leave. The liability is reported in the government-wide financial statement.

H. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to the basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is notable that while several debt service payments are the responsibility of and budgeted by RSU #5, the Town must continue to book these long-term liabilities because the Town is responsible for paying the bondholders.

I. 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 Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes 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) until that time. The deferred outflows relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include differences between expected and actual experience, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

In addition to liabilities, the balance sheet will sometimes 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 government has three types of items, which arise under a modified accrual basis of accounting that qualify for reporting in this category. They are unavailable revenue from property taxes, unavailable revenue from Regional School Unit #5 debt service payments, and unavailable revenue from long-term ambulance receivables, which are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the Town has a deferred inflow related to the net pension liability, which include the changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

K. Inventory

Inventory in the General Fund consists of vehicle fuel and is recorded at the lower of cost or market on the first-in, first-out basis.

L. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers to/from other funds.

M. Use of Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. Fund Equity

The Town uses the following fund balance classifications.

- | | |
|---------------------|--|
| Nonspendable | Nonspendable fund balance represents fund balance amounts that are not in spendable form, such as inventories or resources that must be maintained intact pursuant to legal or contractual requirements. |
| Restricted | Restricted fund balance represents amounts that are restricted by State or Federal statute or by external third parties, such as TIF fund commitments or private or public grants. Any matching amounts are also considered Restricted as they cannot be withdrawn due to the outside parties' involvement and commitment. |
| Committed | Committed is that portion of fund balance that has been approved by the highest level of formal action of the Town Council and does not lapse at year-end. Committed fund balance requires action by the Town Council to remove them. Examples of committed funds are amounts for Town-initiated projects or activities in the recreation and capital funds. |
| Assigned | Assigned is the portion of fund balance that does not meet the definition of restricted or committed. The amounts are not for a highly specified purpose and their use has some discretion by the administration. |
| Unassigned | Fund balance that has not been reported in any other classification. Note that in all governmental funds other than the General Fund, amounts expended in excess of resources that do not meet the above categories are classified here (i.e., residual deficits). |

The Town's fund balance policy establishes that an amount equal to at least one and-one-half months of the Town's most recent approved operating budget shall be established as a minimum unassigned fund balance. Annually, following completion of the Town's audit, the Town Manager shall review the unassigned fund balance and propose to utilize, through the annual budget process, surplus funds above the minimum, if any. Use of those unassigned fund balances should be dedicated to projects in the capital improvement program or other unanticipated one-time expenditures. The Council may vote to establish certain reserve accounts from the unassigned fund balance for the purpose of funding specific capital improvement needs in the future and may decide to expend or to reserve amounts greater than that listed above based on the immediate or long-term needs of the Town.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In 2011, the Town Council revised its “Tax Rate Policy” to continue to ensure the financial well being of the Town. Under the Policy, a portion of the General Fund fund balance is committed for stabilization arrangements, entitled “Tax Rate Stabilization Account”, to lower future year tax rates.

- Revenues generated by new valuation may be used to fund operating budgets, capital reserves or used for tax rate stabilization.
- Once operating budgets are passed, fund balance and reserves are funded in accordance with Town policies; excess funds may be used to lower the current year tax rate, or may be placed in a Tax Rate Stabilization Account to lower future year tax rates.
- During periods of low revenues, new valuation or extraordinary, unpredicted increases in costs, up to fifty (50) percent of the Tax Rate Stabilization Account may be used annually to offset the municipal tax rate.
- The need for tax rate stabilization is defined as: a predicted five percent increase in the combination of the Town, RSU, and County budgets, or a predicted five percent increase in the Town’s total mil rate.

O. Budgetary Information

Each year, the Town Manager submits to the Town Council a budget for the ensuing fiscal year. Hearings are held to obtain public comments. The budget is legally enacted by a council order. The order enacts the total Town appropriation. Budgets are adopted for the General Fund, Winslow Park Fund and Nonemergency Transportation Fund only, and are adopted on a basis consistent with accounting principles Generally Accepted in the United States of America (GAAP), except for amounts held in reserves. The respective balances for the reserves (e.g., investments) are reported on Statement 3 and the revenues and expenditures for the reserves have been reported on Statement 4. These amounts have been excluded from Exhibit A-2 and Statement 6 for budgetary purposes.

For the year ended June 30, 2015, no expenditures exceeded appropriations.

P. Recent Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” – an amendment of GASB Statement No. 27. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014. The Town has assessed the impact of this statement on its financial statements and has reflected accordingly for FY15.

CASH AND INVESTMENTS

The Town's policy is to invest all available funds at the highest possible rates in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The funds are invested in liquid investments with maturities planned to coincide with the Town's cash needs during the year. Generally, the Town invests such excess funds in cash management accounts and various insured certificates of deposits.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CASH AND INVESTMENTS, CONTINUED

Deposits:

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk, but requires all deposit accounts to hold collateral either at an outside bank in the Town's name or through an irrevocable letter of credit to the Town in any amounts above the FDIC insurance limits. The Town maintains deposits in banks or savings and loans that are a member of the FDIC and qualify as a depository of public funds in the State of Maine as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. As of June 30, 2015, the Town reported deposits of \$12,959,294 with a bank balance of \$11,772,985. Of the Town's bank balances of \$11,772,985, \$274,044 was subject to custodial credit risk as it was not insured by FDIC nor covered by additional collateral.

Investments:

Custodial Credit Risk - Investments: For investments, this is the risk 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 the possession of an outside party. The Town does not have an investment policy for custodial credit risk.

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

	Fair value	Less than <u>1 year</u>	<u>1-5 years</u>
U. S. Government securities	\$ 3,354,735	1,852,600	1,502,135
Money markets	86,844	N/A	-
Mutual funds	3,000,309	N/A	-
Total investments	\$ 6,441,888	1,852,600	1,502,135

Credit Risk and Concentration of Credit Risk:

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and certain corporate stocks and bonds. Generally, the Town invests such excess funds in U.S. Treasury and Agency bonds and notes, repurchase agreements, and in investment pool funds. Certain long-term reserve and trust funds are invested through a financial institution with trust powers in fixed income and equity mutual funds to provide long-term growth and income. The Town's investments in debt securities that require disclosure of credit risk were rated by Standard & Poor's as follows: Money market funds \$86,557 – AAA, Fixed income government securities \$3,354,735 – AA.

The government securities include Federal Farm Credit Bank, Federal Home Loan Mortgage (Freddie Mac), Federal Home Loan Bank, and Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$1,002,563, \$250,178, \$1,601,764, and \$500,230, respectively.

