

Town of Smithfield, Maine

ANNUAL FINANCIAL STATEMENTS
(with required and other supplementary information)

For the Year Ended January 31, 2016

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Independent Auditor's Report

Board of Selectmen
Town of Smithfield, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Maine as of and for the year ended January 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Maine, as of January 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison information on pages 5 through 10 and 27 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 Smithfield's basic financial statements. The other supplementary information on Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information on Schedules 1 through 4 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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, Schedules 1 through 4 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Shantree Shiodian & Associates

May 25, 2016

**Town of Smithfield, Maine
Management's Discussion and Analysis (MD&A) (UNAUDITED)
January 31, 2016**

The Management Discussion and Analysis ("MD&A") is a report of the Town of Smithfield's fiscal activity for the year ending January 31, 2016. The report is presented in a manner that fairly represents the Town's present financial position in respect to all funds and accounts. Included is all the information to accurately understand the Town's financial position, and the data is correct to the best of our knowledge and belief.

The report includes funds and accounts that the Town of Smithfield is required, either by legal or fiduciary duty, to maintain in the operation of all services. The use of the additional financial statements is encouraged to more fully understand the report.

THE COMMUNITY

A small friendly community with a population of 1,033, located between North Pond and East Pond making a great vacation spot. Smithfield was incorporated on February 29, 1840, making it the only Town in Maine to be founded on Leap Year Day! The Town was made up of part of Mercer, all of East Pond Plantation and part of Dearborn. On incorporation there were 130 families living in Town. The Abnakis used this area for their hunting and fishing grounds. It remains a good hunting and fishing spot as well as boating and swimming in the summer and ice fishing in the winter.

OFFICIALS OF THE TOWN

Selectmen

Richard A. Moore Term expires March 2016

Dale Churchill Term expires March 2016

Justin Furbush Term expires March 2016

Linda L. French Town Clerk/Register of Voters

Joni Gould Tax Collector and Treasurer

FINANCIAL INFORMATION

The Town administration is responsible for the accounting structure of the community. This structure includes the establishment of financial controls that protect the town from lose and misuse. All accounting information is maintained and reported using generally accepted accounting principles (GAAP). Further, the administration performs constant review of all services to promote and assure optimum utilization of resources to provide the services requested by the community. All services are reviewed using a cost benefit analysis that considers the need and demand for the service provided balanced against the cost to the community as a whole.

The following is a discussion of the financial highlights of the town during the past fiscal year.

The total balance of the Town's cash and cash equivalents at January 31, 2016 was \$380,271.

The Town's total debt decreased by \$82,500 during the year to \$372,500.

Under the government-wide basis of reporting, the Town's total net position increased by \$218,963.

The fund balance as reported on the Town's fund financial statements decreased by \$83,235 to \$421,633.

On a budget basis, the Town's actual revenues exceeded actual expenditures and other financing sources by \$78,102. The Town had originally budgeted a deficiency of \$94,636. This is a positive budget variance of \$172,738.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include public safety, administering services, education, and public works. The government-wide financial statements can be found on pages 11-12 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Capital assets and depreciation are not included in the governmental funds financial statements.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This statement is included in the required supplementary information portion of the financial statements. The governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the basic financial statements

The notes provided additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17-26 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning financial performance (budget and actual with variances). Required supplementary information can be found on page 27.

GOVERNMENT-WIDE ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$934,111 as of January 31, 2016.

A portion of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's financial position is the product of several financing transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

	Governmental Activities	
	January 31	
	2016	2015
Current and other assets	\$ 532,069	\$ 633,258
Capital assets	<u>774,692</u>	<u>537,035</u>
Total Assets	<u>1,306,761</u>	<u>1,170,293</u>
Current liabilities	150	145
Noncurrent liabilities	<u>372,500</u>	<u>455,000</u>
Total Liabilities	<u>372,650</u>	<u>455,145</u>
Net Position		
Investment in capital assets (net of debt)	714,692	457,035
Restricted	8,746	12,427
Unrestricted	<u>210,673</u>	<u>245,686</u>
Total Net Position	<u>\$ 934,111</u>	<u>\$ 715,148</u>

A portion of the Town's net position represents resources that are restricted. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

As of January 31, 2016 the Town was able to report positive balances in all three categories of its net position.

Net investment in capital assets increased by \$257,657 as repayment of debt and acquisition of new assets exceeded depreciation expense.

