

Audited Financial Statements

Town of Turner, Maine

June 30, 2016



*Proven Expertise and Integrity*

TOWN OF TURNER, MAINE

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JUNE 30, 2016

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Turner  
Turner, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Turner, Maine as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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 issued by the Comptroller General of the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Turner, Maine as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Turner, Maine's basic financial statements. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, 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 Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, 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 Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2017, on our consideration of the Town of Turner, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Turner, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
January 6, 2017

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Turner, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, human services, education, culture and recreation, health and sanitation, and unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and / or charges to external users for goods and/or services. These activities for the Town of Turner include the unemployment fund.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Turner, Maine, 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 Turner, Maine can be divided into two categories: governmental funds and proprietary 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 funds balance sheet and the governmental funds 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 Turner, Maine presents two 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 fund is the general fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

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

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

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

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

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

## Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental activities decreased by \$88,202 from \$6,609,139 to \$6,520,937. The Town's total net position for business-type activities decreased by \$329 from \$13,944 to \$13,615.

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 - decreased for governmental activities to a balance of \$2,558,761 at the end of this year. Unrestricted net position for business-type activities decreased to a balance of \$13,615.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>				
Cash Assets	\$ 2,835,032	\$ 2,823,667	\$ 13,615	\$ 13,944
Capital Assets	3,828,153	3,896,638	-	-
Total Assets	<u>6,663,185</u>	<u>6,720,305</u>	<u>13,615</u>	<u>13,944</u>
<b>Liabilities</b>				
Current Liabilities	106,132	66,580	-	-
Long-term Debt Outstanding	17,507	31,352	-	-
Total Liabilities	<u>123,639</u>	<u>97,932</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Prepaid Taxes	18,609	13,234	-	-
Total Deferred Inflows of Resources	<u>18,609</u>	<u>13,234</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	3,825,121	3,892,176	-	-
Restricted: Nonspendable Principal	38,256	38,256	-	-
Restricted: Permanent Funds	98,799	97,456	-	-
Unrestricted	2,558,761	2,581,251	13,615	13,944
Total Net Position	<u>\$ 6,520,937</u>	<u>\$ 6,609,139</u>	<u>\$ 13,615</u>	<u>\$ 13,944</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>				
<i>Program revenues:</i>				
Charges for services	\$ 377,251	\$ 482,541	\$ -	\$ -
Operating grants and contributions	83,854	170,308	-	-
<i>General revenues:</i>				
Taxes	7,380,904	7,151,536	-	-
Grants and contributions not restricted to specific programs	468,337	288,149	-	-
Miscellaneous	125,797	67,312	21	23
Total Revenues	<u>8,436,143</u>	<u>8,159,846</u>	<u>21</u>	<u>23</u>
<b>Expenses</b>				
General government	428,583	441,028	-	-
Public safety	687,254	608,061	-	-
Public works	1,155,887	645,505	-	-
Human services	24,807	15,824	-	-
Culture and recreation	81,128	91,993	-	-
Health and sanitation	207,443	207,576	-	-
Education	5,313,220	5,174,546	-	-
County tax	495,922	495,780	-	-
Capital outlay	21,330	-	-	-
Unclassified	108,771	67,947	-	-
Unemployment	-	-	350	2,502
Total Expenses	<u>8,524,345</u>	<u>7,748,260</u>	<u>350</u>	<u>2,502</u>
Change in Net Position	(88,202)	411,586	(329)	(2,479)
Net Position - July 1	<u>6,609,139</u>	<u>6,197,553</u>	<u>13,944</u>	<u>16,423</u>
Net Position - June 30	<u>\$ 6,520,937</u>	<u>\$ 6,609,139</u>	<u>\$ 13,615</u>	<u>\$ 13,944</u>

**Revenues and Expenses**

Revenues for the Town's governmental activities increased by 3.39%, while total expenses increased by 10.02%. For the business-type activities revenues and expenses were fairly consistent with the prior year.

## Financial Analysis of the Town's Fund Statements

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

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

	2016	2015
General Fund:		
Nonspendable	\$ 803	\$ 1,552
Assigned	325,000	325,000
Unassigned	1,705,534	1,698,737
Total General Fund	\$ 2,031,337	\$ 2,025,289
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 96,891	\$ 46,290
Unassigned	-	(4,106)
Capital Projects Funds:		
Committed	277,432	323,869
Unassigned	(1,344)	-
Permanent Funds		
Nonspendable	38,256	38,256
Restricted	98,799	97,456
Total Nonmajor Funds	\$ 510,034	\$ 501,765

The general fund total fund balance increased by \$6,048 over the prior fiscal year. The nonmajor fund balances increased by \$8,269 from the prior fiscal year.

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

The unemployment fund had a change in net position of (\$329) for the year ended June 30, 2016.

## Budgetary Highlights

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

The general fund actual revenues were over budget by \$248,409. This was mainly the result of receipts over budget in all categories except charges for services and interest income.

The general fund actual expenditures were under the budget by \$82,639. All expenditure categories were under budget with the exception of public safety and human services.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2016, the net book value of capital assets recorded by the Town decreased by \$68,485 from the prior year. The decrease is the result of current year additions of \$190,895, less depreciation expense of \$230,620 and net disposals of \$28,760.

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

	<u>2016</u>	<u>2015</u>
Land and non-depreciable assets	\$ 276,045	\$ 276,045
Buildings, building improvements and land improvements	983,760	1,022,445
Machinery, equipment and vehicles	916,158	879,607
Infrastructure	<u>1,652,190</u>	<u>1,718,541</u>
Total	<u>\$ 3,828,153</u>	<u>\$ 3,896,638</u>

### Debt

At June 30, 2016, the Town had \$3,032 in capital leases outstanding versus \$4,462 last year. Other obligations include accrued sick and vacation time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

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

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

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

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

This financial report is designed to provide our citizens, taxpayers, customers, 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, the Treasurer for the Town of Turner can be reached at 11 Turner Center Road, Turner, Maine 04282.

