

Comprehensive Annual Financial Report

Town of Waldoboro, Maine

June 30, 2015



Proven Expertise and Integrity

TOWN OF WALDOBORO, MAINE

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JUNE 30, 2015

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Town of Waldoboro, Maine

<http://www.waldoboromaine.org>

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Fax: (207) 832-6061

January 29, 2016

To the Citizens of the Town of Waldoboro:

The comprehensive annual financial report of the Town of Waldoboro for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules and the management discussion and analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the Town. The Town provides a full range of services. These services include police, ambulance and fire protection; the construction and maintenance of highways, streets, and infrastructure; solid waste management; water department; municipal planning and code enforcement; human services; community services and a recreational program and community center; and administrative services. Other than these general government activities, it has been determined that the Town is not financially accountable for any other entity, board or commission.

Economic Condition and Outlook

The Town of Waldoboro, incorporated in 1773, is located in the mid coast region of Maine approximately 62 miles northeast of Portland, at the northern end of Lincoln County. The Town has a land area of 73 square miles and a population of 5,075. The Town has operated under the Selectmen/Town Meeting/Town Manager form of government since 1950.

The Town of Waldoboro is predominantly a residential community with a small commercial sector concentrated in pockets along the major corridor (US Route 1) and the urban compact area. Approximately 16% of the tax base is commercial and industrial, 26% is seasonal property, and the remainder 58% is residential (these figures include vacant parcels as well as developed parcels).

The rate of tax collection continues to remain high; 94% for fiscal year 2015, and 93% for fiscal years 2014 and 2013. The Town's legal debt margin, set by State law at 15% of estimated actual valuation, is currently \$71,355,000. The Town's outstanding debt of \$2,124,605 is well below the legal debt margin.

The rate of economic growth has continued to remain slow. The Town's tax base grew by \$2.5 million in 2015 a slight increase of 0.47% over 2014, due to assessment changes.

The Town of Waldoboro's budget (including RSU #40) for 2015 showed an increase of 1.3% over 2014. There was a \$0.10 increase in the tax rate for 2015. This means that property owners were billed \$13.70 per thousand in fiscal years 2015 versus the \$13.60 per thousand billed in 2014.

Major Initiatives

Current Initiatives

The Town's major capital projects for 2015 were investments of: \$239,210 for surfacing paving of Depot Street, Genthner Road and Ralph Wink Road; \$53,277 for capital improvements to the Municipal Building parking lot; \$45,202 in it capital equipment replacement program for the purchase of a 2014 Chevrolet G4500 ambulance cab and chassis; \$28,571 for of the purchase of a 2015 Ford Explorer.

Future Initiatives

The Town has been award a Small Harbor Improvement Program (SHIP) Grant from the Maine Department of Transportation for \$126,000 to complete the improvements to the Pine Street Landing. This is a multiuse municipal waterfront facility, with existing boat launch, trailer parking, picnic area, timber & pile crib wharf, gangway and floats. The overall plan for improvements addresses each existing section of the property, characterized by three segments of development: the wharf, the ramp and the parking. It was anticipated that this project should begin in the spring of 2015 however State funding was delayed and the project will begin the early summer 2016.

The five-year Capital Improvement Plan includes a commitment to maintain the infrastructure, to continue to purchase capital equipment, to guarantee reliability and to maintain and upgrade the Towns facilities. The intent is to provide quality services to the residents and to ensure that these services will continue in the future without major increases in property taxes.

Financial Information

Internal Controls: Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse. Management also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The audit was performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. As required by these standards, an understanding of the design of relevant policies and procedures, and a determination whether the policies and procedures had been placed in operation and control risk is assessed. As a result of the level of control risk, tests of controls are performed to determine adequacy of the internal control structure. Additionally, tests are performed to determine the Town's compliance with certain laws, regulations, contracts and grants. The results of these tests indicated the Town had no instances of material weaknesses in internal control structure and no violations of applicable laws and regulations tested. The report on compliance and on internal control over financial reporting have been issued under separate cover entitled "Reports Required under *Government Auditing Standards*" dated (December 2, 2011) and is available at the Finance Office at the Town Offices.

Budgeting Controls: In addition, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Meeting. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the Article level at Town Meeting. Special Revenue Funds do not have legally adopted budgets.

Budgets are legally adopted by the Town Meeting through the passage of appropriations. As demonstrated by the statements and schedules included in the financial section of this report, the government has continued to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents a summary of General Fund revenues for the year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues. **All amounts presented in the remainder of this page are expressed in thousands.**

Current year's revenues increased by \$206 or 2.24% from the previous year's level and were \$169,394 or 1.88% higher than projected for the current fiscal year. Major changes in revenues from the prior year are as follows:

				Increase /	Percent
			Percent	(Decrease)	of Increase /
Revenue		Amount	of Total	from 2014	(Decrease)
Taxes		\$8,086	87.97%	187	2.03%
Licenses and Permits		\$ 57	.52%	(9)	(.10)%
Intergovernmental		\$ 377	4.07%	(3)	(.03)%
Charges for Services		\$ 685	6.11%	(123)	(1.34)%
Other		\$ 152	1.33%	(30)	(.32)%
Total		\$9,170	100.00%	22	.24%

Tax revenues increased from 2014 to 2015 by \$187. They are a combination of two distinct resources: property tax and excise tax. The government's 13.70 mill rate is a good rate in comparison to other communities, especially considering the Town has very little commercial activity and thus, must rely on the residents to pay the majority of its taxes.

The following schedule presents a summary of General Fund expenditures for the year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts (**amounts expressed in thousands**). It should be noted that employee benefits were moved to the appropriate departments and are no longer in an employee benefit account beginning with the period ending June 30, 2013.

				Increase / (Decrease)	Percent of Increase / (Decrease)
Expenditures		Amount	Percent of Total	from 2014	
Current:					
General Government		\$570	6.91%	45	.54%
Town Services and Public Safety		\$1,421	17.23%	(17)	(0.20)%
Public Works		\$740	8.97%	45	.54%
Health and Welfare		\$44	.53%	(1)	(0.01)%
Community Services		\$145	1.76%	6	.07%
Planning, Conservation and Culture		\$32	.39%	(20)	(0.24)%
Insurance and Employee Benefits		\$47	.57%	2	.02%
County		\$572	6.93%	7	0.08%
Education		\$4,561	55.29%	(60)	(0.73)%
Abatements		\$ 4	.05%	(6)	(0.07)%
Debt Service		\$ 114	1.38%	1	0.01%
Total		\$8,249	100.00%	1	0.01%

Expenditures for the current year increased \$1 or 0.01% over the same period last year and were \$174 less than budgeted for the current fiscal year.

General Fund Balance: The undesignated fund balance of the General Fund increased by 24% in 2015. Normal budget variance resulted in increases to fund balance of \$255,293.

Fiduciary Trust Fund: Currently, eight trust funds are reported as non-expendable trust funds. These funds are currently under the management of The First Investment Services Group, First Advisors.

Debt Administration: As of June 30, 2015, the Town had a total of \$2,124,605 of outstanding general obligation debt. State statutes provide for an overall debt limit for the Town of 15% of state equalized valuation of real and personal property. As of June 30, 2015, the Town's outstanding indebtedness is only .45% of the State's equalized valuation.

Cash Management: General Fund cash temporarily idle during the year was invested in demand deposits, U. S. Treasury and Agency obligations, and certificates of deposit. The average yield on Town investments in 2015 was 0.50%, producing total investment income of \$2,290. Trust funds are held in federal backed investments and as well as mutual funds and corporate stocks.

Risk Management: The Town of Waldoboro participates in the Maine Municipal Association Group Risk Pool, a State chartered risk pool established exclusively for Maine municipalities. The Risk Pool covers all property, liability, and vehicle coverage.

Also, the Town participates in a similar Maine Municipal Association Risk Pool for worker's compensation coverage. Through the risk pool, the Town retains a professional loss control consultant who regularly inspects Town facilities and provides loss control assistance. The Town is self-insured for unemployment compensation. The Town has established a Capital Reserve Fund account for its unemployment fund monies and will budget a transfer when the balance drops below \$7,500.

Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting firm of RHR Smith & Company was selected. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Acknowledgments: The preparation of the comprehensive annual financial report could not have been completed without the cooperation and dedication of the entire office staff. Each member of the various departments has our sincere appreciation for the contributions made in the preparation of this report. The Board of Selectmen should also be given credit for its interest and support in planning and conducting the operations of the Town in a responsible and progressive manner.

In closing, without the leadership and support of the governing body of the Town, preparation of this report would not have been possible.

Sincerely,

Eileen F. Dondlinger
Finance Director

TOWN OF WALDOBORO
List of Principal Officials
June 30, 2015

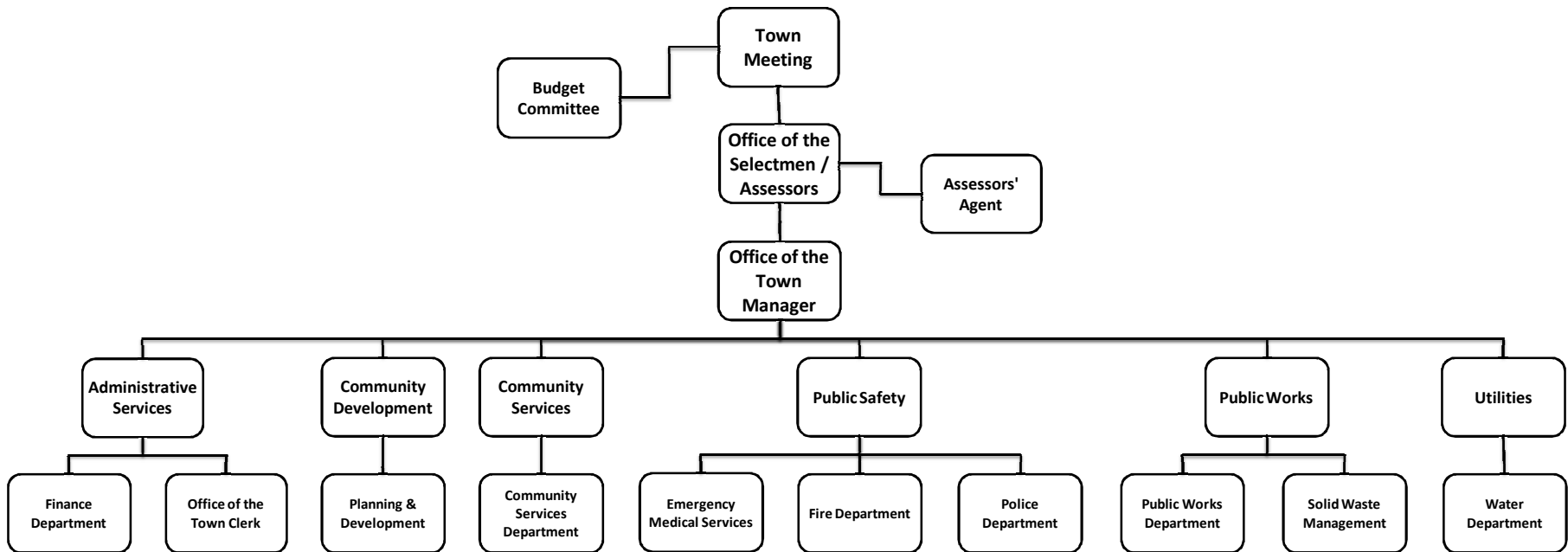
ELECTED OFFICIALS

Board of Selectmen/Assessors	Joanne C. Minzy, Chairman Ronald L. Miller, Vice Chair Clinton E. Collamore Abden S. Simmons Katherine W. Winchenbach
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APPOINTED OFFICIALS