The following table presents a summary of the Town's operations for the fiscal year ended January 31, 2016.

	<u>Governmental Activities</u>	
	<u>January 31</u>	
	<u>2016</u>	<u>2015</u>
REVENUES		
Charges for services and other	\$ 16,336	\$ 12,626
Operating grants and contributions	34,060	29,091
General revenues		
Property taxes, levied for general purposes	1,730,586	1,647,520
Interest and fees on taxes	10,725	9,800
Excise taxes	201,686	188,538
Grants and contributions not restricted to specific programs	84,134	80,135
Unrestricted interest income	424	353
Miscellaneous	<u>9,395</u>	<u>5,364</u>
Total revenues	<u>2,087,346</u>	<u>1,973,427</u>
EXPENSES		
General government	\$ 246,540	\$ 241,021
Protection	62,319	47,495
Protection – fire contingency	1,219	2,424
Health and sanitation	53,722	50,673
Highways and bridges	181,289	186,374
Welfare	4,435	3,278
Welfare reserves	4,527	6,917
Education	989,339	993,364
County tax	263,829	245,116
Recreation	2,385	2,331
Cemeteries	10,810	9,290
Library	699	1,263
Social services	9,687	9,442
Unclassified	15,433	17,672
Unclassified – Anniversary celebration reserve	9,418	2,642
Grants expenditures	50	871
Interest on long-term debt	10,972	13,452
Capital outlay	<u>1,710</u>	<u>3,250</u>
Total expenses	<u>1,868,383</u>	<u>1,836,875</u>
Excess before special item	214,981	136,552
Special item – sale of tax acquired property	<u>3,982</u>	-
CHANGE IN NET POSITION	218,963	136,552
NET POSITION, BEGINNING OF YEAR	<u>715,148</u>	<u>578,596</u>
NET POSITION, END OF YEAR	<u>\$ 934,111</u>	<u>\$ 715,148</u>

Revenues of \$2,087,346 include property taxes totaling \$1,730,586. Excise taxes accounted for \$201,686 in total revenue.

Expenses of governmental activities include depreciation expense of \$26,465. Depreciation expense has been allocated and is included in the various function/program expenses of the Town.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$421,633, \$83,235 lower than the previous year. Of this amount, \$239,720 constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for spending because it has already been committed.

In the general fund, the Town originally budgeted for a decrease in the fund balance on a budget basis of \$94,636. Largely due to actual expenditures being less than budgeted, the actual fund balance increase for the year ended January 31, 2016 was \$78,102 on a budget basis.

Total governmental fund expenditures for the year were \$2,188,540 and are broken down as follows:

	January 31	
	2016	2015
General government	\$ 230,022	\$ 224,613
Protection	55,833	42,278
Protection-fire contingency	18,607	2,424
Health and sanitation	53,722	50,673
Highways and bridges	177,828	193,603
Welfare	4,435	3,278
Welfare reserves	4,527	6,917
Education	989,339	993,364
County tax	263,829	245,116
Recreation	2,385	2,331
Cemeteries	10,810	9,290
Library	699	1,263
Social services	9,687	9,442
Unclassified	15,433	17,672
Unclassified-Anniversary Celebration reserve	9,418	2,642
Grants expenditures	50	871
Debt service		
Principal	82,500	82,500
Interest	10,972	13,452
Capital outlay	248,444	16,450
Total expenses	<u>\$2,188,540</u>	<u>\$1,918,179</u>

The Town's debt service totaled \$82,500 for the year which represents payment on a bond payable.

The Town paid \$248,444 in capital outlays which was comprised mostly by the costs associated with paving and roads construction.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of January 31, 2016, amounts to \$774,692, net of accumulated depreciation. The investment in capital assets includes land, buildings, equipment, and vehicles.

The following summarizes capital assets at year end:

	<u>Governmental Activities</u>	
	<u>1/31/16</u>	<u>1/31/15</u>
<i>Governmental Activities</i>		
Land	\$ 52,400	\$ 52,400
Construction in progress	-	-
Buildings	595,800	595,800
Equipment and furniture	212,531	208,138
Vehicles	440,574	440,574
Infrastructure	<u>254,277</u>	<u>7,543</u>
Total capital assets	1,555,582	1,304,455
Accumulated depreciation	<u>(780,890)</u>	<u>(767,420)</u>
Governmental capital assets, net	<u>\$ 774,692</u>	<u>\$ 537,035</u>

Debt Administration

The Town's debt consists of general obligation bonds payable.

