

Audited Financial Statements  
and Other Financial Information

Town of Bridgton, Maine

June 30, 2015



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TOWN OF BRIDGTON, MAINE

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JUNE 30, 2015

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## INDEPENDENT AUDITORS' REPORT

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bridgton, 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 and budgetary comparison information on pages 4 through 11 and 41 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 Bridgton, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2016, on our consideration of the Town of Bridgton, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in considering the Town of Bridgton Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
February 5, 2016

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

**(UNAUDITED)**

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

**Financial Statement Overview**

The Town of Bridgton's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Bridgton are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, protection, public works, health and sanitation, education, recreation, community and social agencies, and unclassified.
- *Business-type activities* – These 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 Bridgton include the sewer department fund and the Salmon Point Campground fund.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bridgton, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Bridgton can be divided into two categories: governmental funds and proprietary funds.

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

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

reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Bridgton presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the Moose Pond trust fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

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

*Department Funds:* The Town of Bridgton maintains two proprietary funds, the sewer fund and the Salmon Point Campground fund. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

### **Notes to the Financial Statements**

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

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund.

### **Other Supplementary Information**

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

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$1,080,926 from \$13,235,001 to \$14,315,927. For the business-type activities the Town's total net position decreased by \$3,604 from \$1,822,281 to \$1,818,677.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for the governmental activities to a balance of \$5,912,770 at the end of the fiscal year. For the business-type activities, the unrestricted net position increased to a balance of \$661,355.

**Table 1**  
**Town of Bridgton, Maine**  
**Net Position**  
**June 30,**

	Governmental Activities		Business-Type Activities	
	2015	2014 (Restated)	2015	2014
<b>Assets:</b>				
Current Assets	\$ 8,740,366	\$ 8,032,458	\$ 662,658	\$ 597,142
Noncurrent Assets	5,805,557	5,427,961	1,157,322	1,157,231
Total Assets	14,545,923	13,460,419	1,819,980	1,823,361
<b>Liabilities:</b>				
Current Liabilities	183,834	181,498	1,303	1,080
Long-term Debt Outstanding	3,073	3,073	-	-
Total Liabilities	186,907	184,571	1,303	1,080
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	43,089	40,847	-	-
Total Deferred Inflows of Resources	43,089	40,847	-	-
<b>Net Position:</b>				
Net Investment in Capital Assets	5,655,656	5,057,340	1,157,322	1,157,231
Restricted: General Fund	-	222,527	-	-
Special Revenue Funds	82,437	263,853	-	-
Permanent Funds	2,665,064	2,668,174	-	-
Unrestricted	5,912,770	5,023,107	661,355	596,062
Total Net Position	\$ 14,315,927	\$ 13,235,001	\$ 1,818,677	\$ 1,822,281

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.48%, while total expenses increased by 5.22%. For the business-type activities, revenues increased by 6.72%, while total expenses increased by 36.42%.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
<i>Programs Revenues:</i>				
Charges for services	\$ 435,478	\$ 387,280	\$ 208,627	\$ 195,228
Operating grants and contributions	105,540	121,711	-	-
<i>General Revenues:</i>				
Property taxes	14,043,303	13,420,755	-	-
Excise taxes	792,993	782,587	-	-
Grants and contributions not restricted to specific programs	597,590	570,359	-	-
Miscellaneous	248,991	549,076	-	254
Total Revenues	<u>16,223,895</u>	<u>15,831,768</u>	<u>208,627</u>	<u>195,482</u>
<b>Expenses</b>				
General government	1,495,366	1,410,338	-	-
Protection	1,084,809	1,090,225	-	-
Public works	294,056	511,341	-	-
Health and sanitation	424,086	564,107	-	-
Community and social agencies	241,797	248,441	-	-
Education	9,136,218	8,679,566	-	-
Recreation	295,042	263,207	-	-
Cemeteries	17,960	17,087	-	-
Tax increment financing agreement	11,620	21,937	-	-
Interest on long-term debt	-	2,098	-	-
County tax	622,208	610,333	-	-
Capital outlay	778,147	401,005	-	-
Sewer Department	-	-	75,419	56,667
Salmon Point Campground	-	-	68,648	48,939
Unclassified	809,824	636,948	-	-
Total Expenses	<u>15,211,133</u>	<u>14,456,633</u>	<u>144,067</u>	<u>105,606</u>
Transfers	<u>68,164</u>	<u>55,339</u>	<u>(68,164)</u>	<u>(55,339)</u>
Change in Net Position	1,080,926	1,430,474	(3,604)	34,537
Net Position - July 1, Restated	<u>13,235,001</u>	<u>11,804,527</u>	<u>1,822,281</u>	<u>1,787,744</u>
Net Position - June 30	<u>\$ 14,315,927</u>	<u>\$ 13,235,001</u>	<u>\$ 1,818,677</u>	<u>\$ 1,822,281</u>

## Financial Analysis of the Town's Fund Statements

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

**Table 3**  
**Town of Bridgton, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<b>2015</b>	<b>2014</b>
General Fund:		
Nonspendable	\$ 3,001	\$ -
Restricted	-	222,527
Committed	125,000	-
Assigned	615,542	818,045
Unassigned	4,508,583	3,327,378
Total General Fund	\$ 5,252,126	\$ 4,367,950
Moose Pond Trust:		
Restricted	\$ 1,482,867	\$ 1,545,021
Assigned	56,445	-
Total Moose Pond Trust	\$ 1,539,312	\$ 1,545,021
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 82,437	\$ 263,853
Permanent Funds:		
Restricted	1,182,197	1,184,954
Assigned	43,122	46,332
Total Nonmajor Funds	\$ 1,307,756	\$ 1,495,139

The general fund total fund balance increased by \$884,176 from the prior fiscal year. The Moose Pond Trust fund balance decreased by \$5,709 from the prior fiscal year. The non-major fund balances decreased by \$187,383 from the prior fiscal year.

*Proprietary funds:* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The sewer department had an increase in net position for the year of \$2,300. The Salmon Point Campground had a decrease in net position for the year of \$5,904.

## Budgetary Highlights

The significant differences between the original and final budget for the general fund were the inclusion of the use of unassigned fund balances and various selectmen-approved budget adjustments.

The general fund actual revenues exceeded budget by \$300,786. This was the result of all categories being over budget with the exception of interest on taxes.

