

Audited Financial Statements And  
Other Financial Information

Town of Stonington, Maine

December 31, 2013



*Proven Expertise and Integrity*

TOWN OF STONINGTON, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Stonington  
Stonington, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Maine, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Maine as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on page 40 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 Stonington, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*RHR Smith & Company*

Buxton, Maine  
March 14, 2014

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Stonington, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Stonington'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 and liabilities 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 Stonington are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, health and sanitation, culture and recreation, special assessments, social services, and other 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. The town of Stonington has one business-type activity, the water department.

### **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 Stonington, 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 Stonington 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 Stonington presents two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget for. 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.

*Proprietary Funds:* The Town of Stonington maintains one proprietary fund, the water department. These funds are 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 Proprietary Fund Statement of Cash Flows.

### **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 funds is \$8,607,740 compared to \$8,199,678 in the prior year, an increase of \$408,062. For the business-type activities total net position is \$748,362 as compared to \$802,631 in the prior year, a decrease of \$54,269.

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 – is \$1,584,993 at the end of this year for governmental activities, an increase of \$145,262. The business-type activities unrestricted net position is \$23,521, after a \$6,747 increase.

**Table 1**  
**Town of Stonington, Maine**  
**Net Position**  
**December 31,**

<b>Assets</b>	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Current and other assets	\$ 1,893,092	\$ 1,747,690	\$ 23,787	\$ 18,180
Capital Assets	7,135,079	6,949,045	941,485	1,001,225
Total Assets	9,028,171	8,696,735	965,272	1,019,405
<b>Liabilities</b>				
Current Liabilities	103,628	132,639	38,126	33,876
Long-term Debt Outstanding	316,803	364,418	178,784	200,000
Total Liabilities	420,431	497,057	216,910	233,876
<b>Net Position</b>				
Invested in Capital Assets, Net of Related Debt	6,774,032	6,516,420	724,841	768,755
Restricted	248,715	243,527	-	-
Unrestricted	1,584,993	1,439,731	23,521	16,774
Total Net Position	\$ 8,607,740	\$ 8,199,678	\$ 748,362	\$ 785,529

**Table 2**  
**Town of Stonington, Maine**  
**Changes in Net Position**  
**For The Years Ended December 31,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>				
<i>Program revenues:</i>				
Charges for services	\$ 1,231,668	\$ 1,270,857	\$ 143,031	\$ 142,754
Operating grants and contributions	30,546	20,238		-
<i>General revenues:</i>				
Property taxes	3,010,756	2,861,814	-	-
Excise taxes	232,864	204,908	-	-
Grants and contributions not restricted to specific programs	110,133	173,137	-	-
Investment income, net	3,947	5,311	42	46
Other revenue	38,699	57,993	771	4,420
Total Revenues	<u>4,658,613</u>	<u>4,594,258</u>	<u>143,844</u>	<u>147,220</u>
<b>Expenses</b>				
General government	283,023	271,493	-	-
Public safety	202,898	209,835	-	-
Health and sanitation	226,644	211,801	-	-
Public works	514,557	435,112	-	-
Special assessments	1,899,468	1,804,604	-	-
Social services	15,785	16,376	-	-
Culture and recreation	17,621	14,697	-	-
Unclassified	1,015,906	1,389,601	191,233	123,169
Capital outlay	60,476	5,599	-	-
Depreciation	8,975	32,494	-	-
Interest on long-term debt	5,198	17,826	6,880	6,949
Total Expenses	<u>4,250,551</u>	<u>4,409,438</u>	<u>198,113</u>	<u>130,118</u>
Change in Net Position	408,062	184,820	(54,269)	17,102
Net Position - January 1	<u>8,199,678</u>	<u>8,014,858</u>	<u>802,631</u>	<u>785,529</u>
Net Position - December 31	<u>\$ 8,607,740</u>	<u>\$ 8,199,678</u>	<u>\$ 748,362</u>	<u>\$ 802,631</u>

## Revenues and Expenses

Revenues for the Town's governmental activities increased by \$64,355, while total expenses decreased by \$158,887. The largest increase was in property taxes. Most of the Town's expenses were consistent with the previous year with minor increases or decreases. The biggest decrease in expenses was in unclassified.

Revenues and expenses for the proprietary fund were mostly consistent with the prior year.

## 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 Stonington, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	2013	2012
Major Funds:		
General Fund:		
Nonspendable	\$ -	\$ 2,814
Unassigned	1,058,688	916,177
Total Major Funds	\$ 1,058,688	\$ 918,991
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 189,456	\$ 184,460
Committed	19,153	6,913
Unassigned	(30,938)	14,189
Capital Projects Funds:		
Nonspendable	13,110	15,100
Committed	385,089	263,592
Assigned	-	-
Unassigned	(399)	104,316
Permanent Funds:		
Restricted	59,259	59,067
Total Nonmajor Funds	\$ 634,730	\$ 647,637

The general fund total fund balance increased by \$139,697 over the prior fiscal year. Non-major fund balances decreased by \$12,907 over the prior fiscal year. The increase in the general fund came as a result of unspent expenditures and over-received revenues. The decrease in the other non-major fund balances came mostly as a result of the use of several reserves.

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

### **Budgetary Highlights**

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by \$94,268. This was a result of intergovernmental revenue, excise taxes, charges for services and other revenue.

The general fund actual expenditures were under the budget by \$55,623. All expenditures were under budget with the exception of debt service and culture and recreation.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of December 31, 2013, the net book value of capital assets recorded by the Town increased by \$156,354. This increase is a result of the purchase of assets of \$281,173 and annual depreciation expense of \$124,819. Refer to Note 4 of Notes to Financial Statements for further details.

**Table 4  
Town of Stonington, Maine  
Capital Assets (Net of Depreciation)  
December 31,**

	<b>2013</b>	<b>2012</b>
Land and improvements	\$ 6,196,261	\$ 6,215,158
Buildings and improvements	373,508	387,855
Machinery and equipment	1,048,392	1,048,815
Vehicles	208,849	246,394
Infrastructure	249,554	21,988
Total	<b>\$ 8,076,564</b>	<b>\$ 7,920,210</b>

## **Debt**

At December 31, 2013, the Town had \$528,532 in notes outstanding versus \$560,513 in the prior year. Refer to Note 5 of Notes to Financial Statements for additional information.

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

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at P.O. Box 9, Stonington, Maine 04578.