The Town's investment portfolio is comprised of a mix of money market, equity mutual funds and bond mutual funds.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CASH AND INVESTMENTS, CONTINUED

At June 30, 2015, the Town had investments exceeding five percent of the total portfolio as follows:

	Value <u>6/30/15</u>	S & P <u>Rating</u>	<u>% of Total</u>
Federal Farm Credit Bank	\$ 1,002,563	AA	15.56%
Federal Home Loan bank	1,601,764	AA	24.87%

Interest Rate Risk: The Town does not have a formal policy related to investment rate risk. To the extent possible, the Town attempts to match investments with anticipated cash requirements that attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities and cash flow requirements.

PROPERTY TAX

Property taxes for the current period were committed on September 30, 2014, on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. For real property, payment of taxes was due in equal installments on November 17, 2014 and May 18, 2015. Personal property taxes were due in full on November 17, 2014. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these dates. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The FY 2015 assessed value was 100% of the estimated market value and 103.93% of the 2015 state valuation of \$1,385,250,000.

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 \$221,105 for the period 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.

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the fiscal period have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

PROPERTY TAX, CONTINUED

The following summarizes the periods ended June 30, 2015 and 2014 levies:

	<u>2015</u>	<u>2014</u>
Assessed value	\$ 1,439,675,582	1,382,056,464
Tax rate (per \$1,000)	15.80	15.85
Commitment	22,746,874	21,905,595
Supplemental taxes assessed	4,295	37,740
Total assessments	22,751,169	21,943,335
Less:		
Collections and abatements	22,115,224	21,361,037
Receivable at June 30	\$ 635,945	582,298
Collection rate	97.20%	97.35%

SIGNIFICANT TAXPAYER

For the year ended June 30, 2015, the Town of Freeport committed and collected \$3,151,778 in real estate and personal property tax revenue from L.L. Bean, Inc. This commitment represents approximately 13.86% of total property taxes assessed.

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 374,944	647,724	280,980	741,688
Land	2,204,884	-	-	2,204,884
Total capital assets, not being depreciated	2,579,828	647,724	280,980	2,946,572
Capital assets, being depreciated:				
Land improvements	3,502,741	-	-	3,502,741
Buildings and building improvements	8,473,012	11,217	-	8,484,229
Machinery and equipment and other	5,359,024	103,462	15,000	5,447,486
Vehicles	3,675,116	405,042	63,763	4,016,395
Infrastructure	11,036,375	369,421	-	11,405,796
Total capital assets being depreciated	32,046,268	889,142	78,763	32,856,647
Less accumulated depreciation	14,715,149	1,193,231	69,464	15,838,916
Total capital assets being depreciated, net	17,331,119	(304,089)	9,299	17,017,731
Governmental activities capital assets, net	\$ 19,910,947	343,635	290,279	19,964,303

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2015 as follows:

Governmental activities:

General government	\$ 94,887
Public safety	310,658
Public works, including depreciation of general infrastructure assets	579,073
Community services	197,152
Unclassified	11,461

Total depreciation expense – governmental activities **\$ 1,193,231**

	Balance July 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 85,066	-	-	85,066
Vehicles	96,128	-	30,000	66,128
<u>Total capital assets being depreciated</u>	<u>181,194</u>	<u>-</u>	<u>30,000</u>	<u>151,194</u>
<u>Less accumulated depreciation</u>	<u>97,612</u>	<u>14,530</u>	<u>30,000</u>	<u>82,142</u>
<u>Total capital assets being depreciated, net</u>	<u>83,582</u>	<u>14,530</u>	<u>-</u>	<u>69,052</u>
<u>Business-type activities capital assets, net</u>	<u>\$ 83,582</u>	<u>14,530</u>	<u>-</u>	<u>69,052</u>

Depreciation expense of \$14,530 for business-type activities was all charged to the Nonemergency Transportation (NET) enterprise fund.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

INTERFUND TRANSACTIONS

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund receivables and payables balances at June 30, 2015 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in (out)</u>
General Fund	\$ -	5,116,653	(290,000)
Capital project funds	4,294,663	1,258,545	860,530
Nonmajor governmental funds:			
Special revenue funds:			
Winslow Park	-	114,487	-
TIF funds	264,256	-	-
Bartol building lease	492,735	-	(350,000)
Tower lease	438,037	-	(175,000)
Town grants and programs	956,402	-	4,470
Leon Gorman Park	135,137	-	-
Permanent funds	-	24,127	-
Proprietary Funds:			
Nonemergency Transportation Services	-	67,418	(50,000)
Totals	\$ 6,581,230	6,581,230	-

FUND BALANCE

The General Fund unassigned fund balance total of \$3,052,376 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. As of June 30, 2015, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory	\$ 9,576	-	-	-
Accrued compensation	-	-	411,827	-
Tax Rate Stabilization	-	-	1,000,000	-
Unemployment Fund compensation	-	-	411,327	-
Other	-	-	94,939	-
Subsequent year budget	-	-	-	825,000
Capital Projects Funds	-	-	9,414,151	-
Nonmajor Governmental Funds:				
Special Revenue Funds:				
Winslow Park Fund	-	525,026	-	-
TIF Funds	-	264,256	-	-
Leon Gorman Park Fund	-	133,536	-	-
Bartol Building Lease Fund	-	-	492,735	-
Tower Lease Fund	-	-	438,037	-
Other	-	733,871	221,714	-
Permanent Funds:				
Principal	1,339,881	-	-	-
Unexpended Income	-	39,815	-	-
Totals	\$ 1,349,457	1,696,504	12,484,730	825,000

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Restated beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$ 4,630,000	-	715,000	3,915,000	715,000
Accrued compensated absences	411,225	602	-	411,827	50,000
Other post employment benefits	510,365	107,027	12,975	604,417	-
Net pension liability	1,946,611	-	1,050,541	896,070	-
Landfill closure and post closure care costs	396,000	-	12,000	384,000	12,000
Total governmental activity					
<u>long-term liabilities</u>	<u>\$ 7,894,201</u>	<u>107,629</u>	<u>1,790,516</u>	<u>6,211,314</u>	<u>777,000</u>

LONG-TERM DEBT

Bonds payable at June 30, 2015 are comprised of the following:

	Date of <u>issue</u>	Original amount <u>issued</u>	Date of <u>maturity</u>	Interest <u>rate</u>	Balance <u>June 30, 2015</u>
Governmental activities:					
1997 capital improvements	1/23/1997	\$ 4,275,000	2016	2.91%	300,000
2008 School improvements	2/1/2008	655,000	2018	2.92%	165,000
2009 MMBB	3/11/2009	300,000	2019	variable	120,000
2011 refunding	4/19/2011	5,635,000	2023	4.0-5.0%	3,330,000
Total bonds payable					<u>\$ 3,915,000</u>

As of July 1, 2009, the Freeport School Department joined Regional School Unit (RSU) #5. RSU #5 will reimburse the Town of Freeport for all of Freeport School Department bonds payable when the debt service payments are due. The Town has recorded a receivable for \$2,875,113, which is the outstanding amount of bonds payable related to the School Department.