Town Manager	Linda-Jean Briggs
Assessors' Agent	Darryl L. McKenney
Finance Director	Eileen F. Dondlinger
Tax Collector	Allene "Rose" Roy
Town Clerk	Eileen F. Dondlinger
Police Chief	William J. Labombarde
Fire Chief	Paul T. Smeltzer
EMS Director	Richard D. Lash
Public Works Director	John R. Daigle
Planner/Economic Development	Emily Reinholt
Code Enforcement Officer	Stanley R. Waltz
Community Services Director	Kyle A. Santheson

Town of Waldoboro, Maine
Organizational Chart





Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Waldoboro
Waldoboro, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Waldoboro, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 11 through 20 and 61 through 63 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 Waldoboro, Maine's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

RHR Smith & Company

Buxton, Maine
January 27, 2016

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

As management of the Town of Waldoboro, Maine we offer readers of Waldoboro's financial statements this narrative overview and analysis of the financial activities of the Town of Waldoboro for the fiscal year ended 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets of the Town of Waldoboro exceeded its liabilities at the close of the most recent fiscal year by \$12.2 million, a \$0.1 million decrease from last year.
- As of June 30, 2015, the ending fund balance of all governmental funds was \$2.8 million. Governmental funds include the General Fund, Capital Reserve Fund and Other Governmental Funds.
- As of June 30, 2015, the General Fund balance was \$1,311,905, representing an increase of \$255,293 or 24% over the previous year and available to the Town as unassigned fund balance. This is approximately 15.9% of total expenditures. This was primarily the result of favorable balances in the Overlay, Planning and Development, Emergency Medical Services, and Fire Department accounts.
- The Capital Reserve Fund balance was \$1.1 million and is designated for future investments in capital assets such as buildings, fleet and equipment and improvements to roads. This represents a decrease of \$128,134 from the previous year.
- During the year, bonds and notes payable decreased by \$125,334. This consisted of a net decrease in General Government debt of \$41,093 and a net decrease in Water Fund debt of \$84,241. This includes \$461,282 in bonds issued to finance the construction of a new Town public works garage and \$1,427,418 in bonds issued to finance improvements to the Town's water system.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Waldoboro, Maine, (Town) using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

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

The Town's financial statements are comprised of a series of statements. The government-wide financial statements (statement of net position and the statement of activities (pages 22 and 23 - 24) present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting.

The fund financial statements (beginning on page 25) provide a more detailed look at the governmental funds and the fiduciary funds. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds and private-purpose trust funds. Fiduciary funds are used to account for resources held for the benefit of others and are not available to support the Town's own programs. Agency funds only report a balance sheet and do not have a measurement focus.

Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a broad overview of the Town of Waldoboro, Maine's finances, similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being 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 of Waldoboro, Maine 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).

The Town of Waldoboro, Maine's statement of net position and its statement of activities report both governmental and business-type activities. Governmental activities are the Town's basic services including: general government, public safety, public works, health and welfare, public services, education, unclassified and interest on debt and capital maintenance expenses. Property taxes, intergovernmental revenue (primarily revenues from the State of Maine), user fees, licenses and permit fees and state and local grants finance these activities.

Business-type activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Waldoboro include a water department.

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

The government-wide statements can be found on pages 22 through 24 of this report.

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 Waldoboro, Maine, like other state and local governments, used 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, proprietary, and fiduciary.

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 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 statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Waldoboro, Maine maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Reserve Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Waldoboro, Maine adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

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

The basic governmental fund financial statements can be found on pages 25 through 28 of this report.

Proprietary Funds – The Town of Waldoboro maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Waldoboro uses enterprise funds to account for its Water Department operations.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise funds.

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Waldoboro, Maine's own programs.

The basic fiduciary fund financial statements can be found on page 32 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-58 of this report.

Other Information - The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page 69 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Waldoboro, Maine, assets exceeded liabilities by \$12,431,569 at the close of the most recent fiscal year. The following information is a condensed version of the statement of net position for 2015 and 2014.

TOWN OF WALDOBORO, MAINE

Management's Discussion and Analysis, Continued

NET POSITION				
	Governmental Activities 2015	Governmental Activities 2014 (Restated)	Business-type Activities 2015	Business-type Activities 2014
Current assets	\$ 3,450,416.00	\$ 3,402,331.00	\$ 156,375.00	\$ 160,179.00
Capital assets	<u>7,382,852.00</u>	<u>7,372,012.00</u>	<u>4,191,170.00</u>	<u>4,286,666.00</u>
Total assets	<u>10,833,268.00</u>	<u>10,774,343.00</u>	<u>4,347,545.00</u>	<u>4,446,845.00</u>
Deferred outflow of resources	<u>155,870.00</u>	<u>91,861.00</u>	<u>-</u>	<u>-</u>
Long-term liabilities outstanding	1,372,530.00	1,869,505.00	1,342,566.00	1,427,419.00
Other liabilities	<u>165,990.00</u>	<u>290,934.00</u>	<u>119,783.00</u>	<u>119,588.00</u>
Total liabilities	<u>1,538,520.00</u>	<u>2,160,439.00</u>	<u>1,462,349.00</u>	<u>1,547,007.00</u>
Deferred inflow of resources	<u>744,190.00</u>	<u>109,182.00</u>	<u>-</u>	<u>-</u>
Net position:				
Net investment in capital assets	6,685,665.00	6,813,290.00	2,763,752.00	2,775,007.00
Restricted	41,654.00	44,034.00	-	-
Unrestricted	<u>1,979,109.00</u>	<u>1,739,259.00</u>	<u>121,444.00</u>	<u>124,831.00</u>
Total net position	<u>\$8,706,428.00</u>	<u>\$8,596,583.00</u>	<u>\$2,885,196.00</u>	<u>\$2,899,838.00</u>

The largest portion of the Town of Waldoboro, Maine's net position 76.79% reflects its net investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding.

The Town of Waldoboro, Maine uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is 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 0.48% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position 22.73% may be used to meet the government's ongoing obligations to citizens and creditors.

TOWN OF WALDOBORO, MAINE

Management's Discussion and Analysis, Continued

CHANGE IN NET POSITION				
	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	689,468	786,090	224,903	228,118
Operating grants and contributions	79,537	88,749	-	-
Capital grants and contributions				
General revenues:				
Property taxes	7,115,517	7,028,518	-	-
Excise taxes	817,487	832,580	-	-
Licenses and permits	48,568	57,207	-	-
Fees and fines	2,035	2,706	-	-
State revenue sharing	228,059	224,150	-	-
Homestead exemption	121,883	122,633	-	-
Other state aid	215,923	219,921	-	-
Rental income	29,250	29,250	-	-
Interest and costs on taxes	62,916	62,185		
Miscellaneous revenues	47,314	174,557	6,388	
Total revenues	9,457,957	9,628,546	231,291	228,118
Expenses:				
General government	1,165,054	1,181,563	-	-
Public safety	1,639,434	1,609,380	-	-
Public works	1,042,104	991,905	-	-
Health, sanitation and welfare	43,891	44,744	-	-
Community services	207,940	191,548	-	-
Planning and development	32,309	52,015	-	-
Insurance and employee benefits	46,580	44,560	-	-
Education	4,560,645	4,620,898	-	-
Waste management	569,423	518,271	-	-
Abatements	3,937	9,779	-	-
Miscellaneous		-	-	-
Interest on debt	21,946	24,194		28,434
Capital maintenance expenses	14,849	65,722	-	-
Water Department	-	-	245,933	224,930
Total expenses	9,348,112	9,354,579	245,933	253,364
Change in net position	109,845	273,967	(14,642)	(25,246)
Net position, beginning of year, restated	\$ 8,596,583	\$ 8,322,616	2,899,838	2,925,084
Net position, end of year	\$ 8,706,428	\$ 8,596,583	2,885,196	2,899,838

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

Governmental activities resulted in an increase in the Town of Waldoboro, Maine's net position of \$109,845 with the majority of revenues (75%) coming from property taxes. In addition, principal payments on bonds and capital leases totaled almost \$92,041. These amounts are not considered expenses for purposes of full accrual financial statements. Governmental activities also included approximately \$606,325 in depreciation expense.

Financial Analysis of the Government's Funds

The Town of Waldoboro, Maine uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town of Waldoboro, Maine's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Waldoboro, Maine's governmental funds reported combined ending fund balances of \$2,765,176. Unassigned fund balance constitutes 47 percent of this total amount, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Waldoboro, Maine. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,311,905. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.7% of total General Fund expenditures.

General Fund Budgetary Highlights

During the current fiscal year, the revenues for the Town of Waldoboro, Maine exceeded expenditures by \$252,840. This was due primarily to two major factors - 1) overlay was \$122,496 and 2) Planning and Development and EMS and Fire Services under spent their budgets.

The following is a summary of revenues and expenditures on a budgetary basis for the current fiscal year:

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

	Budget	Actual	Variance
Revenues:			
Taxes	\$ 7,911,670	8,085,958	174,288
Licenses and permits	51,405	48,568	(2,837)
Intergovernmental	348,966	373,777	24,811
Charges for services	631,390	561,612	(69,778)
Fees and fines		2,035	2,035
Other	126,322	119,862	(6,460)
Total revenues	9,069,753	9,191,812	122,059
Expenditures:			
General government	556,326	570,076	(13,750)
Public safety	1,485,263	1,420,780	64,483
Public works	703,217	740,260	(37,043)
Health and welfare	45,150	43,891	1,259
Community services	149,005	144,587	4,418
Planning and development	67,993	32,309	35,684
Insurance and employee benefits	47,251	46,580	671
County tax	571,779	571,779	-
Education	4,560,645	4,560,645	-
Debt service	113,987	113,987	-
Overlay/abatements	122,496	3,937	118,559
Total expenditures	\$ 8,423,112	8,248,831	174,281

Capital Assets and Debt Administration

Capital Assets

The Town of Waldoboro, Maine's net investment in capital assets as of June 30, 2015 amounts to \$7,382,852 for governmental activities and \$4,184,197 for business-type activities (Water department). This investment in capital assets includes land, buildings and building improvements, furniture and equipment, vehicles, and infrastructure assets such as roads and Water department infrastructure.