## STATEMENT A

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2013

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,628,480	\$ 17,499	\$ 1,645,979
Accounts receivable (net of allowance for uncollectibles):			
Taxes	10,920	-	10,920
Liens	167,592	-	167,592
Loans	57,869	-	57,869
Other	15,121	6,288	21,409
Inventory	13,110	-	13,110
Total current assets	<u>1,893,092</u>	<u>23,787</u>	<u>1,916,879</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	5,786,500	66,667	5,853,167
Buildings and vehicles, net of accumulated depreciation	1,348,579	874,818	2,223,397
Total noncurrent assets	<u>7,135,079</u>	<u>941,485</u>	<u>8,076,564</u>
Total assets	<u>\$ 9,028,171</u>	<u>\$ 965,272</u>	<u>\$ 9,993,443</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 44,704	\$ 231	\$ 44,935
Payroll related liabilities	3,829	-	3,829
Prepaid taxes/deposits	2,298	-	2,298
Other liabilities	3,843	35	3,878
Current portion of long-term obligations	48,954	37,860	86,814
Total current liabilities	<u>103,628</u>	<u>38,126</u>	<u>141,754</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Notes payable	262,934	178,784	441,718
Capital leases	49,159	-	49,159
Accrued compensated absences	4,710	-	4,710
Total noncurrent liabilities	<u>316,803</u>	<u>178,784</u>	<u>495,587</u>
Total liabilities	<u>420,431</u>	<u>216,910</u>	<u>637,341</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	6,774,032	724,841	7,498,873
Restricted	248,715	-	248,715
Unrestricted	1,584,993	23,521	1,608,514
Total net position	<u>8,607,740</u>	<u>748,362</u>	<u>9,356,102</u>
Total liabilities and net position	<u>\$ 9,028,171</u>	<u>\$ 965,272</u>	<u>\$ 9,993,443</u>

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



## TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business - type Activities	Totals
<b>Governmental activities:</b>							
General government	\$ 283,023	\$ 27,549	\$ -	\$ -	\$ (255,474)	\$ -	\$ (255,474)
Public safety	202,898	4,596	-	-	(198,302)	-	(198,302)
Health and sanitation	226,644	43,008	-	-	(183,636)	-	(183,636)
Public works	514,557	11,395	30,546	-	(472,616)	-	(472,616)
Special assessments	1,899,468	-	-	-	(1,899,468)	-	(1,899,468)
Social services	15,785	-	-	-	(15,785)	-	(15,785)
Culture and recreation	17,621	-	-	-	(17,621)	-	(17,621)
Unclassified	1,015,906	1,145,120	-	-	129,214	-	129,214
Capital outlay	60,476	-	-	-	(60,476)	-	(60,476)
Unallocated depreciation (Note 4)*	8,975	-	-	-	(8,975)	-	(8,975)
Interest on long term debt	5,198	-	-	-	(5,198)	-	(5,198)
Total governmental activities	<u>4,250,551</u>	<u>1,231,668</u>	<u>30,546</u>	<u>-</u>	<u>(2,988,337)</u>	<u>-</u>	<u>(2,988,337)</u>
<b>Business-type activities:</b>							
Water department	198,113	143,031	-	-	-	(55,082)	(55,082)
Total business-type activities	<u>198,113</u>	<u>143,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,082)</u>	<u>(55,082)</u>
Total government	<u>\$ 4,448,664</u>	<u>\$ 1,374,699</u>	<u>\$ 30,546</u>	<u>\$ -</u>	<u>(2,988,337)</u>	<u>(55,082)</u>	<u>(3,043,419)</u>

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

STATEMENT B (CONTINUED)  
TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Changes In net position:			
Net (expense) revenue	<u>(2,988,337)</u>	<u>(55,082)</u>	<u>(3,043,419)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	3,010,756	-	3,010,756
Excise taxes	232,864	-	232,864
Grants and contributions not restricted to specific programs	110,133	-	110,133
Investment income, net	3,947	42	3,989
Other income	38,699	771	39,470
Total general revenues	<u>3,396,399</u>	<u>813</u>	<u>3,397,212</u>
Change in net position	408,062	(54,269)	353,793
Net position - January 1	<u>8,199,678</u>	<u>802,631</u>	<u>9,002,309</u>
Net position - December 31	<u>\$ 8,607,740</u>	<u>\$ 748,362</u>	<u>\$ 9,356,102</u>

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

## TOWN OF STONINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	General Fund	Nonmajor Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 985,349	\$ 643,131	\$ 1,628,480
Accounts receivable (net of allowance for uncollectibles):			
Taxes	10,920	-	10,920
Liens	167,592	-	167,592
Loans	-	57,869	57,869
Other	13,879	1,242	15,121
Inventory	-	13,110	13,110
Due from other funds	133,622	80,810	214,432
<b>TOTAL ASSETS</b>	<u>\$ 1,311,362</u>	<u>\$ 796,162</u>	<u>\$ 2,107,524</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,894	\$ 27,810	\$ 44,704
Payroll related liabilities	3,829	-	3,829
Due to other funds	80,810	133,622	214,432
Due to other governments	3,843	-	3,843
<b>TOTAL LIABILITIES</b>	<u>105,376</u>	<u>161,432</u>	<u>266,808</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	2,298	-	2,298
Deferred revenue	145,000	-	145,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>147,298</u>	<u>-</u>	<u>147,298</u>
<b>FUND BALANCES</b>			
Nonspendable	-	13,110	13,110
Restricted	-	248,715	248,715
Committed	-	404,242	404,242
Assigned	-	-	-
Unassigned	1,058,688	(31,337)	1,027,351
<b>TOTAL FUND BALANCES</b>	<u>1,058,688</u>	<u>634,730</u>	<u>1,693,418</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,311,362</u>	<u>\$ 796,162</u>	<u>\$ 2,107,524</u>

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

## TOWN OF STONINGTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2013

	Total Governmental Funds
Total Fund Balances	\$ 1,693,418
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	7,135,079
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	145,000
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(4,710)
Notes payable	(311,888)
Capital leases payable	(49,159)
	\$ 8,607,740
Net position of governmental activities	

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

## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ 2,985,756	\$ -	\$ 2,985,756
Excise taxes	232,864	-	232,864
Intergovernmental	116,644	24,035	140,679
Charges for services	86,548	1,145,120	1,231,668
Interest/Costs on liens	9,769	-	9,769
Investment income, net	2,654	1,293	3,947
Other income	11,197	17,733	28,930
<b>TOTAL REVENUES</b>	<b>3,445,432</b>	<b>1,188,181</b>	<b>4,633,613</b>
<b>EXPENDITURES</b>			
Current:			
General government	273,014	-	273,014
Public safety	169,988	-	169,988
Health and sanitation	220,096	-	220,096
Public works	476,900	-	476,900
Special assessments	1,899,468	-	1,899,468
Social services	15,785	-	15,785
Culture and recreation	17,621	-	17,621
Unclassified	73,869	1,172,669	1,246,538
Debt service	72,553	4,223	76,776
Capital outlay	-	110,637	110,637
<b>TOTAL EXPENDITURES</b>	<b>3,219,294</b>	<b>1,287,529</b>	<b>4,506,823</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>226,138</b>	<b>(99,348)</b>	<b>126,790</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	86,441	86,441
Operating transfers (out)	(86,441)	-	(86,441)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(86,441)</b>	<b>86,441</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>139,697</b>	<b>(12,907)</b>	<b>126,790</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>918,991</b>	<b>647,637</b>	<b>1,566,628</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 1,058,688</b>	<b>\$ 634,730</b>	<b>\$ 1,693,418</b>