	<u>Governmental Activities</u>	
	<u>1/31/16</u>	<u>1/31/15</u>
Bonds payable	<u>\$372,500</u>	<u>\$455,000</u>

Additional information on the Town's long-term debt can be found in the notes to the basic financial statements.

SUMMARY

The annual budget assures the efficient, effective, and economic uses of the Town's resources, as well as establishing that the highest priority objectives are accomplished. Through the budget, the Board of Selectmen sets the direction of the Town, allocates its resources, and establishes its priorities all being subject to voter approval at the annual Town meeting.

As the Town enters fiscal year 2016-2017, we are in solid financial shape. We have a strong surplus, allowing for a steadier cash flow to fund the operating budget. The tax mil rate will be dependent of the will of the people as they act on the warrant at the Town meeting.

REQUEST FOR INFORMATION

This 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 money it receives. If you have any questions about this report, please contact the office Monday through Friday 8-4. The telephone number is (207) 362-4772.

Town of Smithfield, Maine
Statement of Net Position
January 31, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 380,271
Taxes receivable	144,322
Due from other governmental agencies	7,476
Capital assets, net	774,692
Total assets	1,306,761
 LIABILITIES	
Payroll withholdings payable	150
Long-term liabilities	
Due within one year	
Bonds payable	82,500
Due in more than one year	
Bonds payable	290,000
Total liabilities	372,650
 NET POSITION	
Net investment in capital assets	714,692
Restricted, nonexpendable for permanent fund	6,997
Restricted, expendable for	
Permanent fund income	1,670
Special revenue grants	79
Unrestricted	210,673
Total net position	\$ 934,111

Town of Smithfield, Maine
Statement of Activities
For the Year Ended January 31, 2016

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services and other	Operating Grants and Contri- butions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities				
General government	\$ 246,540	\$ 14,892	\$ -	\$ (231,648)
Protection	62,319	1,444	6,166	(54,709)
Protection - fire contingency	1,219	-	-	(1,219)
Health and sanitation	53,722	-	-	(53,722)
Highways and bridges	181,289	-	17,853	(163,436)
Welfare	4,435	-	2,409	(2,026)
Welfare reserves	4,527	-	5,891	1,364
Education	989,339	-	-	(989,339)
County tax	263,829	-	-	(263,829)
Recreation	2,385	-	85	(2,300)
Cemeteries	10,810	-	800	(10,010)
Library reserve	699	-	115	(584)
Social services	9,687	-	-	(9,687)
Unclassified	15,433	-	741	(14,692)
Unclassified - Anniversary celebration reserve	9,418	-	-	(9,418)
Grants expenditures	50	-	-	(50)
Interest on long-term debt	10,972	-	-	(10,972)
Capital outlay	1,710	-	-	(1,710)
Total governmental activities	\$ 1,868,383	\$ 16,336	\$ 34,060	(1,817,987)
General revenues				
Taxes				
				1,730,586
				10,725
				201,686
Grants and contributions not restricted to specific programs				
				84,134
Unrestricted interest income				
				424
Miscellaneous				
				5,413
Special item - sale of tax acquired property				
				3,982
Total general revenues and special item				
				2,036,950
Change in net position				
				218,963
NET POSITION - BEGINNING				
				715,148
NET POSITION - ENDING				
				\$ 934,111

Town of Smithfield, Maine
Balance Sheet
Governmental Funds
January 31, 2016

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 371,604	\$ -	\$ 8,667	\$ 380,271
Taxes receivable	144,322	-	-	144,322
Due from other governmental agencies	7,476	-	-	7,476
Due from other funds	-	143,409	79	143,488
Total assets	<u>\$ 523,402</u>	<u>\$ 143,409</u>	<u>\$ 8,746</u>	<u>\$ 675,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Payroll withholdings payable	\$ 150	\$ -	\$ -	\$ 150
Due to other funds	143,488	-	-	143,488
Total liabilities	<u>143,638</u>	<u>-</u>	<u>-</u>	<u>143,638</u>
Deferred inflows of resources				
Unavailable property taxes	<u>110,286</u>	<u>-</u>	<u>-</u>	<u>110,286</u>
Fund balances				
Nonspendable for endowments	-	-	5,020	5,020
Restricted for endowments	-	-	3,647	3,647
Restricted for grants	-	-	79	79
Committed for capital projects	-	143,409	-	143,409
Assigned for other purposes	29,758	-	-	29,758
Unassigned	239,720	-	-	239,720
Total fund balances	<u>269,478</u>	<u>143,409</u>	<u>8,746</u>	<u>421,633</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 523,402</u>	<u>\$ 143,409</u>	<u>\$ 8,746</u>	<u>\$ 675,557</u>

