

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Rockport
101 Main Street
Rockport, Me 04856

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rockport, Maine as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

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 the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension disclosure schedules on pages 3 through 7, 41 and 42, respectively 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Rockport, Maine's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
October 29, 2015

TOWN OF ROCKPORT, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Management of the Town of Rockport, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

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

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2015 by \$17,067,439 (presented as “net position”). Of this amount, \$3,690,828 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position increased by \$755,504 (a 4.6% increase) for the fiscal year ended June 30, 2015. Net position of governmental activities increased by \$486,906 (a 4.4% increase), while net position of business-type activities showed an increase of \$268,598 (a 5.0% increase).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2015, the Town's governmental funds reported a combined ending fund balance of \$4,766,414 with \$2,196,445 being general unassigned fund balance. This unassigned fund balance represents approximately 14.5% of the total general fund expenditures for the year.

Long-term Debt:

The Town's general long-term debt obligations increased by \$502,832 (351%) during the current fiscal year. Business-type long-term debt obligations decreased by \$406,816 (36%) during the current fiscal year. Existing debt obligations were retired according to schedule. A new bond for the sewer extension project was issued in the amount of \$539,000. New leases were issued in the total amount of \$689,147. A special town meeting on 11/4/14 approved borrowing in the amount of \$350,000 for the opera house and \$1,397,750 for infrastructure projects. Both approved borrowings were issued after 6/30/15. Additional information about debt can be found beginning on page 31 of the notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables. The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources

measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 10-13 of this report.
The basic proprietary fund financial statements can be found on pages 14-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 17-40 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary) as well as pension related schedules. Required supplementary information can be found on page 41-42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

65% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

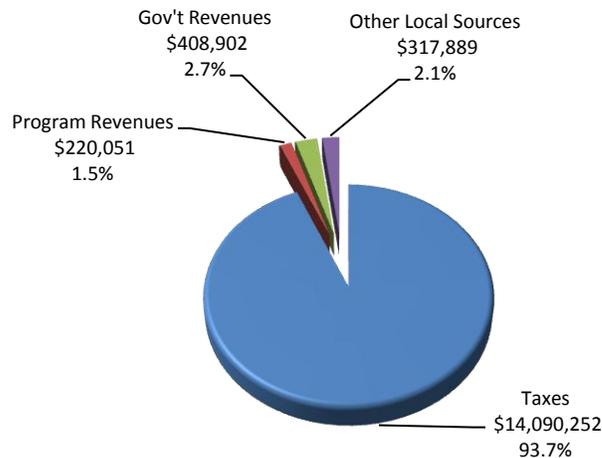
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total 2015</i>	<i>Total 2014</i>
Current Assets	5,560,625	1,076,195	6,636,820	6,782,669
Capital Assets	7,272,404	5,190,872	12,463,276	11,294,610
<i>Total Assets</i>	12,833,029	6,267,067	19,100,096	18,077,279
Related to Pensions	147,930		147,930	-
<i>Total Deferred Outflows of Resources</i>	147,930	-	147,930	-
<i>Total Assets and Deferred Outflows of Resources</i>	12,980,959	6,267,067	19,248,026	18,077,279
Current Liabilities	894,174	295,497	1,189,671	1,450,785
Other Liabilities	485,299	352,086	837,385	286,234
Net Pension Liability	69,984	-	69,984	-
<i>Total Liabilities</i>	1,449,457	647,583	2,097,040	1,737,019
Related to Pensions	53,179		53,179	
Prepaid Taxes	30,368		30,368	28,325
<i>Total Deferred Inflows of Resources</i>	83,547	-	83,547	28,325
Net Investment in Capital Assets	6,626,516	4,467,688	11,094,204	10,021,554
Restricted	1,941,152	341,255	2,282,407	2,192,244
Unrestricted	2,880,287	810,541	3,690,828	4,098,137
<i>Total Net Position</i>	11,447,955	5,619,484	17,067,439	16,311,935
<i>Total Liabilities, Deferred Inflows of Resources and Net Position</i>	12,980,959	6,267,067	19,248,026	18,077,279