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

## TOWN OF STONINGTON, 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 DECEMBER 31, 2013

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 126,790</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets.</p>	
Capital asset purchases capitalized	280,682
Capital asset disposals, net	111
Depreciation expense	<u>(94,759)</u>
	<u>186,034</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:</p>	
Taxes and liens receivable	<u>25,000</u>
<p>Accrued compensated absences recorded in the Statement of Net Position not in the governmental funds</p>	
	<u>(1,340)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position</p>	
	<u>71,578</u>
<p>Proceeds of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position</p>	
	<u>-</u>
Change in net position of governmental activities (Statement B)	<u>\$ 408,062</u>

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

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2013

	<u>Enterprise Fund</u> <u>Water</u> <u>Department</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 17,499
Accounts receivable (net of allowance for uncollectibles)	6,288
Total current assets	<u>23,787</u>
Noncurrent assets:	
Land, buildings, mains, and other water assets	1,529,687
Vehicles and equipment	346,232
Total capital assets	<u>1,875,919</u>
Less: accumulated depreciation	<u>(934,434)</u>
Total noncurrent assets	<u>941,485</u>
Total assets	<u>\$ 965,272</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 231
Accrued expenses	35
Current portion of long-term obligations	37,860
Total current liabilities	<u>38,126</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes payable	<u>178,784</u>
Total noncurrent liabilities	<u>178,784</u>
Total liabilities	<u>216,910</u>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	724,841
Unrestricted	23,521
Total net position	<u>748,362</u>
Total liabilities and net position	<u>\$ 965,272</u>

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

## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION – PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2013

	Enterprise Fund
	Water
	Department
OPERATING REVENUES	
Charges for services	\$ 143,031
Other income	771
TOTAL OPERATING REVENUES	143,802
OPERATING EXPENSES	
Payroll	43,522
Benefits/Taxes	11,504
Utilities	15,225
Chemicals	713
Contracted services	46,703
Materials and supplies	25,493
Insurance	5,723
Depreciation & amortization	30,060
Transportation	1,375
Other operating expenses	10,915
TOTAL OPERATING EXPENSES	191,233
OPERATING INCOME (LOSS)	(47,431)
NONOPERATING REVENUES (EXPENSES)	
Interest income	42
Interest expense	(6,880)
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,838)
CHANGE IN NET POSITION	(54,269)
NET POSITION - JANUARY 1	802,631
NET POSITION - DECEMBER 31	\$ 748,362

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



## TOWN OF STONINGTON, MAINE

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Enterprise Fund</u> <u>Water</u> <u>Department</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 141,722
Other receipts	771
Payments to employees	(43,522)
Payments to suppliers	(118,114)
Net cash provided (used) by operating activities	<u>(19,143)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	42
Net cash provided (used) by investing activities	<u>42</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from debt	60,000
Principal paid on capital debt	(34,890)
Purchase of capital assets (net)	(380)
Net cash provided (used) by capital and related financing activities	<u>17,850</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,251)
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>18,750</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 17,499</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (47,431)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	30,060
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(1,309)
(Decrease) increase in accounts payable	231
(Decrease) increase in customer deposits	-
(Decrease) increase in accrued expenses	(694)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (19,143)</u></u>

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Stonington was incorporated under the laws of the State of Maine. The Town operates under Town selectmen-manager form of government and provides the following services: general government, public safety, public works, health and sanitation, social services and culture and recreation.

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

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

***Government-Wide and Fund Financial Statements***

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

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

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The following fund types are used by the Town:

1. Governmental Funds:

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. 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.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

The Town of Stonington'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 basic financial statements.

1. Late in the prior fiscal year the Town prepared a budget for the year beginning January 1. The operating budget included proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Stonington was then called for the purpose of adopting the proposed budget after public notice of the meeting had been given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. No supplemental budgetary appropriations were necessary during the fiscal year
5. The Town did not adopt budgets for the special revenue funds.

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. 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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town of Stonington has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

**Prepaid Items**

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

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The inventory on the nonmajor funds is made up of fuel and is recorded on the first in-first out basis.

**Interfund Receivables and Payables**

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as December 31, 2013.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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



TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Compensated Absences**

The Town's policies regarding vacation and sick time 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.

**Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance**

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

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

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied July 8, 2013 on the assessed value listed as of April 1, 2013, for all real and personal property located in the Town. Taxes were due on August 31, 2013. Interest on unpaid taxes commenced on September 1, 2013 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.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$30,421 for the year ended December 31, 2013.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At December 31, 2013, the Town's cash balance amounting to \$1,645,979 was comprised of bank deposits of \$1,644,503. Of these bank deposits, \$500,000 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,144,503 was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,255,049
Savings	389,454
	<u>\$ 1,644,503</u>

TOWN OF STONINGTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**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 December 31, 2013, the Town had \$0 of investments.

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

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.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 133,622	\$ 80,810
Special Revenue Fund	39,950	46,028
Capital Projects Fund	40,860	87,145
Permanent Fund	-	449
Totals	<u>\$ 214,432</u>	<u>\$ 214,432</u>

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2013:

	<u>Balance 1/1/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/13</u>
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 5,786,500	\$ -	\$ -	\$ 5,786,500
	<u>5,786,500</u>	<u>-</u>	<u>-</u>	<u>5,786,500</u>
Depreciated assets:				
Buildings	2,058,111	-	-	2,058,111
Building improvements	101,060	-	-	101,060
Land improvements	366,402	-	-	366,402
Machinery & equipment	549,422	52,160	-	601,582
Vehicles	617,593	-	-	617,593
Infrastructure	23,900	228,522	-	252,422
	<u>3,716,488</u>	<u>280,682</u>	<u>-</u>	<u>3,997,170</u>
Less: accumulated depreciation	<u>(2,553,943)</u>	<u>(94,759)</u>	<u>111</u>	<u>(2,648,591)</u>
	<u>1,162,545</u>	<u>185,923</u>	<u>-</u>	<u>1,348,579</u>
Net capital assets	<u><u>\$ 6,949,045</u></u>	<u><u>\$ 185,923</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,135,079</u></u>
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	\$ 66,667	\$ -	\$ -	\$ 66,667
	<u>66,667</u>	<u>-</u>	<u>-</u>	<u>66,667</u>
Depreciated assets:				
Building improvements	7,469	-	-	7,469
Machinery & equipment	345,741	491	-	346,232
Infrastructure / mains, etc	1,455,551	-	-	1,455,551
	<u>1,808,761</u>	<u>491</u>	<u>-</u>	<u>1,809,252</u>
Less: accumulated depreciation	<u>(904,263)</u>	<u>(30,060)</u>	<u>(111)</u>	<u>(934,434)</u>
	<u>904,498</u>	<u>(29,569)</u>	<u>(111)</u>	<u>874,818</u>
Net capital assets	<u><u>\$ 971,165</u></u>	<u><u>\$ (29,569)</u></u>	<u><u>\$ (111)</u></u>	<u><u>\$ 941,485</u></u>
<u>Current year depreciation:</u>				
General government				\$ 8,669
Fire department				32,910
Public works				37,657
Water department				30,060
Health and sanitation				6,548
Town-wide				8,975
Total depreciation expenses				<u><u>\$ 124,819</u></u>