Arbitrage rebate - Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. There are certain exceptions which result in a municipal issuer not having to calculate or pay the required rebate. The Town of Freeport has met these exceptions since the effective date of the regulations.

The Town is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the Town. The Town's outstanding long-term debt of \$3,915,000 at June 30, 2015 was within the statutory limit.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all debt outstanding at June 30, 2015 are as follows. Such amounts exclude overlapping debt requirements, but include school debt requirements to be reimbursed by the State of Maine.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 715,000	158,259	873,259
2017	710,000	132,385	842,385
2018	560,000	106,486	666,486
2019	505,000	81,287	586,287
2020	475,000	57,225	532,225
2021-2025	950,000	53,125	1,003,125
Totals	\$ 3,915,000	588,767	4,503,767

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. For the year ended June 30, 2015, the Town's share of the expenditure was \$1,305,940 (3.52%) of Cumberland County's outstanding debt of \$37,125,000.

LANDFILL CLOSURE AND POST CLOSURE COSTS

The following is a summary of the estimated cost of current landfill and post-closure operations for the Town's landfill for the year ended June 30, 2015:

	<u>Years remaining</u>	<u>Cost per year</u>	<u>Total cost</u>
Post closure monitoring:			
Section closed in 1995 - 30 years of monitoring	10	\$ 5,000	50,000
Post closure monitoring:			
Section closed in 1992 - 30 years of monitoring	7	7,000	49,000
Current activities in open portion:			
First ten-year period of post closure monitoring	10	4,000	40,000
Subsequent 20-year period of post-closure monitoring	20	3,000	60,000
<u>Demo debris closure cost</u>			<u>185,000</u>
<u>Total landfill liability</u>			<u>\$ 384,000</u>

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

LANDFILL CLOSURE AND POST CLOSURE COSTS, CONTINUED

Under existing state law, Maine communities have to close existing landfills under a State-approved plan and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Historically, the Town maintained two old solid waste landfills which were closed and permanently capped in 1992 and 1995. Additionally, the Town maintains a demolition debris landfill which is near full capacity. The transfer station has been modified to handle and transport future materials. The demolition debris landfill will be closed in FY 2016. The Town has set aside funds totaling \$185,000 for its closure. The Town has estimated that there will be post closure care costs for the various landfills approximating \$199,000 over the next 30 years. As such, the Town has recognized a liability of \$185,000 for closure and an estimate for post closure monitoring and maintenance costs of \$199,000 for a total of \$384,000 in the government-wide financial statements. The actual costs of closure and post closure care may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

JOINTLY GOVERNED ORGANIZATIONS

The Town of Freeport participates in a jointly governed organization, which is not part of the Town's reporting entity. ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine.

Selected balance sheet information for ecomaine for the year ended June 30, 2015, the most recent information available, includes total assets of \$63,710,335, total liabilities of \$19,069,573 and unrestricted net position of \$13,562,006. The liabilities include an accrual for landfill closure and postclosure care amounting to \$16,451,511. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2012 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Benefits Provided - The PLD Plan provides 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. 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 (65 for new members to the PLD Plan on or after July 1, 2014). 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. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations.

Employees are required to contribute 7.0% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2015, were 7% of annual payroll, 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. Contributions to the pension plan from the Town were \$187,331 for the year ended June 30, 2015.

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

At June 30, 2015, the Town reported a liability of \$896,070 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2014, the Town's proportion was 0.5823%.

For the year ended June 30, 2015, the Town recognized pension expense (gain) of (\$114,807). At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,013	-
Net difference between projected and actual earnings on pension plan investments	-	761,346
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	75,789
Town contributions subsequent to the measurement date	187,331	-
Total	\$ 262,344	\$ 837,135

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

An amount of \$187,331 is 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:

<u>Year ended June 30:</u>	
2016	\$ (190,724)
2017	(190,724)
2018	(190,337)
2019	(190,337)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increases	3.5% to 9.5% per year
Investment return	7.25% per annum, compounded annually
Cost of living benefit increases	3.12% per annum

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments 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 asset class. 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 of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.25%.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts 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 of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Town's proportionate share of the net pension liability	\$ 2,795,474	\$ 896,070	\$ (691,596)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2015.

PENSION PLANS

Defined Contribution Plan

The Town offers its regular employees a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate and are vested from the date of employment. Participating employees are required to contribute 7% of compensation for the year and the Town matches the employees' contribution with 10% of compensation for the plan year. For the year ended June 30, 2015, the Town's contribution to the plan totaled \$90,198.

Deferred Compensation Plan

The Town offers all its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

Other

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$331,995 for the year ended June 30, 2015.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OTHER POST-EMPLOYMENT BENEFITS

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, requires that the long-term cost of retirement health care and obligations for other post-employment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town is a member of the Maine Municipal Employees Health Trust, which is an agent multiple-employer plan. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in August, 2014. GASB 45 rules allow employers with less than 200 employees to use the same actuarial study for three years.

Plan Descriptions - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of post-employment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide post-employment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for years ending June 30, 2015, 2014 and 2013 and the annual required contribution:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Normal Cost	\$ 53,217	53,217	39,209
Amortization of Unfunded	60,655	60,655	56,979
Adjustment to ARC	(29,515)	(24,081)	(19,474)
Interest	<u>22,670</u>	<u>18,911</u>	<u>15,375</u>
Annual Required Contribution	\$ 107,027	108,702	92,089

Net OPEB Obligation – The Town's net OPEB obligation was calculated as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
OPEB liability, July 1, 2014	\$ 510,365	416,405	336,738
Annual required contributions	107,027	108,702	92,089
Less: Actual contributions	<u>(12,975)</u>	<u>(14,742)</u>	<u>(12,422)</u>
OPEB liability, June 30, 2015	\$ 604,417	510,365	416,405

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Funding Status and Funding Progress - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ending June 30, 2015, 2014, and 2013 were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 107,027	108,702	92,089
Actual contribution	12,975	14,742	12,422
Percent contributed	12.12%	13.56%	13.49%
Actuarial accrued liability	1,090,803	1,090,803	1,024,703
Plan assets	-	-	-
Unfunded actuarial accrued liability	1,090,803	1,090,803	1,024,703
Covered payroll	\$ 3,386,911	3,313,590	3,204,254
Unfunded actuarial accrued liability as a percentage of covered payroll	32.21%	32.92%	31.90%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were as follows:

Actuarial valuation date	January 1, 2014
Actuarial cost method	Projected unit cost
Amortization method	Level dollar open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	3.0%
Healthcare cost trends	4.0% - 8.7%

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CONTINGENCIES

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Grant Funds - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

RISK MANAGEMENT

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

Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015.