## TOWN OF TURNER, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,291,568	\$ 13,615	\$ 2,305,183
Investments	223,571	-	223,571
Accounts receivable (net of allowance for uncollectibles):			
Taxes	13,250	-	13,250
Liens	217,938	-	217,938
Other	62,616	-	62,616
Due from other governments	25,286	-	25,286
Inventory	803	-	803
Total current assets	<u>2,835,032</u>	<u>13,615</u>	<u>2,848,647</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	276,045	-	276,045
Buildings and vehicles net of accumulated depreciation	3,552,108	-	3,552,108
Total noncurrent assets	<u>3,828,153</u>	<u>-</u>	<u>3,828,153</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 6,663,185</u></u>	<u><u>\$ 13,615</u></u>	<u><u>\$ 6,676,800</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 2,104	\$ -	\$ 2,104
Escrows	78,447	-	78,447
Accrued payroll	13,900	-	13,900
Due to other governments	9,414	-	9,414
Current portion of long-term obligations	2,267	-	2,267
Total current liabilities	<u>106,132</u>	<u>-</u>	<u>106,132</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Capital leases payable	1,602	-	1,602
Accrued compensated absences	15,905	-	15,905
Total noncurrent liabilities	<u>17,507</u>	<u>-</u>	<u>17,507</u>
<b>TOTAL LIABILITIES</b>	<u>123,639</u>	<u>-</u>	<u>123,639</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	18,609	-	18,609
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>18,609</u>	<u>-</u>	<u>18,609</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,825,121	-	3,825,121
Restricted - nonspendable principal	38,256	-	38,256
Restricted for: Permanent Funds	98,799	-	98,799
Unrestricted	2,558,761	13,615	2,572,376
<b>TOTAL NET POSITION</b>	<u>6,520,937</u>	<u>13,615</u>	<u>6,534,552</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 6,663,185</u></u>	<u><u>\$ 13,615</u></u>	<u><u>\$ 6,676,800</u></u>

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

TOWN OF TURNER, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 428,583	\$ 64,049	\$ -	\$ -	\$ (364,534)	\$ -	\$ (364,534)
Public safety	687,254	284,196	-	-	(403,058)	-	(403,058)
Public works	1,155,887	-	81,948	-	(1,073,939)	-	(1,073,939)
Human services	24,807	-	1,906	-	(22,901)	-	(22,901)
Culture and recreation	81,128	9,175	-	-	(71,953)	-	(71,953)
Health and sanitation	207,443	19,831	-	-	(187,612)	-	(187,612)
Education	5,313,220	-	-	-	(5,313,220)	-	(5,313,220)
County tax	495,922	-	-	-	(495,922)	-	(495,922)
Unclassified	108,771	-	-	-	(108,771)	-	(108,771)
Capital outlay	21,330	-	-	-	(21,330)	-	(21,330)
Total governmental activities	<u>8,524,345</u>	<u>377,251</u>	<u>83,854</u>	<u>-</u>	<u>(8,063,240)</u>	<u>-</u>	<u>(8,063,240)</u>
Business-type activities:							
Unemployment	350	-	-	-	-	(350)	(350)
Total business-type activities	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350)</u>	<u>(350)</u>
Total government	<u>\$ 8,524,695</u>	<u>\$ 377,251</u>	<u>\$ 83,854</u>	<u>\$ -</u>	<u>(8,063,240)</u>	<u>(350)</u>	<u>(8,063,590)</u>

## STATEMENT B (CONTINUED)

## TOWN OF TURNER, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(8,063,240)</u>	<u>(350)</u>	<u>(8,063,590)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	6,185,421	-	6,185,421
Excise taxes	1,195,483	-	1,195,483
Grants and contributions not restricted to specific programs	468,337	-	468,337
Miscellaneous	125,797	21	125,818
Total general revenues	<u>7,975,038</u>	<u>21</u>	<u>7,975,059</u>
Change in net position	(88,202)	(329)	(88,531)
NET POSITION - JULY 1	<u>6,609,139</u>	<u>13,944</u>	<u>6,623,083</u>
NET POSITION - JUNE 30	<u>\$ 6,520,937</u>	<u>\$ 13,615</u>	<u>\$ 6,534,552</u>

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

## TOWN OF TURNER, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	All Nonmajor Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,998,968	\$ 292,600	\$ 2,291,568
Investments	-	223,571	223,571
Accounts receivable (net of allowance for uncollectibles):			
Taxes	13,250	-	13,250
Liens	217,938	-	217,938
Other	62,616	-	62,616
Due from other governments	25,286	-	25,286
Inventory	803	-	803
Due from other funds	49,657	43,520	93,177
<b>TOTAL ASSETS</b>	<b>\$ 2,368,518</b>	<b>\$ 559,691</b>	<b>\$ 2,928,209</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,104	\$ -	\$ 2,104
Escrows	78,447	-	78,447
Accrued payroll	13,900	-	13,900
Due to other governments	9,414	-	9,414
Due to other funds	43,520	49,657	93,177
<b>TOTAL LIABILITIES</b>	<b>147,385</b>	<b>49,657</b>	<b>197,042</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	18,609	-	18,609
Deferred tax revenues	171,187	-	171,187
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>189,796</b>	<b>-</b>	<b>189,796</b>
<b>FUND BALANCES</b>			
Nonspendable	803	38,256	39,059
Restricted	-	98,799	98,799
Committed	-	277,432	277,432
Assigned	325,000	96,891	421,891
Unassigned	1,705,534	(1,344)	1,704,190
<b>TOTAL FUND BALANCES</b>	<b>2,031,337</b>	<b>510,034</b>	<b>2,541,371</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,368,518</b>	<b>\$ 559,691</b>	<b>\$ 2,928,209</b>