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2013:

	Balance 1/1/13	Additions	Reductions	Balance 12/31/13	Current Portion
Notes payable - governmental	\$ 368,979	\$ -	\$ (57,091)	\$ 311,888	\$ 48,954
Notes payable - business-type	191,534	60,000	(34,890)	216,644	37,860
Capital leases payable	63,646	-	(14,487)	49,159	-
Accrued compensated absences	3,370	1,340	-	4,710	-
Totals	<u>\$ 627,529</u>	<u>\$ 61,340</u>	<u>\$ (106,468)</u>	<u>\$ 582,401</u>	<u>\$ 86,814</u>

The following is a summary of outstanding notes payable:

Notes payable - governmental activities

2009 Camden National Bank note for fire truck. Interest is stated at 3.290%. Monthly payments include both principal and interest in the amount of \$1,721 until December 2014.	\$ 19,142
2010 First National Bank note of \$35,000 for school building. Interest is stated at 3.8%. Monthly payments include both principal and interest in the amount of \$352 until November 2020.	25,605
2012 Bar Harbor Bank & Trust note of \$315,000 for Moose Island Causeway. Interest is stated at 3.8%. Monthly payments include both principal and interest in the amount of \$2,625 until June 2022.	266,866
2012 First National Bank note of \$6,500 for Harbor. Interest is stated at 1.950%. Monthly payments include both principal and interest in the amount of \$276 until January 2014.	<u>275</u>
Total notes payable - governmental activities	<u>311,888</u>

TOWN OF STONINGTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

NOTE 5 – LONG TERM DEBT (CONTINUED)

Notes payable - business-type activities

2013 First National Bank note for water company. Interest is stated at 2.76%. Monthly payments include both principal and interest and are \$2,240. 147,856

2013 First National Bank note for water company. Interest is stated at 2.2%. Monthly payments include both principal and interest and are \$307. 10,648

2013 First National Bank note for water company. Interest is stated at 2.9%. Monthly payments include both principal and interest and are \$1,077. 58,140

Total notes payable - business-type funds 216,644

Total notes payable \$ 528,532

The following is a summary of outstanding note principal and interest requirements for the following fiscal years ending December 31:

<u>Governmental Activities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 48,954	\$ 8,047	\$ 57,001
2015	32,707	6,056	38,763
2016	33,536	5,177	38,713
2017	34,421	4,289	38,710
2018	35,312	3,177	38,489
2019-2023	126,958	5,266	132,224
	<u>\$ 311,888</u>	<u>\$ 32,012</u>	<u>\$ 343,900</u>
<u>Business-type Activities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 37,860	\$ 4,068	\$ 41,928
2015	38,921	3,344	42,265
2016	39,998	2,613	42,611
2017	37,718	1,875	39,593
2018	36,322	1,215	37,537
2019-2023	25,825	482	26,307
	<u>\$ 216,644</u>	<u>\$ 13,597</u>	<u>\$ 230,241</u>

TOWN OF STONINGTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

NOTE 6 - NONSPENDABLE FUND BALANCES

At December 31, 2013, the Town has the following nonspendable fund balances:

Capital project funds Inventory (Schedule F)	\$ 13,110
	\$ 13,110
	\$ 13,110

NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2013, the Town has the following restricted fund balances:

Special revenue funds (Schedule D)	\$ 189,456
Permanent funds (Schedule H)	59,259
	\$ 248,715
	\$ 248,715

NOTE 8 – COMMITTED FUND BALANCE

At December 31, 2013, the Town has the following committed fund balances:

Special revenue funds (Schedule D)	\$ 19,153
Capital project funds (Schedule F)	385,089
	\$ 404,242
	\$ 404,242

NOTE 9 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.



TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 10 – CONTINGENCIES

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

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

NOTE 11 – EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations:

Wages, salaries and taxes	\$ 301
Winter roads	2,463
Town parks	401
Moose Island Causeway debt service	6,748
Economic development	254
Tax discounts	1,374
Sand beach	220
	<u>\$ 11,761</u>

NOTE 12 - DEFICIT FUND BALANCES

The following funds have deficit fund balances as of December 31, 2013:

Special revenue funds:	
Colwell Ramp	\$ 4,725
Moose Island Survey	980
SEDC	47
CDBG Grant	738
CDBG Grant	312
SHIP Grant	24,136
Capital project funds:	
Playground Reserve	399
	<u>\$ 31,337</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 13 - OVERLAPPING DEBT

The Town's proportionate share of debt of the County of Hancock and CSD #13 has not been recorded in the financial statement of the Town of Stonington. It is not required to be recorded in order for the financial statements to conform to generally accepted accounting principles. As of December 31, 2013, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Hancock	\$ 4,015,373	2.25%	\$ 90,346
CSD No. 13	3,357,078	29.10	976,910
			<u>\$ 1,067,256</u>

NOTE 14 - JOINT VENTURE

The Town of Stonington is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture). The Joint Venture is an organization that resulted from a contractual arrangement between certain member municipalities, Penobscot Energy Recovery Company (PERC) and Bangor Hydro Electric Company. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of December 31, 2013 (most recent data available), the Town of Stonington's share of the Joint Venture's net position was \$190,579. Complete financial statements may be obtained from the Municipal Review Committee, 40 Harlow Street, Bangor, Maine 04401.

## 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 STONINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1	\$ 918,991	\$ 918,991	\$ 918,991	\$ -
Resources (Inflows):				
Property taxes	3,009,605	3,009,605	2,985,756	(23,849)
Excise taxes	190,000	190,000	232,864	42,864
Intergovernmental	47,144	66,559	116,644	50,085
Charges for services	58,800	58,800	86,548	27,748
Interest / costs on liens	14,000	14,000	9,769	(4,231)
Investment income - net	8,000	8,000	2,654	(5,346)
Other revenues	4,200	4,200	11,197	6,997
Operating transfers in	-	-	-	-
Amounts Available for Appropriation	<u>4,250,740</u>	<u>4,270,155</u>	<u>4,364,423</u>	<u>94,268</u>
Charges to Appropriation (Outflows):				
General government	280,258	280,258	273,014	7,244
Public safety	191,790	191,790	169,988	21,802
Health and sanitation	228,480	228,480	220,096	8,384
Public works	481,350	481,350	476,900	4,450
Special assessments	1,899,468	1,899,468	1,899,468	-
Social services	17,785	17,785	15,785	2,000
Culture and recreation	17,220	17,220	17,621	(401)
Unclassified	92,760	92,760	73,869	18,891
Debt service	65,806	65,806	72,553	(6,747)
Transfers to other funds	56,500	86,441	86,441	-
Total Charges to Appropriation	<u>3,331,417</u>	<u>3,361,358</u>	<u>3,305,735</u>	<u>55,623</u>
Budgetary Fund Balance, December 31	<u>\$ 919,323</u>	<u>\$ 908,797</u>	<u>\$ 1,058,688</u>	<u>\$ 149,891</u>
Utilization of unassigned fund balance	\$ -	\$ 10,194	\$ -	\$ -
Utilization of assigned fund balance	-	-	-	-
	<u>\$ -</u>	<u>\$ 10,194</u>	<u>\$ -</u>	<u>\$ -</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.