Town of Smithfield, Maine
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
January 31, 2016

Total fund balance, governmental funds	\$ 421,633
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	774,692
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.	
Deferred inflows related to property taxes	110,286
Some liabilities, (such as bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(372,500)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 934,111</u></u>

Town of Smithfield, Maine
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended January 31, 2016

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes, net of discounts	\$ 1,748,546	\$ -	\$ -	\$ 1,748,546
Excise taxes	201,685	-	-	201,685
Intergovernmental revenues	105,137	-	-	105,137
Fees and fines	11,276	-	-	11,276
Licenses and permits	5,060	-	-	5,060
Interest and fees on taxes	10,725	-	-	10,725
Interest income	412	-	10	422
Rental income	4,118	-	-	4,118
Contributions	6,006	-	-	6,006
Miscellaneous	7,548	-	-	7,548
Cemetery lot sales	800	-	-	800
Total revenues	<u>2,101,313</u>	<u>-</u>	<u>10</u>	<u>2,101,323</u>
EXPENDITURES				
Current				
General government	230,022	-	-	230,022
Protection	55,833	-	-	55,833
Protection - fire contingency	18,607	-	-	18,607
Health and sanitation	53,722	-	-	53,722
Highways and bridges	177,828	-	-	177,828
Welfare	4,435	-	-	4,435
Welfare reserves	4,527	-	-	4,527
Education	989,339	-	-	989,339
County tax	263,829	-	-	263,829
Recreation	2,385	-	-	2,385
Cemeteries	10,810	-	-	10,810
Library reserve	699	-	-	699
Social services	9,687	-	-	9,687
Unclassified	15,433	-	-	15,433
Unclassified - Anniversary celebration reserve	9,418	-	-	9,418
Grants expenditures	-	-	50	50
Debt service				
Principal	82,500	-	-	82,500
Interest	10,972	-	-	10,972
Capital outlay	-	248,444	-	248,444
Total expenditures	<u>1,940,046</u>	<u>248,444</u>	<u>50</u>	<u>2,188,540</u>
Excess (deficiency) of revenues over expenditures	<u>161,267</u>	<u>(248,444)</u>	<u>(40)</u>	<u>(87,217)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,641	90,000	-	93,641
Transfers out	(90,000)	-	(3,641)	(93,641)
Total other financing sources (uses)	<u>(86,359)</u>	<u>90,000</u>	<u>(3,641)</u>	<u>-</u>
SPECIAL ITEM				
Proceeds from sale of assets	3,982	-	-	3,982
Net change in fund balances	78,890	(158,444)	(3,681)	(83,235)
FUND BALANCES - BEGINNING	<u>190,588</u>	<u>301,853</u>	<u>12,427</u>	<u>504,868</u>
FUND BALANCES - ENDING	<u>\$ 269,478</u>	<u>\$ 143,409</u>	<u>\$ 8,746</u>	<u>\$ 421,633</u>

See accompanying notes to basic financial statements.

Town of Smithfield, 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 January 31, 2016

Net change in fund balances - total governmental funds		\$ (83,235)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Capital outlays	\$ 264,122	
Depreciation expense	<u>(26,465)</u>	237,657
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes.</p>		
		(17,959)
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which payments exceeded proceeds.</p>		
Principal repaid		<u>82,500</u>
Change in net position of governmental activities		<u>\$ 218,963</u>

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Smithfield, Maine was incorporated on February 29, 1840 under the laws of the State of Maine. The Town operates under a selectmen form of government and provides the following services as authorized by its charter – public safety, public works, culture, recreation, education, and community development.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and the Financial Accounting Standards Board, when applicable. The more significant accounting policies of the Town are described below.

A. FINANCIAL REPORTING ENTITY

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. In accordance with GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the Town. Additionally, the Town is required to consider other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no entities that should be included as part of these financial statements.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements report information of all the activities of the Town, except fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no fiduciary funds or business-type activities.