Major capital asset events during the 2015 fiscal year:

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

- \$239,210 for surface paving
- \$53,277 for improvements to the Municipal Building parking lot

Town of Waldoboro, Maine's Capital Assets (Net of Depreciation)

	Governmental	Business-type
Land and other non-depreciated	377,597	337,472
Construction in process		
Land Improvements	641,743	
Buildings and building improvements	4,450,625	
Equipment and fixtures	585,040	
Vehicles	3,386,917	
Infrastructure (roadways)	2,816,315	
Water Department		4,821,488
Less: accumulated depreciation	4,875,385	974,763
Total	7,382,852	4,184,197

Long-term debt

The Town of Waldoboro, Maine is not currently rated by the major investment services.

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the Town of Waldoboro, Maine is \$71,355,000 which is considerably more than the Town's outstanding general obligation debt of \$2,124,605. Additional information on the Town of Waldoboro, Maine's long-term debt may be found in the Notes to the Financial Statements.

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

Economic Factors and Next Years Budget and Rates

Waldoboro's economy continues to be strong with a 4.1% unemployment rate (June 2015), below the State of Maine average of 4.7%. Estimated median income based on the 2010 census for Waldoboro's 5075 residents was \$34,834.

During 2014/2015, as a result of new construction, the Town's tax base increased by 0.47%. The value of the Town's largest taxpayer, Central Maine Power Company represents approximately 1.61% of the total assessed valuation, followed by Baxter Holdings Trust I & II at 1.56% of assessed valuation.

The 2015/2016 budget allows for an overall increase in municipal expenditures of 4.75% with a projected increase in revenues of 6.10%. The property tax bill's mil rate set at \$15.30 is an increase of \$1.60 over 2014/2015. This increase reflects a valuation decrease from the previous year of 12% on land and 4% on building values.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the *Town Manager, P.O. Box J, Waldoboro, ME 04572, phone 207-832-5369 or e-mail townmgr@waldoboromaine.org*.

STATEMENT A

TOWN OF WALDOBORO, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,301,725	\$ 119,045	\$ 2,420,770
Accounts receivable (net of allowance for uncollectibles):			
Taxes	460,233	-	460,233
Other	442,372	-	442,372
Tax liens	165,778	-	165,778
Due from other governments	36,525	37,330	73,855
Tax acquired property	2,129	-	2,129
Restricted cash	41,654	-	41,654
Total current assets	<u>3,450,416</u>	<u>156,375</u>	<u>3,606,791</u>
Noncurrent assets:			
Debt issuance costs, net of amortization	-	6,973	6,973
Capital assets:			
Land, infrastructure, and other assets not being depreciated	377,597	337,472	715,069
Buildings and vehicles net of accumulated depreciation	7,005,255	3,846,725	10,851,980
Total noncurrent assets	<u>7,382,852</u>	<u>4,191,170</u>	<u>11,574,022</u>
TOTAL ASSETS	<u>10,833,268</u>	<u>4,347,545</u>	<u>15,180,813</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on pensions	155,870	-	155,870
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>155,870</u>	<u>-</u>	<u>155,870</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,989,138</u>	<u>\$ 4,347,545</u>	<u>\$ 15,336,683</u>

STATEMENT A (CONTINUED)
TOWN OF WALDOBORO, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 56,291	\$ 7,411	\$ 63,702
Due to other governments	587	-	587
Accrued expenses	-	27,520	27,520
Other liabilities	6,540	-	6,540
Current portion of long-term obligations	102,572	84,852	187,424
Total current liabilities	<u>165,990</u>	<u>119,783</u>	<u>285,773</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	418,586	-	418,586
Notes payable	-	1,342,566	1,342,566
Capital leases	176,029	-	176,029
Accrued landfill costs	278,000	-	278,000
Accrued compensated absences	92,151	-	92,151
Net pension liability	407,764	-	407,764
Total noncurrent liabilities	<u>1,372,530</u>	<u>1,342,566</u>	<u>2,715,096</u>
TOTAL LIABILITIES	<u>1,538,520</u>	<u>1,462,349</u>	<u>3,000,869</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	14,632	-	14,632
Deferred ambulance revenue	220,750	-	220,750
Deferred amount on pensions	508,808	-	508,808
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>744,190</u>	<u>-</u>	<u>744,190</u>
NET POSITION			
Net investment in capital assets	6,685,665	2,763,752	9,449,417
Restricted - General fund	41,654	-	41,654
Unrestricted	1,979,109	121,444	2,100,553
TOTAL NET POSITION	<u>8,706,428</u>	<u>2,885,196</u>	<u>11,591,624</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 10,989,138</u>	<u>\$ 4,347,545</u>	<u>\$ 15,336,683</u>

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

STATEMENT B

TOWN OF WALDOBORO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 588,538	\$ 54,200	\$ -	\$ -	\$ (534,338)	\$ -	\$ (534,338)
Town services and public safety	1,639,434	507,412	-	-	(1,132,022)	-	(1,132,022)
Public works	1,042,104	-	69,400	-	(972,704)	-	(972,704)
Health and welfare	43,891	-	10,137	-	(33,754)	-	(33,754)
Community services	207,940	-	-	-	(207,940)	-	(207,940)
Planning and development	32,309	-	-	-	(32,309)	-	(32,309)
Insurance and employee benefits	46,580	-	-	-	(46,580)	-	(46,580)
County tax	571,779	-	-	-	(571,779)	-	(571,779)
Education	4,560,645	-	-	-	(4,560,645)	-	(4,560,645)
Waste management	569,423	127,856	-	-	(441,567)	-	(441,567)
Overlay / abatements	3,937	-	-	-	(3,937)	-	(3,937)
Capital outlay	14,849	-	-	-	(14,849)	-	(14,849)
Interest on long-term debt	21,946	-	-	-	(21,946)	-	(21,946)
Unallocated depreciation (Note 4)*	4,737	-	-	-	(4,737)	-	(4,737)
Total governmental activities	<u>9,348,112</u>	<u>689,468</u>	<u>79,537</u>	<u>-</u>	<u>(8,579,107)</u>	<u>-</u>	<u>(8,579,107)</u>
Business-type activities:							
Water department	245,933	224,903	-	-	-	(21,030)	(21,030)
Total business-type activities	<u>245,933</u>	<u>224,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,030)</u>	<u>(21,030)</u>
Total government	<u>\$ 9,594,045</u>	<u>\$ 914,371</u>	<u>\$ 79,537</u>	<u>\$ -</u>	<u>(8,579,107)</u>	<u>(21,030)</u>	<u>(8,600,137)</u>

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

STATEMENT B (CONTINUED)

TOWN OF WALDOBORO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(8,579,107)</u>	<u>(21,030)</u>	<u>(8,600,137)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	7,115,517	-	7,115,517
Excise taxes	880,403	-	880,403
Licenses and permits	48,568	-	48,568
Fees and fines	2,035	-	2,035
Grants and contributions not restricted to specific programs	565,865	-	565,865
Investment income	4,355	-	4,355
Miscellaneous	72,209	6,388	78,597
Total general revenues	<u>8,688,952</u>	<u>6,388</u>	<u>8,695,340</u>
Change in net position	109,845	(14,642)	95,203
NET POSITION - JULY 1, RESTATED	<u>8,596,583</u>	<u>2,899,838</u>	<u>11,496,421</u>
NET POSITION - JUNE 30	<u><u>\$ 8,706,428</u></u>	<u><u>\$ 2,885,196</u></u>	<u><u>\$ 11,591,624</u></u>

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

STATEMENT C

TOWN OF WALDOBORO, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Capital Reserve	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,451,925	\$ 849,800	\$ -	\$ 2,301,725
Accounts receivable (net of allowance for uncollectibles):				
Taxes	460,233	-	-	460,233
Other	442,372	-	-	442,372
Tax liens	165,778	-	-	165,778
Due from other governments	36,525	-	-	36,525
Tax acquired property	2,129	-	-	2,129
Due from other funds	8,729	211,692	357,265	577,686
Restricted cash	41,654	-	-	41,654
TOTAL ASSETS	\$ 2,609,345	\$ 1,061,492	\$ 357,265	\$ 4,028,102
LIABILITIES				
Accounts payable	\$ 56,291	\$ -	\$ -	\$ 56,291
Due to other governments	587	-	-	587
Other liabilities	6,540	-	-	6,540
Due to other funds	568,957	-	8,729	577,686
TOTAL LIABILITIES	632,375	-	8,729	641,104
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	14,632	-	-	14,632
Deferred tax revenues	385,900	-	-	385,900
Deferred ambulance revenue	220,750	-	-	220,750
TOTAL DEFERRED INFLOWS OF RESOURCES	621,282	-	-	621,282
FUND BALANCES				
Nonspendable	2,129	-	-	2,129
Restricted	41,654	-	-	41,654
Committed	-	1,061,492	-	1,061,492
Assigned	-	-	357,265	357,265
Unassigned	1,311,905	-	(8,729)	1,303,176
TOTAL FUND BALANCES	1,355,688	1,061,492	348,536	2,765,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,609,345	\$ 1,061,492	\$ 357,265	\$ 4,028,102

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

TOWN OF WALDOBORO, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 2,765,716
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	7,382,852
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	385,900
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	155,870
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(461,282)
Capital leases payable	(235,905)
Accrued landfill expenses	(278,000)
Accrued compensated absences	(92,151)
Net pension liability	(407,764)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds	(508,808)
Net position of governmental activities	<u>\$ 8,706,428</u>

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

TOWN OF WALDOBORO, MAINE

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

	General Fund	Capital Reserve	Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 8,085,958	\$ -	\$ -	\$ 8,085,958
Licenses and permits	48,568	-	-	48,568
Intergovernmental	373,777	15,461	256,164	645,402
Charges for services	561,612	-	127,856	689,468
Fees and fines	2,035	-	-	2,035
Unclassified	48,172	23,637	400	72,209
Investment income	2,290	2,065	-	4,355
TOTAL REVENUES	<u>9,122,412</u>	<u>41,163</u>	<u>384,420</u>	<u>9,547,995</u>
EXPENDITURES				
Current:				
General government	570,076	1,380	2,064	573,520
Town services and public safety	1,420,780	-	-	1,420,780
Public works	740,260	48,812	-	789,072
Health and welfare	43,891	-	-	43,891
Community services	144,587	-	37,772	182,359
Planning and development	32,309	-	-	32,309
Insurance and employee benefits	46,580	-	-	46,580
County tax	571,779	-	-	571,779
Education	4,560,645	-	-	4,560,645
Waste management	-	-	524,123	524,123
Overlay / abatements	3,937	-	-	3,937
Capital outlay	-	543,014	-	543,014
Debt service	113,987	-	-	113,987
TOTAL EXPENDITURES	<u>8,248,831</u>	<u>593,206</u>	<u>563,959</u>	<u>9,405,996</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>873,581</u>	<u>(552,043)</u>	<u>(179,539)</u>	<u>141,999</u>
OTHER FINANCING SOURCES				
Transfers in	69,400	431,561	266,232	767,193
Transfers (out)	<u>(690,141)</u>	<u>(7,652)</u>	<u>(69,400)</u>	<u>(767,193)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(620,741)</u>	<u>423,909</u>	<u>196,832</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	252,840	(128,134)	17,293	141,999
FUND BALANCES - JULY 1	<u>1,102,848</u>	<u>1,189,626</u>	<u>331,243</u>	<u>2,623,717</u>
FUND BALANCES - JUNE 30	<u>\$ 1,355,688</u>	<u>\$ 1,061,492</u>	<u>\$ 348,536</u>	<u>\$ 2,765,716</u>

