

Audited Financial Statements

Town of Rumford, Maine

June 30, 2010



Proven Expertise and Integrity

TOWN OF RUMFORD, MAINE

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JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

May 26, 2011

Board of Selectmen
Town of Rumford
Rumford, Maine

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 Rumford, Maine, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Rumford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Rumford, Maine as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 32 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Rumford, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

(UNAUDITED)

The following management's discussion and analysis of the Town of Rumford, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Rumford'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 Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets 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 Rumford are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, health and sanitation, welfare, public services, social services, education, and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and / or charges to external users for goods and / or services. These activities for the Town of Rumford include the sewer 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 Rumford, 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 Rumford can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Rumford presents only three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the sewer extension 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 Rumford maintains one proprietary fund, the sewer 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 schedule of 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 assets, and changes in net assets of the Town's governmental activities. The Town's total net assets for governmental activities increased by \$1,228,896 from \$13.93 million to \$15.16 million. This large increase is the result of almost all revenues being over budget and most expenditures being under budget. For the business-type activities the Town's total net assets increased by \$182,343 from \$(54,121) to \$128,222.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for the governmental activities by \$1,622,381 to a balance of \$5,650,584 at the end of the fiscal year. For the business-type activities, the unrestricted net assets increased by \$182,343 to a balance of \$128,222.

Table 1
Town of Rumford, Maine
Net Assets
June 30,

	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Assets:				
Current and other assets	\$ 8,361,750	\$ 7,681,154	\$ 282,480	\$ 452,891
Capital Assets	8,188,360	8,727,790	-	-
Total Assets	\$ 16,550,110	\$ 16,408,944	\$ 282,480	\$ 452,891
Liabilities:				
Current Liabilities	\$ 246,915	\$ 1,097,421	\$ 154,258	\$ 507,012
Long-term Debt Outstanding	1,144,062	1,381,286	-	-
Total Liabilities	\$ 1,390,977	\$ 2,478,707	\$ 154,258	\$ 507,012
Net Assets:				
Invested in Capital Assets, Net of related Debt	\$ 7,081,015	\$ 7,386,984	\$ -	\$ -
Restricted: General Fund	287,106	395,314	-	-
Special Revenue Funds	415,469	380,782	-	-
Capital Project Funds	1,657,004	1,671,697	-	-
Permanent Funds	67,955	67,257	-	-
Other Net Assets	5,650,584	4,028,203	128,222	(54,121)
Total Net Assets	\$ 15,159,133	\$ 13,930,237	\$ 128,222	\$ (54,121)

Revenues and Expenses

Revenues for the Town's governmental activities increased by 17.68%, while total expenses increased by 11.14%. These increases are due to increased intergovernmental revenues and the tax increment financing district. For the business-type activities revenues increased by 73.76%, while total expenses decreased by 8.08%.

Table 2
Town of Rumford, Maine
Change in Net Assets
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes	\$ 14,963,358	\$ 13,402,449	\$ -	\$ -
Intergovernmental	2,601,909	1,622,020	-	-
Charges for services	798,136	724,157	530,608	303,944
Miscellaneous	332,006	138,047	12,793	8,782
Total Revenues	<u>18,695,409</u>	<u>15,886,673</u>	<u>543,401</u>	<u>312,726</u>
Expenses				
General government	708,486	726,242	-	-
Public safety	2,246,131	2,183,999	-	-
Public works	2,508,202	1,799,074	-	-
Health and sanitation	671,620	1,001,389	-	-
Welfare	82,080	65,568	-	-
Public services	515,922	485,076	-	-
Social services	215,410	215,410	-	-
Education	6,359,770	6,425,052	-	-
County tax	482,239	482,239	-	-
Tax increment financing agreement	2,099,910	-	-	-
Debt service	69,802	71,021	-	-
Capital outlay	281,229	-	-	-
Sewer fund	-	-	361,058	334,077
Unallocated depreciation	63,181	821,617	-	-
Unclassified	1,162,531	1,439,089	-	-
Total Expenses	<u>17,466,513</u>	<u>15,715,776</u>	<u>361,058</u>	<u>334,077</u>
Change in Net Assets	1,228,896	170,897	182,343	(21,351)
Net Assets - July 1	<u>13,930,237</u>	<u>13,759,340</u>	<u>(54,121)</u>	<u>(32,770)</u>
Net Assets - June 30	<u>\$ 15,159,133</u>	<u>\$ 13,930,237</u>	<u>\$ 128,222</u>	<u>\$ (54,121)</u>