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The Town segregates transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. The governmental statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column, when applicable.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (CONTINUED)

1. Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major governmental funds:

General Fund

The general fund is the primary operating fund of the Town and is always classified as a major fund. This fund is used to account for all financial resources not accounted for in other funds.

Capital Projects Fund

The capital projects fund is used to account for all resources for the acquisition or construction of capital facilities or items by the Town.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities, whether current or non-current, are included on the statement of net position and the operating statements present increases, revenues, and decreases, expenses, in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, intergovernmental revenues and charges for services. All other governmental fund revenues are recognized when received.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING

The Town utilizes a formal budgetary accounting system to control revenues accounted for in the general fund. These budgets are established in accordance with the various laws which govern the Town's operations.

Generally, appropriations for the general fund lapse at year end, except for balances approved to be carried forward by the Board of Selectmen.

Formal budgets are not adopted for the other funds.

F. FINANCIAL STATEMENT AMOUNTS

1. Deposits

For purposes of the statement of net position, cash and equivalents include all demand accounts and nonnegotiable certificates of deposit of the Town. Additional information is presented in Note 2.

2. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements.

3. Interfund Transfers

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the governmental funds on the fund financial statements. For the purposes of the government-wide statement of activities, all interfund transfers between individual funds within governmental activities have been eliminated.

4. Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column on the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of \$2,500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	20-50 years
Infrastructure	20-50 years
Machinery and equipment	3-50 years
Vehicles	3-10 years

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

4. Capital Assets (Continued)

The Town elected to utilize the infrastructure transition option in the implementation of GASB Statement #34 which does not require the Town to retroactively capitalize certain infrastructure assets.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

5. Long-term Debt

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

All long-term debt to be repaid from governmental resources is reported as liabilities in government-wide statements. The long-term debt consists of bonds payable.

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 Town's compensated absences policies maintain that vacation time and other sick pay benefits are substantially non-vesting, therefore no liability for compensated absences is recorded in the government-wide or fund financials.

6. Use of Estimates

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

7. Government-wide Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The remaining net position is reported as unrestricted. For expenditures that qualify for either classification, amounts will be first spent from restricted net position then from unrestricted net position.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

8. Governmental Fund Balances

Fund balance represents the difference between assets and liabilities in the fund financial statements. Fund balance must be properly reported within one of the five fund balance categories listed below:

Nonspendable, such as fund balances associated with inventories or prepaid expenses. The nonspendable fund balance may also include amounts that are required to be maintained intact, such as the corpus of an endowment fund.

Restricted fund balance category includes amounts that can be used only for the specific purposes stipulated by constitution, grantors or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority, which is voter approval.

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Selectmen is authorized to assign funds for a particular purpose, under authority granted by voter approval.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Town has not formally adopted a fund balance policy, but has implemented GASB 54 based on the definitions above. For expenditures that qualify for multiple categories, amounts will be first spent from restricted fund balance, followed by committed fund balance, then assigned fund balance, and finally unassigned fund balance, except in the case of capital reserves, which are considered to be spent only after general fund appropriations are fully utilized or upon approval of the Board of Selectmen.

9. Revenue Recognition - Property Taxes

Property taxes were levied on assessed values of April 1, 2015, and were due November 30, 2015. Interest was charged at 7.00% per annum on amounts not paid by the due date. Upon the expiration of eight months, and within one year from the date of the original commitment, a tax lien is recorded for all delinquent taxes on real estate.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

9. Revenue Recognition - Property Taxes (Continued)

Property taxes assessed and collected during the year ended January 31, 2016, and during the first sixty days of the next fiscal year are recognized as revenue in the year ended January 31, 2016. Receivables which are estimated to be collectible after the sixty day period are recorded as deferred inflows of resources in the general fund.

Assessed value	
Real estate	\$104,138,200
Personal property	<u>1,048,700</u>
	105,186,900
Tax rate (per \$1,000)	<u>16.600</u>
Commitment	1,746,103
Less collections	<u>(1,633,735)</u>
Receivable at January 31, 2015	<u>\$ 112,368</u>
Collection rate	93.6%

10. Recent Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 72, *Fair Value Measurement and Application*. This statement improves accounting and financial reporting by state and local governments by enhancing comparability of financial statements among governments and providing information to financial statement users about the impact of fair value measurements on a government's financial position. The statement is effective for periods beginning after June 15, 2015. The effect of this Statement on the entity's financial statements is not known at this time.