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

TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Appropriations	Budget Adjustments	Total Available	Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Administration	\$ 78,000	\$ -	\$ 78,000	\$ 73,155	\$ 4,845
Wages, salaries and taxes	136,558	-	136,558	136,859	(301)
Employee healthcare	44,500	-	44,500	44,320	180
Town hall maintenance	19,000	-	19,000	16,804	2,196
Planning board	2,200	-	2,200	1,876	324
Total	<u>280,258</u>	<u>-</u>	<u>280,258</u>	<u>273,014</u>	<u>7,244</u>
<b>PUBLIC SAFETY</b>					
Animal control	10,250	-	10,250	2,079	8,171
Hydrant rental	40,400	-	40,400	40,400	-
Code enforcement	12,650	-	12,650	10,340	2,310
Health officer	250	-	250	250	-
Fire department	49,000	-	49,000	39,935	9,065
911-Road signs	600	-	600	491	109
Sheriff services	68,640	-	68,640	67,098	1,542
Street lights	10,000	-	10,000	9,395	605
Total	<u>191,790</u>	<u>-</u>	<u>191,790</u>	<u>169,988</u>	<u>21,802</u>
<b>HEALTH AND SANITATION</b>					
Transfer station	228,480	-	228,480	220,096	8,384
Total	<u>228,480</u>	<u>-</u>	<u>228,480</u>	<u>220,096</u>	<u>8,384</u>

TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Total		Variance	
	Appropriations	Adjustments	Available	Expenditures	Positive (Negative)
<b>PUBLIC WORKS</b>					
Town roads	238,350	-	238,350	235,085	3,265
Winter roads	182,200	-	182,200	184,663	(2,463)
Equipment	44,850	-	44,850	42,863	1,987
Town garage	10,950	-	10,950	9,289	1,661
Colwell ramp	5,000	-	5,000	5,000	-
Total	<u>481,350</u>	<u>-</u>	<u>481,350</u>	<u>476,900</u>	<u>4,450</u>
<b>SPECIAL ASSESSMENTS</b>					
School	1,783,154	-	1,783,154	1,783,154	-
County tax	116,314	-	116,314	116,314	-
Total	<u>1,899,468</u>	<u>-</u>	<u>1,899,468</u>	<u>1,899,468</u>	<u>-</u>
<b>SOCIAL SERVICES</b>					
General assistance	2,500	-	2,500	500	2,000
Hancock County Homecare	7,526	-	7,526	7,526	-
Eastern Area Agency on Aging	2,600	-	2,600	2,600	-
WHCA	2,894	-	2,894	2,894	-
YMCA	750	-	750	750	-
American Red Cross	500	-	500	500	-
Downeast Health Services	1,015	-	1,015	1,015	-
Total	<u>17,785</u>	<u>-</u>	<u>17,785</u>	<u>15,785</u>	<u>2,000</u>
<b>CULTURE AND RECREATION</b>					
Stonington Library	4,000	-	4,000	4,000	-
Island Recreation Board	1,500	-	1,500	1,500	-
Athletic field	2,000	-	2,000	2,000	-
Town parks	9,720	-	9,720	10,121	(401)
Total	<u>17,220</u>	<u>-</u>	<u>17,220</u>	<u>17,621</u>	<u>(401)</u>

TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Appropriations	Budget Adjustments	Total Available	Expenditures	Variance Positive (Negative)
<b>DEBT SERVICE</b>					
Backhoe	13,650	-	13,650	13,650	-
Fire truck	20,656	-	20,656	20,655	1
Moose island causeway	31,500	-	31,500	38,248	(6,748)
Total	<u>65,806</u>	<u>-</u>	<u>65,806</u>	<u>72,553</u>	<u>(6,747)</u>
<b>UNCLASSIFIED</b>					
Downeast Transportation	800	-	800	800	-
Economic Development	5,000	-	5,000	5,254	(254)
Hancock County RCC	4,200	-	4,200	3,859	341
Fourth of July	3,000	-	3,000	3,000	-
Child & Family opportunities	2,000	-	2,000	2,000	-
Healthy Island	2,500	-	2,500	2,500	-
Hancock County Planning	1,220	-	1,220	1,150	70
Chamber of Commerce	600	-	600	600	-
Memorial Day	450	-	450	450	-
Hospice of Hancock County	600	-	600	600	-
Island community center	10,500	-	10,500	10,500	-
Tax discounts	20,069	-	20,069	21,443	(1,374)
Sand beach	6,900	-	6,900	7,120	(220)
Cemeteries	4,500	-	4,500	4,500	-
Overlay/Abatements	30,421	-	30,421	10,093	20,328
Total	<u>92,760</u>	<u>-</u>	<u>92,760</u>	<u>73,869</u>	<u>18,891</u>
Transfer to other funds	56,500	29,941	86,441	86,441	-
Total	<u>56,500</u>	<u>29,941</u>	<u>86,441</u>	<u>86,441</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,331,417</u>	<u>\$ 29,941</u>	<u>\$ 3,361,358</u>	<u>\$ 3,305,735</u>	<u>\$ 55,623</u>