COMMITMENTS

Construction in progress of \$741,688 as of June 30, 2015 consists primarily the Wardtown Road reconstruction for \$579,164, the Torrey Hill Range Road reconstruction for \$108,371, and the Pownal Road Athletic Complex of \$54,153. These projects are under contract and are expected to be completed during FY 2016.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION/FUND BALANCE

For the fiscal year ended June 30, 2015, the Town has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town’s proportionate share of the net pension liability of \$1,946,611 and deferred outflows for the Town’s contributions subsequent to the measurement date of \$173,612, which effectively decreased the Town’s net position as of July 1, 2014 by \$1,772,999.

	Governmental <u>Activities</u>
Net position, as previously reported	\$ 37,116,152
Adjustment to pension liability	<u>(1,772,999)</u>
<u>Net position, as restated</u>	<u>\$ 35,343,153</u>

TOWN OF FREEPORT, MAINE
Required Supplementary Information

Schedule of Funding Progress
Retiree Healthcare Plan
Year Ended June 30, 2015

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) /c]</u>
2010	1/1/09	\$ -	979,479	979,479	0.00%	3,045,472	32.16%
2011	1/1/11	-	1,024,703	1,024,703	0.00%	3,034,313	33.77%
2012	1/1/11	-	1,024,703	1,024,703	0.00%	3,046,864	33.63%
2013	1/1/11	-	1,024,703	1,024,703	0.00%	3,204,254	31.98%
2014	1/1/14	-	1,090,803	1,090,803	0.00%	3,313,590	32.92%
2015	1/1/14	-	1,090,803	1,090,803	0.00%	3,386,911	32.21%

TOWN OF FREEPORT, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years**

2015**

Town's proportion of the net pension liability	0.5823%
Town's proportionate share of the net pension liability	\$896,070
Town's covered-employee payroll	2,608,145
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	34.36%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%

**Only one year of information available.*

*** The amounts presented for each fiscal year were determined as of the prior fiscal year.*

TOWN OF FREEPORT, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 187,331
Contributions in relation to the <u>contractually required contribution</u>	<u>(187,331)</u>
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>
Town's covered-employee payroll	\$2,608,145
Contributions as a percentage of covered- employee payroll	7.18%

**Only one year of information available.*

TOWN OF FREEPOR, MAINE
Notes to Required Supplementary Information

Changes of Benefit Terms - None

Changes of Assumptions - None

GENERAL FUND

TOWN OF FREEPORT, MAINE
General Fund
Comparative Balance Sheets
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 10,573,126	10,354,851
Investments	463,744	359,976
Accounts receivable	33,380	87,296
Due from other governments	197,402	-
Taxes receivable	696,212	619,517
Tax liens	295,768	292,789
Inventory	9,576	28,831
Interfund loans receivable	-	799,881
Receivable - RSU #5 debt service payments	2,875,113	3,310,568
Total assets	\$ 15,144,321	15,853,709
LIABILITIES		
Accounts payable	375,558	319,467
Accrued wages and benefits	49,101	147,509
Interfund loans payable	5,116,653	5,532,953
Development escrows	94,990	84,886
Other unearned revenues	33,259	4,374
Total liabilities	5,669,561	6,089,189
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	794,602	659,164
Unavailable revenue - RSU #5 debt service payments	2,875,113	3,310,568
Total deferred inflows of resources	3,669,715	3,969,732
FUND BALANCE		
Nonspendable	9,576	28,831
Committed - Stabilization Fund	1,000,000	1,000,000
Committed - other	411,827	411,225
Committed - reserves	506,266	496,671
Assigned	825,000	675,000
Unassigned	3,052,376	3,183,061
Total fund balance	5,805,045	5,794,788
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,144,321	15,853,709

TOWN OF FREEPORT, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year ended June 30, 2015
(with comparative actual amounts for the year ended June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 20,946,525	21,167,630	221,105	20,359,106
Change in unavailable taxes	-	(135,438)	(135,438)	-
Excise taxes and registration fees	1,241,300	1,625,735	384,435	1,523,164
Interest and lien costs	65,000	51,011	(13,989)	55,101
Total taxes	22,252,825	22,708,938	456,113	21,937,371
Licenses, permits and fees:				
Building, plumbing and electrical permits	92,000	123,654	31,654	108,065
Town clerk licenses and fees	27,550	44,467	16,917	40,334
Moorings and other harbor fees	70,000	70,643	643	77,924
Solid waste permits	2,640	1,100	(1,540)	2,475
Shellfish licenses	12,500	13,009	509	12,591
Alarm permits	29,000	35,590	6,590	33,480
Total licenses, permits and fees	233,690	288,463	54,773	274,869
Intergovernmental:				
State tree growth reimbursement	70,000	66,349	(3,651)	67,007
State general assistance	15,000	7,762	(7,238)	4,202
State revenue sharing	325,000	352,856	27,856	366,761
State homestead exemption reimbursement	142,000	137,501	(4,499)	143,580
State BETE reimbursement	290,000	407,330	117,330	339,604
State road assistance	129,000	129,912	912	141,628
Public safety contributions	45,175	43,880	(1,295)	44,736
Other intergovernmental	34,200	66,998	32,798	42,782
Total intergovernmental	1,050,375	1,212,588	162,213	1,150,300
Charges for services:				
Planning	8,500	16,125	7,625	14,120
Transfer station and recycling	125,000	160,989	35,989	160,887
Parking lot	37,500	37,500	-	37,501
Vehicle maintenance	5,000	4,620	(380)	5,431
Engineering	4,000	4,280	280	6,460
Hunter Road Fields	3,500	2,500	(1,000)	8,450
Total charges for services	183,500	226,014	42,514	232,849
Fees and fines:				
Police parking and other fines	81,000	104,606	23,606	90,404
Library fines and fees	11,000	13,362	2,362	14,900
Alarm and other fire fees	3,400	3,975	575	6,710
Total fees and fines	95,400	121,943	26,543	112,014

