

Audited Financial Statements and  
Other Financial Information

Town of Rome, Maine

December 31, 2015



*Proven Expertise and Integrity*

TOWN OF ROME, MAINE

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DECEMBER 31, 2015

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Rome  
Rome, 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 Rome, Maine, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Rome, Maine as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 34 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 Rome, Maine's basic financial statements. The combining and individual nonmajor 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 nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

*RHR Smith & Company*

Buxton, Maine  
April 1, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Rome, Maine's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2015. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above mentioned financial statements have been presented for the following activity:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, recreation, solid waste and recycling and other.

### **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 Rome, 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 Rome are categorized as one fund type: governmental funds.

*Governmental funds:* All 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 Rome presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, transfer station fund, and the fire department 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. 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.

### **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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **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 increased by \$165,846 from \$1,852,190 to \$2,018,036.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a balance of \$1,149,618 at the end of this year.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets:</b>		
Current Assets	\$ 1,204,265	\$ 989,843
Capital Assets	836,738	883,092
Total Assets	<u>2,041,003</u>	<u>1,872,935</u>
<b>Liabilities:</b>		
Current Liabilities	9,651	4,201
Total Liabilities	<u>9,651</u>	<u>4,201</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	4,238	7,558
Advance Payment of LRAP Funding	9,078	8,986
Total Deferred Inflows of Resources	<u>13,316</u>	<u>16,544</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	836,738	883,092
Restricted: General Fund	24,662	29,737
Permanent Funds	7,018	7,014
Unrestricted	<u>1,149,618</u>	<u>932,347</u>
Total Net Position	<u><u>\$ 2,018,036</u></u>	<u><u>\$ 1,852,190</u></u>

**Table 2**  
**Town of Rome, Maine**  
**Change in Net Position**  
**For the Years Ended December 31,**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 5,296	\$ 5,252
Operating grants and contributions	18,064	18,106
<i>General Revenues:</i>		
Taxes	2,812,863	2,204,598
Grants and contributions not restricted to specific programs	34,972	36,367
Miscellaneous	66,326	78,154
Total Revenues	<u>2,937,521</u>	<u>2,342,477</u>
<b>Expenses</b>		
General government	104,203	107,696
Public safety	93,317	66,399
Public works	308,066	215,317
Solid waste and recycling	40,741	47,427
Recreation	726	850
Cemeteries	14,500	11,319
Community center	17,682	15,783
General assistance	3,031	5,524
Education	1,634,085	1,502,607
Social services	27,904	28,567
County tax	294,036	304,444
Insurance	25,401	21,495
Other	207,983	142,218
Total Expenses	<u>2,771,675</u>	<u>2,469,646</u>
Change in Net Position	165,846	(127,169)
Net Position - January 1	<u>1,852,190</u>	<u>1,979,359</u>
Net Position - December 31	<u><u>\$ 2,018,036</u></u>	<u><u>\$ 1,852,190</u></u>

## Revenues and Expenses

Revenues for the Town's governmental activities increased by 25.40%, while total expenses increased by 12.23%. The main increase in revenues was in taxes. The increase in expenses was primarily due to education, public works, and other.

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

	<b>2015</b>	<b>2014</b>
General Fund:		
Nonspendable	\$ 1,200	\$ 984
Restricted	24,662	29,737
Assigned	84,268	156,771
Unassigned	609,216	419,441
Total General Fund	\$ 719,346	\$ 606,933
Other Major Funds:		
Transfer Station Fund:		
Committed	\$ 137,156	\$ 133,931
Fire Department Fund:		
Committed	36,718	15,446
Total Other Major Funds	\$ 173,874	\$ 149,377
Nonmajor Funds:		
Capital Projects Funds:		
Committed	\$ 18,867	\$ 8,821
Permanent Funds:		
Restricted	7,018	7,014
Total Nonmajor Funds	\$ 25,885	\$ 15,835

The general fund total fund balance increased by \$112,413 from the prior year. The other major fund balances increased by \$24,497 from the prior year. The nonmajor fund balances increased by \$10,050 from the prior year.