Changes in Net Position

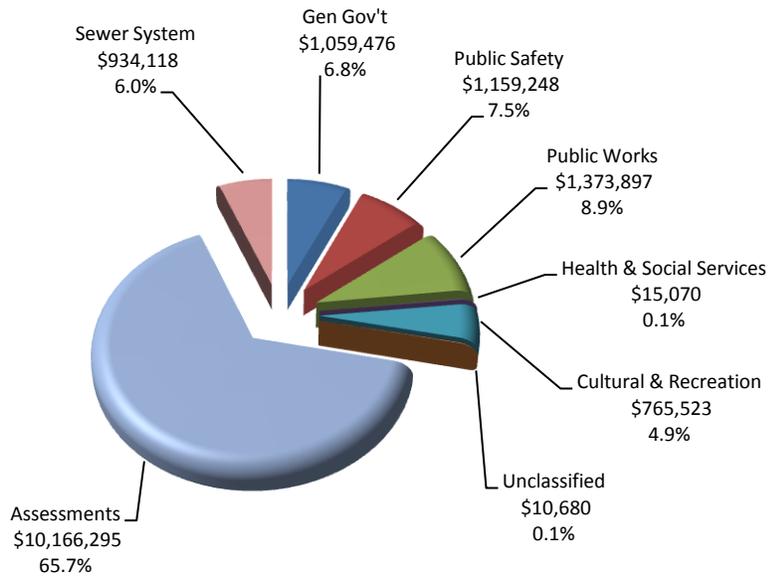
Approximately 93.7 percent of the Town’s total revenue came from property and excise taxes, approximately 2.7 percent came from State subsidies and grants, and approximately 3.6 percent came from services, investment earnings and other sources. Depreciation expense on the Town’s governmental and business-type activity assets represents \$627,839 of the total expenses for the fiscal year.

	Governmental Activities	Business-type Activities	Total 2015	Total 2014
Revenues:				
Taxes	14,090,252		14,090,252	13,618,848
Program Revenues	220,051	792,504	1,012,555	977,199
Intergovernmental Revenues	408,902	401,904	810,806	346,146
Other Local Sources	317,889	8,308	326,197	704,164
Total	15,037,094	1,202,716	16,239,810	15,646,357
Expenses:				
General Government	1,059,476		1,059,476	1,068,338
Public Safety	1,159,248		1,159,248	1,126,076
Public Works	1,373,897		1,373,897	1,373,897
Health and Social Services	15,069		15,069	24,155
Cultural and Recreation	765,523		765,523	697,847
Unclassified	10,680		10,680	12,588
Assessments	10,166,295		10,166,295	9,842,578
Sewer System		934,118	934,118	900,150
Total	14,550,188	934,118	15,484,306	15,045,629
Changes in Net Position	486,906	268,598	755,504	600,728

Revenues by Source - Governmental and Business-Type Activities



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$4,766,414, an increase of \$302,294 in comparison with the prior year. Approximately 46.1 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$36,345 positive variance in property tax revenue due to supplemental taxes issued in the amount of \$38,500 and an adjustment to the unavailable property taxes.
- \$70,775 positive variance in excise tax revenue due conservative budgeting and an economic turnaround.
- \$23,849 positive variance in negative variance in planning and community development due to hiring a new planner at a lower rate of pay than budgeted.

- \$14,361 negative variance in assessing due to paying for the revaluation in one year instead of two as originally planned.
- \$86,508 positive variance in the library department due to hiring a new director at a lower rate of pay and postponing some work to the building until decisions could be made about the condition and how to proceed with solutions.
- \$18,337 negative variance in harbor operations due to the harbor lighting project and new floats coming in over budgeted amounts with additions and upgrades added.

Proprietary Funds

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

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities amounts to \$20,922,308, net of accumulated depreciation of \$8,459,032 leaving a net book value of \$12,463,276. Current year additions include \$5,920 for the library hot water heater, \$9,624 for a new copier, \$455,586 for fire department vehicles and equipment, \$242,182 for public works vehicles, \$70,130 for harbor floats, pilings and a boat engine, \$26,451 for police vehicle, 275,981 for infrastructure and \$710,631 for sewer construction work in process.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Rockport, P.O. Box 10, Rockport, ME 04856.