The general fund actual expenditures were under budget by \$1,031,875. All of the expenditure categories were under budget except for recreation.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town increased by \$343,153 from the prior year. The increase is the result of capital additions of \$778,147, less net disposals of \$22,000, and less current year depreciation of \$412,994.

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

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
Land	\$ 1,161,667	\$ 1,161,667
Buildings & improvements	1,256,328	1,364,839
Equipment & vehicles	2,182,666	2,755,948
Infrastructure	<u>1,997,645</u>	<u>972,699</u>
Total	<u>\$ 6,598,306</u>	<u>\$ 6,255,153</u>

### Debt

At June 30, 2015, the Town had \$3,073 in capital leases outstanding versus \$6,048 last year, a decrease of 49.19%. Other obligations include accrued sick and vacation time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

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

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

The Town has sufficient unassigned fund balance to sustain government operations for a period of approximately three months.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, the Finance Director for the Town of Bridgton can be reached at 3 Chase Street, Suite 1, Bridgton, Maine 04009, by phone at (207) 647-8786 or email address of [finofficer@bridgtonmaine.org](mailto:finofficer@bridgtonmaine.org).

## TOWN OF BRIDGTON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,845,015	\$ 81,791	\$ 5,926,806
Investments	2,556,014	-	2,556,014
Accounts receivable (net of allowance for uncollectibles):			
Taxes	698,235	-	698,235
Liens	201,895	-	201,895
Other	3,633	13,440	17,073
Tax acquired property	3,001	-	3,001
Internal balances	(567,427)	567,427	-
<b>Total current assets</b>	<b>8,740,366</b>	<b>662,658</b>	<b>9,403,024</b>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	499,773	661,894	1,161,667
Buildings and vehicles net of accumulated depreciation	4,941,211	495,428	5,436,639
Net pension asset	364,573	-	364,573
<b>Total noncurrent assets</b>	<b>5,805,557</b>	<b>1,157,322</b>	<b>6,962,879</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,545,923</b>	<b>\$ 1,819,980</b>	<b>\$ 16,365,903</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,822	\$ 1,303	\$ 3,125
Accrued payroll	4,785	-	4,785
Due to other governments	27,326	-	27,326
Current portion of long-term obligations	149,901	-	149,901
<b>Total current liabilities</b>	<b>183,834</b>	<b>1,303</b>	<b>185,137</b>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Capital leases payable	3,073	-	3,073
<b>Total noncurrent liabilities</b>	<b>3,073</b>	<b>-</b>	<b>3,073</b>
<b>TOTAL LIABILITIES</b>	<b>186,907</b>	<b>1,303</b>	<b>188,210</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	43,089	-	43,089
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>43,089</b>	<b>-</b>	<b>43,089</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,655,656	1,157,322	6,812,978
Restricted	2,747,501	-	2,747,501
Unrestricted	5,912,770	661,355	6,574,125
<b>TOTAL NET POSITION</b>	<b>14,315,927</b>	<b>1,818,677</b>	<b>16,134,604</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 14,545,923</b>	<b>\$ 1,819,980</b>	<b>\$ 16,365,903</b>

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

## TOWN OF BRIDGTON, 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	\$ 1,495,366	\$ 237,828	\$ 2,924	\$ -	\$ (1,254,614)	\$ -	\$ (1,254,614)
Protection	1,084,809	8,878	-	-	(1,075,931)	-	(1,075,931)
Public works	294,056	-	102,616	-	(191,440)	-	(191,440)
Health and sanitation	424,086	169,247	-	-	(254,839)	-	(254,839)
Community and social agencies	241,797	-	-	-	(241,797)	-	(241,797)
Education	9,136,218	-	-	-	(9,136,218)	-	(9,136,218)
Recreation	295,042	19,525	-	-	(275,517)	-	(275,517)
Cemeteries	17,960	-	-	-	(17,960)	-	(17,960)
Tax increment financing agreement	11,620	-	-	-	(11,620)	-	(11,620)
County tax	622,208	-	-	-	(622,208)	-	(622,208)
Capital outlay	778,147	-	-	-	(778,147)	-	(778,147)
Unclassified	809,824	-	-	-	(809,824)	-	(809,824)
Total governmental activities	<u>15,211,133</u>	<u>435,478</u>	<u>105,540</u>	<u>-</u>	<u>(14,670,115)</u>	<u>-</u>	<u>(14,670,115)</u>
Business-type activities:							
Sewer department	75,419	77,719	-	-	-	2,300	2,300
Salmon Point campground	68,648	130,908	-	-	-	62,260	62,260
Total business-type activities	<u>144,067</u>	<u>208,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,560</u>	<u>64,560</u>
Total government	<u>\$ 15,355,200</u>	<u>\$ 644,105</u>	<u>\$ 105,540</u>	<u>\$ -</u>	<u>(14,670,115)</u>	<u>64,560</u>	<u>(14,605,555)</u>

## STATEMENT B (CONTINUED)

## TOWN OF BRIDGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities	Business- type Activities	Totals
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Changes in net position:			
Net (expense) revenue	(14,670,115)	64,560	(14,605,555)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	14,043,303	-	14,043,303
Excise taxes	792,993	-	792,993
Grants and contributions not restricted to specific programs	597,590	-	597,590
Miscellaneous	248,991	-	248,991
Transfers	68,164	(68,164)	-
Total general revenues and transfers	<u>15,751,041</u>	<u>(68,164)</u>	<u>15,682,877</u>
Change in net position	1,080,926	(3,604)	1,077,322
NET POSITION - JULY 1, RESTATED	<u>13,235,001</u>	<u>1,822,281</u>	<u>15,057,282</u>
NET POSITION - JUNE 30	<u>\$ 14,315,927</u>	<u>\$ 1,818,677</u>	<u>\$ 16,134,604</u>