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, unreserved 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 Rumford, Maine
Fund Balances - Governmental Funds
June 30,

	2010	2009
General Fund:		
Reserved:		
Designated	\$ 287,106	\$ 395,314
Unreserved:		
Designated	1,510,855	1,039,416
Undesignated	4,146,614	2,969,410
Total General Fund	\$ 5,944,575	\$ 4,404,140
 Sewer Extension Fund:		
Reserved:		
Designated	\$ 844,837	\$ 928,369
Total Sewer Extension Fund	\$ 844,837	\$ 928,369
 Nonmajor Funds:		
Reserved:		
Special Revenue Funds	\$ 415,469	\$ 380,782
Capital Project Funds	812,167	743,328
Permanent Funds	67,955	67,257
Total Nonmajor Funds	\$ 1,295,591	\$ 1,191,367

The general fund total fund balance increased by \$1,540,435 over the prior fiscal year. The sewer extension fund decreased by \$83,532. The non-major fund balances increased by \$104,224 over the prior fiscal year. Most of the increase in the general fund came as a result of under-spent appropriations in all of the expenditure categories and several over-budget revenue categories.

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 sewer department had an excess for the year of \$182,343. Last year, the sewer department had a deficit of \$21,351.

Budgetary Highlights

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

The general fund actual revenues were more than budget by \$1,709,765. This was a result of all revenue categories being significantly over budget.

The general fund actual expenditures were under the budget by \$2,186,761. Most of the expenditure accounts were under-spent after carrying forward several designated balances from the previous year.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2010, the net book value of capital assets recorded by the Town decreased by \$539,430 over the prior year. The decrease is the result of capital additions of \$254,573 less current year depreciation of \$794,003.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 248,853	\$ 248,853
Land improvements	336,538	347,956
Art & antiques	77,655	77,655
Buildings	1,082,915	999,040
Equipment	1,078,811	1,179,883
Vehicles	1,021,498	1,164,449
Infrastructure	<u>4,342,090</u>	<u>4,709,954</u>
Total	<u>\$ 8,188,360</u>	<u>\$ 8,727,790</u>

Debt

At June 30, 2010, the Town had \$1.10 million in bonds outstanding versus \$1.33 million last year, a decrease of 17.37%. Refer to Note 5 of the Notes to the Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town's undesignated fund balance has increased significantly in the past few years, bringing it above the level of a sufficient fund balance to sustain operations while also maintaining significant reserves for future operations, capital and program needs. The current year's increase was due to more than expected revenue collections and underspent appropriations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at 145 Congress St., Rumford, Maine 04276.