## Budgetary Highlights

The significant differences between the original and final budget for the general fund was the use of unassigned, assigned and restricted fund balances as well as the use of applied revenues.

The general fund actual revenues exceeded the budget by \$62,341. This was a result of all revenue categories being receipted in excess of budgeted amounts with the exception of the homestead exemption.

The general fund actual expenditures were under the budget by \$233,772. All expenditure categories were under budget with the exception of general government, cemeteries, community center, and insurance.

## Capital Asset and Debt Administration

### Capital Assets

As of December 31, 2015, the net book value of capital assets recorded by the Town decreased by \$46,354. This was a result of current year depreciation expense.

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

	<u>2015</u>	<u>2014</u>
Land	\$ 293,700	\$ 293,700
Buildings	217,355	225,855
Equipment & vehicles	<u>325,683</u>	<u>363,537</u>
Total	<u>\$ 836,738</u>	<u>\$ 883,092</u>

### Debt

At December 31, 2015, the Town had no outstanding debt.

## Currently Known Facts, Decisions, or Conditions

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

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining 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, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at 8 Mercer Road, Rome, Maine 04963.

TOWN OF ROME, MAINE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 813,707
Investments	196,334
Accounts receivable (net of allowance for uncollectibles):	
Taxes	172,843
Liens	19,570
Other	611
Prepaid expenses	1,200
Total current assets	1,204,265
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	293,700
Depreciable assets, net of accumulated depreciation	543,038
Total noncurrent assets	836,738
<b>TOTAL ASSETS</b>	<b>\$ 2,041,003</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 7,819
Due to other governments	1,832
Total current liabilities	9,651
<b>TOTAL LIABILITIES</b>	<b>9,651</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	4,238
Advance payment of LRAP funding	9,078
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,316</b>
<b>NET POSITION</b>	
Net investment in capital assets	836,738
Restricted: General fund	24,662
Permanent funds	7,018
Unrestricted	1,149,618
<b>TOTAL NET POSITION</b>	<b>2,018,036</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 2,041,003</b>

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

## TOWN OF ROME, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 104,203	\$ 3,435	\$ -	\$ -	\$ (100,768)
Public safety	93,317	1,523	-	-	(91,794)
Public works	308,066	-	18,064	-	(290,002)
Solid waste and recycling	40,741	338	-	-	(40,403)
Recreation	726	-	-	-	(726)
Cemeteries	14,500	-	-	-	(14,500)
Community center	17,682	-	-	-	(17,682)
General assistance	3,031	-	-	-	(3,031)
Education	1,634,085	-	-	-	(1,634,085)
Social services	27,904	-	-	-	(27,904)
County tax	294,036	-	-	-	(294,036)
Insurance	25,401	-	-	-	(25,401)
Other	207,983	-	-	-	(207,983)
Total government	<u>\$ 2,771,675</u>	<u>\$ 5,296</u>	<u>\$ 18,064</u>	<u>\$ -</u>	<u>(2,748,315)</u>



## TOWN OF ROME, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(2,748,315)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	2,612,502
Excise taxes	200,361
Grants and contributions not restricted to specific programs	34,972
Miscellaneous	<u>66,326</u>
Total general revenues	<u>2,914,161</u>
Change in net position	165,846
NET POSITION - JANUARY 1	<u>1,852,190</u>
NET POSITION - DECEMBER 31	<u><u>\$ 2,018,036</u></u>