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

## STATEMENT C

## TOWN OF BRIDGTON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Moose Pond Trust	All Nonmajor Funds	Totals Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,634,039	\$ 85,313	\$ 125,663	\$ 5,845,015
Investments	-	1,453,999	1,102,015	2,556,014
Accounts receivable (net of allowance for uncollectibles):				
Taxes	698,235	-	-	698,235
Liens	201,895	-	-	201,895
Other	3,633	-	-	3,633
Due from other funds	1,494	-	81,572	83,066
Tax acquired property	3,001	-	-	3,001
<b>TOTAL ASSETS</b>	<u>\$ 6,542,297</u>	<u>\$ 1,539,312</u>	<u>\$ 1,309,250</u>	<u>\$ 9,390,859</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,822	\$ -	\$ -	\$ 1,822
Accrued payroll and related items	4,785	-	-	4,785
Due to other governments	27,326	-	-	27,326
Due to other funds	648,999	-	1,494	650,493
<b>TOTAL LIABILITIES</b>	<u>682,932</u>	<u>-</u>	<u>1,494</u>	<u>684,426</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	43,089	-	-	43,089
Deferred tax revenues	564,150	-	-	564,150
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>607,239</u>	<u>-</u>	<u>-</u>	<u>607,239</u>
<b>FUND BALANCES</b>				
Nonspendable	3,001	-	-	3,001
Restricted	-	1,482,867	1,264,634	2,747,501
Committed	125,000	-	-	125,000
Assigned	615,542	56,445	43,122	715,109
Unassigned	4,508,583	-	-	4,508,583
<b>TOTAL FUND BALANCES</b>	<u>5,252,126</u>	<u>1,539,312</u>	<u>1,307,756</u>	<u>8,099,194</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 6,542,297</u>	<u>\$ 1,539,312</u>	<u>\$ 1,309,250</u>	<u>\$ 9,390,859</u>

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

## TOWN OF BRIDGTON, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 8,099,194
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	5,440,984
Net pension assets are not financial resources and therefore are not reported in the funds	364,573
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	564,150
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases payable	(3,073)
Accrued compensated absences	(149,901)
Net position of governmental activities	\$ 14,315,927

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

## STATEMENT E

## TOWN OF BRIDGTON, MAINE

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

	General Fund	Moose Pond Trust	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Taxes:				
Property	\$ 14,031,453	\$ -	\$ -	\$ 14,031,453
Excise	792,993	-	-	792,993
Intergovernmental	466,359	-	236,771	703,130
Charges for services	435,478	-	-	435,478
Miscellaneous revenues	153,221	53,450	42,320	248,991
TOTAL REVENUES	<u>15,879,504</u>	<u>53,450</u>	<u>279,091</u>	<u>16,212,045</u>
EXPENDITURES				
Current:				
General government	1,484,008	-	-	1,484,008
Protection	979,174	-	-	979,174
Public works	822,268	-	-	822,268
Health and sanitation	407,672	-	-	407,672
Community and social agencies	235,623	-	6,174	241,797
Education	9,136,218	-	-	9,136,218
Recreation	274,370	-	3,859	278,229
Cemeteries	17,960	-	-	17,960
Tax increment financing agreement	11,620	-	-	11,620
County tax	622,208	-	-	622,208
Unclassified	388,875	5,821	415,128	809,824
Capital outlay	778,147	-	-	778,147
TOTAL EXPENDITURES	<u>15,158,143</u>	<u>5,821</u>	<u>425,161</u>	<u>15,589,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>721,361</u>	<u>47,629</u>	<u>(146,070)</u>	<u>622,920</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	162,815	-	-	162,815
Transfers (out)	-	(53,338)	(41,313)	(94,651)
TOTAL OTHER FINANCING SOURCES (USES)	<u>162,815</u>	<u>(53,338)</u>	<u>(41,313)</u>	<u>68,164</u>
NET CHANGE IN FUND BALANCES	884,176	(5,709)	(187,383)	691,084
FUND BALANCES - JULY 1	<u>4,367,950</u>	<u>1,545,021</u>	<u>1,495,139</u>	<u>7,408,110</u>
FUND BALANCES - JUNE 30	<u>\$ 5,252,126</u>	<u>\$ 1,539,312</u>	<u>\$ 1,307,756</u>	<u>\$ 8,099,194</u>

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

## TOWN OF BRIDGTON, 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>\$ 691,084</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	778,147
Capital asset disposals	(22,000)
Depreciation expense	<u>(378,551)</u>
	<u>377,596</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>11,850</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>2,975</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(2,579)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 1,080,926</u></u>

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

## STATEMENT G

## TOWN OF BRIDGTON, MAINE

BALANCE SHEET – PROPRIETARY FUNDS  
JUNE 30, 2015

	Enterprise Funds		Totals
	Sewer Department	Salmon Point Campground	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 81,791	\$ -	\$ 81,791
Accounts receivable (net of allowance for uncollectibles)	13,440	-	13,440
Due from other funds	414,606	152,821	567,427
Total current assets	<u>509,837</u>	<u>152,821</u>	<u>662,658</u>
Noncurrent assets:			
Capital assets:			
Land	11,894	650,000	661,894
Land improvements	-	101,095	101,095
Buildings & improvements	-	15,851	15,851
Equipment & vehicles	-	19,298	19,298
Infrastructure	646,374	-	646,374
Total capital assets	<u>658,268</u>	<u>786,244</u>	<u>1,444,512</u>
Less: accumulated depreciation	<u>(137,863)</u>	<u>(149,327)</u>	<u>(287,190)</u>
Total noncurrent assets	<u>520,405</u>	<u>636,917</u>	<u>1,157,322</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,030,242</u>	<u>\$ 789,738</u>	<u>\$ 1,819,980</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 1,303	\$ 1,303
Total current liabilities	<u>-</u>	<u>1,303</u>	<u>1,303</u>
Total liabilities	<u>-</u>	<u>1,303</u>	<u>1,303</u>
<b>NET POSITION</b>			
Net investment in capital assets	520,405	636,917	1,157,322
Unrestricted	509,837	151,518	661,355
<b>TOTAL NET POSITION</b>	<u>1,030,242</u>	<u>788,435</u>	<u>1,818,677</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,030,242</u>	<u>\$ 789,738</u>	<u>\$ 1,819,980</u>