STATEMENT A

TOWN OF RUMFORD, MAINE

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 7,495,402	\$ 29,004	\$ 7,524,406
Investments	4,531	-	4,531
Accounts receivable (net of allowance for uncollectibles):			
Taxes	372,752	-	372,752
Liens	54,304	-	54,304
Other	243,377	254,161	497,538
Inventory	139,611	-	139,611
Prepaid items	5,106	-	5,106
Tax acquired property	45,982	-	45,982
Internal balances	685	(685)	-
Total current assets	<u>8,361,750</u>	<u>282,480</u>	<u>8,644,230</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	326,508	-	326,508
Buildings and vehicles net of accumulated depreciation	7,861,852	-	7,861,852
Total noncurrent assets	<u>8,188,360</u>	<u>-</u>	<u>8,188,360</u>
TOTAL ASSETS	<u>\$ 16,550,110</u>	<u>\$ 282,480</u>	<u>\$ 16,832,590</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,346	\$ -	\$ 3,346
Other accrued payables	4,539	154,258	158,797
Current portion of long-term obligations	239,030	-	239,030
Total current liabilities	<u>246,915</u>	<u>154,258</u>	<u>401,173</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	861,200	-	861,200
Capital leases payable	7,115	-	7,115
Accrued compensated absences	275,747	-	275,747
Total noncurrent liabilities	<u>1,144,062</u>	<u>-</u>	<u>1,144,062</u>
TOTAL LIABILITIES	<u>1,390,977</u>	<u>154,258</u>	<u>1,545,235</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,081,015	-	7,081,015
Restricted	2,427,534	-	2,427,534
Unrestricted	5,650,584	128,222	5,778,806
TOTAL NET ASSETS	<u>15,159,133</u>	<u>128,222</u>	<u>15,287,355</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,550,110</u>	<u>\$ 282,480</u>	<u>\$ 16,832,590</u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities							
Current:							
General government	\$ 708,486	\$ 44,776	\$ -	\$ -	\$ (663,710)	\$ -	\$ (663,710)
Public safety	2,246,131	37,061	-	-	(2,209,070)	-	(2,209,070)
Public works	2,508,202	653,460	133,012	-	(1,721,730)	-	(1,721,730)
Health and sanitation	671,620	-	86,059	-	(585,561)	-	(585,561)
Welfare	82,080	33,391	-	-	(48,689)	-	(48,689)
Public services	515,922	29,448	-	-	(486,474)	-	(486,474)
Social services	215,410	-	-	-	(215,410)	-	(215,410)
Education	6,359,770	-	-	-	(6,359,770)	-	(6,359,770)
County tax	482,239	-	-	-	(482,239)	-	(482,239)
Tax increment financing agreement	2,099,910	-	-	-	(2,099,910)	-	(2,099,910)
Debt service:							
Interest on long-term debt	69,802	-	-	-	(69,802)	-	(69,802)
Capital outlay	281,229	-	-	-	(281,229)	-	(281,229)
Unallocated depreciation	63,181	-	-	-	(63,181)	-	(63,181)
Unclassified	1,162,531	-	232,226	-	(930,305)	-	(930,305)
Total governmental activities	<u>17,466,513</u>	<u>798,136</u>	<u>451,297</u>	<u>-</u>	<u>(16,217,080)</u>	<u>-</u>	<u>(16,217,080)</u>
Business-type activities:							
Sewer fund	<u>361,058</u>	<u>530,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,550</u>	<u>169,550</u>
Total business-type activities	<u>361,058</u>	<u>530,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,550</u>	<u>169,550</u>
Total government	<u>17,827,571</u>	<u>1,328,744</u>	<u>451,297</u>	<u>-</u>	<u>(16,217,080)</u>	<u>169,550</u>	<u>(16,047,530)</u>

STATEMENT B (CONTINUED)

TOWN OF RUMFORD, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(16,217,080)</u>	<u>169,550</u>	<u>(16,047,530)</u>
General revenue:			
Taxes			
Property taxes, levied for general purposes	14,275,618	-	14,275,618
Excise taxes, levied for general purposes	687,740	-	687,740
Grants and contributions not restricted to specific programs	2,150,612	-	2,150,612
Miscellaneous	332,006	12,793	344,799
Total general revenue	<u>17,445,976</u>	<u>12,793</u>	<u>17,458,769</u>
Change in net assets	1,228,896	182,343	1,411,239
NET ASSETS - JULY 1, RESTATED	<u>13,930,237</u>	<u>(54,121)</u>	<u>13,876,116</u>
NET ASSETS - JUNE 30	<u>\$ 15,159,133</u>	<u>\$ 128,222</u>	<u>\$ 15,287,355</u>