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

TOWN OF WALDOBORO, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 141,999</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	617,165
Capital asset disposals, net	-
Depreciation expense	<u>(606,325)</u>
	<u>10,840</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(90,038)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	<u>64,009</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	<u>(89,000)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>92,041</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued landfill costs	(10,200)
Accrued compensated absences	(11,061)
Net pension liability	<u>510,063</u>
	<u>488,802</u>
Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	<u>(508,808)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 109,845</u>

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

TOWN OF WALDOBORO, MAINE

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2015

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 119,045
Accounts receivable (net of allowance for uncollectibles)	37,330
Total current assets	<u>156,375</u>
Noncurrent assets:	
Debt issuance costs (net of amortization)	<u>6,973</u>
Capital assets:	
Land and other non-depreciated assets	337,472
Buildings	779,471
Vehicles and equipment	346,411
Plant / infrastructure	3,695,606
Less: accumulated depreciation	<u>(974,763)</u>
Net capital assets	<u>4,184,197</u>
Total noncurrent assets	<u>4,191,170</u>
TOTAL ASSETS	<u><u>\$ 4,347,545</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 7,411
Accrued interest	4,609
Accrued rate case	22,911
Current portion of long-term obligations	84,852
Total current liabilities	<u>119,783</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	<u>1,342,566</u>
Total noncurrent liabilities	<u>1,342,566</u>
TOTAL LIABILITIES	<u><u>1,462,349</u></u>
NET POSITION	
Net investment in capital assets	2,763,752
Unrestricted	121,444
TOTAL NET POSITION	<u><u>2,885,196</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 4,347,545</u></u>

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

TOWN OF WALDOBORO, MAINE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Fund
OPERATING REVENUES	
Charges for services	\$ 224,903
Other	6,388
TOTAL OPERATING REVENUES	<u>231,291</u>
OPERATING EXPENSES	
Outside services	85,728
Enterprise reimbursements	9,774
Power	13,455
Supplies	1,102
Administration	3,257
Regulatory	1,420
Rate case	2,260
Depreciation and amortization	97,143
Other	3,936
TOTAL OPERATING EXPENSES	<u>218,075</u>
OPERATING INCOME (LOSS)	<u>13,216</u>
NON-OPERATING REVENUES (EXPENSES)	
Transfers in	-
Transfers out	-
Interest expense	(27,858)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(27,858)</u>
CHANGE IN NET POSITION	(14,642)
NET POSITION - JULY 1	<u>2,899,838</u>
NET POSITION - JUNE 30	<u><u>\$ 2,885,196</u></u>

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

TOWN OF WALDOBORO, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 225,193
Other receipts	3,888
Payments to suppliers	(118,849)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>110,232</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest payments on bond payable	(27,858)
Payments for purchases of fixed assets	(1,647)
Principal payments on bond payable	(84,241)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(113,746)</u>
NET INCREASE (DECREASE) IN CASH	(3,514)
CASH AND CASH EQUIVALENTS - JULY 1	<u>122,559</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 119,045</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 13,216
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	97,143
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	290
(Decrease) increase in accounts payable	(75)
(Decrease) increase in accrued interest	(102)
(Decrease) increase in customer deposits	(2,500)
(Decrease) increase in other liabilities	2,260
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 110,232</u>

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

STATEMENT J

TOWN OF WALDOBORO, MAINE

STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds	Private-Purpose Trust Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Investments, at fair value	56,315	1,666,964
Due from Town of Waldoboro	3,040	-
TOTAL ASSETS	<u>\$ 59,355</u>	<u>\$ 1,666,964</u>
LIABILITIES		
Due to Town of Waldoboro	\$ -	\$ 55,801
Deposits held for others	59,355	-
TOTAL LIABILITIES	<u>\$ 59,355</u>	<u>55,801</u>
NET POSITION		
Held in trust for special purposes		1,611,163
TOTAL NET POSITION		<u>1,611,163</u>
TOTAL LIABILITIES AND NET POSITION		<u>\$ 1,666,964</u>

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

	Private-Purpose Trust Funds
ADDITIONS	
Investment income	\$ 58,215
Net increase (decrease) in fair value of investments	(28,323)
TOTAL ADDITIONS	<u>29,892</u>
DEDUCTIONS	
Cemetery maintenance	5,134
Charitable relief	9,693
Scholarship awards	13,800
TOTAL DEDUCTIONS	<u>28,627</u>
CHANGE IN NET POSITION	1,265
NET POSITION - JULY 1	<u>1,609,898</u>
NET POSITION - JUNE 30	<u>\$ 1,611,163</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Waldoboro was incorporated under the laws of the State of Maine. The Town operates under Board of Selectmen-manager form of government and provides the following services: general government services, town services and public safety, public works, health and welfare, community services, planning and development, insurance and employee benefits, waste management and education.

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

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's water department is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

1. Governmental Funds:

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

Major Funds

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

Budget

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

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

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

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

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

Interfund Receivables and Payables

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

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

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$9,785 in the Water Department as of June 30, 2015. The general fund accounts receivables have been deferred and hence do not have an allowance account.

Capital Assets

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

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

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

Estimated useful lives are as follows:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

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

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

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

Compensated Absences

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2015, the Town's liability for compensated absences is \$92,151.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated 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 WALDOBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows and Inflows of Resources

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

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 1, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due in two installments on November 15, 2014 and May 15, 2015. Interest on unpaid taxes commenced on November 16, 2014 and May 16, 2015, at 7% per annum.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$122,496 for the year ended June 30, 2015.

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

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

Operating/Non-Operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

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

Use of Estimates

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2015, the Town's cash balance of \$2,462,424 was comprised of bank deposits amounting to \$2,484,987. Of this amount, none was exposed to custodial credit risk and was either insured by federal depository insurance or collateralized with securities held by the financial institutions in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 309,182
First Choice money market	849,980
Premium savings	1,325,825
	<u>\$ 2,484,987</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. However, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. The Town's investments of \$1,723,279 were uncollateralized and uninsured and therefore exposed to custodial credit risk.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Investment Type	Fair Value	Not Applicable	Less than 1 Year	1 - 5 Years	Over 5 Years
Cash equivalents	\$ 55,766	\$ 55,766	\$ -	\$ -	\$ -
Fixed income	788,177	788,177	-	-	-
Equities	879,336	879,336	-	-	-
	<u>\$ 1,723,279</u>	<u>\$ 1,723,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

	Receivables (Due from)	Payables (Due to)
General fund	\$ 8,729	\$ 568,957
Capital reserve fund	211,692	-
Nonmajor special revenue funds	357,265	8,729
	<u>\$ 577,686</u>	<u>\$ 577,686</u>

TOWN OF WALDOBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

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

	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land and other non depreciable property	\$ 377,597	\$ -	\$ -	\$ 377,597
	<u>377,597</u>	<u>-</u>	<u>-</u>	<u>377,597</u>
Depreciated assets:				
Land improvements	588,515	53,228	-	641,743
Buildings	4,295,247	155,378	-	4,450,625
Machinery & equipment	415,691	169,349	-	585,040
Vehicles	3,411,847	-	(24,930)	3,386,917
Infrastructure	2,577,105	239,210	-	2,816,315
	<u>11,288,405</u>	<u>617,165</u>	<u>(24,930)</u>	<u>11,880,640</u>
Less: accumulated depreciation	(4,293,990)	(606,325)	24,930	(4,875,385)
	<u>6,994,415</u>	<u>10,840</u>	<u>-</u>	<u>7,005,255</u>
Net governmental capital assets	<u>\$ 7,372,012</u>	<u>\$ 10,840</u>	<u>\$ -</u>	<u>\$ 7,382,852</u>
	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 278,557	\$ -	\$ -	\$ 278,557
Organization costs	772	-	-	772
Utility plant acq adj / CIP	58,143	-	-	58,143
	<u>337,472</u>	<u>-</u>	<u>-</u>	<u>337,472</u>
Depreciated assets:				
Buildings	779,471	-	-	779,471
Wells & springs	338,137	-	-	338,137
Power generating equipment	33,350	-	-	33,350
Pumping equipment	57,970	-	-	57,970
Water treatment equipment	141,070	-	-	141,070
Distribution reservoirs & standpipes	480,303	-	-	480,303
Mains	2,366,452	-	-	2,366,452
Services	340,175	1,114	-	341,289
Meters	39,786	533	-	40,319
Hydrants	129,106	-	-	129,106
Communication equipment	110,964	-	-	110,964
Miscellaneous equipment	3,057	-	-	3,057
	<u>4,819,841</u>	<u>1,647</u>	<u>-</u>	<u>4,821,488</u>
Less: accumulated depreciation	(878,109)	(96,654)	-	(974,763)
	<u>3,941,732</u>	<u>(95,007)</u>	<u>-</u>	<u>3,846,725</u>
Net business-type capital assets	<u>\$ 4,279,204</u>	<u>\$ (95,007)</u>	<u>\$ -</u>	<u>\$ 4,184,197</u>

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

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 69,221
Public safety	218,654
Public works	253,032
Community services	25,581
Transfer station	35,100
Town-wide	4,737
Total governmental activities depreciation	<u>606,325</u>
Water department	96,654
Total depreciation expense	<u><u>\$ 702,979</u></u>

NOTE 5 - LONG TERM DEBT

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

	Balance, 7/1/14 (Restated)	Additions	Deletions	Balance, 6/30/15	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 502,375	\$ -	\$ (41,093)	\$ 461,282	\$ 42,696
Capital leases payable	197,853	89,000	(50,948)	235,905	59,876
Landfill closure costs	267,800	15,600	(5,400)	278,000	-
Accrued compensated absences	81,090	11,061	-	92,151	-
Net pension liability	917,827	117,435	(627,498)	407,764	-
Total governmental activities	<u>\$ 1,966,945</u>	<u>\$ 233,096</u>	<u>\$ (724,939)</u>	<u>\$ 1,475,102</u>	<u>\$ 102,572</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 1,511,659	\$ -	\$ (84,241)	\$ 1,427,418	\$ 84,852
Total business-type activities	<u>\$ 1,511,659</u>	<u>\$ -</u>	<u>\$ (84,241)</u>	<u>\$ 1,427,418</u>	<u>\$ 84,852</u>

Payments under landfill closure costs have been made by the general fund. Accrued compensated absences typically have been liquidated in the general and other governmental funds.