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

## TOWN OF BRIDGTON, MAINE

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

	Enterprise Funds		Totals
	Sewer Department	Salmon Point Campground	
OPERATING REVENUES			
Charges for services	\$ 77,719	\$ 130,908	\$ 208,627
Other	-	-	-
TOTAL OPERATING REVENUES	<u>77,719</u>	<u>130,908</u>	<u>208,627</u>
OPERATING EXPENSES			
Payroll	6,302	9,716	16,018
Maintenance and repairs	16,953	11,759	28,712
Depreciation	34,444	34,454	68,898
Operational expense	16,520	12,719	29,239
Capital outlay	1,200	-	1,200
TOTAL OPERATING EXPENSES	<u>75,419</u>	<u>68,648</u>	<u>144,067</u>
OPERATING INCOME (LOSS)	<u>2,300</u>	<u>62,260</u>	<u>64,560</u>
NON-OPERATING REVENUES (EXPENSES)			
Transfers in	-	-	-
Transfers (out)	-	(68,164)	(68,164)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>(68,164)</u>	<u>(68,164)</u>
CHANGE IN NET POSITION	2,300	(5,904)	(3,604)
NET POSITION - JULY 1	<u>1,027,942</u>	<u>794,339</u>	<u>1,822,281</u>
NET POSITION - JUNE 30	<u>\$ 1,030,242</u>	<u>\$ 788,435</u>	<u>\$ 1,818,677</u>

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

## STATEMENT I

## TOWN OF BRIDGTON, MAINE

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

	Enterprise Funds		Totals
	Sewer Department	Salmon Point Campground	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 79,727	\$ 130,908	\$ 210,635
Internal activity - receipts (payments) from/to other funds	(38,752)	(28,773)	(67,525)
Payments to suppliers	(34,673)	(24,255)	(58,928)
Payments to employees	(6,302)	(9,716)	(16,018)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>68,164</u>	<u>68,164</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfers to other funds	-	(68,164)	(68,164)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(68,164)</u>	<u>(68,164)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	<u>81,791</u>	<u>-</u>	<u>81,791</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 81,791</u>	<u>\$ -</u>	<u>\$ 81,791</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating (loss)	\$ 2,300	\$ 62,260	\$ 64,560
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	34,444	34,454	68,898
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	2,008	-	2,008
(Increase) decrease in due from other funds	(38,752)	(28,773)	(67,525)
Increase (decrease) in accounts payable	-	223	223
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 68,164</u>	<u>\$ 68,164</u>

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Bridgton was incorporated under the laws of the State of Maine. The Town is located in Cumberland County and operates under a Town manager/Town meeting/Board of Selectmen form of government and provides the following services: general government, protection, public works, health and sanitation, education, recreation, community and social agencies, and other unclassified.

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

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

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer department and Salmon Point Campground are categorized as business-type activities. 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 are 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 BRIDGTON, 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, protection, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

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

The following fund types are used by the Town:

1. Governmental Funds:

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

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. 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.

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.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

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

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Selectmen was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Board of Selectmen.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Town's investment policy requires collateralization of accounts and deposits exceeding an amount equal to 25% of capital, surplus, and undivided profits as defined by the laws of the State of Maine.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. 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

**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".

**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 receivables was estimated to be \$0, as of June 30, 2015.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

**Long-term Obligations**

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

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

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Compensated Absences**

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2015, the Town's liability for compensated absences is \$149,901.

**Pensions**

For purposes of measuring the net pension asset, 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.

**Net Position**

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and/or the Board of Selectmen are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of assigned funds, and then unassigned funds, as needed.

**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 Unit does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Deferred revenue qualifies for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as inflows 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 July 8, 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 four installments on August 15, 2014, November 15, 2014, February 15, 2015 and May 15, 2015. Interest on unpaid taxes commenced on August 16, 2014, November 16, 2014, February 16, 2015 and May 16, 2015, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$65,890 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 (grant income/expenses).

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

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's cash balance of \$5,926,806 was comprised of deposits amounting to \$6,041,870. Of these bank deposits, \$401,492 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$5,221,670 was collateralized with securities held by the financial institution in the Town's name and \$151,570 was covered by the Securities Investor Protection Corporation (SIPC). The remaining deposits of \$267,138 were uninsured and uncollateralized.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 517,138
Repurchase agreement	5,221,670
Money market account	303,062
	<u>\$ 6,041,870</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.

At June 30, 2015, of the Town's investments of \$2,556,014 in mutual funds, \$348,430 was collateralized by the Securities Investors Protection Corporation (SIPC). The remaining \$2,207,584 was uninsured and uncollateralized.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
Mutual funds	\$ 2,556,014	\$ 2,556,014	\$ -	\$ -
	<u>\$ 2,556,014</u>	<u>\$ 2,556,014</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. Generally, the Town invests excess funds in money market accounts and mutual funds.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

The Town has determined that it has complied with state and federal laws governing the investment of public funds.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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	\$ 1,494	\$ 648,999
Nonmajor Special Revenue Funds	81,572	-
Nonmajor Permanent Funds	-	1,494
Enterprise Funds	567,427	-
	<u>\$ 650,493</u>	<u>\$ 650,493</u>

NOTE 4 - CAPITAL ASSETS

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

	Balance, 7/1/14 (Restated)	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 499,773	\$ -	\$ -	\$ 499,773
	<u>499,773</u>	<u>-</u>	<u>-</u>	<u>499,773</u>
Depreciated assets:				
Buildings & improvements	2,440,004	16,668	-	2,456,672
Equipment & vehicles	4,609,530	207,001	(110,000)	4,706,531
Infrastructure	1,346,976	554,478	-	1,901,454
	8,396,510	778,147	(110,000)	9,064,657
Less: accumulated depreciation	(3,832,895)	(378,551)	88,000	(4,123,446)
	<u>4,563,615</u>	<u>399,596</u>	<u>(22,000)</u>	<u>4,941,211</u>
Net governmental capital assets	<u>\$ 5,063,388</u>	<u>\$ 399,596</u>	<u>\$ (22,000)</u>	<u>\$ 5,440,984</u>

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type activities

Non-depreciated assets:

Land	\$ 661,894	\$ -	\$ -	\$ 661,894
	<u>661,894</u>	<u>-</u>	<u>-</u>	<u>661,894</u>

Depreciated assets:

Land improvements	101,095	-	-	101,095
Buildings & improvements	15,851	-	-	15,851
Equipment & vehicles	19,298	-	-	19,298
Infrastructure	646,374	-	-	646,374
	<u>782,618</u>	<u>-</u>	<u>-</u>	<u>782,618</u>

Less: accumulated depreciation	<u>(252,747)</u>	<u>(34,443)</u>	<u>-</u>	<u>(287,190)</u>
	<u>529,871</u>	<u>(34,443)</u>	<u>-</u>	<u>495,428</u>