TOWN OF FREEPORT, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, Continued

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues, continued:				
Unclassified	\$ 25,700	201,920	176,220	40,357
Investment earnings	20,000	18,092	(1,908)	15,877
Total revenues	23,861,490	24,777,958	916,468	23,763,637
Expenditures:				
Current:				
General government:				
Town Council	120,669	103,266	17,403	96,421
Town manager	111,500	104,239	7,261	103,659
Finance and treasury	362,152	357,792	4,360	342,983
Assessing	163,599	149,639	13,960	149,826
Code enforcement	79,255	77,839	1,416	79,077
Town clerk and elections	103,186	97,625	5,561	97,605
General administration	162,087	133,084	29,003	140,806
Municipal buildings	262,116	265,912	(3,796)	252,604
Planning	142,106	136,050	6,056	128,647
Total general government	1,506,670	1,425,446	81,224	1,391,628
Public safety:				
Police department	1,123,710	1,124,371	(661)	1,116,308
Special enforcement	54,872	39,209	15,663	53,260
Fire department	510,115	432,714	77,401	485,020
Rescue	344,560	356,069	(11,509)	321,160
Reception	181,943	177,113	4,830	176,863
Hydrant rental	166,000	153,153	12,847	153,425
Street lights	45,000	46,416	(1,416)	46,295
Total public safety	2,426,200	2,329,045	97,155	2,352,331
Public works:				
General road operations	783,344	805,318	(21,974)	758,348
Summer roads	618,500	577,740	40,760	761,930
Winter roads	155,000	169,937	(14,937)	154,880
Tree program	15,500	6,188	9,312	9,532
Solid waste	408,416	408,062	354	389,215
Engineering	119,628	115,754	3,874	121,661
Hunter Road fields maintenance	129,302	125,962	3,340	110,048
Total public works	2,229,690	2,208,961	20,729	2,305,614

TOWN OF FREEPORT, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, Continued

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Community services:				
Human services agencies	\$ 38,800	31,500	7,300	42,300
General assistance	101,980	87,153	14,827	75,317
Public library	442,980	413,938	29,042	384,428
Cable TV	77,730	71,847	5,883	72,554
Promotions	6,200	4,141	2,059	4,337
Coastal waters	67,776	56,537	11,239	76,108
Shellfish commission	17,600	7,586	10,014	1,092
Amtrak station operations	101,716	83,572	18,144	104,323
Other	9,725	4,204	5,521	2,906
Total community services	864,507	760,478	104,029	763,365
Education	15,076,758	15,076,758	-	14,291,054
Insurance and fringe benefits:				
Employee benefits	1,423,180	1,303,995	119,185	1,230,191
Insurances	100,000	97,294	2,706	93,434
Total insurance and fringe benefits	1,523,180	1,401,289	121,891	1,323,625
County tax	879,073	879,073	-	858,284
Unclassified:				
Bustin's Island Corporation	172,000	178,706	(6,706)	170,665
Miscellaneous and contingency	33,550	18,708	14,842	33,078
Abatements	25,000	23,969	1,031	11,284
Total unclassified	230,550	221,383	9,167	215,027
Debt service	184,862	184,863	(1)	293,220
Total expenditures	24,921,490	24,487,296	434,194	23,794,148
Excess (deficiency) of revenues over (under) expenditures	(1,060,000)	290,662	1,350,662	(30,511)

TOWN OF FREEPORT, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, Continued

	2015			2014 Actual
	Budget	Actual	Variance positive (negative)	
Other financing sources (uses):				
Budgeted utilization of surplus	\$ 675,000	-	(675,000)	-
Transfers in	385,000	385,000	-	567,468
Transfers out	-	(675,000)	(675,000)	(660,000)
Total other financing sources (uses)	1,060,000	(290,000)	(1,350,000)	(92,532)
Net change in fund balance - budgetary basis	-	662	662	(123,043)
Fund balance, beginning of year - budgetary basis		5,298,117		5,421,160
Fund balance, end of year - budgetary basis		5,298,779		5,298,117
Reconciliation of fund balance to GAAP basis:				
Committed reserve funds fund balance		506,266		496,671
Fund balance, end of year - GAAP Basis	\$	5,805,045		5,794,788

OTHER GOVERNMENTAL FUNDS

TOWN OF FREEPORT, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 648,711	-	648,711
Investments	-	1,372,585	1,372,585
Interfund loans receivable	2,286,567	-	2,286,567
Total assets	\$ 2,935,278	1,372,585	4,307,863
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	10,256	455	10,711
Accrued wages and benefits	1,360	-	1,360
Interfund loans payable	114,487	24,127	138,614
Total liabilities	126,103	24,582	150,685
Fund balances:			
Nonspendable	-	1,339,881	1,339,881
Restricted	1,656,689	39,815	1,696,504
Committed	1,152,486	-	1,152,486
Unassigned	-	(31,693)	(31,693)
Total fund balances	2,809,175	1,348,003	4,157,178
Total liabilities and fund balances	\$ 2,935,278	1,372,585	4,307,863

TOWN OF FREEPORT, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2015

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:			
Property taxes	\$ 1,579,245	-	1,579,245
Charges for services	949,737	-	949,737
Gifts and donations	77,031	1,085	78,116
Intergovernmental	29,855	-	29,855
Unclassified	6,377	-	6,377
Investment income	6,750	32,794	39,544
Total revenues	2,648,995	33,879	2,682,874
Expenditures:			
Current:			
Community services	251,159	17,005	268,164
Community development	1,307,761	-	1,307,761
Unclassified	63,484	11,365	74,849
Capital outlay	69,319	-	69,319
Debt service	139,750	-	139,750
Total expenditures	1,831,473	28,370	1,859,843
Excess of revenues over expenditures	817,522	5,509	823,031
Other financing uses:			
Transfers to other funds	(520,530)	-	(520,530)
Total other financing uses	(520,530)	-	(520,530)
Net change in fund balance	296,992	5,509	302,501
Fund balances, beginning of year	2,512,183	1,342,494	3,854,677
Fund balances, end of year	\$ 2,809,175	1,348,003	4,157,178