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

## TOWN OF TURNER, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 2,541,371
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	3,828,153
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	171,187
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases payable	(3,032)
Accrued compensated absences	<u>(16,742)</u>
 Net position of governmental activities	 <u><u>\$ 6,520,937</u></u>

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

## TOWN OF TURNER, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	All Nonmajor Funds	Totals Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 6,233,954	\$ -	\$ 6,233,954
Excise taxes	1,195,483	-	1,195,483
Intergovernmental	552,191	-	552,191
Charges for services	377,251	-	377,251
Miscellaneous revenues	54,506	71,291	125,797
<b>TOTAL REVENUES</b>	<b>8,413,385</b>	<b>71,291</b>	<b>8,484,676</b>
<b>EXPENDITURES</b>			
Current:			
General government	416,192	-	416,192
Public safety	638,997	-	638,997
Public works	1,009,286	-	1,009,286
Human services	24,807	-	24,807
Culture and recreation	81,128	-	81,128
Health and sanitation	197,141	-	197,141
Education	5,313,220	-	5,313,220
County tax	495,922	-	495,922
Unclassified	25,644	84,557	110,201
Capital outlay	-	183,465	183,465
<b>TOTAL EXPENDITURES</b>	<b>8,202,337</b>	<b>268,022</b>	<b>8,470,359</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>211,048</b>	<b>(196,731)</b>	<b>14,317</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	205,000	205,000
Transfers (out)	(205,000)	-	(205,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(205,000)</b>	<b>205,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>6,048</b>	<b>8,269</b>	<b>14,317</b>
<b>FUND BALANCES - JULY 1,</b>	<b>2,025,289</b>	<b>501,765</b>	<b>2,527,054</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 2,031,337</b>	<b>\$ 510,034</b>	<b>\$ 2,541,371</b>

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

## TOWN OF TURNER, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 14,317</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases	190,895
Capital asset disposals	(28,760)
Depreciation expense	<u>(230,620)</u>
	<u>(68,485)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>(48,533)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>1,430</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>13,069</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (88,202)</u></u>

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

## TOWN OF TURNER, MAINE

BALANCE SHEET – PROPRIETARY FUNDS  
JUNE 30, 2016

	Enterprise Fund	
	<u>Unemployment</u>	<u>Total</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 13,615	\$ 13,615
Due from other funds	-	-
Total current assets	<u>13,615</u>	<u>13,615</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,615</u>	<u>\$ 13,615</u>
<b>LIABILITIES</b>		
Current liabilities:		
Due to other funds	\$ -	\$ -
Total current liabilities	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Unrestricted	<u>13,615</u>	<u>13,615</u>
<b>TOTAL NET POSITION</b>	<u>13,615</u>	<u>13,615</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,615</u>	<u>\$ 13,615</u>

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

## TOWN OF TURNER, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Fund	
	<u>Unemployment</u>	<u>Total</u>
OPERATING REVENUES		
Miscellaneous income	\$ -	\$ -
TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>
OPERATING EXPENSES		
Program expenses	350	350
TOTAL OPERATING EXPENSES	<u>350</u>	<u>350</u>
OPERATING INCOME (LOSS)	<u>(350)</u>	<u>(350)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	21	21
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>21</u>	<u>21</u>
CHANGE IN NET POSITION	(329)	(329)
NET POSITION - JULY 1	<u>13,944</u>	<u>13,944</u>
NET POSITION - JUNE 30	<u>\$ 13,615</u>	<u>13,615</u>

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

## TOWN OF TURNER, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Fund	
	<u>Unemployment</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interfund activity	\$ -	\$ -
Payments to suppliers	(350)	(350)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(350)</u>	<u>(350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	21	21
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>21</u>	<u>21</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(329)	(329)
CASH AND CASH EQUIVALENTS - JULY 1	<u>13,944</u>	<u>13,944</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 13,615</u>	<u>\$ 13,615</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (350)	\$ (350)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Increase (decrease) in due to other funds	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (350)</u>	<u>\$ (350)</u>

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

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

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

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

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

***Implementation of New Accounting Standards***

During the year ended June 30, 2016, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 72, "*Fair Value Measurement and Application*". The objective of the Statement is to expand comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will improve fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 79, "*Certain External Investment Pools and Pool Participants*". This Statement establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

This Statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. Management has determined the impact of this Statement is not material to the financial statements.

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

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

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column,

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, 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:

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Major funds:

- 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.

Nonmajor funds:

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

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. 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 TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

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 fiscal year beginning July 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.
4. The Town does not adopt budgets for Special Revenue Funds.

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. For purposes of the Statement of Cash Flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. 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

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of diesel fuel.

**Prepaid Items**

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

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$59,438 as of June 30, 2016.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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

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

**Compensated Absences**

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2016, the Town's liability for compensated absences is \$16,742.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

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.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 only one type of item, deferred tax revenues, which arises 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 also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as 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 August 31, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due in two installments on November 1, 2015 and May 1, 2016. Interest on unpaid taxes commenced on November 2, 2015 and May 2, 2016, at 7% per annum.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$26,440 for the year ended June 30, 2016.

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 (charges to customers or applicants for goods, services, or privileges provided, operating or capital grants and contributions, including special assessments).