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

## TOWN OF ROME, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	General Fund	Transfer Station Fund	Fire Department Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 806,689	\$ -	\$ -	\$ 7,018	\$ 813,707
Investments	-	137,156	39,111	20,067	196,334
Accounts receivable (net of allowance for uncollectibles):					
Taxes	172,843	-	-	-	172,843
Liens	19,570	-	-	-	19,570
Other	611	-	-	-	611
Prepaid expenses	1,200	-	-	-	1,200
Due from other funds	3,593	-	-	-	3,593
<b>TOTAL ASSETS</b>	<b>\$ 1,004,506</b>	<b>\$ 137,156</b>	<b>\$ 39,111</b>	<b>\$ 27,085</b>	<b>\$ 1,207,858</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 7,819	\$ -	\$ -	\$ -	\$ 7,819
Due to other governments	1,832	-	-	-	1,832
Due to other funds	-	-	2,393	1,200	3,593
<b>TOTAL LIABILITIES</b>	<b>9,651</b>	<b>-</b>	<b>2,393</b>	<b>1,200</b>	<b>13,244</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid taxes	4,238	-	-	-	4,238
Advance payment of LRAP funding	9,078	-	-	-	9,078
Deferred revenue	94,397	-	-	-	94,397
Deferred tax revenues	167,796	-	-	-	167,796
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>275,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275,509</b>
<b>FUND BALANCES</b>					
Nonspendable	1,200	-	-	-	1,200
Restricted	24,662	-	-	7,018	31,680
Committed	-	137,156	36,718	18,867	192,741
Assigned	84,268	-	-	-	84,268
Unassigned	609,216	-	-	-	609,216
<b>TOTAL FUND BALANCES</b>	<b>719,346</b>	<b>137,156</b>	<b>36,718</b>	<b>25,885</b>	<b>919,105</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,004,506</b>	<b>\$ 137,156</b>	<b>\$ 39,111</b>	<b>\$ 27,085</b>	<b>\$ 1,207,858</b>

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

## TOWN OF ROME, MAINE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 919,105
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	836,738
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	167,796
Deferred revenue	<u>94,397</u>
Net position of governmental activities	<u><u>\$ 2,018,036</u></u>

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

## TOWN OF ROME, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Transfer Station Fund	Fire Department Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 2,547,382	\$ -	\$ -	\$ -	\$ 2,547,382
Excise taxes	200,361	-	-	-	200,361
Intergovernmental revenues	52,916	-	-	-	52,916
Charges for services	5,296	-	-	-	5,296
Miscellaneous revenues	56,890	725	8,661	50	66,326
<b>TOTAL REVENUES</b>	<b>2,862,845</b>	<b>725</b>	<b>8,661</b>	<b>50</b>	<b>2,872,281</b>
<b>EXPENDITURES</b>					
Current:					
General government	104,203	-	-	-	104,203
Public safety	53,341	-	-	-	53,341
Public works	308,066	-	-	-	308,066
Solid waste and recycling	40,741	-	-	-	40,741
Recreation	726	-	-	-	726
Cemeteries	14,500	-	-	-	14,500
Community center	17,682	-	-	-	17,682
General assistance	3,031	-	-	-	3,031
Education	1,634,085	-	-	-	1,634,085
Social services	27,904	-	-	-	27,904
County tax	294,036	-	-	-	294,036
Insurance	25,401	-	-	-	25,401
Other	199,216	-	2,389	-	201,605
<b>TOTAL EXPENDITURES</b>	<b>2,722,932</b>	<b>-</b>	<b>2,389</b>	<b>-</b>	<b>2,725,321</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>139,913</b>	<b>725</b>	<b>6,272</b>	<b>50</b>	<b>146,960</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	2,500	15,000	10,000	27,500
Transfers (out)	(27,500)	-	-	-	(27,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(27,500)</b>	<b>2,500</b>	<b>15,000</b>	<b>10,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>112,413</b>	<b>3,225</b>	<b>21,272</b>	<b>10,050</b>	<b>146,960</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>606,933</b>	<b>133,931</b>	<b>15,446</b>	<b>15,835</b>	<b>772,145</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 719,346</b>	<b>\$ 137,156</b>	<b>\$ 36,718</b>	<b>\$ 25,885</b>	<b>\$ 919,105</b>

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

## TOWN OF ROME

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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 146,960</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>	
Depreciation expense	<u>(46,354)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues in governmental funds:</p>	
Deferred revenue	120
Deferred tax revenue	<u>65,120</u>
	<u>65,240</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 165,846</u></u>

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

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Rome was incorporated under the laws of the State of Maine. The Town operates under selectmen-treasurer form of government and provides the following services: general government services, public safety, public works, recreation, education, and solid waste and recycling.