NOTE 2. DEPOSITS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of January 31, 2016, the Town reported deposits of \$380,271 with bank balances of \$400,289. Of the Town's total bank balance of \$400,289, \$141,621 was exposed to custodial credit risk. The entire exposed was uncollateralized.

Deposits of \$380,271 have been reported in the Town's governmental funds.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 3. CAPITAL ASSETS

Governmental activities capital asset activity for the year ended January 31, 2016, is as follows:

	<u>Balance</u> <u>1/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>1/31/16</u>
<i>Capital assets not being depreciated</i>				
Land	\$ 52,400	\$ -	\$ -	\$ 52,400
<i>Capital assets being depreciated</i>				
Buildings and improvements	595,800	-	-	595,800
Equipment and furniture	208,138	17,388	(12,995)	212,531
Vehicles	440,574	-	-	440,574
Infrastructure	<u>7,543</u>	<u>246,734</u>	<u>-</u>	<u>254,277</u>
Total capital assets being depreciated	<u>1,252,055</u>	<u>264,122</u>	<u>(12,995)</u>	<u>1,503,182</u>
<i>Less accumulated depreciation for</i>				
Buildings and improvements	(130,150)	(15,225)	-	(145,375)
Equipment and furniture	(201,382)	(6,779)	12,995	(195,166)
Vehicles	(435,574)	(1,000)	-	(436,574)
Infrastructure	<u>(314)</u>	<u>(3,461)</u>	<u>-</u>	<u>(3,775)</u>
Total accumulated depreciation	<u>(767,420)</u>	<u>(26,465)</u>	<u>12,995</u>	<u>(780,890)</u>
Total capital assets, being depreciated, net	<u>484,635</u>	<u>237,657</u>	<u>-</u>	<u>722,292</u>
Governmental activities capital assets, net	<u>\$ 537,035</u>	<u>\$ 237,657</u>	<u>\$ -</u>	<u>\$ 774,692</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 16,518
Highways and bridges	3,461
Protection	<u>6,486</u>
Total depreciation expense	<u>\$ 26,465</u>

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 4. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended January 31, 2016:

	Balance Jan. 31, 2015	Increases	Decreases	Balance Jan. 31, 2016	Portion due within one year
General Obligation Bonds					
<i>Maine Municipal Bond Bank</i>					
General obligation bond dated October 30, 2008, due 2018 with annual principal payments and semi-annual interest payments. Interest at 3.00%	\$80,000	\$ -	\$ (20,000)	\$60,000	\$ 20,000
General obligation bond dated October 25, 2012, due 2020 with annual principal payments and semi-annual interest payments. Interest ranges 1.48% to 2.58%	<u>375,000</u>	<u>-</u>	<u>(62,500)</u>	<u>312,500</u>	<u>62,500</u>
Total long-term liabilities	<u>\$ 455,000</u>	<u>\$ -</u>	<u>\$ (82,500)</u>	<u>\$ 372,500</u>	<u>\$ 82,500</u>

General obligations bonds payable

Future maturities of general obligation bonds payable are as follows:

Year ended January 31	Principal	Interest	Total
2017	\$ 82,500	\$ 8,429	\$ 90,929
2018	82,500	5,823	88,323
2019	82,500	3,671	86,171
2020	62,500	2,331	64,831
2021	<u>62,500</u>	<u>1,244</u>	<u>63,744</u>
	<u>\$372,500</u>	<u>\$21,498</u>	<u>\$393,998</u>

In accordance with Maine law, no municipality shall incur debt for specific purposes in excess of certain percentages of State valuation of such municipality. At January 31, 2016, the Town was in compliance with these limitations.

Overlapping Debt

The Town is contingently liable for a proportionate share of the overlapping debt of Somerset County. At January 31, 2016, the County had debt outstanding of \$17,490,000, of which the Town share was 2.19% for a total of \$383,031. The Town is also contingently liable for a proportionate share of the overlapping debt of MSAD/RSU #54. At January 31, 2016, the District had debt outstanding of \$15,009,091, of which the Town share was 6.91% for a total of \$1,037,128.

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 5. INTERFUND TRANSACTIONS

During the course of normal operations the Town has numerous transactions between funds including expenditures and transfers.