Net business-type capital assets	<u>\$ 1,191,765</u>	<u>\$ (34,443)</u>	<u>\$ -</u>	<u>\$ 1,157,322</u>
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Current year depreciation:

**Governmental Activities:**

General government	\$ 28,674
Public safety	143,504
Public works	173,146
Health and sanitation	16,414
Culture & recreation	16,813
	<u>378,551</u>

**Business-type Activities:**

Sewer Department	25,854
Salmon Point campground	8,589
	<u>34,443</u>

Total depreciation expense	<u>\$ 412,994</u>
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TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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	Additions	Deletions	Balance, 6/30/15	Current Portion
Capital leases payable	\$ 6,048	\$ -	\$ (2,975)	\$ 3,073	\$ 3,073
Accrued compensated absences	147,322	2,579	-	149,901	146,828
Totals	<u>\$ 153,370</u>	<u>\$ 2,579</u>	<u>\$ (2,975)</u>	<u>\$ 152,974</u>	<u>\$ 149,901</u>

The following is a summary of the outstanding capital lease:

Capital Lease dated 2012 in the amount of \$14,768 payable to M.S.T. Government Leasing, LLC for two photocopiers due in annual installments of \$3,174 through August 2015. Interest is charged at a rate of 3.29% per annum.

\$ 3,073

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

Year Ending June 30:	
2016	<u>\$ 3,174</u>
Total minimum lease payments	3,174
Less amount representing interest	<u>(101)</u>
Present value of future minimum lease payments	<u>\$ 3,073</u>

Long-term debt is paid by the general fund.

NOTE 6 – NONSPENDABLE FUND BALANCES

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

General fund:

Tax acquired property \$ 3,001

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 - RESTRICTED FUND BALANCES

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

Moose Pond Trust	\$ 1,482,867
Special revenue funds (Schedule E)	82,437
Permanent funds (Schedule G)	<u>1,182,197</u>
	<u>\$ 2,747,501</u>

NOTE 8 - ASSIGNED FUND BALANCES

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

General fund:	
Fire Department	\$ 16,774
Planning	4,205
Administration	650
Contingency	20,803
Police	4,790
Capital -Public Works	195,640
Capital - Town Office	180,430
Capital - Fire Department	38,000
Capital - Assessing	150,000
Capital - Court Renovations	4,250
Moose Pond Trust	56,445
Permanent funds (Schedule G)	<u>43,122</u>
	<u>\$ 715,109</u>

NOTE 9 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and School debt. 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>
County of Cumberland	\$ 37,368,560	2.50%	\$ 934,214
MSAD #61 / RSU #61	14,726,669	34.86%	<u>5,133,717</u>
			<u>\$ 6,067,931</u>

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of \$1,000,000.

The Town has its liability insurance through Chalmers Insurance Group. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the policy, coverage is provided after a \$1,000 per occurrence deductible is met; the current total property value is \$10,722,683. Under the general liability portion of the policy, the limit is \$400,000 per occurrence for causes of action pursuant to the Maine Tort Claims Act. Coverage is limited to those areas for which governmental immunity has been expressly waived and \$2,000,000 per occurrence for causes of action pursuant to federal law or state law for which immunity is not proved by the Maine Tort Claims Act. The same limit applies for Law Enforcement after a \$1,000 per occurrence deductible is met. For public official liability and employment practices liability, the coverage is \$2,000,000 per occurrence and \$4,000,000 aggregate with a \$5,000 deductible.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of 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.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - 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 Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (800) 451-9800.

**Benefits Provided**

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

The Town's Status as a withdrawn PLD requires that the Town continue to fund the plan on an actuarially sound basis for liabilities of any currently active, inactive vested, or retired participants. This plan is not available to any non-participating current

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

employees or new hires. The Town's participating employees are eligible for normal retirement upon attaining age 60 and early retirement after completing 25 or more years of service. Participants are fully vested after 10 years of service.

**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 contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$0.

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

At June 30, 2015, the Town reported an asset of \$364,573 for its proportionate share of the net pension assets for the plan. The net pension assets were measured as of June 30, 2014, and the total pension assets used to calculate the net pension assets was determined by an actuarial valuation as of that date.

**Actuarial Methods and Assumptions**

The collective total pension asset 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.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

*Asset Valuation Method*

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

*Amortization*

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

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 BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - 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%

**Actuarial Methods and Assumptions (Continued)**

*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.

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	_____	_____	_____
<u>PLD Plan:</u>			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ (361,417)	\$ (364,573)	\$ (367,593)

**Changes in Net Pension Asset**

Changes in net pension asset 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*

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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](http://www.mainebers.org) or by contacting the System at (800) 451-9800.

NOTE 12 - DEFERRED COMPENSATION PLAN

VARIABLE ANNUITY LIFE INSURANCE COMPANY

A. Plan Description

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the Variable Annuity Life Insurance Company. The plan, available to all full-time employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. Benefits begin vesting at the beginning of service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The plan has provisions for employees to borrow or take plan assets.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

A. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. Generally, the Town will contribute 5 to 5.75% of annual salary for full-time employees that participate in the Town's deferred compensation plan.

The Town's contributions to the plan including employee contributions for 2015, 2014 and 2013 were \$89,087, \$79,710, and \$77,442, respectively

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2015, the Town had the following overspent appropriations:

Recreation	<u>\$ 7,356</u>
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NOTE 14 - JOINT VENTURE

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. Ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Bridgton and 20 other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to ecomaine for processing, and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Bridgton has an owner membership of 4.52% in ecomaine as of June 30, 2015 (the most current period available).

Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$743,623.

NOTE 15 - CONTINGENCIES

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

TOWN OF BRIDGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 15 – CONTINGENCIES (CONTINUED)

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 16 – RESTATEMENT

The beginning net position for the governmental activities has been restated as of July 1, 2014. This balance was restated to correct the capital asset balance. The governmental funds were restated by (\$335,465).

The governmental activities beginning net position as of July 1, 2014 has been restated for the effects of GASB No. 68. The governmental fund beginning net position balance has been increased by \$364,573.