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



## TOWN OF STONINGTON, MAINE

SCHEDULE OF GENERAL FUND REVENUES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 3,009,605	\$ 3,009,605	\$ 2,985,756	\$ (23,849)
Excise taxes:				
Auto excise	190,000	190,000	232,864	42,864
Intergovernmental revenues:				
State revenue sharing	30,061	30,061	33,555	3,494
Homestead exemption	17,083	17,083	18,245	1,162
Local road assistance	-	-	30,546	30,546
Tree growth	-	-	2,091	2,091
Other intergovernmental	-	19,415	32,207	32,207
Interest/Investment income-net	8,000	8,000	2,654	(5,346)
Interest/Costs on liens	14,000	14,000	9,769	(4,231)
Charges for services:				
Municipal agent fees	8,500	8,500	9,062	562
Snow removal contract	-	-	11,395	11,395
Building permits	8,300	8,300	6,291	(2,009)
Rebate on tipping fees	20,000	20,000	25,527	5,527
Demo debris income	15,000	15,000	13,061	(1,939)
Recycling	5,000	5,000	4,420	(580)
Trash fees	-	-	4,596	4,596
Other fees	-	-	8,522	8,522
In lieu of taxes	2,000	2,000	3,674	1,674
Other income:				
CATV fee	-	-	3,465	3,465
Miscellaneous	4,200	4,200	7,732	3,532
TOTAL REVENUES	<u>3,331,749</u>	<u>3,351,164</u>	<u>3,445,432</u>	<u>113,683</u>
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,331,749</u>	<u>\$ 3,351,164</u>	<u>\$ 3,445,432</u>	<u>\$ 113,683</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 124,638	\$ 458,785	\$ 59,708	\$ 643,131
Due from other funds	39,950	40,860	-	80,810
Accounts receivable (net of allowance for uncollectibles)	1,242	-	-	1,242
Inventory	-	13,110	-	13,110
Loans receivable	57,869	-	-	57,869
<b>TOTAL ASSETS</b>	<u>\$ 223,699</u>	<u>\$ 512,755</u>	<u>\$ 59,708</u>	<u>\$ 796,162</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 27,810	\$ -	\$ 27,810
Due to other funds	46,028	87,145	449	133,622
<b>TOTAL LIABILITIES</b>	<u>46,028</u>	<u>114,955</u>	<u>449</u>	<u>161,432</u>
<b>FUND BALANCES</b>				
Nonspendable	-	13,110	-	13,110
Restricted	189,456	-	59,259	248,715
Committed	19,153	385,089	-	404,242
Assigned	-	-	-	-
Unassigned	(30,938)	(399)	-	(31,337)
<b>TOTAL FUND BALANCES</b>	<u>177,671</u>	<u>397,800</u>	<u>59,259</u>	<u>634,730</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 223,699</u>	<u>\$ 512,755</u>	<u>\$ 59,708</u>	<u>\$ 796,162</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental income	\$ 24,035	\$ -	\$ -	\$ 24,035
Charges for services	-	1,145,120	-	1,145,120
Investment income	108	993	192	1,293
Other income	1,637	16,096	-	17,733
<b>TOTAL REVENUES</b>	<u>25,780</u>	<u>1,162,209</u>	<u>192</u>	<u>1,188,181</u>
<b>EXPENDITURES</b>				
Capital outlay	47,780	62,857	-	110,637
Debt service	-	4,223	-	4,223
Other	6,612	1,166,057	-	1,172,669
<b>TOTAL EXPENDITURES</b>	<u>54,392</u>	<u>1,233,137</u>	<u>-</u>	<u>1,287,529</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(28,612)</u>	<u>(70,928)</u>	<u>192</u>	<u>(99,348)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from debt	-	-	-	-
Operating transfers in	721	85,720	-	86,441
Operating transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>721</u>	<u>85,720</u>	<u>-</u>	<u>86,441</u>
<b>NET CHANGE IN FUND BALANCES</b>	(27,891)	14,792	192	(12,907)
<b>FUND BALANCES - JANUARY 1</b>	<u>205,562</u>	<u>383,008</u>	<u>59,067</u>	<u>647,637</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 177,671</u>	<u>\$ 397,800</u>	<u>\$ 59,259</u>	<u>\$ 634,730</u>

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

## Special Revenue Funds Description

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

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET- NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2013

	Colwell Ramp	Moose Island Survey	SEDC	Efficiency Maine	Lobster Working Group	Bayview Street Repair	Safety Grant	Urgent Need Grant
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	4,649	6,737	-	75
Due from other governments	-	-	-	-	-	-	1,242	-
Loans receivable	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,649</u>	<u>\$ 6,737</u>	<u>\$ 1,242</u>	<u>\$ 75</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,725	980	47	-	-	-	1,242	-
<b>TOTAL LIABILITIES</b>	<u>4,725</u>	<u>980</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242</u>	<u>-</u>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	4,649	-	-	75
Committed	-	-	-	-	-	6,737	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(4,725)	(980)	(47)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>(4,725)</u>	<u>(980)</u>	<u>(47)</u>	<u>-</u>	<u>4,649</u>	<u>6,737</u>	<u>-</u>	<u>75</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,649</u>	<u>\$ 6,737</u>	<u>\$ 1,242</u>	<u>\$ 75</u>

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET- NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2013

	Heating Fund	Genesis Study	MCF Housing	Microloan Program	CDBG Grant	CDBG Comm Enterprise Microloan	SHIP Grant	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 26,088	\$ -	\$ -	\$ 98,550	\$ -	\$ -	\$ -	\$ 124,638
Due from other funds	-	176	2,000	26,313	-	-	-	39,950
Due from other governments	-	-	-	-	-	-	-	1,242
Loans receivable	-	-	-	57,869	-	-	-	57,869
<b>TOTAL ASSETS</b>	<u>\$ 26,088</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,699</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	13,848	-	-	-	738	312	24,136	46,028
<b>TOTAL LIABILITIES</b>	<u>13,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738</u>	<u>312</u>	<u>24,136</u>	<u>46,028</u>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	2,000	182,732	-	-	-	189,456
Committed	12,240	176	-	-	-	-	-	19,153
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(738)	(312)	(24,136)	(30,938)
<b>TOTAL FUND BALANCES</b>	<u>12,240</u>	<u>176</u>	<u>2,000</u>	<u>182,732</u>	<u>(738)</u>	<u>(312)</u>	<u>(24,136)</u>	<u>177,671</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 26,088</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,699</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Colwell Ramp	Moose Island Survey	SEDC	Efficiency Maine	Lobster Working Group	Bayview Street Repair	Safety Grant	Urgent Need Grant
REVENUES								
Intergovernmental income	\$ -	\$ -	\$ -	\$ 391	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	1,242	-
TOTAL REVENUES	-	-	-	391	-	-	1,242	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	674	-	1,963	-
TOTAL EXPENDITURES	-	-	-	-	674	-	1,963	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	391	(674)	-	(721)	-
OTHER FINANCING SOURCES (USES)								
Operating transfer in	-	-	-	-	-	-	721	-
Operating transfer (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	721	-
NET CHANGE IN FUND BALANCES	-	-	-	391	(674)	-	-	-
FUND BALANCES - JANUARY 1	(4,725)	(980)	(47)	(391)	5,323	6,737	-	75
FUND BALANCES - DECEMBER 31	\$ (4,725)	\$ (980)	\$ (47)	\$ -	\$ 4,649	\$ 6,737	\$ -	\$ 75