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

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

Governmental activities bonds payable:

\$850,000, 2003 Series E Bond due in annual installments and semiannual interest installments through November 2023. Interest is charged at a rate from 2.0% to 5.085% per annum. Annual principal installments range from \$31,217 to \$61,670.	\$ 461,282
Total governmental activities bonds payable	<u>\$ 461,282</u>

Business-type activities bonds payable:

\$2,025,000, (\$1,518,150 Forgiven at closing) Bond due in annual installments through November 2035. Interest is charged at a rate of 0%. Annual principal installments are \$17,456.	\$ 349,146
\$775,000, (\$581,250 Forgiven at closing) 2000 Bond due in annual installments through November 2030. Interest is charged at a rate of 0%. Annual principal installments are \$7,452.	111,779
\$1,084,653, 2012 Bond due in annual installments through November 2028. Interest is charged at a rate of .860% - 4.260%. Annual installments are varied.	<u>966,493</u>
Total business-type activities bonds payable	<u>\$ 1,427,418</u>

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending June 30:

	Governmental Activities		
	Principal	Interest	Total Debt Service
2016	\$ 42,696	\$ 18,736	\$ 61,432
2017	44,417	16,896	61,313
2018	46,254	15,284	61,538
2019	48,215	14,133	62,348
2020	50,489	11,801	62,290
2021-2025	229,211	24,036	253,247
	<u>\$ 461,282</u>	<u>\$ 100,886</u>	<u>\$ 562,168</u>

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

NOTE 5 – LONG TERM DEBT (CONTINUED)

	Business Type Activities		
	Principal	Interest	Total Debt Service
2016	\$ 84,852	\$ 27,960	\$ 112,812
2017	85,590	27,286	112,876
2018	86,451	26,486	112,937
2019	87,467	25,547	113,014
2020	88,626	24,461	113,087
2021-2025	466,480	100,217	566,697
2026-2030	440,647	42,063	482,710
2031-2035	87,305	-	87,305
	<u>\$ 1,427,418</u>	<u>\$ 274,020</u>	<u>\$ 1,701,438</u>

The Town is obligated under three capital leases for the following:

Capital lease with Gorham Leasing for 3 years, 2.5% fixed interest rate, annual payments of \$24,619 until August of 2014.

Capital lease with Oshkosh Capital for 8 years, 2.9% variable interest rate, annual payments of \$32,004 until February of 2020.

Capital lease with The First, N.A. for 3 years, 1.78% fixed interest rate, annual payments of \$29,666 until July of 2017.

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

Year Ending June 30:	
2016	\$ 62,568
2017	62,568
2018	62,568
2019	32,004
2020	32,004
Total minimum lease payments	<u>251,712</u>
Less amount representing interest	<u>(15,807)</u>
Present value of future minimum lease payments	<u>\$ 235,905</u>

TOWN OF WALDOBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – LONG TERM DEBT (CONTINUED)

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

NOTE 6 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of debt for the County and School District it belongs to. As of June 30, 2015 the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
MSAD #40	\$ 10,500,400	34.97%	\$ 3,671,990
County of Lincoln	6,790,000	6.70%	454,930
			<u>\$ 4,126,920</u>

NOTE 7 – NONSPENDABLE FUND BALANCES

The Town has the following nonspendable fund balances at June 30, 2015:

General Fund:	
Tax acquired property	<u>\$ 2,129</u>

NOTE 8 – RESTRICTED FUND BALANCES

The Town has the following restricted fund balances at June 30, 2015:

General Fund:	
HRA account	<u>\$ 41,654</u>

NOTE 9 – COMMITTED FUND BALANCES

The Town has the following committed fund balances at June 30, 2015:

Capital Reserve Fund	<u>\$ 1,061,492</u>
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TOWN OF WALDOBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – ASSIGNED FUND BALANCES

The Town has the following assigned fund balances at June 30, 2015:

Nonmajor Special Revenue Funds (Schedule C)	<u>\$ 357,265</u>
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NOTE 11 – DEFICIT FUND BALANCES

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

Nonmajor Funds:	
Special Revenue Funds:	
DEP Wastewater	\$ 6,100
Emergency Management	<u>2,629</u>
	<u>\$ 8,729</u>

NOTE 12 – RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan. That report may be obtained online at www.maineopers.org or by contacting the System at 1-800-451-9800.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

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

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's police department employees are part of the PLD's special plan "3C" and are required to contribute 8.5% of their annual salary, while all other employees are part of the PLD's plan "AC" and are required to contribute 7% of their annual salary. The Town is required to contribute 11% of special plan "3C" members' covered payroll and 7.8% of the plan "AC" members' covered payroll annually to the system along with a predetermined initial unpooled unfunded actuarial liability (IUUAL) rate set by the system. The Town currently adds a portion of this liability as a cost to the current contributions due. The Town's contributions for the year ended June 30, 2015 have been adjusted accordingly and reflect the total contributions due for service after applying the cost of this liability. The Town's contributions for both plans for the year ended June 30, 2015 were \$104,667.

TOWN OF WALDOBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2015, the Town reported a liability of \$407,764 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was .264986%, which was a decrease of .032759% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized total pension expense of \$153,699. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,203	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	433,071
Changes in proportion and differences between contributions and proportionate share of contributions	-	75,737
Contributions subsequent to the measurement date	104,667	-
Total	<u>\$ 155,870</u>	<u>\$ 508,808</u>

\$104,667 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:

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan
Year ended June 30:	
2017	\$ 272,152
2018	272,152
2019	293,456
2020	(219,903)
2021	-
Thereafter	-

Actuarial Methods and Assumptions

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

Actuarial Cost Method

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

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

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

Asset Valuation Method

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Amortization

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

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

Investment Rate of Return - For the PLD Plan, 7.25% per annum, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

Mortality Rates - For participating local districts, the RP2000 Tables projected forward to 2015 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

Cost of Living Benefit Increases - 3.12% for Participating Local Districts.

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate

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

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

	1% Decrease	Discount Rate	1% Increase
PLD Plan:			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ 1,272,102	\$ 407,764	\$ (314,716)

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

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

Differences between Expected and Actual Experience

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

Differences between Projected and Actual Investment Earnings

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

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan.

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

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

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at 1-800-451-9800.

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

NOTE 14 – EXPENDITURES OVER APPROPRIATIONS

The following warrant article lines were exceeded by actual expenditures:

Selectmen	\$ 7,852
Administration	674
Assessment	2,048
Municipal building	8,115
Street lights	8,156
Public works	37,043
Total	<u>\$ 63,888</u>

These items were authorized to be covered by unassigned fund balance according to Article #38 at the Annual Town Meeting.

NOTE 15 – COMMITMENTS – WALDOBORO WATER COMPANY

On November 24, 1999, the Town purchased the Water Company. The purchase price was \$387,200. The Town bought the assets of the Company, which included land, equipment, and the water distribution system. The Town contracted with Maine Water Company, formerly Aqua Maine, Inc., to provide operating and administrative support.

At the June 1999 Town meeting, the Town voted to authorize borrowing not to exceed \$2,575,000 for the purchase of the assets of the Waldoboro Water Company and improvements to the water system, going back to Town meeting for additional funding approval, and to authorize the application of grant funds for the same. At the June 2001 Town meeting, the Town authorized an additional \$2,348,611 for a total of \$4,923,611. At a June 2006 Town meeting, the Town authorized an additional \$2,025,000 for a grand total of \$6,948,611.

At June 30, 2015, the Town has commitments for the financing of improvements to the water systems as follows: Maine Municipal Bond Bank loan balances totaling \$1,427,418.

NOTE 16 – LANDFILL CLOSURE COSTS

The Town of Waldoboro, Maine has two landfills for which it is responsible. One received solid waste through April 15, 1989 and was closed and capped in October, 1991 to Maine Department of Environmental Protection (MDEP) standards. Post-closure monitoring currently costs approximately \$8,000 per year for approximately the next 6 years or \$48,000. Post-closure monitoring for this site will be funded annually through the operating budget.

TOWN OF WALDOBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – LANDFILL CLOSURE COSTS (CONTINUED)

To facilitate the disposal of construction and demolition debris, a 4.5 acre construction and demolition debris (CDD) landfill was licensed by the MDEP adjacent to the transfer station on August 23, 1988. Phase I (1.65 acres) was constructed and opened in the fall of 1991 and was closed and capped in July 2002. Phase II (1.47 acres) was constructed and opened on August 1, 2002. Its useful life should be good until August 2020. Closure costs for Phase II of the CDD landfill are expected to approximate \$179,000 (1.47 acres x 121,769/acre). Post-closure monitoring of this site approximates \$51,000 (\$1,700 for 30 years). The Town has established a reserve to fund the closure and post-closure care costs of these landfills. As of June 30, 2015, the Town had reserved \$72,223 for the Phase II closure. Neighboring towns participate in financing the landfill and transfer station costs. Currently, the Town of Waldoboro, Maine's share of these costs is 65.39% and the other communities' shares are 34.61%. The Town has recognized the estimated liability for landfill closure and post-closure care costs in the entity-wide financial statements.

Estimated liability for landfill closure and post-closure costs:

	Old Landfill	CDD Landfill	Total
Closure	\$ -	\$ 179,000	\$ 179,000
Monitoring	48,000	51,000	99,000
Total	<u>\$ 48,000</u>	<u>\$ 230,000</u>	<u>\$ 278,000</u>

The actual cost of post-closure care may be higher or lower due to inflation, changes in technology, engineering estimates or changes in landfill laws and regulations.

NOTE 17 – CONTINGENCIES

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

NOTE 18 - RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance has been reduced by \$825,966 to a balance of \$8,596,583.

Required Supplementary Information

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

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

TOWN OF WALDOBORO, MAINE

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,102,848	\$ 1,102,848	\$ 1,102,848	\$ -
Resources (Inflows):				
Taxes	7,911,670	7,911,670	8,085,958	174,288
Licenses and permits	51,405	51,405	48,568	(2,837)
Intergovernmental	348,966	348,966	373,777	24,811
Charges for services	631,390	631,390	561,612	(69,778)
Fees and fines	-	-	2,035	2,035
Unclassified	47,650	47,650	48,172	522
Interest earned	3,000	3,000	2,290	(710)
Transfers from other funds	75,672	75,672	69,400	(6,272)
Amounts Available for Appropriation	<u>10,172,601</u>	<u>10,172,601</u>	<u>10,294,660</u>	<u>122,059</u>
Charges to Appropriation (Outflows):				
General government	556,326	556,326	570,076	(13,750)
Town services and public safety	1,485,263	1,485,263	1,420,780	64,483
Public works	703,217	703,217	740,260	(37,043)
Health and welfare	45,150	45,150	43,891	1,259
Community services	149,005	149,005	144,587	4,418
Planning and development	67,993	67,993	32,309	35,684
Insurance and employee benefits	47,251	47,251	46,580	671
County tax	571,779	571,779	571,779	-
Education	4,560,645	4,560,645	4,560,645	-
Overlay / abatements	122,496	122,496	3,937	118,559
Debt service	113,987	113,987	113,987	-
Transfers to other funds	690,141	690,141	690,141	-
Total Charges to Appropriations	<u>9,113,253</u>	<u>9,113,253</u>	<u>8,938,972</u>	<u>174,281</u>
Budgetary Fund Balance, June 30	<u>\$ 1,059,348</u>	<u>\$ 1,059,348</u>	<u>\$ 1,355,688</u>	<u>\$ 296,340</u>
Utilization of assigned fund balance	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ -</u>	<u>\$ (43,500)</u>
	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ -</u>	<u>\$ (43,500)</u>