NOTE 17 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

## Required Supplementary Information

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

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

## TOWN OF BRIDGTON, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,367,950	\$ 4,367,950	\$ 4,367,950	\$ -
Resources (Inflows):				
Property taxes	14,019,742	14,019,742	14,031,453	11,711
Excise taxes	730,000	730,000	792,993	62,993
Intergovernmental	402,751	402,751	466,359	63,608
Charges for services	307,025	307,025	435,478	128,453
Interest on taxes	66,000	66,000	61,818	(4,182)
Interest income	3,000	3,000	13,535	10,535
Miscellaneous revenues	50,200	50,200	77,868	27,668
Transfers from other funds	162,815	162,815	162,815	-
Amounts Available for Appropriation	<u>20,109,483</u>	<u>20,109,483</u>	<u>20,410,269</u>	<u>300,786</u>
Charges to Appropriations (Outflows):				
General government	1,488,423	1,543,149	1,484,008	59,141
Protection	1,009,367	1,025,081	979,174	45,907
Public works	836,405	836,405	822,268	14,137
Health and sanitation	505,881	505,881	407,672	98,209
Community and social agencies	340,579	340,579	235,623	104,956
Education	9,136,218	9,136,218	9,136,218	-
Recreation	267,014	267,014	274,370	(7,356)
Cemeteries	24,222	24,222	17,960	6,262
County tax	622,208	622,208	622,208	-
Tax increment financing agreement	89,737	89,737	11,620	78,117
Unclassified	1,797,024	1,797,024	1,167,022	630,002
Debt service:				
Interest	2,500	2,500	-	2,500
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>16,119,578</u>	<u>16,190,018</u>	<u>15,158,143</u>	<u>1,031,875</u>
Budgetary Fund Balance, June 30	<u>\$ 3,989,905</u>	<u>\$ 3,919,465</u>	<u>\$ 5,252,126</u>	<u>\$ 1,332,661</u>
Utilization of assigned fund balance	\$ 125,000	\$ 125,000	\$ -	\$ (125,000)
Utilization of unassigned fund balance	253,045	323,485	-	(323,485)
	<u>\$ 378,045</u>	<u>\$ 448,485</u>	<u>\$ -</u>	<u>\$ (448,485)</u>

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.

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

SCHEDULE A

TOWN OF BRIDGTON, MAINE

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 14,019,742	\$ 14,019,742	\$ 14,031,453	\$ 11,711
Excise taxes:				
Auto excise	700,000	700,000	767,862	67,862
Boat excise	30,000	30,000	25,131	(4,869)
Intergovernmental revenues:				
State revenue sharing	188,266	188,266	207,384	19,118
Homestead exemption	48,485	48,485	96,372	47,887
Local road assistance	109,000	109,000	102,616	(6,384)
Tree growth reimbursement	40,000	40,000	46,013	6,013
Veterans' reimbursement	7,000	7,000	6,510	(490)
General assistance reimbursement	10,000	10,000	2,924	(7,076)
BETE reimbursement	-	-	4,540	4,540
Charges for services:				
Auto registration fees	22,750	22,750	20,313	(2,437)
Town clerk revenues	16,500	16,500	18,610	2,110
Planning board fees	1,100	1,100	1,800	700
Code enforcement fees	45,000	45,000	35,234	(9,766)
Plumbing inspector fees	17,500	17,500	14,665	(2,835)
Police revenue	3,100	3,100	6,287	3,187
Animal control fees	-	-	2,591	2,591
Transfer station revenue	87,575	87,575	169,247	81,672
General government fees	-	-	41,431	41,431
Recreation fees	5,050	5,050	19,525	14,475
Rental fees	58,450	58,450	56,563	(1,887)
Cable TV revenue	50,000	50,000	49,212	(788)
Interest:				
Taxes	66,000	66,000	61,818	(4,182)
Deposit and investment accounts	3,000	3,000	13,535	10,535
Other income:				
Tax lien cost	15,000	15,000	26,003	11,003
Fee in lieu of taxes	1,000	1,000	917	(83)
Highway revenue	1,400	1,400	7,084	5,684
Snowmobile revenue	1,800	1,800	-	(1,800)
Other income	31,000	31,000	43,864	12,864
Transfers in:				
Salmon Point campground	68,164	68,164	68,164	-
Trust funds	94,651	94,651	94,651	-
Total revenues	<u>\$ 15,741,533</u>	<u>\$ 15,741,533</u>	<u>\$ 16,042,319</u>	<u>\$ 300,786</u>

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

TOWN OF BRIDGTON, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>					
<b>General government:</b>					
Administration	\$ 415,263	\$ -	\$ 415,263	\$ 403,863	\$ 11,400
Municipal complex	115,866	-	115,866	128,017	(12,151)
Assessor's office	79,462	-	79,462	80,114	(652)
Planning department	94,994	3,000	97,994	91,295	6,699
Benefits	515,642	14,726	530,368	490,564	39,804
Insurances	148,343	-	148,343	157,228	(8,885)
Contingency	25,000	37,000	62,000	41,747	20,253
Economic development	73,853	-	73,853	73,930	(77)
Legal services	20,000	-	20,000	17,250	2,750
	<u>1,488,423</u>	<u>54,726</u>	<u>1,543,149</u>	<u>1,484,008</u>	<u>59,141</u>
<b>Protection:</b>					
Police department	572,319	2,197	574,516	591,951	(17,435)
Fire department	223,029	13,517	236,546	226,372	10,174
Dispatcher service	138,608	-	138,608	92,480	46,128
Ambulance service	52,000	-	52,000	52,000	-
Animal control	15,917	-	15,917	9,264	6,653
Court appearances	7,494	-	7,494	7,107	387
	<u>1,009,367</u>	<u>15,714</u>	<u>1,025,081</u>	<u>979,174</u>	<u>45,907</u>
<b>Public works:</b>					
General highways	593,493	-	593,493	611,662	(18,169)
Hydrants	210,439	-	210,439	174,700	35,739
Street lights	27,348	-	27,348	31,565	(4,217)
Emergency management	5,125	-	5,125	4,341	784
	<u>836,405</u>	<u>-</u>	<u>836,405</u>	<u>822,268</u>	<u>14,137</u>
<b>Health and sanitation:</b>					
Transfer station	469,208	-	469,208	397,522	71,686
Health officer	1,139	-	1,139	614	525
Septic disposal	1,250	-	1,250	-	1,250
General assistance	34,284	-	34,284	9,536	24,748
	<u>505,881</u>	<u>-</u>	<u>505,881</u>	<u>407,672</u>	<u>98,209</u>
<b>Community and social agencies:</b>					
Community agencies	268,329	-	268,329	162,528	105,801
Bridgton community center	72,250	-	72,250	73,095	(845)
	<u>340,579</u>	<u>-</u>	<u>340,579</u>	<u>235,623</u>	<u>104,956</u>