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

TOWN OF RUMFORD, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Total
ASSETS				
Cash	\$ 5,526,593	\$ 848,023	\$ 1,120,786	\$ 7,495,402
Investments	-	-	4,531	4,531
Receivables (net of allowance for uncollectibles):				
Taxes	372,752	-	-	372,752
Liens	54,304	-	-	54,304
Other	74,692	-	168,685	243,377
Inventory	139,611	-	-	139,611
Prepaid items	5,106	-	-	5,106
Tax acquired property	45,982	-	-	45,982
Due from other funds	4,055	-	3,587	7,642
TOTAL ASSETS	\$ 6,223,095	\$ 848,023	\$ 1,297,589	\$ 8,368,707
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 3,346	\$ -	\$ -	\$ 3,346
Taxes paid in advance	4,539	-	-	4,539
Due to other funds	1,773	3,186	1,998	6,957
Deferred tax revenues	268,862	-	-	268,862
TOTAL LIABILITIES	278,520	3,186	1,998	283,704
Fund Equity				
Reserved, reported in:				
General Fund	287,106	-	-	287,106
Special Revenue funds	-	-	415,469	415,469
Capital Project funds	-	844,837	812,167	1,657,004
Permanent funds	-	-	67,955	67,955
Unreserved, reported in:				
General Fund:				
Designated	1,510,855	-	-	1,510,855
Undesignated	4,146,614	-	-	4,146,614
TOTAL FUND EQUITY	5,944,575	844,837	1,295,591	8,085,003
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,223,095	\$ 848,023	\$ 1,297,589	\$ 8,368,707

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

TOWN OF RUMFORD, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 8,085,003
Amounts reported for governmental activities in the statement 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	8,188,360
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	268,862
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,096,800)
Capital leases payable	(10,545)
Accrued compensated absences	<u>(275,747)</u>
Net assets of governmental activities	<u>\$ 15,159,133</u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Property taxes	\$ 14,300,074	\$ -	\$ -	\$ 14,300,074
Excise taxes	687,740	-	-	687,740
Intergovernmental	2,369,683	-	232,226	2,601,909
Charges for services	798,136	-	-	798,136
Miscellaneous revenues	245,289	13,642	73,075	332,006
TOTAL REVENUES	18,400,922	13,642	305,301	18,719,865
EXPENDITURES				
Current:				
General government	700,342	-	-	700,342
Public safety	2,037,741	-	119,913	2,157,654
Public works	2,174,940	-	-	2,174,940
Health and sanitation	671,620	-	-	671,620
Welfare	82,048	-	32	82,080
Public services	470,611	-	-	470,611
Social services	215,410	-	-	215,410
Education	6,359,770	-	-	6,359,770
County tax	481,072	-	1,167	482,239
Tax Increment Financing Agreement	2,099,910	-	-	2,099,910
Debt service:				
Principal	230,600	-	-	230,600
Interest	69,802	-	-	69,802
Capital outlay	-	-	281,229	281,229
Unclassified	971,686	97,174	93,671	1,162,531
TOTAL EXPENDITURES	16,565,552	97,174	496,012	17,158,738
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,835,370	(83,532)	(190,711)	1,561,127
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	294,935	294,935
Transfers (out)	(294,935)	-	-	(294,935)
TOTAL OTHER FINANCING SOURCES (USES)	(294,935)	-	294,935	-
NET CHANGE IN FUND BALANCES	1,540,435	(83,532)	104,224	1,561,127
FUND BALANCES - JULY 1, RESTATED	4,404,140	928,369	1,191,367	6,523,876
FUND BALANCES - JUNE 30	\$ 5,944,575	\$ 844,837	\$ 1,295,591	\$ 8,085,003

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

TOWN OF RUMFORD, 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, 2010

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,561,127</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	254,573
Capital asset disposals	-
Depreciation expense	<u>(794,003)</u>
	<u>(539,430)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(24,456)</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 Assets	
	<u>233,461</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	
	<u>-</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>(1,806)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 1,228,896</u></u>