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

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2016, the Town's cash balances amounting to \$2,305,183 were comprised of bank deposits of \$2,392,499. Of these bank deposits, \$250,000 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$2,142,499 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Sweep accounts	<u>\$ 2,392,499</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

At June 30, 2016, the Town's investment balances amounting to \$223,571 were comprised of investments in certificates of deposit of \$223,571. All of the Town's investments were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>		
		<u>&lt;1 Year</u>	<u>1 - 5 Years</u>	<u>N/A</u>
Certificates of deposit	\$ 223,571	\$ 208,046	\$ 15,525	\$ -
	<u>\$ 223,571</u>	<u>\$ 208,046</u>	<u>\$ 15,525</u>	<u>\$ -</u>

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

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 June 30, 2016 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 49,657	\$ 43,520
Nonmajor Special Revenue Funds	41,053	-
Nonmajor Capital Project Funds	2,467	49,607
	<u>\$ 93,177</u>	<u>\$ 93,177</u>

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2016:

	Balance, 7/1/15	Additions	Disposals	Balance, 6/30/16
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 276,045	\$ -	\$ -	\$ 276,045
	<u>276,045</u>	<u>-</u>	<u>-</u>	<u>276,045</u>
Depreciated assets:				
Buildings & improvements	1,509,530	-	-	1,509,530
Machinery & equipment	769,219	32,415	-	801,634
Vehicles	1,577,374	158,480	(120,898)	1,614,956
Infrastructure	2,067,738	-	-	2,067,738
	<u>5,923,861</u>	<u>190,895</u>	<u>(120,898)</u>	<u>5,993,858</u>
Less: accumulated depreciation	<u>(2,303,268)</u>	<u>(230,620)</u>	<u>92,138</u>	<u>(2,441,750)</u>
	<u>3,620,593</u>	<u>(39,725)</u>	<u>(28,760)</u>	<u>3,552,108</u>
Net governmental capital assets	<u>\$ 3,896,638</u>	<u>\$ (39,725)</u>	<u>\$ (28,760)</u>	<u>\$ 3,828,153</u>
Current year depreciation:				
General government				\$ 25,460
Public safety				48,257
Public works				146,601
Health & sanitation				10,302
Total depreciation expense				<u>\$ 230,620</u>

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2016:

	Balance, 7/1/15	Additions	Deletions	Balance, 6/30/16	Current Portion
<i>Governmental activities:</i>					
Capital leases payable	\$ 4,462	\$ -	\$ (1,430)	\$ 3,032	\$ 1,430
Accrued compensated absences	29,811	-	(13,069)	16,742	837
Totals	<u>\$ 34,273</u>	<u>\$ -</u>	<u>\$ (14,499)</u>	<u>\$ 19,774</u>	<u>\$ 2,267</u>

A summary of the outstanding capital leases payable is as follows:

The Town leases a copier with Gorham Leasing Group under a non-cancelable lease agreement. The term of the lease is for 60 months maturing in July 2017. Monthly principal and interest payments are \$89 with interest at a rate of 3.75% per annum.

The Town leases a copier with Canon Financial Service under a non-cancelable lease agreement. The term of the lease is for 60 months maturing in September 2019. Monthly principal and interest payments are \$62 with interest at a rate of 1.24% per month.

Future minimum payments, for the next five years ending June 30, are as follows:

2017	\$ 1,810
2018	831
2019	742
2020	185
2021	-
Total minimum lease payments	<u>3,568</u>
Less: Amount representing interest	<u>(536)</u>
Present value of future minimum lease payments	<u>\$ 3,032</u>

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2016, the Town had the following nonspendable fund balances:

General fund:	
Inventory	\$ 803
Nonmajor permanent funds (Schedule H)	<u>38,256</u>
	<u>\$ 39,059</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2016, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u>\$ 98,799</u>
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NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2016, the Town had the following committed fund balances:

Nonmajor capital projects funds (Schedule F)	<u>\$ 277,432</u>
----------------------------------------------	-------------------

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2016, the Town had the following assigned fund balances:

General fund:	
Reserved for FY 2017 budget	\$ 325,000
Nonmajor special revenue funds (Schedule D)	<u>96,891</u>
	<u>\$ 421,891</u>

NOTE 10 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2016:

	<u>Excess</u>
Public safety	\$ 4,278
Human services	<u>507</u>
	<u>\$ 4,785</u>

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 11 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. The County of Androscoggin had no outstanding debt. As of June 30, 2016, the Town's share of school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU No. 52	\$ 5,042,100	49.39%	<u>\$ 2,490,293</u>

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, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2016. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 13 - CONTINGENCIES

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

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

TOWN OF TURNER, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 14 – DEFICIT FUND BALANCES

At June 30, 2016, the Town had the following deficit fund balances:

Solid Waste Reserve	\$	357
Gar Hall Community Building		987
	\$	<u>1,344</u>

NOTE 15 – RELATED PARTY TRANSACTIONS

A member of the Board of Selectmen owns a business that provides hauling services to the Town. During fiscal year 2016, \$4,030 was paid to this vendor. Another member of the Board owns a business that provides maintenance services to the Town. During fiscal year 2016, \$520 was paid to this vendor. A member of the Board has a family member that owns a construction company that the Town does business with. During fiscal year 2016, \$64,235 was paid to this vendor. We believe these Board members recuse themselves in any matters concerning the related party.