Individual fund interfund receivable and payables balances at January 31, 2016 arising from these transactions were as follows:

	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$143,488	\$ 3,641	\$ 90,000
Capital projects fund	143,409	-	90,000	-
Other governmental funds	79	-	-	3,641
	<u>\$143,488</u>	<u>\$143,488</u>	<u>\$ 93,641</u>	<u>\$ 93,641</u>

Transfers are used to move revenues that are collected in accordance with the budget to the appropriate fund to expend and use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 6. NET INVESTMENT IN CAPITAL ASSETS

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at January 31, 2016:

Capital assets	\$1,555,582
Accumulated depreciation	(780,890)
Related bonds payable	<u>(60,000)</u>
Total balance	<u>\$ 714,692</u>

NOTE 7. COMMITTED - CAPITAL PROJECTS

At January 31, 2016, the committed fund balance for capital projects is comprised of the following:

Paving	\$ 35,421
Capital improvements	24,063
Equipment	<u>83,925</u>
	<u>\$143,409</u>

NOTE 8. ASSIGNED FOR OTHER PURPOSES – GENERAL FUND

At January 31, 2016, the assigned fund balance for the general fund other purposes is comprised of the following:

Fire department contingency	\$12,815
Village cemetery expansion	4,177
Food pantry	3,509
Holiday fund	3,488
Library operations	<u>5,769</u>
	<u>\$29,758</u>

Town of Smithfield, Maine
Notes to Basic Financial Statements
January 31, 2016

NOTE 9. PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is a member of the Maine Municipal Association - Unemployment Compensation Fund ("Fund"). The fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for unemployment compensation coverage and develop a comprehensive loss control program. The Town contributes to the fund based on the first \$12,000 of wages for unemployment compensation. Each member has its reserve, which is determined by the actuary. The annual rate set by the Fund's actuary is based on the member's reserve and on estimated future claims. Each member is responsible for its own excess of claims over reserve.

The Town is also a member of the Maine Municipal Association - Property and Casualty Pool ("Pool"). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to \$300,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 10. COMMITMENTS

At January 31, 2016, the Town was committed to three winter road maintenance contracts totaling \$40,575 through January 31, 2017.

The Town also had two years remaining on a contract for solid waste disposal. The total charges are based on the tonnage of materials delivered to the transfer station and are adjusted annually for any increase in the consumer price index.

NOTE 11. 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.

NOTE 12. RELATED PARTY TRANSACTIONS

A member of the Town's Board of Selectmen is an owner of Furbush Lawn Care which provides services to the Town. Payments to Furbush Lawn Care for plowing and grounds maintenance amounted to approximately \$13,130 for the year ended January 31, 2016.

Town of Smithfield, Maine
Budget and Actual (with Variances)
General Fund
For the year ended January 31, 2016

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Adjustments*	Final		
REVENUES					
Property taxes, net of discounts	\$ 1,726,103	\$ -	\$ 1,726,103	\$ 1,748,546	\$ 22,443
Excise taxes	187,900	-	187,900	201,685	13,785
Intergovernmental revenues	91,900	7,195	99,095	105,137	6,042
Fees and fines	-	-	-	11,276	11,276
Licenses and permits	-	-	-	5,060	5,060
Interest and fees on taxes	12,000	-	12,000	10,725	(1,275)
Interest income	-	-	-	412	412
Rental income	-	-	-	4,118	4,118
Contributions	-	-	-	6,006	6,006
Miscellaneous	14,800	-	14,800	7,548	(7,252)
Cemetery lot sales	-	-	-	800	800
Total revenues	<u>2,032,703</u>	<u>7,195</u>	<u>2,039,898</u>	<u>2,101,313</u>	<u>61,415</u>
EXPENDITURES					
Current					
General government	229,583	-	229,583	230,022	(439)
Protection	54,035	3,354	57,389	55,833	1,556
Protection - fire contingency	-	31,335	31,335	18,607	12,728
Health and sanitation	60,000	-	60,000	53,722	6,278
Highways and bridges	196,400	-	196,400	177,828	18,572
Welfare	4,000	-	4,000	4,435	(435)
Welfare reserves	300	5,183	5,483	4,527	956
Education	989,339	13,911	1,003,250	989,339	13,911
County tax	263,829	-	263,829	263,829	-
Recreation	4,415	-	4,415	2,385	2,030
Cemeteries	10,500	-	10,500	10,810	(310)
Cemeteries reserve	-	3,877	3,877	-	3,877
Library reserve	-	6,352	6,352	699	5,653
Social services	9,687	-	9,687	9,687	-
Unclassified	25,100	-	25,100	15,433	9,667
Unclassified - Anniversary celebration reserve	2,143	6,859	9,002	9,418	(416)
Debt service					
Principal	82,500	-	82,500	82,500	-
Interest and other charges	10,972	-	10,972	10,972	-
Total expenditures	<u>1,942,803</u>	<u>70,871</u>	<u>2,013,674</u>	<u>1,940,046</u>	<u>73,628</u>
Excess (deficiency) of revenues over expenditures	<u>89,900</u>	<u>(63,676)</u>	<u>26,224</u>	<u>161,267</u>	<u>135,043</u>
OTHER FINANCING SOURCES (USES)					
Use of unassigned carryover fund balances	41,030	-	41,030	-	(41,030)
Use of committed carryover fund balances	-	53,606	53,606	-	(53,606)
Overlay	(33,003)	-	(33,003)	-	33,003
Transfers in	2,143	-	2,143	3,641	1,498
Transfers out	(100,045)	10,045	(90,000)	(90,000)	-
Total other financing sources and uses	<u>(89,875)</u>	<u>63,651</u>	<u>(26,224)</u>	<u>(86,359)</u>	<u>(60,135)</u>
SPECIAL ITEM					
Proceeds from sale of assets	-	-	-	3,982	3,982
Net change in fund balances	<u>\$ 25</u>	<u>\$ (25)</u>	<u>\$ -</u>	<u>78,890</u>	<u>\$ 78,890</u>
FUND BALANCES - BEGINNING				<u>190,588</u>	
FUND BALANCES - ENDING				<u>\$ 269,478</u>	