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 Statements No. 14 and amended by GASB Statements No. 39 and No. 61.

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

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

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the as governmental.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (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. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

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

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

The following fund types are used by the Town:

1. Governmental Funds:

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

- 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. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The emphasis in fund financial statements is on the major funds in governmental activities categories. Nonmajor 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 ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

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

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

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

**Deposits and Investments**

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

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

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

The Town of Rome does not have a formal investment policy but instead follows the State of Maine Statutes.

**Prepaid Items**

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Interfund Receivables and Payables**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2015.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

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

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. At December 31, 2015, the Town has \$0 in long-term obligations.

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

**Net Position**

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

**Fund Balance**

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

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.

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues and

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

deferred revenues, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advance payment of LRAP funding also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

The Town's property tax for the current year was levied April 16, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due on October 31, 2015. Interest on unpaid taxes commenced on November 1, 2015 at 7.00% per annum

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$48,003 for the year ended December 31, 2015.

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

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

**Encumbrance Accounting**

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

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town follows state statutes for the investment of funds, which 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. These 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, 2015, the Town's cash balance of \$813,707 was comprised of bank deposits amounting to \$832,931. This entire amount was either insured by federal depository insurance and not exposed to custodial credit risk or was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 251,267
Savings accounts	581,664
	<u>\$ 832,931</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2015, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Certificates of Deposit	\$ 196,334	\$ -	\$ 137,156	\$ 59,178
	\$ 196,334	\$ -	\$ 137,156	\$ 59,178

Investments in certificates of deposit of \$196,334 were fully insured by federal depository insurance and thus not exposed to custodial credit risk.

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 and various certificates of deposit.

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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 3,593	\$ -
Fire Department Fund	-	2,393
Nonmajor Capital Projects Funds	-	1,200
Totals	\$ 3,593	\$ 3,593

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2015:

	Balance, 1/1/15	Additions	Disposals	Balance, 12/31/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 293,700	\$ -	\$ -	\$ 293,700
	<u>293,700</u>	<u>-</u>	<u>-</u>	<u>293,700</u>
Depreciated assets:				
Buildings and improvements	640,599	-	-	640,599
Machinery & equipment	157,149	-	-	157,149
Vehicles	498,029	-	-	498,029
	<u>1,295,777</u>	<u>-</u>	<u>-</u>	<u>1,295,777</u>
Less: accumulated depreciation	<u>(706,385)</u>	<u>(46,354)</u>	<u>-</u>	<u>(752,739)</u>
	<u>589,392</u>	<u>(46,354)</u>	<u>-</u>	<u>543,038</u>
Net capital assets	<u>\$ 883,092</u>	<u>\$ (46,354)</u>	<u>\$ -</u>	<u>\$ 836,738</u>
<u>Current year depreciation</u>				
Town-wide				\$ 6,378
Public safety				<u>39,976</u>
Total depreciation expense				<u>\$ 46,354</u>

NOTE 5 – NONSPENDABLE FUND BALANCES

The Town has the following nonspendable fund balances at December 31, 2015:

General fund:	
Prepaid expenses	<u>\$ 1,200</u>



TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 6 – RESTRICTED FUND BALANCES

The Town has the following restricted fund balances at December 31, 2015:

General fund:	
Scholarships	\$ 100
County tax	24,562
Nonmajor permanent funds (See Schedule F)	7,018
	<u>\$ 31,680</u>

NOTE 7 – COMMITTED FUND BALANCES

The Town has the following committed fund balances at December 31, 2015:

Transfer Station Fund	\$ 137,156
Fire Department Fund	36,718
Nonmajor capital project funds (See Schedule D)	18,867
	<u>\$ 192,741</u>

NOTE 8 – ASSIGNED FUND BALANCES

The Town has the following assigned fund balances at December 31, 2015:

General fund:	
Fire department	\$ 530
Recreation	1,117
Education	49,345
Dogs	97
Highway	21,323
Legal	2,086
Community Center	482
Contingency	9,038
Rescue	250
	<u>\$ 84,268</u>