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

TOWN OF RUMFORD, MAINE

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2010

	<u>Enterprise Sewer Fund</u>
ASSETS	
Current assets:	
Cash	\$ 29,004
Accounts receivable	254,161
Due from other funds	184
Total current assets	<u>283,349</u>
TOTAL ASSETS	<u>\$ 283,349</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ -
Taxes paid in advance	157
Deferred taxes	154,101
Due to other funds	869
Total current liabilities	<u>155,127</u>
Total liabilities	<u>155,127</u>
NET ASSETS	
Unrestricted	<u>128,222</u>
TOTAL NET ASSETS	<u>128,222</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 283,349</u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 530,608
Other	3,750
TOTAL OPERATING REVENUES	<u>534,358</u>
OPERATING EXPENSES	
Contracted services	360,311
Postage	747
TOTAL OPERATING EXPENSES	<u>361,058</u>
OPERATING (LOSS)	<u>173,300</u>
NON-OPERATING INCOME (EXPENSE)	
Interest income	9,043
Transfers in	-
Transfers out	-
NET NON-OPERATING INCOME	<u>9,043</u>
CHANGE IN NET ASSETS	182,343
NET ASSETS - JULY 1	<u>(54,121)</u>
NET ASSETS - JUNE 30	<u>\$ 128,222</u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 537,723
Internal activity - receipts (payments) from/to other funds	(173,078)
Payments to suppliers	<u>(360,901)</u>
Net cash provided by operating activities	<u>3,744</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>9,043</u>
Net cash used by investing activities	<u>9,043</u>
NET CHANGE IN CASH	12,787
CASH - JULY 1	<u>16,217</u>
CASH - JUNE 30	<u>\$ 29,004</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 173,300
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	182,507
(Increase) decrease in due from other funds	(177)
Increase (decrease) in taxes paid in advance	157
Increase (decrease) in deferred taxes	(179,142)
Increase (decrease) in due to other funds	<u>(172,901)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,744</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ -</u>

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

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Rumford 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, public safety, public works, health and sanitation, public services, social services, education, and other unclassified.

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

Government – Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer 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 Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, protection, 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 assets resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Proprietary Funds

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

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

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

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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

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 oil and gasoline.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the ambulance receivables is estimated to be \$0 as of June 30, 2010.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

Long-term Obligations

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

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

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences

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

Reserves

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

Net Assets

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied October 16, 2009 on the assessed value listed as of April 1, 2009, for all real and personal property located in the Town. Taxes were due on in two installments on November 16, 2009 and April 1, 2010. Interest on unpaid taxes commenced on November 17, 2009 and April 2, 2010, at 5% per annum.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$450,000 for the year ended June 30, 2010.

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

Program Revenues

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

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 RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

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 or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2010, the Town's cash balance of \$7,524,406 was comprised of deposits amounting to \$7,875,936. Of these deposits, \$433,306 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$7,434,353 was collateralized with securities held by the financial institution but not in the Town's name and \$8,276 that was in excess of federal depository insurance and collateralization, and therefore, not insured or collateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 103,276
Repurchase agreements	568,451
Savings accounts	65,003
Money market accounts	7,139,206
	<u>\$ 7,875,936</u>

At June 30, 2010, the Town's investments of \$4,531 were comprised of \$2,000 of stocks that are held in the Town's name and \$2,531 of certificates of deposit that were insured by federal depository insurance, both which consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Certificates of deposit	\$ 2,531
Stocks	2,000
	<u>\$ 4,531</u>

The Town has determined that it has complied with state and federal laws governing the investment of public funds.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2010 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 4,055	\$ 1,773
Sewer Extension Fund	-	3,186
Special Revenue Funds	2,727	1,998
Capital Project Funds	860	-
Enterprise Funds	184	869
	\$ 7,826	\$ 7,826

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2010:

	Balance, 7/1/09	Additions	Disposals	Balance, 6/30/10
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 248,853	\$ -	\$ -	\$ 248,853
Art & antiques	77,655	-	-	77,655
	326,508	-	-	326,508
Depreciated assets:				
Land improvements	388,405	-	-	388,405
Buildings	1,715,901	125,426	-	1,841,327
Equipment	2,380,686	33,340	(7,060)	2,406,966
Vehicles	2,444,033	-	-	2,444,033
Infrastructure	15,117,629	95,807	-	15,213,436
	22,046,654	254,573	(7,060)	22,294,167
Less: accumulated depreciation	(13,645,372)	(794,003)	7,060	(14,432,315)
	8,401,282	(539,430)	-	7,861,852
Net governmental capital assets	\$ 8,727,790	\$ (539,430)	\$ -	\$ 8,188,360

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (CONTINUED)

General government	\$ 9,199
Public safety	88,477
Public works	587,835
Recreation	42,077
Library	3,234
Town-wide	63,181
Total depreciation expense	\$ 794,003

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2010:

	Balance, 7/1/09	Additions	Deletions	Balance, 6/30/10	Current Portion
Bonds payable	\$ 1,327,400	\$ -	\$ (230,600)	\$ 1,096,800	\$ 235,600
Capital leases payable	13,406	-	(2,861)	10,545	3,430
Accrued compensated absences	273,941	1,806	-	275,747	-
Totals	\$ 1,614,747	\$ 1,806	\$ (233,461)	\$ 1,383,092	\$ 239,030

The following is a summary of outstanding bonds payable:

Governmental activities debt:

\$828,000, 2007 Series B General Obligation Bonds due in annual principal payments of \$165,600, through November of 2012. Interest is charged at a rate varying from 1.0% to 6.0% per annum. \$ 496,800

\$1,035,000, 2001 General Obligation Pension Bonds due in annual principal payments varying from \$45,000 to \$105,000, through July of 2017. Interest is charged at a rate varying from 5.250% to 7.00% per annum. 600,000

Total Long-Term Debt \$ 1,096,800

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bond principal and interest requirements for the next five fiscal years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 235,600	\$ 57,445	\$ 293,045
2012	240,600	42,959	283,559
2013	245,600	32,213	277,813
2014	85,000	25,985	110,985
2015	90,000	20,163	110,163
2016-2020	200,000	21,302	221,302
	<u>\$ 1,096,800</u>	<u>\$ 200,067</u>	<u>\$ 1,296,867</u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

The following is a summary of outstanding capital leases payable:

The Town leases a photocopier under a non-cancelable lease agreement. The term of the lease is for a five year period expiring in December of 2010. Monthly payments are \$145.

The Town leases a photocopier under a non-cancelable lease agreement. The term of the lease is for a five year period expiring in June of 2014. Monthly payments are \$116.

The Town leases a photocopier under a non-cancelable lease agreement. The term of the lease is for a five year period expiring in October of 2013. Monthly payments are \$131.

TOWN OF RUMFORD, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 5 - LONG TERM DEBT (CONTINUED)

Future minimum payments by year, and in the aggregate under these leases are as follows:

Year Ending June 30:	
2011	\$ 3,831
2012	2,964
2013	2,784
2014	1,785
2015	-
2016-2020	-
Total minimum lease payment	<u>11,364</u>
Less amount representing interest	(819)
Present value of future minimum lease payments	<u><u>\$ 10,545</u></u>

NOTE 6 - RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2010 for the following purposes:

Restricted for general fund designated balances	\$ 287,106
Restricted for special revenue funds	415,469
Restricted for capital project funds	1,657,004
Restricted for permanent funds	67,955
	<u><u>\$ 2,427,534</u></u>

TOWN OF RUMFORD, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 7 - GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2010, the general fund designated fund balance was made up of the following account balances carried forward into the subsequent year's budget:

Revaluation	\$ 30,000
Economic development	100,000
Economic development - performing arts committee	1,270
Municipal building - capital improvement	30,000
Sealer of weights and measures	340
Police department - training compliance education	15,000
Public works - bituminous	335,357
Permanent roads	179,424
State aid construction	287,106
Sidewalks	135,864
Bridges	150,862
Building demolition	50,037
PUIIA Business Park	36,774
Town garage	52,913
Municipal planning - industrial	2,200
Municipal planning - comprehensive	15,850
MMEHT - Health insurance	50,000
Cable tv franchise	49,217
Accrued compensated absences	275,747
	<u>\$ 1,797,961</u>

NOTE 8 - EXPENDITURES OVER APPROPRIATIONS

The following appropriation was exceeded by actual expenditures.