NOTE 16 – COMPARATIVE DATA/RECLASSIFICATIONS

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

## Required Supplementary Information

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

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

TOWN OF TURNER, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,025,289	\$ 2,025,289	\$ 2,025,289	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	6,162,362	6,162,362	6,233,954	71,592
Excise taxes	1,033,500	1,033,500	1,195,483	161,983
Intergovernmental revenues:				
State revenue sharing	186,958	186,958	214,195	27,237
Homestead exemption	83,092	83,092	83,092	-
Local road assistance	81,948	81,948	81,948	-
Other	130,503	130,503	172,956	42,453
Charges for services	441,100	441,100	377,251	(63,849)
Interest income	2,150	2,150	2,132	(18)
Miscellaneous revenues	43,363	43,363	52,374	9,011
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>10,190,265</u>	<u>10,190,265</u>	<u>10,438,674</u>	<u>248,409</u>
Charges to Appropriations (Outflows):				
Current:				
General government	420,403	420,403	416,192	4,211
Public safety	634,719	634,719	638,997	(4,278)
Public works	1,055,780	1,055,780	1,009,286	46,494
Human services	24,300	24,300	24,807	(507)
Culture and recreation	88,154	88,154	81,128	7,026
Health and sanitation	206,038	206,038	197,141	8,897
Education	5,313,220	5,313,220	5,313,220	-
County tax	495,922	495,922	495,922	-
Unclassified	46,440	46,440	25,644	20,796
Transfers to other funds	205,000	205,000	205,000	-
Total Charges to Appropriations	<u>8,489,976</u>	<u>8,489,976</u>	<u>8,407,337</u>	<u>82,639</u>
Budgetary Fund Balance, June 30	<u>\$ 1,700,289</u>	<u>\$ 1,700,289</u>	<u>\$ 2,031,337</u>	<u>\$ 331,048</u>
Utilization of assigned fund balance	\$ 325,000	\$ 325,000	\$ -	\$ (325,000)
	<u>\$ 325,000</u>	<u>\$ 325,000</u>	<u>\$ -</u>	<u>\$ (325,000)</u>

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

## Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 6,162,362	\$ 6,162,362	\$ 6,233,954	\$ 71,592
Motor vehicle excise	1,025,000	1,025,000	1,187,482	162,482
Boat excise	8,500	8,500	8,001	(499)
Intergovernmental revenues:				
State revenue sharing	186,958	186,958	214,195	27,237
Homestead exemption	83,092	83,092	83,092	-
Tree growth reimbursement	5,000	5,000	8,118	3,118
Local roads	81,948	81,948	81,948	-
General assistance	1,500	1,500	1,906	406
Education	100,000	100,000	138,552	38,552
Other state/federal funds	24,003	24,003	24,380	377
Charges for services:				
Town clerk fees	28,000	28,000	29,057	1,057
Code enforcement/permit fees	29,500	29,500	32,089	2,589
Animal Control	-	-	50	50
Rescue Department	350,000	350,000	269,292	(80,708)
Administration	2,300	2,300	2,903	603
Transfer station/recycling income	9,000	9,000	19,831	10,831
Fire department income	14,800	14,800	14,854	54
Culture and Recreation	7,500	7,500	9,175	1,675
Investment income:				
Regular investment income	2,150	2,150	2,132	(18)
Other revenues:				
Fees/interest on taxes	31,500	31,500	34,748	3,248
Sale of tax acquired property	-	-	3,000	3,000
Misc. other	11,863	11,863	14,626	2,763
Transfers in from other funds	-	-	-	-
Amounts Available for Appropriation	<u>\$ 8,164,976</u>	<u>\$ 8,164,976</u>	<u>\$ 8,413,385</u>	<u>\$ 248,409</u>

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

## TOWN OF TURNER, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Total Available	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>					
General Government:					
Administration	\$ 344,955	\$ -	344,955	\$ 341,228	\$ 3,727
Elections	5,400	-	5,400	4,447	953
Planning Board	3,300	-	3,300	3,314	(14)
Code Enforcement	54,351	-	54,351	54,806	(455)
Public Officers Association	12,397	-	12,397	12,397	-
	<u>420,403</u>	<u>-</u>	<u>420,403</u>	<u>416,192</u>	<u>4,211</u>
Public Safety:					
Fire Department	105,543	-	105,543	105,430	113
Emergency Management	1,458	-	1,458	1,184	274
Rescue Department	512,747	-	512,747	516,426	(3,679)
Animal Control	14,971	-	14,971	15,957	(986)
	<u>634,719</u>	<u>-</u>	<u>634,719</u>	<u>638,997</u>	<u>(4,278)</u>
Public Works:					
Street Lights	1,300	-	1,300	1,188	112
Public Works Garage	110,650	-	110,650	107,055	3,595
Winter Roads	274,206	-	274,206	234,472	39,734
Summer Roads	194,624	-	194,624	191,571	3,053
Paving/Construction	475,000	-	475,000	475,000	-
	<u>1,055,780</u>	<u>-</u>	<u>1,055,780</u>	<u>1,009,286</u>	<u>46,494</u>
Human Services:					
Social Services	20,300	-	20,300	20,300	-
General Assistance	4,000	-	4,000	4,507	(507)
	<u>24,300</u>	<u>-</u>	<u>24,300</u>	<u>24,807</u>	<u>(507)</u>

SCHEDULE A (CONTINUED)  
TOWN OF TURNER, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Total Available	Actual	Variance Positive (Negative)
Culture and Recreation					
Library	25,000	-	25,000	25,000	-
Cemeteries	8,900	-	8,900	5,683	3,217
Parks	12,656	-	12,656	12,626	30
Recreation	18,500	-	18,500	18,500	-
Community Rental BQMC	20,848	-	20,848	17,069	3,779
Conservation	2,250	-	2,250	2,250	-
	<u>88,154</u>	<u>-</u>	<u>88,154</u>	<u>81,128</u>	<u>7,026</u>
Health and Sanitation					
Transfer/Recreation Station	206,038	-	206,038	197,141	8,897
	<u>206,038</u>	<u>-</u>	<u>206,038</u>	<u>197,141</u>	<u>8,897</u>
Education					
School Assessment	5,313,220	-	5,313,220	5,313,220	-
County Tax					
County Assessment	495,922	-	495,922	495,922	-
Unclassified					
Contingency	15,000	-	15,000	-	15,000
Turner Natural History Club	500	-	500	500	-
Turner Museum & Historical	4,500	-	4,500	4,500	-
Overlay	26,440	-	26,440	20,644	5,796
	<u>46,440</u>	<u>-</u>	<u>46,440</u>	<u>25,644</u>	<u>20,796</u>
Transfers to Other Funds					
Capital Projects Funds	205,000	-	205,000	205,000	-
	<u>205,000</u>	<u>-</u>	<u>205,000</u>	<u>205,000</u>	<u>-</u>
Total Expenditures	<u>\$ 8,489,976</u>	<u>\$ -</u>	<u>\$ 8,489,976</u>	<u>\$ 8,407,337</u>	<u>\$ 82,639</u>