TOWN OF BRIDGTON, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education:					
Regular program	9,136,218	-	9,136,218	9,136,218	-
Parks and recreation:					
Parks department	161,653	-	161,653	168,915	(7,262)
Recreation department	105,361	-	105,361	105,455	(94)
	<u>267,014</u>	<u>-</u>	<u>267,014</u>	<u>274,370</u>	<u>(7,356)</u>
Cemeteries	24,222	-	24,222	17,960	6,262
County tax	622,208	-	622,208	622,208	-
TIF	89,737	-	89,737	11,620	78,117
Unclassified:					
Vehicle maintenance	416,700	-	416,700	335,841	80,859
Building maintenance	16,504	-	16,504	15,807	697
Overlay	65,890	-	65,890	36,386	29,504
Capital expenditures	1,297,930	-	1,297,930	778,988	518,942
	<u>1,797,024</u>	<u>-</u>	<u>1,797,024</u>	<u>1,167,022</u>	<u>630,002</u>
Debt service:					
Short term interest	2,500	-	2,500	-	2,500
Total Expenditures	<u>\$ 16,119,578</u>	<u>\$ 70,440</u>	<u>\$ 16,190,018</u>	<u>\$ 15,158,143</u>	<u>\$ 1,031,875</u>

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

TOWN OF BRIDGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 865	\$ 124,798	\$ 125,663
Investments	-	1,102,015	1,102,015
Due from other funds	81,572	-	81,572
<b>TOTAL ASSETS</b>	<b><u>\$ 82,437</u></b>	<b><u>\$ 1,226,813</u></b>	<b><u>\$ 1,309,250</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	1,494	1,494
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>1,494</u></b>	<b><u>1,494</u></b>
<b>FUND BALANCES</b>			
Nonspendable - principal	-	-	-
Restricted	82,437	1,182,197	1,264,634
Committed	-	-	-
Assigned	-	43,122	43,122
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>82,437</u></b>	<b><u>1,225,319</u></b>	<b><u>1,307,756</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 82,437</u></b>	<b><u>\$ 1,226,813</u></b>	<b><u>\$ 1,309,250</u></b>

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

## TOWN OF BRIDGTON, MAINE

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

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 236,771	\$ -	\$ 236,771
Investment Income, Net of Unrealized Gains/(Losses)	-	31,767	31,767
Donations	800	-	800
Other	-	9,753	9,753
<b>TOTAL REVENUES</b>	<u>237,571</u>	<u>41,520</u>	<u>279,091</u>
<b>EXPENDITURES</b>			
Human Services	-	6,174	6,174
Culture & Recreation	3,859	-	3,859
Other	415,128	-	415,128
<b>TOTAL EXPENDITURES</b>	<u>418,987</u>	<u>6,174</u>	<u>425,161</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(181,416)</u>	<u>35,346</u>	<u>(146,070)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers (Out)	-	(41,313)	(41,313)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(41,313)</u>	<u>(41,313)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(181,416)	(5,967)	(187,383)
<b>FUND BALANCES - JULY 1</b>	<u>263,853</u>	<u>1,231,286</u>	<u>1,495,139</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 82,437</u>	<u>\$ 1,225,319</u>	<u>\$ 1,307,756</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 BRIDGTON, MAINE

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

	CDBG	Bridgton Baseball & Softball	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 865	\$ 865
Due from other funds	81,572	-	81,572
<b>TOTAL ASSETS</b>	<u>\$ 81,572</u>	<u>\$ 865</u>	<u>\$ 82,437</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	81,572	865	82,437
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>81,572</u>	<u>865</u>	<u>82,437</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 81,572</u>	<u>\$ 865</u>	<u>\$ 82,437</u>

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

## TOWN OF BRIDGTON, MAINE

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

	CDBG	Bridgton Baseball & Softball	Totals
REVENUES			
Intergovernmental	\$ 236,771	\$ -	\$ 236,771
Donations	-	800	800
TOTAL REVENUES	<u>236,771</u>	<u>800</u>	<u>237,571</u>
EXPENDITURES			
Human Services	415,128	-	415,128
Culture & Recreation	-	3,859	3,859
TOTAL EXPENDITURES	<u>415,128</u>	<u>3,859</u>	<u>418,987</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(178,357)</u>	<u>(3,059)</u>	<u>(181,416)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(178,357)	(3,059)	(181,416)
FUND BALANCES - JULY 1	<u>259,929</u>	<u>3,924</u>	<u>263,853</u>
FUND BALANCES - JUNE 30	<u>\$ 81,572</u>	<u>\$ 865</u>	<u>\$ 82,437</u>

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

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Bridgton, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF BRIDGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Bridgton Trust				
	Cemetery Perpetual Care	Special Cemetery Fund	Willis Park Fund	Village Improvement Fund	School Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 44,634	\$ 34,678	\$ 5,065	\$ 1,158	\$ 2,366
Investments	371,059	299,708	43,770	10,008	20,450
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 415,693</b>	<b>\$ 334,386</b>	<b>\$ 48,835</b>	<b>\$ 11,166</b>	<b>\$ 22,816</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable - principal	-	-	-	-	-
Restricted	400,183	321,858	47,005	10,748	21,961
Committed	-	-	-	-	-
Assigned	15,510	12,528	1,830	418	855
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>415,693</b>	<b>334,386</b>	<b>48,835</b>	<b>11,166</b>	<b>22,816</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 415,693</b>	<b>\$ 334,386</b>	<b>\$ 48,835</b>	<b>\$ 11,166</b>	<b>\$ 22,816</b>