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Heating Fund	Genesis Study	MCF Housing	Microloan Program	CDBG Grant	CDBG Comm Enterprise Microloan	SHIP Grant	Totals
REVENUES								
Intergovernmental income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,644	\$ 24,035
Investment income	86	-	-	22	-	-	-	108
Other income	70	-	-	325	-	-	-	1,637
TOTAL REVENUES	<u>156</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>23,644</u>	<u>25,780</u>
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	47,780	47,780
Other	3,975	-	-	-	-	-	-	6,612
TOTAL EXPENDITURES	<u>3,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,780</u>	<u>54,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,819)</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>(24,136)</u>	<u>(28,612)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfer in	-	-	-	-	-	-	-	721
Operating transfer (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>721</u>
NET CHANGE IN FUND BALANCES	<u>(3,819)</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>(24,136)</u>	<u>(27,891)</u>
FUND BALANCES - JANUARY 1	<u>16,059</u>	<u>176</u>	<u>2,000</u>	<u>182,385</u>	<u>(738)</u>	<u>(312)</u>	<u>-</u>	<u>205,562</u>
FUND BALANCES - DECEMBER 31	<u>\$ 12,240</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,732</u>	<u>\$ (738)</u>	<u>\$ (312)</u>	<u>\$ (24,136)</u>	<u>\$ 177,671</u>

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



## Capital Project Funds

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

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2013

	Airport	Athletic Field	Seawall Reserve	Conservation Commission	Fire Dept Capital	Fish Pier	Gym Building	Harbor
<b>ASSETS</b>								
Cash and cash equivalents	\$ 8,276	\$ 5,274	\$ 12,675	\$ 4,285	\$ 71,353	\$ 139,455	\$ 24,363	\$ 15,671
Due from other funds	-	-	-	-	13,488	-	-	2,285
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	13,110	-	-
Loans receivable	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,276</b>	<b>\$ 5,274</b>	<b>\$ 12,675</b>	<b>\$ 4,285</b>	<b>\$ 84,841</b>	<b>\$ 152,565</b>	<b>\$ 24,363</b>	<b>\$ 17,956</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,810	\$ -	\$ -
Due to other funds	618	3,919	2,400	-	-	10,504	5,873	-
<b>TOTAL LIABILITIES</b>	<b>618</b>	<b>3,919</b>	<b>2,400</b>	<b>-</b>	<b>-</b>	<b>38,314</b>	<b>5,873</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	13,110	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	7,658	1,355	10,275	4,285	84,841	101,141	18,490	17,956
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>7,658</b>	<b>1,355</b>	<b>10,275</b>	<b>4,285</b>	<b>84,841</b>	<b>114,251</b>	<b>18,490</b>	<b>17,956</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,276</b>	<b>\$ 5,274</b>	<b>\$ 12,675</b>	<b>\$ 4,285</b>	<b>\$ 84,841</b>	<b>\$ 152,565</b>	<b>\$ 24,363</b>	<b>\$ 17,956</b>

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2013

	<u>Moose Island Causeway</u>	<u>Playground Reserve</u>	<u>Rainy Day Reserve</u>	<u>Road Equipment</u>	<u>Public Safety Reserve</u>	<u>School Building</u>	<u>Shellfish</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,970	\$ 2,526	\$ 15,393	\$ 69,451	\$ 184	\$ 1,265	\$ 13,564
Due from other funds	-	-	-	-	-	25,087	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,970</u>	<u>\$ 2,526</u>	<u>\$ 15,393</u>	<u>\$ 69,451</u>	<u>\$ 184</u>	<u>\$ 26,352</u>	<u>\$ 13,564</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,925	-	43,662	-	-	3,813
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2,925</u>	<u>-</u>	<u>43,662</u>	<u>-</u>	<u>-</u>	<u>3,813</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	2,970	-	15,393	25,789	184	26,352	9,751
Assigned	-	-	-	-	-	-	-
Unassigned	-	(399)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,970</u>	<u>(399)</u>	<u>15,393</u>	<u>25,789</u>	<u>184</u>	<u>26,352</u>	<u>9,751</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,970</u>	<u>\$ 2,526</u>	<u>\$ 15,393</u>	<u>\$ 69,451</u>	<u>\$ 184</u>	<u>\$ 26,352</u>	<u>\$ 13,564</u>

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2013

	Swimming Pool	Town Hall	Harbor Float	Transfer Station	Unemploy Fund	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,809	\$ 20,017	\$ 15,763	\$ 28,923	\$ 5,568	\$ 458,785
Due from other funds	-	-	-	-	-	40,860
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Inventory	-	-	-	-	-	13,110
Loans receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,809</u>	<u>\$ 20,017</u>	<u>\$ 15,763</u>	<u>\$ 28,923</u>	<u>\$ 5,568</u>	<u>\$ 512,755</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,810
Due to other funds	-	2,174	3,123	6,709	1,425	87,145
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2,174</u>	<u>3,123</u>	<u>6,709</u>	<u>1,425</u>	<u>114,955</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	13,110
Restricted	-	-	-	-	-	-
Committed	1,809	17,843	12,640	22,214	4,143	385,089
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(399)
<b>TOTAL FUND BALANCES</b>	<u>1,809</u>	<u>17,843</u>	<u>12,640</u>	<u>22,214</u>	<u>4,143</u>	<u>397,800</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,809</u>	<u>\$ 20,017</u>	<u>\$ 15,763</u>	<u>\$ 28,923</u>	<u>\$ 5,568</u>	<u>\$ 512,755</u>

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

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Airport	Athletic Field	Seawall Reserve	Conservation Commission	Fire Dept Capital	Fish Pier	Gym Building	Harbor
REVENUES								
Charges for services	\$ 854	\$ -	\$ -	\$ -	\$ -	\$ 1,049,740	\$ 3,000	\$ 24,626
Investment income	27	16	37	14	173	51	79	8
Other income	685	-	-	-	-	1,525	-	13,546
TOTAL REVENUES	<u>1,566</u>	<u>16</u>	<u>37</u>	<u>14</u>	<u>173</u>	<u>1,051,316</u>	<u>3,079</u>	<u>38,180</u>
EXPENDITURES								
Capital outlay	-	5,000	2,400	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other	2,157	-	-	-	-	1,056,555	8,873	35,888
TOTAL EXPENDITURES	<u>2,157</u>	<u>5,000</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>1,056,555</u>	<u>8,873</u>	<u>35,888</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(591)</u>	<u>(4,984)</u>	<u>(2,363)</u>	<u>14</u>	<u>173</u>	<u>(5,239)</u>	<u>(5,794)</u>	<u>2,292</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from debt	-	-	-	-	-	-	-	-
Operating transfers in	-	-	3,000	100	19,065	-	2,000	-
Operating transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>100</u>	<u>19,065</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(591)	(4,984)	637	114	19,238	(5,239)	(3,794)	2,292
FUND BALANCES - JANUARY 1	<u>8,249</u>	<u>6,339</u>	<u>9,638</u>	<u>4,171</u>	<u>65,603</u>	<u>119,490</u>	<u>22,284</u>	<u>15,664</u>
FUND BALANCES - DECEMBER 31	<u>\$ 7,658</u>	<u>\$ 1,355</u>	<u>\$ 10,275</u>	<u>\$ 4,285</u>	<u>\$ 84,841</u>	<u>\$ 114,251</u>	<u>\$ 18,490</u>	<u>\$ 17,956</u>