TOWN OF ROCKPORT
STATEMENT OF NET POSITION
JUNE 30, 2015

Exhibit A

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets			
Cash and Equivalents	3,456,734	408,119	3,864,853
Investments	1,483,564	259,974	1,743,538
Receivables			
Taxes	496,026		496,026
Tax Liens	70,733		70,733
Bond		205,620	205,620
Accounts	16,006	202,482	218,488
Prepaid Expense	89		89
Due from Other Governments	37,473		37,473
Capital Assets:			
Land and Art Work	2,858,786		2,858,786
Other Capital Assets, Net of Depreciation	4,413,618	5,190,872	9,604,490
Total Assets	12,833,029	6,267,067	19,100,096
Deferred Outflows of Resources:			
Related to Pensions	147,930		147,930
Total Deferred Outflows of Resources	147,930	-	147,930
Total Assets and Deferred Outflows of Resources	12,980,959	6,267,067	19,248,026
Liabilities			
Accounts Payable	110,763	230,985	341,748
Payroll Taxes/Deductions	9		9
Due to Other Governments	381		381
Accrued Salaries Payable	47,331		47,331
Accrued Interest Payable		3,580	3,580
Escrow and Security Deposits	11,900		11,900
Compensated Absences Payable	253,035		253,035
Internal Balances	310,166	(310,166)	-
Long-term Liabilities:			
Net Pension Liability	69,984		69,984
Due Within One Year	160,589	60,932	221,521
Due in More Than One Year	485,299	662,252	1,147,551
Total Liabilities	1,449,457	647,583	2,097,040
Deferred Inflows of Resources			
Related to Pensions	53,179		53,179
Prepaid Taxes	30,368		30,368
Total Deferred Inflows of Resources	83,547	-	83,547
Net Position			
Net Investment in Capital Assets	6,626,516	4,467,688	11,094,204
Restricted Net Position	1,941,152	341,255	2,282,407
Unrestricted Net Position	2,880,287	810,541	3,690,828
Total Net Position	11,447,955	5,619,484	17,067,439
Total Liabilities, Deferred Inflows of Resources and Net Position	12,980,959	6,267,067	19,248,026

The notes to financial statements are an integral part of this statement.

**TOWN OF ROCKPORT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
<u>Primary Government</u>						
<u>Governmental Activities</u>						
General Government	1,059,476	148,839	100	(910,537)		(910,537)
Public Safety	1,159,248	11,125	26,500	(1,121,623)		(1,121,623)
Public Works	1,373,897	11,200	37	(1,362,660)		(1,362,660)
Health and Social Services	15,070		1,600	(13,470)		(13,470)
Cultural and Recreation	765,523	117,990	99,975	(547,558)		(547,558)
Unclassified	10,680			(10,680)		(10,680)
Assessments	10,166,295			(10,166,295)		(10,166,295)
<u>Total Governmental Activities</u>	<u>14,550,189</u>	<u>289,154</u>	<u>128,212</u>	<u>(14,132,823)</u>		<u>(14,132,823)</u>
<u>Business-type Activities</u>						
Wastewater Enterprise	934,118	792,504	401,904		260,290	260,290
<u>Total Business-type Activities</u>	<u>934,118</u>	<u>792,504</u>	<u>401,904</u>		<u>260,290</u>	<u>260,290</u>
<u>Total Primary Government</u>	<u>15,484,307</u>	<u>1,081,658</u>	<u>530,116</u>	<u>(14,132,823)</u>	<u>260,290</u>	<u>(13,872,533)</u>
<u>General Revenues:</u>						
Taxes						
Property				13,282,700		13,282,700
Auto Excise				745,775		745,775
Boat Excise				15,391		15,391
Intergovernmental Revenues				308,890		308,890
Other Local Sources				266,973	8,308	275,281
<u>Total Revenues, Special Items and Transfers</u>				<u>14,619,729</u>	<u>8,308</u>	<u>14,628,037</u>
<u>Changes in Net Position</u>						
				486,906	268,598	755,504
<u>Net Position - Beginning</u>				<u>10,961,049</u>	<u>5,350,886</u>	<u>16,311,935</u>
<u>Net Position - Ending</u>				<u>11,447,955</u>	<u>5,619,484</u>	<u>17,067,439</u>

The notes to financial statements are an integral part of this statement.