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 9 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at December 31, 2015:

Administration	\$	32
Town clerk		471
Dispatch		761
Cemeteries		949
Community center		82
Insurance		70
Audit		550
Overlay		4,702
	\$	<u>7,617</u>

NOTE 10 - CONTINGENCIES

The Town is responsible for its proportionate share of County debt. As of December 31, 2015, the County of Kennebec had no outstanding debt. The Town's share of school debt was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU No. 18	\$ 10,132,484	8.04%	<u>\$ 814,652</u>

NOTE 11 – JOINT VENTURE

The Town has entered into a joint venture with a number of other Towns. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the Town of Rome. A brief description of the joint venture, FirstPark, follows:

FirstPark

Kennebec Regional Development Authority (FirstPark) was formed in 1998 through an act of the Maine State Legislature. Its primary purposes, according to the act, were to strengthen the financial condition of local governments within the geographic territory of the Authority, while combining resources and sharing costs for meeting regional and economic development needs and challenges; to promote and develop infrastructure and programs for employment and economic development opportunities; and other conditions to positively affect regional development. The intent was that the members would fund the startup costs and then jointly benefit from the tax

TOWN OF ROME, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE 11 – JOINT VENTURE (CONTINUED)

revenues generated later on. There are currently 24 local governments who are members of the Authority, including the Town of Rome.

This statute states that the Town may be responsible for liabilities it incurs during its membership that may not have been paid for. It may withdraw its membership at any time with one year's warning to the corporation and the sale of its stake. An amount for any contingent liabilities at this time cannot be determined.

The Authority derives the bulk of its revenue from the participants, but also receives some grant revenues from the State of Maine and tenant's rental income. In fiscal year 2015, the Town of Rome contributed \$14,426. Complete financial statements may be obtained from Kennebec Regional Development Authority/First Park at P.O. Box 246, Oakland, Maine 04963.

NOTE 12 – RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, the Town is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 – RELATED PARTIES

The Town's road commissioner provides mowing services to the Town as an independent contractor. The contract was awarded by a sealed bid. Payments to this individual for the year ended December 31, 2015 totaled \$1,995.