NONMAJOR SPECIAL REVENUE FUNDS

TOWN OF FREEPORT, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	Tax Increment Financing Funds					Bartol Building Lease Fund	Tower Lease Fund	Other Town Grants & Programs	Leon Gorman Park	Totals 2015
	Winslow Park	TIF II Desert Road Phase II	TIF IV Destination	TIF V Hotel	TIF VI Housing					
ASSETS										
Cash and cash equivalents	\$ 648,711	-	-	-	-	-	-	-	-	648,711
Interfund loans receivable	-	56,388	202,206	-	5,662	492,735	438,037	956,402	135,137	2,286,567
Total assets	\$ 648,711	56,388	202,206	-	5,662	492,735	438,037	956,402	135,137	2,935,278
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	7,838	-	-	-	-	-	-	817	1,601	10,256
Accrued wages and benefits	1,360	-	-	-	-	-	-	-	-	1,360
Interfund loans payable	114,487	-	-	-	-	-	-	-	-	114,487
Total liabilities	123,685	-	-	-	-	-	-	817	1,601	126,103
Fund balances:										
Restricted	525,026	56,388	202,206	-	5,662	-	-	733,871	133,536	1,656,689
Committed	-	-	-	-	-	492,735	438,037	221,714	-	1,152,486
Total fund balances	525,026	56,388	202,206	-	5,662	492,735	438,037	955,585	133,536	2,809,175
Total liabilities and fund balances	\$ 648,711	56,388	202,206	-	5,662	492,735	438,037	956,402	135,137	2,935,278

TOWN OF FREEPORT, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	Tax Increment Financing Funds					Bartol Building Lease Fund	Tower Lease Fund	Other Town Grants & Programs	Leon Gorman Park	Totals 2015
	Winslow Park	TIF II Desert Road Phase II	TIF IV Destination	TIF V Hotel	TIF VI Housing					
Revenues:										
Property taxes	\$ -	1,230,043	268,600	69,223	11,379	-	-	-	-	1,579,245
Charges for services	268,883	-	-	-	-	367,753	220,102	92,999	-	949,737
Gifts and donations	-	-	-	-	-	-	-	77,031	-	77,031
Intergovernmental	-	-	-	-	-	-	-	29,855	-	29,855
Investment income	4,568	-	-	-	-	-	-	-	2,182	6,750
Unclassified	6,377	-	-	-	-	-	-	-	-	6,377
Total revenues	279,828	1,230,043	268,600	69,223	11,379	367,753	220,102	199,885	2,182	2,648,995
Expenditures:										
Current:										
Community services	202,813	-	-	-	-	-	-	31,496	16,850	251,159
Community development	-	1,090,293	142,528	69,223	5,717	-	-	-	-	1,307,761
Unclassified	-	-	-	-	-	-	-	63,484	-	63,484
Debt service	-	139,750	-	-	-	-	-	-	-	139,750
Capital	28,749	-	40,570	-	-	-	-	-	-	69,319
Total expenditures	231,562	1,230,043	183,098	69,223	5,717	-	-	94,980	16,850	1,831,473
Excess (deficiency) of revenues over (under) expenditures	48,266	-	85,502	-	5,662	367,753	220,102	104,905	(14,668)	817,522
Other financing sources (uses):										
Transfer (to) from other funds	-	-	-	-	-	(350,000)	(175,000)	4,470	-	(520,530)
Total other financing sources (uses)	-	-	-	-	-	(350,000)	(175,000)	4,470	-	(520,530)
Net change in fund balances	48,266	-	85,502	-	5,662	17,753	45,102	109,375	(14,668)	296,992
Fund balances, beginning of year	476,760	56,388	116,704	-	-	474,982	392,935	846,210	148,204	2,512,183
Fund balances, end of year	\$ 525,026	56,388	202,206	-	5,662	492,735	438,037	955,585	133,536	2,809,175

TOWN OF FREEPORT, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Town Grants and Programs
Year ended June 30, 2015

	Fund balance (deficit) June 30, 2014	Revenues			Expenditures	Revenues over (under) expenditures	Other sources and (uses)	Fund balance (deficit) June 30, 2015
		Inter- governmental	Gifts and donations	Charges for services				
Town Grants and Programs:								
Road Impact Fees	\$ 290,911	-	-	64,800	-	64,800	-	355,711
Stormwater Connection Fees	46,964	-	-	1,678	-	1,678	-	48,642
Sandy Beach Stairs/SHIP Grant	29,074	2,517	-	-	-	2,517	-	31,591
Jump start program	306	-	-	-	-	-	-	306
Maine Arts Commission	1,907	-	-	-	-	-	-	1,907
Project Canopy Grant	8,657	-	-	-	-	-	-	8,657
CDBG-Elders Bus	150	16,388	-	-	17,981	(1,593)	4,470	3,027
Regional Efficiency grant	1,249	-	-	-	-	-	-	1,249
CDBG-Habitat for Humanity	10,455	-	-	-	-	-	-	10,455
Village Open Spaces	12,457	-	-	-	-	-	-	12,457
Green Crab Eradication Grant-State of Maine	(130)	-	-	-	-	-	-	(130)
FEMA	65,431	-	-	-	4,346	(4,346)	-	61,085
Shellfish Water Testing	17,707	-	25	2,135	-	2,160	-	19,867
Shellfish Grant-State of Maine	521	-	-	-	-	-	-	521
Winslow Park-State of Maine	535	-	-	-	-	-	-	535
Fuel Assistance Fund-Freeport	19,719	-	12,855	-	18,360	(5,505)	-	14,214
Fuel Assistance Fund-Yarmouth	5,272	-	10,300	-	13,136	(2,836)	-	2,436
Freeport Housing Trust Rental Assistance Grant	10,079	-	-	-	2,264	(2,264)	-	7,815
Fire and Rescue Donations	33,491	-	11,206	-	725	10,481	-	43,972
Library Donations	27,434	-	9,095	-	296	8,799	-	36,233
Fire Department Annual Appeal Donations	3,109	-	-	-	1,789	(1,789)	-	1,320
Police Donations	1,258	-	3,040	-	1,257	1,783	-	3,041
Library Book Donations	11,221	-	15,191	-	17,777	(2,586)	-	8,635
Public Works Donations	2,177	-	5,075	-	4,448	627	-	2,804
Police K-9 Program Donations	959	-	-	-	959	(959)	-	-
Dunning Boat Yard Lease	77,773	-	-	9,893	-	9,893	-	87,666
Soule School Lease	119,555	-	-	14,493	-	14,493	-	134,048
Police Speed Enforcement/Seat Belt	11,715	7,645	-	-	-	7,645	-	19,360
Rescue Donations	1,169	-	7,579	-	8,170	(591)	-	578
Dollars for Scholars	1,779	-	-	-	-	-	-	1,779
Other	33,306	3,305	2,665	-	3,472	2,498	-	35,804
Total Town Grants and Programs	\$ 846,210	29,855	77,031	92,999	94,980	104,905	4,470	955,585