	<u>Excess</u>
Welfare office	\$ 11,078
Tax increment financing district	300
Transfers out - special revenues	14,783
	<u>\$ 26,161</u>

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2010 the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Oxford	\$ -	10.47%	<u><u>\$ -</u></u>

NOTE 10 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Town's for claims in excess of \$400,000 with an excess limit of \$2,000,000.

The Town has its liability insurance through the Kyes Agency Inc.. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the policy, coverage is provided after the \$1,000 deductible is met, to \$4,377,412. Under the general liability portion of the policy, coverage is provided after the deductible is met, to \$1,000,000 per occurrence and \$3,000,000 in total. For the law enforcement liability, the coverage is \$1,000,000 per occurrence and in total with a \$2,500 deductible. For the public official liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible. Under the employment practices liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible.

NOTE 11 - CONTINGENCIES

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 - CONTINGENCIES (CONTINUED)

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

NOTE 12 - RESTATEMENTS

The beginning net asset balance for the governmental activities has been restated as of July 1, 2009. This balance was restated to correct fixed asset and long-term debt balances. The governmental activities were restated by \$(236,315).

The beginning fund balance in the general fund has also been restated as of July 1, 2009. This balance was restated by \$273,941 for the reclassification of accrued compensated absences. They had previously been recorded in the general fund, but have been removed as they are long-term in nature.

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 RUMFORD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 4,404,140	\$ 4,404,140	\$ 4,404,140	\$ -
Resources (Inflows):				
Property taxes	14,165,286	14,165,286	14,300,074	134,788
Excise taxes	400,000	400,000	687,740	287,740
Intergovernmental	1,475,212	1,475,212	2,369,683	894,471
Charges for services	650,659	650,659	798,136	147,477
Miscellaneous revenues	-	-	245,289	245,289
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	21,095,297	21,095,297	22,805,062	1,709,765
Charges to Appropriations (Outflows):				
Current:				
General government	865,308	865,308	700,342	164,966
Public safety	2,133,432	2,133,432	2,037,741	95,691
Public works	3,403,438	3,403,438	2,174,940	1,228,498
Health and sanitation	680,340	680,340	671,620	8,720
Welfare	70,970	70,970	82,048	(11,078)
Public service	479,312	479,312	470,611	8,701
Social services	215,410	215,410	215,410	-
Education	6,465,048	6,465,048	6,359,770	105,278
County tax	481,072	481,072	481,072	-
Tax Increment Financing Agreement	2,099,610	2,099,610	2,099,910	(300)
Debt service:				
Principal	230,600	230,600	230,600	-
Interest	117,803	117,803	69,802	48,001
Unclassified	1,524,753	1,524,753	971,686	553,067
Transfers to other funds	280,152	280,152	294,935	(14,783)
Total Charges to Appropriations	19,047,248	19,047,248	16,860,487	2,186,761
Budgetary Fund Balance, June 30	\$ 2,048,049	\$ 2,048,049	\$ 5,944,575	\$ 3,896,526
Utilization of Designated Fund Balance	\$ 1,434,730	\$ 1,434,730	\$ -	\$ (1,434,730)
Utilization of Undesignated Fund Balance	921,361	921,361	-	(921,361)
	\$ 2,356,091	\$ 2,356,091	\$ -	\$ (2,356,091)

See accompanying independent auditors' report.