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

TOWN OF WALDOBORO, MAINE

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

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Proportion of the net pension liability (asset)	0.21%	0.22%
Proportionate share of the net pension liability (asset)	\$ 407,764	\$ 917,827
Covered-employee payroll	\$ 1,144,795	\$ 835,700
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.62%	109.83%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%

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

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

TOWN OF WALDOBORO, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 104,667	\$ 91,861
Contributions in relation to the contractually required contribution	<u>(104,667)</u>	<u>(91,861)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,144,795	\$ 835,700
Contributions as a percentage of covered- employee payroll	9.14%	10.99%

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

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

Other Supplementary Information

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

- Schedule of Revenues - Budget to Actual – General Fund
- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Capital Projects Funds
- Combining Balance Sheet – Private Purpose Trust Funds
- Combining Schedule of Changes in Fiduciary Net Position – Private Purpose Trust Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF WALDOBORO, MAINE

SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 7,115,517	\$ 7,115,517	\$ 7,205,555	\$ 90,038
Excise taxes	738,400	738,400	817,487	79,087
Interest and penalties	57,753	57,753	62,916	5,163
Intergovernmental revenues:				
Municipal revenue sharing	204,000	204,000	228,059	24,059
Homestead / BETE	121,743	121,743	121,883	140
General assistance	8,950	8,950	10,137	1,187
Tree growth revenue	7,966	7,966	7,143	(823)
Veteran's assistance	5,301	5,301	5,163	(138)
Snowmobile registrations	1,006	1,006	940	(66)
Other	-	-	452	452
Charges for services:				
General government	41,355	41,355	48,834	7,479
Emergency medical services	540,156	540,156	474,554	(65,602)
Police / fire services	45,404	45,404	32,858	(12,546)
Planning / code	4,475	4,475	5,366	891
Licenses and permits	51,405	51,405	48,568	(2,837)
Investment income	3,000	3,000	2,290	(710)
Fees and fines	-	-	2,035	2,035
Unclassified:				
Registration fees	18,400	18,400	18,222	(178)
Rental income	29,250	29,250	29,250	-
Other revenue	-	-	700	700
Transfers from other funds	75,672	75,672	69,400	(6,272)
Total revenues	<u>\$ 9,069,753</u>	<u>\$ 9,069,753</u>	<u>\$ 9,191,812</u>	<u>\$ 122,059</u>

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

TOWN OF WALDOBORO, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government:					
Office of the selectmen	\$ 29,163	\$ -	\$ 29,163	\$ 37,015	\$ (7,852)
Administration	131,086	-	131,086	131,760	(674)
Assessment	99,132	-	99,132	101,180	(2,048)
Finance	175,574	-	175,574	173,345	2,229
Town clerk	70,588	-	70,588	67,878	2,710
Municipal building	50,783	-	50,783	58,898	(8,115)
	<u>556,326</u>	<u>-</u>	<u>556,326</u>	<u>570,076</u>	<u>(13,750)</u>
Town services and public safety:					
Emergency medical	599,564	-	599,564	574,631	24,933
Fire	155,323	-	155,323	132,984	22,339
Police	585,077	-	585,077	577,379	7,698
Shellfish management	31,096	-	31,096	23,546	7,550
Animal control	16,656	-	16,656	13,217	3,439
Fire hydrants	80,160	-	80,160	73,480	6,680
Street lights	17,387	-	17,387	25,543	(8,156)
	<u>1,485,263</u>	<u>-</u>	<u>1,485,263</u>	<u>1,420,780</u>	<u>64,483</u>

TOWN OF WALDOBORO, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public works:					
Roads and bridges	703,217	-	703,217	740,260	(37,043)
	<u>703,217</u>	<u>-</u>	<u>703,217</u>	<u>740,260</u>	<u>(37,043)</u>
Health and welfare:					
Social service agencies	17,337	-	17,337	17,337	-
General assistance	27,813	-	27,813	26,554	1,259
	<u>45,150</u>	<u>-</u>	<u>45,150</u>	<u>43,891</u>	<u>1,259</u>
Community services:					
Recreational programs	33,299	-	33,299	30,839	2,460
Friendship Street School program	21,455	-	21,455	19,698	1,757
Community service agencies	89,651	-	89,651	89,651	-
Parks and cemeteries	4,600	-	4,600	4,399	201
	<u>149,005</u>	<u>-</u>	<u>149,005</u>	<u>144,587</u>	<u>4,418</u>
Planning and development:					
Planning / code administration	67,993	-	67,993	32,309	35,684
	<u>67,993</u>	<u>-</u>	<u>67,993</u>	<u>32,309</u>	<u>35,684</u>

TOWN OF WALDOBORO, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Insurance and employee benefits:					
Property and liability	47,251	-	47,251	46,580	671
	<u>47,251</u>	<u>-</u>	<u>47,251</u>	<u>46,580</u>	<u>671</u>
Education	4,560,645	-	4,560,645	4,560,645	-
County tax	<u>571,779</u>	<u>-</u>	<u>571,779</u>	<u>571,779</u>	<u>-</u>
Debt service:					
Principal	92,041	-	92,041	92,041	-
Interest	21,946	-	21,946	21,946	-
	<u>113,987</u>	<u>-</u>	<u>113,987</u>	<u>113,987</u>	<u>-</u>
Overlay / abatements	<u>122,496</u>	<u>-</u>	<u>122,496</u>	<u>3,937</u>	<u>118,559</u>
Transfers:					
Transfer station	266,232	-	266,232	266,232	-
Capital reserves	423,909	-	423,909	423,909	-
	<u>690,141</u>	<u>-</u>	<u>690,141</u>	<u>690,141</u>	<u>-</u>
Total Departmental Operations	<u>\$ 9,113,253</u>	<u>\$ -</u>	<u>\$ 9,113,253</u>	<u>\$ 8,938,972</u>	<u>\$ 174,281</u>

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

Special Revenue Funds

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

TOWN OF WALDOBORO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2015

	Transfer Station	Highway Block Grant	CDBG Small Cities	DEP Wastewater	Medomak River Quality
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	253,210	-	609	-	399
TOTAL ASSETS	<u>\$ 253,210</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>	<u>\$ 399</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	6,100	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,100</u>	<u>-</u>
FUND BALANCES					
Assigned	253,210	-	609	-	399
Unassigned	-	-	-	(6,100)	-
TOTAL FUND BALANCES	<u>253,210</u>	<u>-</u>	<u>609</u>	<u>(6,100)</u>	<u>399</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 253,210</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>	<u>\$ 399</u>

TOWN OF WALDOBORO, MAINE

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

	Community Services	Comprehensive Plan	Quarry Hill Management	Emergency Management	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	13,987	83,759	5,301	-	357,265
TOTAL ASSETS	<u>\$ 13,987</u>	<u>\$ 83,759</u>	<u>\$ 5,301</u>	<u>\$ -</u>	<u>\$ 357,265</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	2,629	8,729
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,629</u>	<u>8,729</u>
FUND BALANCES					
Assigned	13,987	83,759	5,301	-	357,265
Unassigned	-	-	-	(2,629)	(8,729)
TOTAL FUND BALANCES	<u>13,987</u>	<u>83,759</u>	<u>5,301</u>	<u>(2,629)</u>	<u>348,536</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,987</u>	<u>\$ 83,759</u>	<u>\$ 5,301</u>	<u>\$ -</u>	<u>\$ 357,265</u>

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

TOWN OF WALDOBORO, MAINE

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

	Transfer Station	Highway Block Grant	CDBG Small Cities	DEP Wastewater	Medomak River Quality
REVENUES					
Intergovernmental revenue	\$ 171,259	\$ 69,400	\$ -	\$ -	\$ -
Charges for services	102,301	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>273,560</u>	<u>69,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Waste management	524,123	-	-	-	-
General government	-	-	-	-	-
Unclassified	-	-	-	-	-
TOTAL EXPENDITURES	<u>524,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(250,563)</u>	<u>69,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	266,232	-	-	-	-
Transfers (out)	-	(69,400)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>266,232</u>	<u>(69,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15,669	-	-	-	-
FUND BALANCES, JULY 1	<u>237,541</u>	<u>-</u>	<u>609</u>	<u>(6,100)</u>	<u>399</u>
FUND BALANCES, JUNE 30	<u>\$ 253,210</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ (6,100)</u>	<u>\$ 399</u>

SCHEDULE D (CONTINUED)

TOWN OF WALDOBORO, MAINE

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

	Community Services	Comprehensive Plan	Quarry Hill Management	Emergency Management	Total
REVENUES					
Intergovernmental revenue	\$ -	\$ 2,000	\$ -	\$ 13,505	\$ 256,164
Charges for services	25,555	-	-	-	127,856
Other income	-	-	400	-	400
TOTAL REVENUES	<u>25,555</u>	<u>2,000</u>	<u>400</u>	<u>13,505</u>	<u>384,420</u>
EXPENDITURES					
Waste management	-	-	-	-	524,123
General government	-	2,064	-	-	2,064
Community services	23,824	-	-	13,948	37,772
TOTAL EXPENDITURES	<u>23,824</u>	<u>2,064</u>	<u>-</u>	<u>13,948</u>	<u>563,959</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,731</u>	<u>(64)</u>	<u>400</u>	<u>(443)</u>	<u>(179,539)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	266,232
Transfers (out)	-	-	-	-	(69,400)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,832</u>
NET CHANGE IN FUND BALANCES	1,731	(64)	400	(443)	17,293
FUND BALANCE, JULY 1	<u>12,256</u>	<u>83,823</u>	<u>4,901</u>	<u>(2,186)</u>	<u>331,243</u>
FUND BALANCE, JUNE 30	<u>\$ 13,987</u>	<u>\$ 83,759</u>	<u>\$ 5,301</u>	<u>\$ (2,629)</u>	<u>\$ 348,536</u>

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

Capital Projects Funds

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

SCHEDULE E

TOWN OF WALDOBORO, MAINE

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

	Municipal Building	Public Works Building	Friendship Street School	AD Gray Property	EMS Equipment	Fire Equipment
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 15,461	\$ -
Other income	-	-	-	-	831	2,000
Investment income	78	11	59	-	102	27
TOTAL REVENUES	<u>78</u>	<u>11</u>	<u>59</u>	<u>-</u>	<u>16,394</u>	<u>2,027</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	53,668	-	-	-	49,756	-
TOTAL EXPENDITURES	<u>53,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,756</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(53,590)</u>	<u>11</u>	<u>59</u>	<u>-</u>	<u>(33,362)</u>	<u>2,027</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	25,000	7,652	2,500	-	48,539	13,000
Transfers (out)	(7,652)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>17,348</u>	<u>7,652</u>	<u>2,500</u>	<u>-</u>	<u>48,539</u>	<u>13,000</u>
NET CHANGE IN FUND BALANCES	(36,242)	7,663	2,559	-	15,177	15,027
FUND BALANCES, JULY 1	<u>40,049</u>	<u>5,657</u>	<u>29,793</u>	<u>-</u>	<u>52,138</u>	<u>13,912</u>
FUND BALANCES, JUNE 30	<u>\$ 3,807</u>	<u>\$ 13,320</u>	<u>\$ 32,352</u>	<u>\$ -</u>	<u>\$ 67,315</u>	<u>\$ 28,939</u>