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

## TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,056	\$ 241,113	\$ 431	\$ 292,600
Investments	4,782	82,115	136,674	223,571
Due from other funds	41,053	2,467	-	43,520
<b>TOTAL ASSETS</b>	<b><u>\$ 96,891</u></b>	<b><u>\$ 325,695</u></b>	<b><u>\$ 137,105</u></b>	<b><u>\$ 559,691</u></b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 49,607	\$ 50	\$ 49,657
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>49,607</u></b>	<b><u>50</u></b>	<b><u>49,657</u></b>
<b>FUND BALANCES</b>				
Nonspendable - principal	-	-	38,256	38,256
Restricted	-	-	98,799	98,799
Committed	-	277,432	-	277,432
Assigned	96,891	-	-	96,891
Unassigned	-	(1,344)	-	(1,344)
<b>TOTAL FUND BALANCES</b>	<b><u>96,891</u></b>	<b><u>276,088</u></b>	<b><u>137,055</u></b>	<b><u>510,034</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 96,891</u></b>	<b><u>\$ 325,695</u></b>	<b><u>\$ 137,105</u></b>	<b><u>\$ 559,691</u></b>

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

## TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ 104	\$ 836	\$ 1,393	\$ 2,333
Other	41,638	27,320	-	68,958
TOTAL REVENUES	<u>41,742</u>	<u>28,156</u>	<u>1,393</u>	<u>71,291</u>
EXPENDITURES				
Capital outlay	-	183,465	-	183,465
Other	2,035	82,472	50	84,557
TOTAL EXPENDITURES	<u>2,035</u>	<u>265,937</u>	<u>50</u>	<u>268,022</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>39,707</u>	<u>(237,781)</u>	<u>1,343</u>	<u>(196,731)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	190,000	-	205,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,000</u>	<u>190,000</u>	<u>-</u>	<u>205,000</u>
NET CHANGE IN FUND BALANCES	54,707	(47,781)	1,343	8,269
FUND BALANCES - JULY 1,	<u>42,184</u>	<u>323,869</u>	<u>135,712</u>	<u>501,765</u>
FUND BALANCES - JUNE 30	<u>\$ 96,891</u>	<u>\$ 276,088</u>	<u>\$ 137,055</u>	<u>\$ 510,034</u>

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

## Special Revenue Funds

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

TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
 JUNE 30, 2016

	Bicentennial	Accrued Compensated Absences	Bicentennial Bell	Heat Assistance	Fire Hydrants	Gazebo Fund	Hannaford Donations Fire Dept.
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 20,714	\$ 15,335	\$ -	\$ -	\$ -	\$ -
Investments	4,782	-	-	-	-	-	-
Due from other funds	389	-	1	295	364	125	282
<b>TOTAL ASSETS</b>	<b>\$ 5,171</b>	<b>\$ 20,714</b>	<b>\$ 15,336</b>	<b>\$ 295</b>	<b>\$ 364</b>	<b>\$ 125</b>	<b>\$ 282</b>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	5,171	20,714	15,336	295	364	125	282
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>5,171</b>	<b>20,714</b>	<b>15,336</b>	<b>295</b>	<b>364</b>	<b>125</b>	<b>282</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,171</b>	<b>\$ 20,714</b>	<b>\$ 15,336</b>	<b>\$ 295</b>	<b>\$ 364</b>	<b>\$ 125</b>	<b>\$ 282</b>

TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
 JUNE 30, 2016

	225th Celebration	Rescue Donations	MMA Safety Grant	Homeland Security Grant	Rescue Grant King	Accrued Liability	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,007	\$ 51,056
Investments	-	-	-	-	-	-	4,782
Due from other funds	3,557	11,040	-	-	25,000	-	41,053
<b>TOTAL ASSETS</b>	<b>\$ 3,557</b>	<b>\$ 11,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 15,007</b>	<b>\$ 96,891</b>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	3,557	11,040	-	-	25,000	15,007	96,891
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>3,557</b>	<b>11,040</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>15,007</b>	<b>96,891</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,557</b>	<b>\$ 11,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 15,007</b>	<b>\$ 96,891</b>

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

TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Bicentennial	Accrued Compensated Absences	Bicentennial Bell	Heat Assistance	Fire Hydrants	Gazebo Fund	Hannaford Donations Fire Dept.
REVENUES							
Interest income	\$ 41	\$ 32	\$ 24	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	100	-	-	-
TOTAL REVENUES	<u>41</u>	<u>32</u>	<u>24</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>41</u>	<u>32</u>	<u>24</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	41	32	24	100	-	-	-
FUND BALANCES - JULY 1,	<u>5,130</u>	<u>20,682</u>	<u>15,312</u>	<u>195</u>	<u>364</u>	<u>125</u>	<u>282</u>
FUND BALANCES - JUNE 30	<u>\$ 5,171</u>	<u>\$ 20,714</u>	<u>\$ 15,336</u>	<u>\$ 295</u>	<u>\$ 364</u>	<u>\$ 125</u>	<u>\$ 282</u>

TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	225th Celebration	Rescue Donations	MMA Safety Grant	Homeland Security Grant	Rescue Grant King	Accrued Liability	Totals
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 104
Other	102	10,787	2,943	2,706	25,000	-	41,638
TOTAL REVENUES	<u>102</u>	<u>10,787</u>	<u>2,943</u>	<u>2,706</u>	<u>25,000</u>	<u>7</u>	<u>41,742</u>
EXPENDITURES							
Other	-	492	1,543	-	-	-	2,035
TOTAL EXPENDITURES	<u>-</u>	<u>492</u>	<u>1,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,035</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>102</u>	<u>10,295</u>	<u>1,400</u>	<u>2,706</u>	<u>25,000</u>	<u>7</u>	<u>39,707</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	15,000	15,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
NET CHANGE IN FUND BALANCES	102	10,295	1,400	2,706	25,000	15,007	54,707
FUND BALANCES - JULY 1,	<u>3,455</u>	<u>745</u>	<u>(1,400)</u>	<u>(2,706)</u>	<u>-</u>	<u>-</u>	<u>42,184</u>
FUND BALANCES - JUNE 30	<u>\$ 3,557</u>	<u>\$ 11,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 15,007</u>	<u>\$ 96,891</u>

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

## Capital Projects Funds

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

TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2016

	Highway Equipment	Leavitt Institute	Fire Equipment Reserve	Rescue Unit	Revaluation	Solid Waste Reserve	Public Works Building
<b>ASSETS</b>							
Cash and cash equivalents	\$ 58,744	\$ 41,715	\$ 25,712	\$ 34,256	\$ -	\$ 4,001	\$ 33,123
Investments	-	-	-	-	48,029	-	-
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 58,744</u>	<u>\$ 41,715</u>	<u>\$ 25,712</u>	<u>\$ 34,256</u>	<u>\$ 48,029</u>	<u>\$ 4,001</u>	<u>\$ 33,123</u>
<b>LIABILITIES</b>							
Due to other funds	\$ 7	\$ 593	\$ 7,500	\$ 33,005	\$ -	\$ 4,358	\$ 5
<b>TOTAL LIABILITIES</b>	<u>7</u>	<u>593</u>	<u>7,500</u>	<u>33,005</u>	<u>-</u>	<u>4,358</u>	<u>5</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	58,737	41,122	18,212	1,251	48,029	-	33,118
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(357)	-
<b>TOTAL FUND BALANCES</b>	<u>58,737</u>	<u>41,122</u>	<u>18,212</u>	<u>1,251</u>	<u>48,029</u>	<u>(357)</u>	<u>33,118</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 58,744</u>	<u>\$ 41,715</u>	<u>\$ 25,712</u>	<u>\$ 34,256</u>	<u>\$ 48,029</u>	<u>\$ 4,001</u>	<u>\$ 33,123</u>

TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2016

	BQMC Building	Nezinscot River	Historic Building	Gar Hall Community Building	Computer Upgrade	Obsolete Building	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 30,697	\$ -	\$ 10,349	\$ 101	\$ 2,415	\$ -	\$ 241,113
Investments	-	27,531	-	3,051	-	3,504	82,115
Due from other funds	2,467	-	-	-	-	-	2,467
<b>TOTAL ASSETS</b>	<u>\$ 33,164</u>	<u>\$ 27,531</u>	<u>\$ 10,349</u>	<u>\$ 3,152</u>	<u>\$ 2,415</u>	<u>\$ 3,504</u>	<u>\$ 325,695</u>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ 4,139	\$ -	\$ -	\$ 49,607
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,139</u>	<u>-</u>	<u>-</u>	<u>49,607</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	33,164	27,531	10,349	-	2,415	3,504	277,432
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(987)	-	-	(1,344)
<b>TOTAL FUND BALANCES</b>	<u>33,164</u>	<u>27,531</u>	<u>10,349</u>	<u>(987)</u>	<u>2,415</u>	<u>3,504</u>	<u>276,088</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 33,164</u>	<u>\$ 27,531</u>	<u>\$ 10,349</u>	<u>\$ 3,152</u>	<u>\$ 2,415</u>	<u>\$ 3,504</u>	<u>\$ 325,695</u>

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

TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Highway Equipment	Leavitt Institute	Fire Equipment Reserve	Rescue Unit	Revaluation	Solid Waste Reserve	Public Works Building
REVENUES							
Interest income	\$ 70	\$ 70	\$ 25	\$ 27	\$ 97	\$ 21	\$ 45
Other	11,665	6,870	5,065	-	-	3,600	-
TOTAL REVENUES	<u>11,735</u>	<u>6,940</u>	<u>5,090</u>	<u>27</u>	<u>97</u>	<u>3,621</u>	<u>45</u>
EXPENDITURES							
Capital outlay	150,980	-	7,500	24,985	-	-	-
Other	-	19,829	-	-	-	44,779	-
TOTAL EXPENDITURES	<u>150,980</u>	<u>19,829</u>	<u>7,500</u>	<u>24,985</u>	<u>-</u>	<u>44,779</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(139,245)</u>	<u>(12,889)</u>	<u>(2,410)</u>	<u>(24,958)</u>	<u>97</u>	<u>(41,158)</u>	<u>45</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	125,000	10,000	12,500	25,000	-	5,000	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>10,000</u>	<u>12,500</u>	<u>25,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(14,245)	(2,889)	10,090	42	97	(36,158)	45
FUND BALANCES - JULY 1	<u>72,982</u>	<u>44,011</u>	<u>8,122</u>	<u>1,209</u>	<u>47,932</u>	<u>35,801</u>	<u>33,073</u>
FUND BALANCES - JUNE 30	<u>\$ 58,737</u>	<u>\$ 41,122</u>	<u>\$ 18,212</u>	<u>\$ 1,251</u>	<u>\$ 48,029</u>	<u>\$ (357)</u>	<u>\$ 33,118</u>

TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	BQMC Building	Nezinscot River	Historic Building	Gar Hall Community Building	Computer Upgrade	Obsolete Building	Totals
REVENUES							
Interest income	\$ 53	\$ 389	\$ 15	\$ 13	\$ 4	\$ 7	\$ 836
Other	-	-	-	120	-	-	27,320
TOTAL REVENUES	<u>53</u>	<u>389</u>	<u>15</u>	<u>133</u>	<u>4</u>	<u>7</u>	<u>28,156</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	183,465
Other	9,201	-	-	8,313	350	-	82,472
TOTAL EXPENDITURES	<u>9,201</u>	<u>-</u>	<u>-</u>	<u>8,313</u>	<u>350</u>	<u>-</u>	<u>265,937</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,148)</u>	<u>389</u>	<u>15</u>	<u>(8,180)</u>	<u>(346)</u>	<u>7</u>	<u>(237,781)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	12,500	-	-	-	-	-	190,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
NET CHANGE IN FUND BALANCES	3,352	389	15	(8,180)	(346)	7	(47,781)
FUND BALANCES - JULY 1	<u>29,812</u>	<u>27,142</u>	<u>10,334</u>	<u>7,193</u>	<u>2,761</u>	<u>3,497</u>	<u>323,869</u>
FUND BALANCES - JUNE 30	<u>\$ 33,164</u>	<u>\$ 27,531</u>	<u>\$ 10,349</u>	<u>\$ (987)</u>	<u>\$ 2,415</u>	<u>\$ 3,504</u>	<u>276,088</u>

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

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Turner, 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 Unit or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries and scholarships.

TOWN OF TURNER, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2016

	<u>Cemetery 1</u>	<u>Cemetery 2</u>	<u>Edmund Davis</u>	<u>School Trust</u>	<u>Memorial Veterans</u>	<u>Grace Hill</u>	<u>Totals</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431	\$ 431
Investments	4,507	10,060	8,225	12,474	101,408	-	136,674
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 4,507</u>	<u>\$ 10,060</u>	<u>\$ 8,225</u>	<u>\$ 12,474</u>	<u>\$ 101,408</u>	<u>\$ 431</u>	<u>\$ 137,105</u>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ 50
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
<b>FUND BALANCES</b>							
Nonspendable - principal	4,500	10,000	7,156	12,138	4,033	429	38,256
Restricted	7	60	1,069	286	97,375	2	98,799
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>4,507</u>	<u>10,060</u>	<u>8,225</u>	<u>12,424</u>	<u>101,408</u>	<u>431</u>	<u>137,055</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,507</u>	<u>\$ 10,060</u>	<u>\$ 8,225</u>	<u>\$ 12,474</u>	<u>\$ 101,408</u>	<u>\$ 431</u>	<u>\$ 137,105</u>

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

TOWN OF TURNER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Cemetery 1	Cemetery 2	Edmund Davis	School Trust	Memorial Veterans	Grace Hill	Totals
REVENUES							
Interest income	\$ 7	\$ 22	\$ 125	\$ 25	\$ 1,213	\$ 1	\$ 1,393
TOTAL REVENUES	<u>7</u>	<u>22</u>	<u>125</u>	<u>25</u>	<u>1,213</u>	<u>1</u>	<u>1,393</u>
EXPENDITURES							
Other	-	-	-	50	-	-	50
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7</u>	<u>22</u>	<u>125</u>	<u>(25)</u>	<u>1,213</u>	<u>1</u>	<u>1,343</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7	22	125	(25)	1,213	1	1,343
FUND BALANCES - JULY 1	<u>4,500</u>	<u>10,038</u>	<u>8,100</u>	<u>12,449</u>	<u>100,195</u>	<u>430</u>	<u>135,712</u>
FUND BALANCES - JUNE 30	<u>\$ 4,507</u>	<u>\$ 10,060</u>	<u>\$ 8,225</u>	<u>\$ 12,424</u>	<u>\$ 101,408</u>	<u>\$ 431</u>	<u>\$ 137,055</u>

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

## General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF TURNER, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2016

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ 39,538	\$ 1,020,768	\$ -	\$ -	\$ 1,060,306
Public safety	20,120	275,093	809,476	-	1,104,689
Public works	34,150	199,169	1,505,979	2,067,738	3,807,036
Health and sanitation	18,000	14,500	101,135	-	133,635
Culture and recreation	164,237	-	-	-	164,237
<b>Total General Capital Assets</b>	<b>276,045</b>	<b>1,509,530</b>	<b>2,416,590</b>	<b>2,067,738</b>	<b>6,269,903</b>
Less: Accumulated Depreciation	-	(525,770)	(1,500,432)	(415,548)	(2,441,750)
<b>Net General Capital Assets</b>	<b>\$ 276,045</b>	<b>\$ 983,760</b>	<b>\$ 916,158</b>	<b>\$ 1,652,190</b>	<b>\$ 3,828,153</b>

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

TOWN OF TURNER, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2016

	General Capital Assets 7/1/15	Additions	Deletions	General Capital Assets 6/30/16
General government	\$ 1,060,306	\$ -	\$ -	\$ 1,060,306
Public safety	1,154,302	32,415	(82,028)	1,104,689
Public works	3,694,926	150,980	(38,870)	3,807,036
Health and sanitation	126,135	7,500	-	133,635
Culture and recreation	164,237	-	-	164,237
Total General Capital Assets	6,199,906	190,895	(120,898)	6,269,903
Less: Accumulated Depreciation	<u>(2,303,268)</u>	<u>(230,620)</u>	<u>92,138</u>	<u>(2,441,750)</u>
Net General Capital Assets	<u>\$ 3,896,638</u>	<u>\$ (39,725)</u>	<u>\$ (28,760)</u>	<u>\$ 3,828,153</u>

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



*Proven Expertise and Integrity*

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

Board of Selectmen  
Town of Turner  
Turner, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Turner, Maine as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Turner, Maine's basic financial statements, and have issued our report thereon dated January 6, 2017.

Internal Control Over Financial Reporting

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

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708      (207) 929-4606      Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
January 6, 2017