TOWN OF ROCKPORT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

Exhibit C
Page 1 of 2

<i>Assets</i>	<i>General Fund</i>	<i>Library Permanent Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	3,096,300	44,686	315,748	3,456,734
Investments		735,285	748,279	1,483,564
Receivables				
Taxes	496,026			496,026
Tax Liens	70,733			70,733
Accounts	16,006			16,006
Prepaid Expense	89			89
Due from Other Governments	37,473			37,473
Due from Other Funds	-		504,093	504,093
Total Assets	<u>3,716,627</u>	<u>779,971</u>	<u>1,568,120</u>	<u>6,064,718</u>
 <i>Liabilities, Deferred Inflows of Resources and Fund Balances</i>				
<i>Liabilities</i>				
Accounts Payable	110,763		-	110,763
Due to Other Governments	381			381
Payroll Taxes/Deductions	9			9
Accrued Salaries Payable	47,331			47,331
Due to Other Funds	814,259			814,259
Escrow and Security Deposits	11,900			11,900
 Total Liabilities	 <u>984,643</u>		 <u>-</u>	 <u>984,643</u>
 <i>Deferred Inflows of Resources:</i>				
Prepaid Taxes	30,368			30,368
Unavailable Property Tax	278,786			278,786
Advanced Other Revenue	4,507			4,507
Total Deferred Inflows of Resources	<u>313,661</u>	<u>-</u>	<u>-</u>	<u>313,661</u>
 <i>Fund Balances</i>				
Non-Spendable		348,262	492,454	840,716
Restricted	28,727	431,709	640,000	1,100,436
Committed	98,141		435,666	533,807
Assigned	95,010			95,010
Unassigned	2,196,445			2,196,445
 Total Fund Balances	 <u>2,418,323</u>	 <u>779,971</u>	 <u>1,568,120</u>	 <u>4,766,414</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>3,716,627</u>	 <u>779,971</u>	 <u>1,568,120</u>	 <u>6,064,718</u>

(Continued)

The notes to financial statements are an integral part of this statement.

TOWN OF ROCKPORT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance	4,766,414
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$3,628,231	<u>7,272,404</u>
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Taxes	278,786
Deferred outflows of resources related to pension plans	147,930
Advanced Revenue	4,507
	<u>431,223</u>
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(75,000)
Accrued Compensated Absences	(253,035)
Capital Leases Payable	(570,888)
Deferred inflows of resources related to pension plans	(53,179)
Net Pension Liability	(69,984)
	<u>(1,022,086)</u>
Net Position of Governmental Activities	<u><u>11,447,955</u></u>

The notes to financial statements are an integral part of this statement.

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

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>Library Permanent Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	14,087,058			14,087,058
Intergovernmental Revenues	308,927		99,975	408,902
Departmental Revenues	220,051			220,051
Other Local Sources	197,100	35,080	85,709	317,889
Total Revenues	14,813,136	35,080	185,684	15,033,900
Expenditures				
General Government	1,036,594		18,944	1,055,538
Public Safety	1,597,236		32,886	1,630,122
Public Works	1,685,399		19,155	1,704,554
Health and Social Services	14,921		644	15,565
Cultural and Recreation	642,320		158,179	800,499
Unclassified	48,180		-	48,180
Assessments	10,166,295			10,166,295
Total Expenditures	15,190,945	-	229,808	15,420,753
Excess of Revenues Over (Under) Expenditures	(377,809)	35,080	(44,124)	(386,853)
Other Financing Sources (Uses)				
Lease Proceeds	689,147			689,147
Transfers from Other Funds	382,773	15,000	148,193	545,966
Transfers to Other Funds	(415,955)	(29,880)	(100,131)	(545,966)
Total Other Financing Sources (Uses)	655,965	(14,880)	48,062	689,147
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	278,156	20,200	3,938	302,294
Fund Balance - July 1	2,140,167	759,771	1,564,182	4,464,120
Fund Balance - June 30	2,418,323	779,971	1,568,120	4,766,414

(Continued)

The notes to financial statements are an integral part of this statement.

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

Exhibit D
Page 2 of 2

Net change in fund balances - total governmental funds 302,294

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	1,085,874
Depreciation expense	(399,620)
	<u>686,254</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Advanced Revenues	-
Unavailable Taxes	3,194
	<u>3,194</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Lease Proceeds	(689,147)
Capital lease obligation principal payments	148,815
General obligation bond principal payments	37,500
	<u>(502,832)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	24,767
Accrued compensated absences	(26,771)
	<u>(2,004)</u>

Change in net position of governmental activities 486,906

TOWN OF ROCKPORT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2015

Exhibit E

	<u>Wastewater Enterprise</u>
Assets	
Current Assets:	
Cash and Equivalents	408,119
Investments	259,974
Receivables	
User Fees, net	202,482
Bond Receivable	205,620
Due from Other Funds	<u>310,166</u>
Total Current Assets	<u>1,386,361</u>
Noncurrent Assets:	
Capital Assets, net	<u>5,190,872</u>
Total Noncurrent Assets	<u>5,190,872</u>
Total Assets	<u><u>6,577,233</u></u>
Liabilities	
Current Liabilities:	
Accounts Payable	230,985
Accrued Interest Payable	3,580
Bonds and Notes Payable	<u>60,932</u>
Total Current Liabilities	<u>295,497</u>
Noncurrent Liabilities:	
Bonds and Notes Payable	<u>662,252</u>
Total Noncurrent Liabilities	<u>662,252</u>
Total Liabilities	<u>957,749</u>
Net Position	
Net Investment in Capital Assets	4,467,688
Restricted for:	
Capital Projects	341,255
Unrestricted-Reserved for Pump Station	284,689
Unrestricted	<u>525,852</u>
Total Net Position	<u>5,619,484</u>
Total Liabilities and Net Position	<u><u>6,577,233</u></u>

The notes to financial statements are an integral part of this statement.