SCHEDULE E (CONTINUED)

TOWN OF WALDOBORO, MAINE

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

	Police Equipment	PW-Highway Equipment	EMA Equipment	Administrative Equipment	Transfer Station Equipment	Police Eradication Fund
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	4,450	-	-	-	-	1,523
Investment income	97	586	3	24	35	5
TOTAL REVENUES	<u>4,547</u>	<u>586</u>	<u>3</u>	<u>24</u>	<u>35</u>	<u>1,528</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	37,769	-	-	7,233	-	-
TOTAL EXPENDITURES	<u>37,769</u>	<u>-</u>	<u>-</u>	<u>7,233</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,222)</u>	<u>586</u>	<u>3</u>	<u>(7,209)</u>	<u>35</u>	<u>1,528</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	20,500	50,000	-	5,770	10,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,500</u>	<u>50,000</u>	<u>-</u>	<u>5,770</u>	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(12,722)</u>	<u>50,586</u>	<u>3</u>	<u>(1,439)</u>	<u>10,035</u>	<u>1,528</u>
FUND BALANCES, JULY 1	<u>49,875</u>	<u>299,329</u>	<u>1,530</u>	<u>11,986</u>	<u>17,620</u>	<u>3,011</u>
FUND BALANCES, JUNE 30	<u>\$ 37,153</u>	<u>\$ 349,915</u>	<u>\$ 1,533</u>	<u>\$ 10,547</u>	<u>\$ 27,655</u>	<u>\$ 4,539</u>

TOWN OF WALDOBORO, MAINE

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

	Shellfish Equipment	Surface Paving	Sidewalk	Highway Construction	CDD Landfill Reserve	Public Landing
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	7,740	-	-	6,965	-	-
Investment income	35	335	-	121	446	7
TOTAL REVENUES	<u>7,775</u>	<u>335</u>	<u>-</u>	<u>7,086</u>	<u>446</u>	<u>7</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Public works	-	-	-	48,812	-	-
Capital outlay	-	239,210	-	-	155,378	-
TOTAL EXPENDITURES	<u>-</u>	<u>239,210</u>	<u>-</u>	<u>48,812</u>	<u>155,378</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,775</u>	<u>(238,875)</u>	<u>-</u>	<u>(41,726)</u>	<u>(154,932)</u>	<u>7</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	185,000	-	50,000	-	10,600
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>185,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>10,600</u>
NET CHANGE IN FUND BALANCES	7,775	(53,875)	-	8,274	(154,932)	10,607
FUND BALANCES, JULY 1	<u>18,168</u>	<u>171,452</u>	<u>61</u>	<u>61,847</u>	<u>227,600</u>	<u>3,661</u>
FUND BALANCES, JUNE 30	<u>\$ 25,943</u>	<u>\$ 117,577</u>	<u>\$ 61</u>	<u>\$ 70,121</u>	<u>\$ 72,668</u>	<u>\$ 14,268</u>

TOWN OF WALDOBORO, MAINE

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

	Recreational Park	Unemployment Compensation	Gay Bailey YMCA	Total
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 15,461
Other income	128	-	-	23,637
Investment income	78	16	-	2,065
TOTAL REVENUES	<u>206</u>	<u>16</u>	<u>-</u>	<u>41,163</u>
EXPENDITURES				
Administration	-	1,380	-	1,380
Public works	-	-	-	48,812
Capital outlay	-	-	-	543,014
TOTAL EXPENDITURES	<u>-</u>	<u>1,380</u>	<u>-</u>	<u>593,206</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>206</u>	<u>(1,364)</u>	<u>-</u>	<u>(552,043)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000	-	431,561
Transfers (out)	-	-	-	(7,652)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>423,909</u>
NET CHANGE IN FUND BALANCES	206	1,636	-	(128,134)
FUND BALANCES, JULY 1	<u>39,875</u>	<u>8,367</u>	<u>133,695</u>	<u>\$ 1,189,626</u>
FUND BALANCES, JUNE 30	<u>\$ 40,081</u>	<u>\$ 10,003</u>	<u>\$ 133,695</u>	<u>\$ 1,061,492</u>

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

Private-Purpose Trust Funds

Private-purpose trust funds are established to account for assets received by the Town and held in a fiduciary capacity as trustee or agent.

TOWN OF WALDOBORO, MAINE

COMBINING SCHEDULE OF NET POSITION – FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2015

	George G. Genthner Scholarship	Mr. and Mrs. Edward E. Philbrook Prize Speaking	Mr. and Mrs. Edward E. Philbrook	Fennelly Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments, at fair value	727,136	3,159	546,351	9,598
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 727,136</u>	<u>\$ 3,159</u>	<u>\$ 546,351</u>	<u>\$ 9,598</u>
LIABILITIES				
Due to Town	\$ 24,800	\$ -	\$ 20,889	\$ -
TOTAL LIABILITIES	<u>24,800</u>	<u>-</u>	<u>20,889</u>	<u>-</u>
NET POSITION				
Held in trust for special purposes	702,336	3,159	525,462	9,598
TOTAL NET POSITION	<u>702,336</u>	<u>3,159</u>	<u>525,462</u>	<u>9,598</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 727,136</u>	<u>\$ 3,159</u>	<u>\$ 546,351</u>	<u>\$ 9,598</u>

TOWN OF WALDOBORO, MAINE

COMBINING SCHEDULE OF NET POSITION – FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2015

	Jonathan Matthews	Standish Fund	Phillip Reed Washington	Cemetery Care	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, at fair value	25,232	88,767	12,900	253,821	1,666,964
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 25,232</u>	<u>\$ 88,767</u>	<u>\$ 12,900</u>	<u>\$ 253,821</u>	<u>\$ 1,666,964</u>
LIABILITIES					
Due to Town	\$ -	\$ -	\$ -	\$ 10,112	\$ 55,801
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,112</u>	<u>55,801</u>
NET POSITION					
Held in trust for special purposes	<u>25,232</u>	<u>88,767</u>	<u>12,900</u>	<u>243,709</u>	<u>1,611,163</u>
TOTAL NET POSITION	<u>25,232</u>	<u>88,767</u>	<u>12,900</u>	<u>243,709</u>	<u>1,611,163</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 25,232</u>	<u>\$ 88,767</u>	<u>\$ 12,900</u>	<u>\$ 253,821</u>	<u>\$ 1,666,964</u>

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

TOWN OF WALDOBORO, MAINE

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	George G. Genthner Scholarship	Mr. and Mrs. Edward E. Philbrook Prize Speaking	Mr. and Mrs. Edward E. Philbrook	Fennelly Fund
ADDITIONS				
Investment income	\$ 25,923	\$ 113	\$ 19,478	\$ 342
Net increase/(decrease) in fair value of investments	(12,571)	(55)	(9,445)	(166)
TOTAL ADDITIONS	<u>13,352</u>	<u>58</u>	<u>10,033</u>	<u>176</u>
DEDUCTIONS				
Scholarships	13,800	-	-	-
Charitable relief	-	-	9,693	-
Cemetery	-	-	-	-
TOTAL DEDUCTIONS	<u>13,800</u>	<u>-</u>	<u>9,693</u>	<u>-</u>
CHANGE IN NET POSITION	(448)	58	340	176
NET POSITION, JULY 1	<u>702,784</u>	<u>3,101</u>	<u>525,122</u>	<u>9,422</u>
NET POSITION, JUNE 30	<u>\$ 702,336</u>	<u>\$ 3,159</u>	<u>\$ 525,462</u>	<u>\$ 9,598</u>

TOWN OF WALDOBORO, MAINE

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Jonathan Matthews	Standish Fund	Phillip Reed Washington	Cemetery Care	Total
ADDITIONS					
Investment income	\$ 899	\$ 3,165	\$ 460	\$ 7,835	\$ 58,215
Net increase/(decrease) in fair value of investments	(436)	(1,535)	(223)	(3,892)	(28,323)
TOTAL ADDITIONS	<u>463</u>	<u>1,630</u>	<u>237</u>	<u>3,943</u>	<u>29,892</u>
DEDUCTIONS					
Scholarships	-	-	-	-	13,800
Charitable relief	-	-	-	-	9,693
Cemetery	-	-	-	5,134	5,134
TOTAL DEDUCTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,134</u>	<u>28,627</u>
CHANGE IN NET POSITION	463	1,630	237	(1,191)	1,265
NET POSITION, JULY 1	<u>24,769</u>	<u>87,137</u>	<u>12,663</u>	<u>244,900</u>	<u>1,609,898</u>
NET POSITION, JUNE 30	<u>\$ 25,232</u>	<u>\$ 88,767</u>	<u>\$ 12,900</u>	<u>\$ 243,709</u>	<u>\$ 1,611,163</u>

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

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of Net position.

TOWN OF WALDOBORO, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ -	\$ 2,765,904	\$ 88,915	\$ -	\$ 2,854,819
Public safety	-	-	2,163,035	-	2,163,035
Public works	-	1,225,817	1,438,042	2,816,315	5,480,174
Transfer station	-	589,587	282,505	-	872,092
Recreation	-	377,027	-	-	377,027
Town-wide	377,597	134,033	-	-	511,630
Water department	337,472	779,471	4,033,294	8,723	5,158,960
Total General Capital Assets	715,069	5,871,839	8,005,791	2,825,038	17,417,737
Less: Accumulated Depreciation	-	(1,840,074)	(3,310,619)	(699,995)	(5,850,688)
Net General Capital Assets	<u>\$ 715,069</u>	<u>\$ 4,031,765</u>	<u>\$ 4,695,172</u>	<u>\$ 2,125,043</u>	<u>\$ 11,567,049</u>

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

TOWN OF WALDOBORO, MAINE

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

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
General government	\$ 2,854,819	\$ -	\$ -	\$ 2,854,819
Public safety	2,018,076	169,349	(24,390)	2,163,035
Public works	5,240,964	239,210	-	5,480,174
Transfer station	716,714	155,378	-	872,092
Recreation	377,027	-	-	377,027
Town-wide	458,402	53,228	-	511,630
Water department	5,157,313	1,647	-	5,158,960
Total General Capital Assets	16,823,315	618,812	(24,390)	17,417,737
Less: Accumulated Depreciation	(5,172,099)	(702,979)	24,390	(5,850,688)
Net General Capital Assets	<u>\$ 11,651,216</u>	<u>\$ (84,167)</u>	<u>\$ -</u>	<u>\$ 11,567,049</u>

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

Statistical Information

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

- General Governmental Expenditures by Function
- General Governmental Revenues by Source
- Property Tax Levies and Collections
- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates – All Direct and Overlapping Governments
- Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
- Computation of Legal Debt Margin
- Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures
- Demographic Statistics
- Property Values and Construction
- Computation of Direct and Overlapping Bond Debt – General Obligation Bonds
- Ten Principal Taxpayers
- Miscellaneous Statistical Data

TABLE 1

TOWN OF WALDOBORO, MAINE

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Years Ended	General Government	Public Safety	Public Works	Health And Welfare	Education Culture and Recreation	Other Expenditures and Transfers	Total
2006	\$ 369,324	\$ 786,328	\$ 373,472	\$ 32,355	\$ 4,308,836	\$ 888,429	\$ 6,758,744
2007	393,404	848,391	418,413	38,330	4,535,821	1,031,268	7,265,627
2008	477,575	943,083	460,575	48,499	4,771,437	1,217,439	7,918,608
2009	415,522	1,076,094	481,931	56,949	5,121,039	1,296,895	8,448,430
2010	429,052	1,141,552	498,381	89,890	4,357,670	1,720,200	8,236,745
2011	423,531	1,128,976	534,485	47,500	4,420,889	1,654,244	8,209,625
2012	410,661	1,193,373	491,731	87,308	4,571,534	1,580,920	8,335,527
2013	524,637	1,391,932	689,673	46,572	4,757,495	1,225,130	8,635,439
2014	524,944	1,438,362	694,497	44,744	4,812,766	1,314,694	8,830,007
2015	570,076	1,420,780	740,260	43,891	4,737,541	1,426,424	8,938,972

Note: The Table above includes only those expenditures and transfers recorded in the General Fund.