*- Adjustments necessary to reflect the authorized use of committed carryovers as allowed by vote of Board of Selectmen and differences between original budget articles and final tax certificate of assessment

Town of Smithfield, Maine
Balance Sheet
Combining Nonmajor Governmental Funds
January 31, 2016

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 8,667	\$ 8,667
Due from other funds	79	-	79
Total assets	<u>\$ 79</u>	<u>\$ 8,667</u>	<u>\$ 8,746</u>
LIABILITIES AND FUND BALANCES			
Fund balances			
Nonspendable for endowments	\$ -	\$ 5,020	\$ 5,020
Restricted for endowments		3,647	3,647
Restricted for grants	79	-	79
Total fund balances	<u>79</u>	<u>8,667</u>	<u>8,746</u>
Total liabilities and fund balances	<u>\$ 79</u>	<u>\$ 8,667</u>	<u>\$ 8,746</u>

Town of Smithfield, Maine
Statement of Revenues, Expenditures and Changes in Fund Balances
Combining Nonmajor Governmental Funds
For the Year Ended January 31, 2016

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Totals</u>
REVENUES			
Interest income	\$ -	\$ 10	\$ 10
EXPENDITURES			
Current			
Grants expenditures	50	-	50
Excess (deficiency) of revenues over expenditures	(50)	10	(40)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,498)	(2,143)	(3,641)
Net change in fund balances	(1,548)	(2,133)	(3,681)
FUND BALANCES - BEGINNING	1,627	10,800	12,427
FUND BALANCES - ENDING	<u>\$ 79</u>	<u>\$ 8,667</u>	<u>\$ 8,746</u>

**Town of Smithfield, Maine
Taxes Receivable and Tax Liens
General Fund
January 31, 2016**

Taxes receivable	
2015	\$ 112,368
2014	19
2013 and prior	<u> 706</u>
Total	113,093
 Tax liens receivable	
2014	29,918
2013	<u> 1,311</u>
Total	<u> 31,229</u>
 Total taxes receivable and tax liens	 <u>\$ 144,322</u>

Town of Smithfield, Maine
Property Valuation, Assessment and Appropriations
General Fund
Year ended January 31, 2016

Assessed Valuation	
Real estate	\$ 104,138,200
Personal property	<u>1,048,700</u>
Total assessed valuation	<u>\$ 105,186,900</u>
Tax rate per \$1,000	<u>16.600</u>
Current tax commitment	<u>\$ 1,746,103</u>
Reconciliation of commitment with appropriation	
Current year tax commitment, as above	\$ 1,746,103
Estimated discounts	(20,000)
Estimated revenues	315,938
Operating transfers, net	(90,000)
Appropriated fund balance	
Committed	53,606
Unassigned	<u>41,030</u>
	2,046,677
Less overlay	<u>(33,003)</u>
Total appropriations	<u>\$ 2,013,674</u>