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Moose Island Causeway</u>	<u>Playground Reserve</u>	<u>Rainy Day Reserve</u>	<u>Road Equipment</u>	<u>Public Safety Reserve</u>	<u>School Building</u>	<u>Shellfish</u>
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,466	\$ 22,434
Investment income	12	18	79	206	5	20	36
Other income	-	-	-	-	-	-	340
TOTAL REVENUES	<u>12</u>	<u>18</u>	<u>79</u>	<u>206</u>	<u>5</u>	<u>44,486</u>	<u>22,810</u>
EXPENDITURES							
Capital outlay	-	-	-	43,661	-	-	-
Debt service	-	-	-	-	-	4,223	-
Other	-	-	-	-	-	34,572	26,587
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,661</u>	<u>-</u>	<u>38,795</u>	<u>26,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12</u>	<u>18</u>	<u>79</u>	<u>(43,455)</u>	<u>5</u>	<u>5,691</u>	<u>(3,777)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from debt	-	-	-	-	-	-	-
Operating transfers in	-	640	-	16,000	-	20,415	13,500
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>640</u>	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>20,415</u>	<u>13,500</u>
NET CHANGE IN FUND BALANCES	12	658	79	(27,455)	5	26,106	9,723
FUND BALANCES - JANUARY 1	<u>2,958</u>	<u>(1,057)</u>	<u>15,314</u>	<u>53,244</u>	<u>179</u>	<u>246</u>	<u>28</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,970</u>	<u>\$ (399)</u>	<u>\$ 15,393</u>	<u>\$ 25,789</u>	<u>\$ 184</u>	<u>\$ 26,352</u>	<u>\$ 9,751</u>

SCHEDULE G (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Swimming Pool	Town Hall	Harbor Float	Transfer Station	Unemploy Fund	Totals
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,145,120
Investment income	6	66	31	91	18	993
Other income	-	-	-	-	-	16,096
TOTAL REVENUES	<u>6</u>	<u>66</u>	<u>31</u>	<u>91</u>	<u>18</u>	<u>1,162,209</u>
EXPENDITURES						
Capital outlay	-	2,174	3,122	6,500	-	62,857
Debt service	-	-	-	-	-	4,223
Other	-	-	-	-	1,425	1,166,057
TOTAL EXPENDITURES	<u>-</u>	<u>2,174</u>	<u>3,122</u>	<u>6,500</u>	<u>1,425</u>	<u>1,233,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6</u>	<u>(2,108)</u>	<u>(3,091)</u>	<u>(6,409)</u>	<u>(1,407)</u>	<u>(70,928)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from debt	-	-	-	-	-	-
Operating transfers in	-	1,000	5,000	2,000	3,000	85,720
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,000</u>	<u>5,000</u>	<u>2,000</u>	<u>3,000</u>	<u>85,720</u>
NET CHANGE IN FUND BALANCES	6	(1,108)	1,909	(4,409)	1,593	14,792
FUND BALANCES - JANUARY 1	<u>1,803</u>	<u>18,951</u>	<u>10,731</u>	<u>26,623</u>	<u>2,550</u>	<u>383,008</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,809</u>	<u>\$ 17,843</u>	<u>\$ 12,640</u>	<u>\$ 22,214</u>	<u>\$ 4,143</u>	<u>\$ 397,800</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 Stonington, 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 cemeteries.



## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2013

	<u>Cemetery Fund</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ 59,708	\$ 59,708
Due from other funds	-	-
TOTAL ASSETS	<u>\$ 59,708</u>	<u>\$ 59,708</u>
LIABILITIES		
Due to other funds	\$ 449	\$ 449
TOTAL LIABILITIES	<u>449</u>	<u>449</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	59,259	59,259
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>59,259</u>	<u>59,259</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,708</u>	<u>\$ 59,708</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND  
BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Cemetery Fund	Totals
	<u>          </u>	<u>          </u>
REVENUES		
Investment income	\$      192	\$      192
Other income	-	-
TOTAL REVENUES	<u>      192</u>	<u>      192</u>
EXPENDITURES		
Cemetery expenses	-	-
Other	-	-
TOTAL EXPENDITURES	<u>      -</u>	<u>      -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>      192</u>	<u>      192</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	-
Operating transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>      -</u>	<u>      -</u>
NET CHANGE IN FUND BALANCES	192	192
FUND BALANCES - JANUARY 1	<u>  59,067</u>	<u>  59,067</u>
FUND BALANCES - DECEMBER 31	<u><u>  \$  59,259</u></u>	<u><u>  \$  59,259</u></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 STONINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2013

	Land and Construction in Progress	Buildings Building Improvements, Land Improvements	Water Mains, Machinery, Equipment, Furniture/Fixtues Vehicles	Infrastructure	Totals
Administration	\$ 148,800	\$ 493,911	\$ -	\$ -	\$ 642,711
Public safety	385,500	93,400	659,020	-	1,137,920
Public works	81,400	633,060	333,419	175,960	1,223,839
Water department	66,667	7,469	1,801,783	-	1,875,919
Health and sanitation	-	190,600	99,675	-	290,275
Town-wide	<u>5,170,800</u>	<u>1,114,602</u>	<u>127,061</u>	<u>76,462</u>	<u>6,488,925</u>
Total General Capital Assets	<u>5,853,167</u>	<u>2,533,042</u>	<u>3,020,958</u>	<u>252,422</u>	<u>11,659,589</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(1,816,441)</u>	<u>(1,763,716)</u>	<u>(2,868)</u>	<u>(3,583,025)</u>
Net General Capital Assets	<u>\$ 5,853,167</u>	<u>\$ 716,601</u>	<u>\$ 1,257,242</u>	<u>\$ 249,554</u>	<u>\$ 8,076,564</u>

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

## TOWN OF STONINGTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Capital Assets 1/1/13	Additions	Deletions	General Capital Assets 12/31/13
Administration	\$ 642,711	\$ -	\$ -	\$ 642,711
Public safety	1,129,420	8,500	-	1,137,920
Public works	1,028,119	195,720	-	1,223,839
Water department	1,875,428	491	-	1,875,919
Health and sanitation	290,275	-	-	290,275
Town-wide	<u>6,412,463</u>	<u>76,462</u>	<u>-</u>	<u>6,488,925</u>
Total General Capital Assets	<u>11,378,416</u>	<u>281,173</u>	<u>-</u>	<u>11,659,589</u>
Less: Accumulated Depreciation	<u>(3,458,206)</u>	<u>(124,819)</u>	<u>-</u>	<u>(3,583,025)</u>
Net General Capital Assets	<u>\$ 7,920,210</u>	<u>\$ 156,354</u>	<u>\$ -</u>	<u>\$ 8,076,564</u>

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