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

Exhibit F

	<u>Wastewater Enterprise</u>
Operating Revenues:	
Charges for Services	789,173
Interest/Fees	<u>3,331</u>
Total Operating Revenues:	<u>792,504</u>
Operating Expenses:	
Administration	95,217
Contract Operations	173,052
General Maintenance/Supplies	30,000
Camden Treatment	150,421
Rockland Treatment	142,433
Samoset Treatment	82,145
Repairs and Maintenance	15,064
Depreciation and Amortization	<u>228,219</u>
Total Operating Expenses	<u>916,551</u>
Net Operating Income (Loss)	<u>(124,047)</u>
Nonoperating Revenues (Expenses)	
Interest Revenue	8,217
Change in Fair Value	(8,087)
CDBG Grant	270,000
Other Revenues	8,178
Sewer Extension Project	(176)
Interest Expense	<u>(17,391)</u>
Total Nonoperating Revenues (Expenses)	<u>260,741</u>
Net Income (Loss) before contributions and transfers	136,694
Capital Contributions	<u>131,904</u>
Change in Net Position	268,598
Total Net Position - Beginning	<u>5,350,886</u>
Total Net Position - Ending	<u><u>5,619,484</u></u>

The notes to financial statements are an integral part of this statement.

TOWN OF ROCKPORT
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Taxes			
Property	13,243,160	13,279,505	36,345
Auto Excise	675,000	745,775	70,775
Boat Excise	14,000	15,391	1,391
Interest/Fees on Taxes/Liens	60,100	46,387	(13,713)
	<u>13,992,260</u>	<u>14,087,058</u>	<u>94,798</u>
Intergovernmental Revenues			
State of Maine			
General Assistance	7,725	3,651	(4,074)
Homestead Reimbursement	62,460	62,460	-
BETE Reimbursement	63,265	63,407	142
Veterans Reimbursement	-	3,789	3,789
Gas Tax Refund	-	37	37
Snowmobile Reimbursement	400	463	63
	<u>133,850</u>	<u>133,807</u>	<u>(43)</u>
Departmental Revenues			
Police			
Grants	5,000	2,788	(2,212)
All Other	5,600	6,441	841
Animal Control	800	1,896	1,096
Planning			
Building Permits	62,000	29,415	(32,585)
Plumbing Permits	9,000	8,185	(815)
Planning Board Fees	6,000	3,000	(3,000)
All Other	2,375	2,369	(6)
Harbor Fees			
Moorings	58,000	52,335	(5,665)
Tie Offs	13,000	12,175	(825)
Winter Boat Storage	7,000	7,167	167
Lease Income	6,500	14,500	8,000
Schooner Berthing	3,600	5,644	2,044
All Other	21,350	26,169	4,819
Public Works			
Cemetery - Sale of Lots	4,000	4,700	700
All Other-Public Works	2,000	2,925	925

TOWN OF ROCKPORT
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Departmental Revenues (Continued)			
Town Clerk			
Clerk Fees	22,000	19,648	(2,352)
Agent Fees	8,000	11,806	3,806
Election Reimbursement Fees	3,000	3,817	817
All Other	2,000	2,562	562
Town Manager	-	65	65
Finance	200	707	507
Assessing	50	399	349
Library	-	554	554
Fire Department	-	658	658
Town Office	250	126	(124)
	<u>241,725</u>	<u>220,051</u>	<u>(21,674)</u>
Other Local Sources			
Interest on Investments	6,500	19,747	13,247
Payment in Lieu of Taxes	11,000	22,098	11,098
Opera House	25,200	18,053	(7,147)
Cable TV Franchise	30,000	32,206	2,206
PBMC Traffic Light	1,590	1,643	53
Old County Road Traffic Light	1,800	1,932	132
WW Reimb. Wage, Benefits, Other	48,108	49,984	1,876
MMA Insurance Dividend/Reimbursement	-	53	53
Internmant Notification	1,250	50	(1,200)
Conservaton Reimbursement	-	4,185	4,185
Rockport Elementary School	100	-	(100)
	<u>125,548</u>	<u>149,951</u>	<u>24,403</u>
Other Financing Sources			
Lease Proceeds	689,147	689,147	-
Municipal Revenue Sharing	117,000	117,000	-
Urban Rural Initiative Program Funds	55,420	54,204	(1,216)
Library Reimbursements	98,194	60,609	(37,585)
Cemetery Trust Fund	3,420	3,420	-
Reserves	93,000	93,000	-
	<u>1,056,181</u>	<u>1,017,380</u>	<u>(38,801)</u>
Total Revenues and Other			
Financing Sources	15,549,564	<u>15,608,247</u>	<u>58,683</u>
Beginning Fund Balance Used	<u>60,000</u>		
Total	<u>15,609,564</u>		