CAPITAL PROJECT FUNDS

TOWN OF FREEPORT, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
Year ended June 30, 2015

	Fund balance (deficit) June 30, 2014	Revenues			Transfers in (out)	Fund balance (deficit) June 30, 2015
		Charges for Services	Interest	Expenditures		
Police Department Capital Project Funds:						
Communication upgrade	\$ 69,445	-	-	13,796	-	55,649
Bullet proof vests	5,999	-	-	12,748	-	(6,749)
Building enhancements	-	-	-	-	20,000	20,000
In-Car cameras	457	-	-	-	-	457
Mobile data terminals	25	-	-	-	-	25
Boat and motor replacement	(755)	-	-	-	-	(755)
Vehicle Replacement	72,410	-	-	68,182	68,000	72,228
Total police department	147,581	-	-	94,726	88,000	140,855
Fire Department Capital Project Funds:						
Protective clothing	8,866	-	-	-	-	8,866
Engine Five	19,110	-	-	9,051	-	10,059
Engine Three	(4,827)	-	-	-	750,000	745,173
Air packs & compressor	(474)	-	-	-	-	(474)
Communication upgrade	48,607	-	-	33,594	-	15,013
Service vehicle	(1,846)	-	-	1,910	-	(3,756)
Total fire department	69,436	-	-	44,555	750,000	774,881
Rescue Department Capital Project Funds:						
Protective clothing	(764)	-	-	-	-	(764)
Ambulance replacement	197,479	-	-	177,889	196,000	215,590
Communication upgrade	(1,694)	-	-	-	-	(1,694)
Rescue equipment	(4,796)	-	-	-	-	(4,796)
Other-SCBA Replacement	28,000	-	-	28,791	-	(791)
Total rescue department	218,225	-	-	206,680	196,000	207,545
Public Works Capital Project Funds:						
Grader repair	2,579	-	-	-	-	2,579
Dump truck replacement, sander & plow	27,432	-	-	100,849	213,000	139,583
Wood chipper refurbishment	-	-	-	-	10,000	10,000
Building and grounds mower attachment	-	-	-	-	20,000	20,000
Sidewalk plow-Shared with TIF	2,067	-	-	1,400	-	667
Fuel depot	1,792	-	-	-	-	1,792
Pick-up truck replacement	16,737	-	-	-	52,000	68,737
One Ton Truck Replacement	45,000	-	-	39,918	-	5,082
Dump truck body sand blast and paint	(56)	-	-	-	-	(56)
Total public works	95,551	-	-	142,167	295,000	248,384
Recycling Capital Project Funds:						
Landfill closing	116,436	-	-	-	150,000	266,436
Paving	1,758	-	-	-	-	1,758
Other	92,214	-	-	875	20,000	111,339
Total recycling	210,408	-	-	875	170,000	379,533

TOWN OF FREEPORT, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
Year ended June 30, 2015

	Fund balance June 30, 2014	Revenues		Expenditures	Transfers in (out)	Fund balance June 30, 2015
		Charges for Services	Interest			
Comprehensive Town Improvement Funds:						
Dennison Avenue Drainage	\$ 50,000	-	-	50,000	-	-
Litchfield road reconstruction	-	-	-	-	430,000	430,000
South Freeport Village project	-	-	-	-	166,000	166,000
Wardtown Road Reconstruction and Shoulders	799,805	-	-	578,969	-	220,836
Public Works paving	930	-	-	-	-	930
Main St. paving and drainage match	29,874	-	-	1,380	-	28,494
Flying Point Road-2011 reconstruction	23,044	-	-	-	-	23,044
Flying Point Road-Pleasant Hill to Wolfe's Neck	19,531	-	-	-	-	19,531
North Main Street sidewalks	(10,690)	-	-	-	-	(10,690)
Upper Mast Landing partial reconstruction	(6,232)	-	-	-	-	(6,232)
South Street project	179,942	-	-	17,649	-	162,293
Desert Road match	19,393	-	-	-	-	19,393
Burnett Road Bridge	11,048	-	-	-	-	11,048
US Route 1 North (PACTS)	134,991	-	-	-	-	134,991
Prout Road culvert	34,230	-	-	24,914	-	9,316
West Street-Depot Street to South Street reconstruction	17,107	-	-	6,379	-	10,728
Desert Road Business Park	235,000	-	-	-	-	235,000
Torrey Hill Range Road reconstruction	49,088	-	-	7,459	-	41,629
Freeport Fields and Trails Project	191,516	-	-	54,152	-	137,364
Culvert replacement	-	-	-	-	85,000	85,000
Other	17,800	1,620	-	575	-	18,845
Total comprehensive Town improvement	1,796,377	1,620	-	741,477	681,000	1,737,520
Municipal Buildings and Other Improvement Funds:						
Computer system upgrade/Connectivity Town-wide	137,394	-	-	53,269	46,000	130,125
Dunning boat yard	26,445	-	-	-	-	26,445
Cable TV	76,521	-	-	26,479	3,000	53,042
Valuation update	43,563	-	-	8,113	5,000	40,450
Building weatherization	55,390	-	-	-	-	55,390
Public Safety renovation (Sallyport, Flooring, etc.)	465	-	-	3,256	-	(2,791)
Town Hall exterior	40,000	-	-	-	-	40,000
Public Works Roofing Projects	10,348	-	-	8,664	-	1,684
Cemetery vault roofing projects	5,365	-	-	-	-	5,365
Copier replacement	16,439	-	-	4,739	-	11,700
Library building exterior	20,000	-	-	-	-	20,000
Vehicle Replacement	18,841	-	-	-	-	18,841
Other	182,934	-	-	29,347	114,500	268,087
Total municipal buildings and other	633,705	-	-	133,867	168,500	668,338
Boards and Committees Improvement Funds:						
Recreation fund	5,131	-	-	-	-	5,131
Harbor fund	24,531	-	-	-	-	24,531
Citizens Survey & performance measures	1,288	-	-	-	-	1,288
Historic Society Archiving	16,000	-	-	14,655	-	1,345
Village Parking Study	174	-	-	-	-	174
Quiet Zone Study	5,108	-	-	-	-	5,108
Hedgehog Mountain Bridge Replacement	25,000	-	-	-	-	25,000
Withdrawal Committee	46,972	-	-	39,145	-	7,827
Other	3,872	-	-	8,770	35,000	30,102
Total boards and committees	128,076	-	-	62,570	35,000	100,506
Capital Reserves - See Exhibit E for Details	6,229,292	378,499	90,074	18,306	(1,522,970)	5,156,589
Total capital project funds	9,528,651	380,119	90,074	1,445,223	860,530	9,414,151