## 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 ROME, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 606,933	\$ 606,933	\$ 606,933	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	2,525,960	2,525,960	2,547,382	21,422
Excise taxes	189,500	189,500	200,361	10,861
Intergovernmental revenues:				
State revenue sharing	17,370	17,370	17,370	-
Homestead exemption	11,834	11,834	11,535	(299)
Local road assistance program	-	18,064	18,064	-
Other	-	5,081	5,947	866
Interest income	-	1	1,911	1,910
Interest/cost on liens	-	4,261	9,555	5,294
Charges for services	-	1,902	5,296	3,394
Miscellaneous revenues	3,524	26,531	45,424	18,893
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>3,355,121</u>	<u>3,407,437</u>	<u>3,469,778</u>	<u>62,341</u>
Charges to Appropriations (Outflows):				
General government	102,233	103,700	104,203	(503)
Public safety	58,194	74,419	53,341	21,078
Public works	260,246	378,476	308,066	70,410
Solid waste and recycling	48,000	48,000	40,741	7,259
Recreation	-	1,843	726	1,117
Cemeteries	11,500	13,551	14,500	(949)
Community center	15,662	17,600	17,682	(82)
General assistance	5,000	7,752	3,031	4,721
Education	1,683,430	1,683,430	1,634,085	49,345
Social services	27,904	27,904	27,904	-
County tax	288,961	318,598	294,036	24,562
Insurance	22,000	25,331	25,401	(70)
Other	197,558	256,100	199,216	56,884
Transfers to other funds	27,500	27,500	27,500	-
Total Charges to Appropriations	<u>2,748,188</u>	<u>2,984,204</u>	<u>2,750,432</u>	<u>233,772</u>
Budgetary Fund Balance, December 31	<u>\$ 606,933</u>	<u>\$ 423,233</u>	<u>\$ 719,346</u>	<u>\$ 296,113</u>
Utilization of unassigned fund balance	\$ -	\$ 1,818	\$ -	\$ (1,818)
Utilization of assigned fund balance	-	152,145	-	(152,145)
Utilization of restricted fund balance	-	29,737	-	(29,737)
	<u>\$ -</u>	<u>\$ 183,700</u>	<u>\$ -</u>	<u>\$ (183,700)</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
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## TOWN OF ROME, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General Government -					
Administration	\$ 74,333	\$ 1,467	\$ 75,800	\$ 75,832	\$ (32)
Town clerk	6,500	-	6,500	6,971	(471)
Assessing	21,400	-	21,400	21,400	-
Subtotal General Government	<u>102,233</u>	<u>1,467</u>	<u>103,700</u>	<u>104,203</u>	<u>(503)</u>
Public Safety -					
Fire	35,700	6,290	41,990	30,493	11,497
Dispatch	9,266	905	10,171	10,932	(761)
Rescue	9,988	8,020	18,008	9,429	8,579
Emergency preparedness	240	1,010	1,250	446	804
Street lights	3,000	-	3,000	2,041	959
Subtotal Public Safety	<u>58,194</u>	<u>16,225</u>	<u>74,419</u>	<u>53,341</u>	<u>21,078</u>
Public Works -					
Highway	220,046	116,041	336,087	266,617	69,470
Roads & bridges	40,000	2,088	42,088	41,351	737
Road signs	200	101	301	98	203
Subtotal Public Works	<u>260,246</u>	<u>118,230</u>	<u>378,476</u>	<u>308,066</u>	<u>70,410</u>
Solid Waste & Recycling	<u>48,000</u>	<u>-</u>	<u>48,000</u>	<u>40,741</u>	<u>7,259</u>
Recreation	<u>-</u>	<u>1,843</u>	<u>1,843</u>	<u>726</u>	<u>1,117</u>
Cemeteries	<u>11,500</u>	<u>2,051</u>	<u>13,551</u>	<u>14,500</u>	<u>(949)</u>

TOWN OF ROME, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Community Center	15,662	1,938	17,600	17,682	(82)
General Assistance	5,000	2,752	7,752	3,031	4,721
Education	1,683,430	-	1,683,430	1,634,085	49,345
Social Services	27,904	-	27,904	27,904	-
County Tax	288,961	29,637	318,598	294,036	24,562
Insurance	22,000	3,331	25,331	25,401	(70)
Other -					
Prior year overdrafts	22,871	-	22,871	-	22,871
Building improvement	6,706	6,144	12,850	7,944	4,906
Legal	50,000	25,054	75,054	66,203	8,851
Audit	4,000	-	4,000	4,550	(550)
Contingency	-	13,842	13,842	4,804	9,038
Miscellaneous	37,578	13,502	51,080	48,584	2,496
First Park	28,400	-	28,400	14,426	13,974
Overlay	48,003	-	48,003	52,705	(4,702)
Subtotal Other	197,558	58,542	256,100	199,216	56,884
Transfers to Other Funds -					
Capital projects funds:					
Transfer station	2,500	-	2,500	2,500	-
Fire department	15,000	-	15,000	15,000	-
Rescue reserve	10,000	-	10,000	10,000	-
	27,500	-	27,500	27,500	-
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<b>\$ 2,748,188</b>	<b>\$ 236,016</b>	<b>\$ 2,984,204</b>	<b>\$ 2,750,432</b>	<b>\$ 233,772</b>

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



TOWN OF ROME, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 7,018	\$ 7,018
Investments	20,067	-	20,067
<b>TOTAL ASSETS</b>	<u>\$ 20,067</u>	<u>\$ 7,018</u>	<u>\$ 27,085</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 1,200	\$ -	\$ 1,200
<b>TOTAL LIABILITIES</b>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<b>FUND BALANCES</b>			
Restricted	-	7,018	7,018
Committed	18,867	-	18,867
<b>TOTAL FUND BALANCES</b>	<u>18,867</u>	<u>7,018</u>	<u>25,885</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 20,067</u>	<u>\$ 7,018</u>	<u>\$ 27,085</u>