TOWN OF BRIDGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Bridgton Trust		Subtotal	Park	
	Worthy & Industrious Poor Fund	Revitalization Fund	Bridgton Forest Trust	Forest Trust	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,489	\$ 19,674	\$ 121,064	\$ 3,734	\$ 124,798
Investments	116,582	170,039	1,031,616	70,399	1,102,015
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 130,071</u>	<u>\$ 189,713</u>	<u>\$ 1,152,680</u>	<u>\$ 74,133</u>	<u>\$ 1,226,813</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ 1,494	\$ 1,494
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,494</u>	<u>1,494</u>
<b>FUND BALANCES</b>					
Nonspendable - principal	-	-	-	-	-
Restricted	125,198	182,605	1,109,558	72,639	1,182,197
Committed	-	-	-	-	-
Assigned	4,873	7,108	43,122	-	43,122
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>130,071</u>	<u>189,713</u>	<u>1,152,680</u>	<u>72,639</u>	<u>1,225,319</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 130,071</u>	<u>\$ 189,713</u>	<u>\$ 1,152,680</u>	<u>\$ 74,133</u>	<u>\$ 1,226,813</u>

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

TOWN OF BRIDGTON, MAINE

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

	Bridgton Trust				
	Cemetery Perpetual Care	Special Cemetery Fund	Willis Park Fund	Village Improvement Fund	School Fund
REVENUES					
Investment Income, Net of Unrealized Gains/(Losses)	\$ 10,830	\$ 8,748	\$ 1,277	\$ 292	\$ 597
Other	4,597	2,339	342	78	160
TOTAL REVENUES	<u>15,427</u>	<u>11,087</u>	<u>1,619</u>	<u>370</u>	<u>757</u>
EXPENDITURES					
Other	1,502	1,213	177	40	83
TOTAL EXPENDITURES	<u>1,502</u>	<u>1,213</u>	<u>177</u>	<u>40</u>	<u>83</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,925</u>	<u>9,874</u>	<u>1,442</u>	<u>330</u>	<u>674</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	(14,860)	(12,002)	(1,752)	(401)	(819)
TOTAL OTHER FINANCING (USES)	<u>(14,860)</u>	<u>(12,002)</u>	<u>(1,752)</u>	<u>(401)</u>	<u>(819)</u>
NET CHANGE IN FUND BALANCES	(935)	(2,128)	(310)	(71)	(145)
FUND BALANCES - JULY 1	<u>416,628</u>	<u>336,514</u>	<u>49,145</u>	<u>11,237</u>	<u>22,961</u>
FUND BALANCES - JUNE 30	<u>\$ 415,693</u>	<u>\$ 334,386</u>	<u>\$ 48,835</u>	<u>\$ 11,166</u>	<u>\$ 22,816</u>

TOWN OF BRIDGTON, MAINE

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

	Bridgton Trust		Subtotal Bridgton Forest Trust	Park Forest Trust	Totals
	Worthy & Industrious Poor Fund	Revitalization Fund			
REVENUES					
Investment Income, Net of Unrealized Gains/(Losses)	\$ 3,402	\$ 4,963	\$ 30,109	\$ 1,658	\$ 31,767
Other	910	1,327	9,753	-	9,753
TOTAL REVENUES	<u>4,312</u>	<u>6,290</u>	<u>39,862</u>	<u>1,658</u>	<u>41,520</u>
EXPENDITURES					
Other	471	688	4,174	2,000	6,174
TOTAL EXPENDITURES	<u>471</u>	<u>688</u>	<u>4,174</u>	<u>2,000</u>	<u>6,174</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,841</u>	<u>5,602</u>	<u>35,688</u>	<u>(342)</u>	<u>35,346</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	(4,669)	(6,810)	(41,313)	-	(41,313)
TOTAL OTHER FINANCING (USES)	<u>(4,669)</u>	<u>(6,810)</u>	<u>(41,313)</u>	<u>-</u>	<u>(41,313)</u>
NET CHANGE IN FUND BALANCES	(828)	(1,208)	(5,625)	(342)	(5,967)
FUND BALANCES - JULY 1	<u>130,899</u>	<u>190,921</u>	<u>1,158,305</u>	<u>72,981</u>	<u>1,231,286</u>
FUND BALANCES - JUNE 30	<u>\$ 130,071</u>	<u>\$ 189,713</u>	<u>\$ 1,152,680</u>	<u>\$ 72,639</u>	<u>\$ 1,225,319</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 BRIDGTON, MAINE

SCHEDULE GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ 38,863	\$ 931,519	\$ 93,789	\$ -	\$ 1,064,171
Protection	46,059	411,550	2,531,607	9,254	2,998,470
Public works	261,257	312,393	1,853,088	1,892,200	4,318,938
Health and sanitation	11,471	189,824	179,387	-	380,682
Recreation	142,123	611,386	48,660	-	802,169
Sewer fund	11,894	-	-	646,374	658,268
Salmon Point Campground	650,000	116,946	19,298	-	786,244
Total General Capital Assets	1,161,667	2,573,618	4,725,829	2,547,828	11,008,942
Less: Accumulated Depreciation	-	(1,317,290)	(2,543,163)	(550,183)	(4,410,636)
Net General Capital Assets	\$ 1,161,667	\$ 1,256,328	\$ 2,182,666	\$ 1,997,645	\$ 6,598,306

See accompanying independent auditors' report and notes to financial statements

TOWN OF BRIDGTON, MAINE

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

	General Capital Assets 7/1/14 (Restated)	Additions	Deletions	General Capital Assets 6/30/15
General government	\$ 1,047,251	\$ 16,920	\$ -	\$ 1,064,171
Protection	2,960,601	37,869	-	2,998,470
Public works	3,705,580	723,358	(110,000)	4,318,938
Health and sanitation	380,682	-	-	380,682
Recreation	802,169	-	-	802,169
Sewer fund	658,268	-	-	658,268
Salmon Point Campground	786,244	-	-	786,244
<b>Total General Capital Assets</b>	<b>10,340,795</b>	<b>778,147</b>	<b>(110,000)</b>	<b>11,008,942</b>
Less: Accumulated Depreciation	<u>(4,085,642)</u>	<u>(412,994)</u>	<u>88,000</u>	<u>(4,410,636)</u>
<b>Net General Capital Assets</b>	<b><u>\$ 6,255,153</u></b>	<b><u>\$ 365,153</u></b>	<b><u>\$ (22,000)</u></b>	<b><u>\$ 6,598,306</u></b>

See accompanying independent auditors' report and notes to financial statements



*Proven Expertise and Integrity*

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

Board of Selectmen  
Town of Bridgton  
Bridgton, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bridgton, Maine as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Bridgton's basic financial statements, and have issued our report thereon dated February 5, 2016.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
February 5, 2016