**TOWN OF ROCKPORT
GENERAL FUND**

**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
JUNE 30, 2015**

	<i>Encumbered from 6/30/14</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/16</i>	<i>(Over) Under Budget</i>
General Government					
Administration		40,544	43,743		(3,199)
Town Manager		205,921	189,648		16,273
Town Clerk	1,789	206,706	199,919	1,200	7,376
Planning and Community Development	3,400	210,551	184,635	5,467	23,849
Finance Department		128,314	109,764	10,328	8,222
Assessing		154,692	169,053		(14,361)
Town Office Building		87,576	88,180	968	(1,572)
Tax Billing		5,800	5,717		83
Insurances		47,876	45,935		1,941
	<u>5,189</u>	<u>1,087,980</u>	<u>1,036,594</u>	<u>17,963</u>	<u>38,612</u>
Public Safety					
Police Department		558,023	550,382	900	6,741
Fire Department	9,345	858,909	859,078	3,955	5,221
Animal Control		11,776	10,944		832
Emergency Management		1,850	546		1,304
Street Lights		63,060	58,579		4,481
Public Safety Building	106	30,154	31,470		(1,210)
County Dispatch and E-911		86,237	86,237		-
	<u>9,451</u>	<u>1,610,009</u>	<u>1,597,236</u>	<u>4,855</u>	<u>17,369</u>
Public Works					
Public Works Department	14,331	1,527,565	1,470,577		71,319
Sanitation		159,145	156,797		2,348
Cemeteries		57,622	58,025	1,938	(2,341)
	<u>14,331</u>	<u>1,744,332</u>	<u>1,685,399</u>	<u>1,938</u>	<u>71,326</u>

**TOWN OF ROCKPORT
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	<i>Encumbered from 6/30/14</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/16</i>	<i>(Over) Under Budget</i>
Health and Social Services General Assistance	-	24,341	14,921	-	9,420
Cultural and Recreation Recreation and Parks Library	15,060	64,870	49,150	3,731	11,989
Opera House		412,708	321,029	20,231	86,508
Conservation Commission		98,230	88,918	9,035	277
Harbor Operations	900	9,065	9,946		(881)
		154,040	173,277		(18,337)
Unclassified	15,960	738,913	642,320	32,997	79,556
Debt Service		40,556	40,556		-
Rockport Elementary School		8,535	7,624		911
Assessments	-	49,091	48,180	-	911
MSAD #28		5,237,268	5,237,268		-
Knox County		869,039	869,039		-
CSD School Assessment		3,870,018	3,870,018		-
Tax Increment Financing		131,904	131,904		-
Overlay		78,859	58,066		20,793
Operating Transfers Out and Other Uses	-	10,187,088	10,166,295	-	20,793
Downtown TIF		15,476	15,476		-
Capital Projects		45,000	45,000		-
Harbor Lighting Grant		13,000	13,000		-
Reserves		94,334	94,334		-
	-	167,810	167,810	-	-
Totals	44,931	15,609,564	15,358,755	57,753	237,987

TOWN OF ROCKPORT
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

Exhibit A-3

Unassigned Fund Balance, July 1	1,959,775	
Unassigned Fund Balance, June 30	<u>2,196,445</u>	
Increase (Decrease)		<u><u>236,670</u></u>

Analysis of Change

Additions		
Budget Summary		
Revenue Surplus (Exhibit A-1)	58,683	
Unexpended Balance of Appropriations (Exhibit A-2)	<u>237,987</u>	
		296,670
Deductions		
Fund Balance Used to Fund Appropriations		<u>(60,000)</u>
Increase (Decrease)		<u><u>236,670</u></u>