RESERVE FUNDS

TOWN OF FREEPORT, MAINE
Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
Year ended June 30, 2015

	Fund balance June 30, 2014	Charges for Services	Revenues			Expenditures	Transfers in (out)	Fund balance June 30, 2015
			Interest	Other				
Capital Project Reserves								
Administration - general	\$ 265,585	-	4,293	-	272	40,000		309,606
Boards and Commissions	65,490	-	944	-	75	(35,000)		31,359
Building maintenance	719,212	-	11,302	-	760	94,500		824,254
Cable TV equipment	455,776	111,918	6,876	-	503	(58,000)		516,067
Energy Savings	23,057	-	347	-	26	(4,470)		18,908
Fire equipment	1,067,937	-	16,612	-	1,141	(575,000)		508,408
Hedgehog mountain	18,974	-	286	-	21	-		19,239
Land Purchase	142,208	-	28	-	-	-		142,236
Land Trust	22,038	-	332	-	24	-		22,346
Municipal parking lot	390,460	5,383	5,949	-	9,926	-		391,866
Police equipment	325,684	-	4,980	-	354	62,000		392,310
Public infrastructure	1,159,625	-	13,945	-	3,500	(431,000)		739,070
Public works equipment	768,684	-	11,658	-	844	(195,000)		584,498
Recycling equipment	243,345	-	3,980	-	246	(120,000)		127,079
Rescue equipment	561,217	261,198	8,542	-	614	(301,000)		529,343
Total capital project reserves	6,229,292	378,499	90,074	-	18,306	(1,522,970)		5,156,589
General Fund Reserves								
Unemployment compensation fund	403,037	-	6,079	5,775	3,564	-		411,327
Other	93,634	-	1,409	-	104	-		94,939
Total general fund reserves	496,671	-	7,488	5,775	3,668	-		506,266
Total Reserve Funds	\$ 6,725,963	378,499	97,562	5,775	21,974	(1,522,970)		5,662,855

NONMAJOR PERMANENT FUNDS

TOWN OF FREEPORT, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2015

	Cemetery Care	Library Funds	School Scholarship Funds	Benevolent Funds	Totals
ASSETS					
Investments	\$ 307,985	284,525	280,436	499,639	1,372,585
Total assets	307,985	284,525	280,436	499,639	1,372,585
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	455	-	455
Interfund loans payable	10,749	8,883	2,260	2,235	24,127
Total liabilities	10,749	8,883	2,715	2,235	24,582
Fund balances:					
Nonspendable-Principal	328,929	264,881	265,039	481,032	1,339,881
Restricted-Unexpended income	-	10,761	12,682	16,372	39,815
Unassigned	(31,693)	-	-	-	(31,693)
Total fund balances	297,236	275,642	277,721	497,404	1,348,003
Total liabilities and fund balances	\$ 307,985	284,525	280,436	499,639	1,372,585

TOWN OF FREEPORT, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
Year ended June 30, 2015

	Principal				Unexpended Income				Total	
	Fund Balance June 30, 2014	Revenues		Fund Balance June 30, 2015	Fund Balance (deficit) June 30, 2014	Interest Income	Expenditures	Fund Balance (deficit) June 30, 2015		
		Unrealized/ Realized Gains (Losses)	Other							Total June 30, 2015
Cemetery Care:										
Perpetual Care:										
802	Davis Mausoleum	\$ 964	1	-	965	662	29	30	661	1,626
803	Carrie Thomas	589	1	-	590	151	13	15	149	739
804	A.O. Woodard	12,016	9	-	12,025	1,865	245	28	2,082	14,107
850	Burr	151,271	138	-	151,409	(14,286)	2,455	5,662	(17,493)	133,916
851	Grove	58,679	39	-	58,718	(5,425)	942	1,808	(6,291)	52,427
852	Webster	16,164	16	-	16,180	(977)	273	764	(1,468)	14,712
853	Woodlawn	23,572	22	-	23,594	(2,894)	372	1,138	(3,660)	19,934
854	South Freeport	54,099	45	-	54,144	(4,106)	892	1,608	(4,822)	49,322
855	Flying Point	8,593	7	-	8,600	(942)	137	306	(1,111)	7,489
856	Town maintained	2,702	2	-	2,704	214	52	6	260	2,964
	Total Cemetery Care	328,649	280	-	328,929	(25,738)	5,410	11,365	(31,693)	297,236
Library Funds:										
710	Albert Conley	37,149	384	-	37,533	12,501	896	99	13,298	50,831
711	Paul and Emma Bennett	19,127	131	-	19,258	(2,230)	305	34	(1,959)	17,299
712	Eleanor Brewer	8,079	72	-	8,151	1,258	169	19	1,408	9,559
713	Bartol Association	44,458	384	-	44,842	5,219	897	8,786	(2,670)	42,172
714	Grace Ritchie	3,103	20	-	3,123	(501)	47	5	(459)	2,664
757	Jane Hall	150,669	1,305	-	151,974	(679)	2,778	956	1,143	153,117
	Total Library Funds	262,585	2,296	-	264,881	15,568	5,092	9,899	10,761	275,642
School Scholarship Funds:										
720	Fitts Award	3,040	24	-	3,064	5	55	6	54	3,118
721	Salomon Plummer	10,311	73	-	10,384	(867)	170	19	(716)	9,668
722	Wallace True	6,123	49	-	6,172	266	115	13	368	6,540
723	Millard and Enid Crooker	30,391	237	-	30,628	291	554	971	(126)	30,502
724	Alice Pollock	13,014	105	-	13,119	519	244	27	736	13,855
725	Auldis Foster	2,305	19	-	2,324	146	44	5	185	2,509
726	Kenneth Thompson	9,276	79	-	9,355	893	184	520	557	9,912
742	Christine Small Cushing	188,448	1,545	-	189,993	9,294	3,576	1,246	11,624	201,617
	Total School Scholarship Funds	262,908	2,131	-	265,039	10,547	4,942	2,807	12,682	277,721
Benevolent Funds:										
740	George Davis	13,358	110	-	13,468	891	257	29	1,119	14,587
710	Arthur L. Gould	462,773	3,706	1,085	467,564	10,953	8,570	4,270	15,253	482,817
	Total Benevolent Funds	476,131	3,816	1,085	481,032	11,844	8,827	4,299	16,372	497,404
	Total	\$ 1,330,273	8,523	1,085	1,339,881	12,221	24,271	28,370	8,122	1,348,003