TABLE 2

TOWN OF WALDOBORO, MAINE

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Years Ended	Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forfeits	Miscellaneous Revenues	Total
2006	\$ 5,759,086	\$ 52,201	\$ 503,477	\$ 466,798	\$ 8,110	\$ 88,311	\$ 6,877,983
2007	6,045,497	49,520	544,098	624,426	3,565	109,301	7,376,407
2008	6,365,387	68,934	540,755	487,407	380	101,290	7,564,153
2009	6,836,294	54,831	532,173	531,852	2,251	75,415	8,032,816
2010	6,859,060	55,540	434,562	581,055	9,026	84,230	8,023,473
2011	6,858,870	53,078	460,730	456,943	3,723	150,133	7,983,477
2012	7,485,054	51,187	467,803	493,993	937	150,182	8,649,156
2013	7,706,670	54,267	454,448	588,449	1,936	158,072	8,963,842
2014	7,899,389	57,207	377,177	685,023	2,706	149,210	9,170,712
2015	8,085,958	48,568	373,777	561,612	2,035	119,862	9,191,812

Note: The Table above includes only those revenues recorded in the General Fund.

TABLE 3

TOWN OF WALDOBORO, MAINE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Years Ended	Current Year's Tax Levy*	Current Year's Tax Collections	Percent of Current Levy Collected	Prior Year's Collection to June 30	Total Collections	Total Collections as Percent of Each Year's Levy
2006	\$ 5,003,063	\$ 4,761,558	95%	\$ 206,485	\$ 4,968,043	99.30%
2007	5,289,520	5,007,287	95%	225,585	5,232,872	98.93%
2008	5,615,243	5,279,928	94%	282,238	5,562,166	99.05%
2009	6,044,600	5,676,912	94%	324,976	6,001,888	99.29%
2010	6,339,475	5,944,568	94%	330,378	6,274,946	99.00%
2011	6,286,065	5,881,513	94%	355,562	6,237,075	99.30%
2012	6,860,562	6,390,865	93%	393,787	6,784,652	98.90%
2013	6,957,583	6,482,648	93%	448,567	6,931,215	99.60%
2014	7,028,518	6,522,844	93%	467,399	6,990,243	99.50%
2015	7,115,517	6,657,394	94%	518,910	7,176,304	100.99%

* Excludes homestead exemptions

TABLE 4

TOWN OF WALDOBORO, MAINE

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Years Ended	Assessed Value - Real Estate	Assessed Value - Personal Property	Total Assessed Value	Estimated Full Valuation	Ratio
2006	\$ 383,267,600	\$ 10,674,400	\$ 393,942,000	\$ 401,700,000	98.1%
2007	390,386,700	7,321,600	397,708,300	461,545,000	86.2%
2008	449,526,300	6,997,500	456,523,800	507,250,000	90.0%
2009	496,491,300	7,225,400	503,716,700	506,600,000	99.4%
2010	508,123,600	7,010,800	515,134,400	504,650,000	104.0%
2011	512,039,340	7,470,200	519,509,540	509,850,000	101.9%
2012	516,698,600	7,008,460	523,707,060	501,100,000	104.5%
2013	518,176,060	6,248,500	524,424,560	492,850,000	106.4%
2014	518,512,200	7,298,400	525,810,600	472,950,500	111.2%
2015	520,936,000	7,331,200	528,267,200	475,700,000	111.1%

TABLE 5

TOWN OF WALDOBORO, MAINE

PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUE)
 LAST TEN FISCAL YEARS

Years Ended				
	Town	County	MSAD #40	Total
2006	\$ 2.36	\$ 0.95	\$ 9.39	\$ 12.70
2007	2.41	1.27	9.62	13.30
2008	2.22	1.15	8.93	12.30
2009	2.54	1.04	8.42	12.00
2010	2.86	1.00	8.44	12.30
2011	3.06	1.01	8.03	12.10
2012	3.31	1.09	8.70	13.10
2013	3.42	1.08	9.00	13.50
2014	3.55	1.10	8.95	13.60
2015	3.82	1.10	8.78	13.70

TABLE 6

TOWN OF WALDOBORO, MAINE

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Years Ended					
	Population	Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
2006	4,916	\$ 393,942,000	\$ 2,748,458	0.70%	\$ 559
2007	4,916	397,708,300	2,662,069	0.67%	542
2008	4,916	456,523,800	2,569,651	0.56%	523
2009	4,916	503,716,700	2,474,952	0.49%	503
2010	4,916	515,134,400	2,377,783	0.46%	484
2011	5,075	519,509,540	2,277,939	0.46%	449
2012	5,075	523,707,060	2,200,405	0.42%	434
2013	5,075	524,424,560	2,137,350	0.41%	421
2014	5,075	525,810,600	2,014,034	0.38%	397
2015	5,075	528,267,200	1,888,700	0.36%	372

TABLE 7

TOWN OF WALDOBORO, MAINE
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2015

Total valuation, per state		\$ 475,700,000
Maximum total debt limit - 15% of state valuation		71,355,000
Amount of debt applicable to debt limit:		
Purpose:	Bonds and Notes Legal Maximum	Outstanding
	<hr/>	<hr/>
Municipal	7.5%	697,187
School	10.0%	-
Storm and sanitary sewers	7.5%	-
Airport, water and special district	3.0%	1,427,418
	<hr/>	<hr/>
Total debt outstanding		2,124,605
		<hr/>
Margin for additional borrowing		\$ 69,230,395
		<hr/>

TABLE 8

TOWN OF WALDOBORO, MAINE

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Years Ended	Municipal		Total General Expenditures and Transfers		Ratio
	Principal	Interest			
2006	\$ 31,847	\$ 32,047	\$ 6,758,744		0.9%
2007	32,491	31,377	7,265,627		0.9%
2008	33,147	30,692	7,918,608		0.8%
2009	33,881	29,930	7,918,608		0.8%
2010	34,735	29,047	8,448,430		0.8%
2011	35,722	28,030	8,209,625		0.8%
2012	36,857	26,864	8,335,527		0.8%
2013	38,147	19,448	8,635,439		0.7%
2014	39,581	17,168	8,830,007		0.6%
2015	41,093	16,269	8,938,972		0.6%

Note: This Table lists principal and interest payments for all direct bond obligations of the Town.

Municipal principal and interest payments are included in the financial statements under the heading "Debt Service".

TABLE 9

TOWN OF WALDOBORO, MAINE

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Years Ended			
	Population	Median Age	Unemployment Rate as a Percent
2006	4,916	39.9	3.8%
2007	4,916	39.9	3.7%
2008	4,916	39.9	4.3%
2009	4,916	39.9	5.6%
2010	4,916	39.9	6.6%
2011	5,075	43.5	6.5%
2012	5,075	43.5	6.0%
2013	5,075	43.5	5.4%
2014	5,075	43.5	4.7%
2015	5,075	43.5	4.1%

* Excludes homestead exemptions

TABLE 10

TOWN OF WALDOBORO, MAINE

PROPERTY VALUES AND CONSTRUCTION
LAST TEN FISCAL YEARS

Years Ended	Commercial Construction		Residential Construction		Property Valuation	
	Number of Units	Value	Number of Units	Value	Assessed Value	Non- taxable
2006	5	\$ 431,000	67	\$ 3,960,000	\$ 393,942,000	\$ 39,636,000
2007	8	812,000	47	3,843,000	397,708,300	40,372,000
2008	9	405,000	43	5,125,000	456,523,800	49,324,900
2009	3	155,000	39	4,368,000	503,716,700	61,486,900
2010	5	238,000	35	1,840,000	515,134,400	61,830,900
2011	7	152,000	24	1,724,000	519,509,540	60,723,500
2012	11	327,000	26	3,133,000	523,707,060	60,175,100
2013	15	363,500	10	107,000	524,424,560	59,604,100
2014	-	-	16	1,098,000	525,810,600	59,510,700
2015	-	-	20	1,237,000	528,267,200	59,163,900

Source: Waldoboro Assessing Department

TOWN OF WALDOBORO, MAINE

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 GENERAL OBLIGATION BONDS
 JUNE 30, 2015

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Town of Waldoboro	\$ 1,888,700	100.00%	\$ 1,888,700
Overlapping:			
MSAD #40	10,500,400	34.97%	3,671,990
Lincoln County	6,790,000	6.70%	454,930
			<u>\$ 6,015,620</u>

TOWN OF WALDOBORO, MAINE

TEN PRINCIPAL TAXPAYERS
JUNE 30, 2015

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>
Central Maine Power	Utilities	\$ 8,500,000	1.61%
Baxter Holdings Trust I & II	Residence/RE	8,247,000	1.56%
Sproul Block Association	Rental	3,168,000	0.59%
Christine Kondoleon	Residence/RE	2,931,000	0.55%
John Morris	Rental/RE	2,314,000	0.44%
The First, N.A.	Banking/RE	2,108,000	0.40%
Freeman Zausner	Residence/RE	1,941,000	0.37%
Sally Pennington	Publishing/RE	1,928,000	0.36%
The Country Club	Residence/RE	1,853,000	0.35%
Waldoboro Enviromental Park/Seaver	Manufacturing/RE	1,696,000	0.32%

TOWN OF WALDOBORO, MAINE
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2015

Incorporated - 1773

Form of Government: Selectmen - Manager

Location - On Medomak River in mid coast Maine, 62 miles north of Portland, Maine

Land area - 75 square miles

Transportation Facilities - Concord Trailways

Population -	1940-2,497	1970-3,146	2000-4,916
	1950-2,536	1980-3,985	2011-5,075
	1960-2,882	1990-4,601	