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

TOWN OF ROME, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Interest income	\$ 46	\$ 4	\$ 50
TOTAL REVENUES	<u>46</u>	<u>4</u>	<u>50</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>46</u>	<u>4</u>	<u>50</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	-	10,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	10,046	4	10,050
FUND BALANCES, JANUARY 1	<u>8,821</u>	<u>7,014</u>	<u>15,835</u>
FUND BALANCES, DECEMBER 31	<u>\$ 18,867</u>	<u>\$ 7,018</u>	<u>\$ 25,885</u>

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

## Capital Projects Funds Description

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 funds.

TOWN OF ROME, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2015

	<u>Rescue Reserve</u>	<u>Totals</u>
<b>ASSETS</b>		
Investments	\$ 20,067	\$ 20,067
<b>TOTAL ASSETS</b>	<u>\$ 20,067</u>	<u>\$ 20,067</u>
<b>LIABILITIES</b>		
Due to other funds	\$ 1,200	\$ 1,200
<b>TOTAL LIABILITIES</b>	<u>1,200</u>	<u>1,200</u>
<b>FUND BALANCES</b>		
Committed	<u>18,867</u>	<u>18,867</u>
<b>TOTAL FUND BALANCES</b>	<u>18,867</u>	<u>18,867</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <u>\$ 20,067</u>	 <u>\$ 20,067</u>

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

TOWN OF ROME, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Rescue Reserve</u>	<u>Totals</u>
REVENUES		
Interest income	\$ 46	\$ 46
TOTAL REVENUES	<u>46</u>	<u>46</u>
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>46</u>	<u>46</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	10,000	10,000
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	10,046	10,046
FUND BALANCES, JANUARY 1	<u>8,821</u>	<u>8,821</u>
FUND BALANCES, DECEMBER 31	<u>\$ 18,867</u>	<u>\$ 18,867</u>

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

## Permanent Funds Description

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

## TOWN OF ROME, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2015

	Cemetery Trust	Totals
	<u>          </u>	<u>          </u>
ASSETS		
Cash and cash equivalents	\$ 7,018	\$ 7,018
TOTAL ASSETS	<u>\$ 7,018</u>	<u>\$ 7,018</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Restricted	7,018	7,018
TOTAL FUND BALANCES	<u>7,018</u>	<u>7,018</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,018</u>	<u>\$ 7,018</u>

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

## TOWN OF ROME, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR PERMANENT FUNDS  
 DECEMBER 31, 2015

	Cemetery Trust	Totals
REVENUES		
Interest income	\$ 4	\$ 4
TOTAL REVENUES	4	4
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	4	4
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCES	4	4
FUND BALANCES, JANUARY 1	7,014	7,014
FUND BALANCES, DECEMBER 31	\$ 7,018	\$ 7,018

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 ROME, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Town-wide	\$ 278,900	\$ 534,499	\$ 63,350	\$ -	\$ 876,749
Public safety	14,800	106,100	591,828	-	712,728
Total General Capital Assets	293,700	640,599	655,178	-	1,589,477
Less: Accumulated Depreciation	-	(423,244)	(329,495)	-	(752,739)
Net General Capital Assets	\$ 293,700	\$ 217,355	\$ 325,683	\$ -	\$ 836,738

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

## TOWN OF ROME, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Capital Assets 1/1/15	Additions	Disposals	General Capital Assets 12/31/15
Town-wide	\$ 876,749	\$ -	\$ -	\$ 876,749
Public safety	<u>712,728</u>	<u>-</u>	<u>-</u>	<u>712,728</u>
Total General Capital Assets	1,589,477	-	-	1,589,477
Less: Accumulated Depreciation	<u>(706,385)</u>	<u>(46,354)</u>	<u>-</u>	<u>(752,739)</u>
Net General Capital Assets	<u><u>\$ 883,092</u></u>	<u><u>\$ (46,354)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 836,738</u></u>

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