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 – Budgetary Basis – Budget and Actual – 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 Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF RUMFORD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 14,165,286	\$ 14,300,074	\$ 134,788
Excise taxes	400,000	687,740	287,740
Intergovernmental revenues			
State revenue sharing	819,342	1,587,448	768,106
Homestead exemption	163,465	162,793	(672)
Local road assistance	95,004	95,004	-
Tree growth reimbursement	-	58,950	58,950
Veterans' reimbursement	-	5,748	5,748
FEMA reimbursement	-	38,008	38,008
BETE reimbursement	397,401	397,401	-
Snowmobile revenue	-	24,331	24,331
Charges for services			
Licenses and permits	-	30,481	30,481
Charges for services	-	14,295	14,295
Fire revenue	-	28,708	28,708
Police revenue	-	6,537	6,537
Animal control fees	-	1,816	1,816
Roads	27,993	30,794	2,801
PUIA Business Park	15,714	15,714	-
Equipment maintenance	342,678	342,678	-
N.O.R.S.W.B. Trucking	89,386	89,386	-
N.O.R.S.W.B. Payroll	174,888	174,888	-
Parks and recreation committee	-	17,108	17,108
Welfare Office	-	33,391	33,391
Library	-	12,340	12,340
Other income			
Bonds	-	30,813	30,813
Insurances/Social Security	-	21,670	21,670
Other income	-	192,806	192,806
Transfers in	-	-	-
	<u>\$ 16,691,157</u>	<u>\$ 18,400,922</u>	<u>\$ 1,709,765</u>

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	2009 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
EXPENDITURES							
General government:							
Selectmen	\$ -	\$ 5,750	\$ -	\$ 5,750	\$ 5,454	\$ 296	\$ -
Town manager	-	160,000	-	160,000	156,299	3,701	-
Town clerk	-	73,388	-	73,388	88,698	(15,310)	-
Tax collector	-	80,875	-	80,875	73,630	7,245	-
Tax assessor	-	129,650	-	129,650	110,323	(10,673)	30,000
Town solicitor	-	28,000	-	28,000	41,539	(13,539)	-
Town audit	-	25,000	-	25,000	12,425	12,575	-
Dog officer	-	29,900	-	29,900	29,745	155	-
Economic development	75,000	50,000	-	125,000	23,606	124	101,270
Elections	-	18,720	-	18,720	21,983	(3,263)	-
Municipal building	-	126,200	-	126,200	86,612	9,588	30,000
Computer	-	16,600	-	16,600	20,702	(4,102)	-
Information booth	-	15,450	-	15,450	6,413	9,037	-
MSRS - town employees	-	30,400	-	30,400	22,878	7,522	-
Sealer of weights and measures	-	375	-	375	35	-	340
	<u>75,000</u>	<u>790,308</u>	<u>-</u>	<u>865,308</u>	<u>700,342</u>	<u>3,356</u>	<u>161,610</u>
Public safety:							
Police	32,660	803,430	-	836,090	746,445	74,645	15,000
Fire	120	675,000	-	675,120	674,679	441	-
Code enforcement	-	48,722	-	48,722	44,305	4,417	-
Emergency management	-	9,100	-	9,100	8,670	430	-
Utilities	-	434,400	-	434,400	457,768	(23,368)	-
MSRS - police & fire	-	130,000	-	130,000	105,874	24,126	-
	<u>32,780</u>	<u>2,100,652</u>	<u>-</u>	<u>2,133,432</u>	<u>2,037,741</u>	<u>80,691</u>	<u>15,000</u>

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	2009 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
Public works:							
Summer roads	-	285,000	-	285,000	359,356	(74,356)	-
Winter roads	-	578,970	-	578,970	504,476	74,494	-
Bituminous	260,357	75,000	-	335,357	-	-	335,357
Permanent roads	146,149	400,000	27,993	574,142	394,718	-	179,424
State aid construction	395,314	24,000	95,004	514,318	227,212	-	287,106
Sidewalks	161,994	20,000	-	181,994	46,130	-	135,864
Bridges	150,862	-	-	150,862	-	-	150,862
Building demolition	37	50,000	-	50,037	-	-	50,037
PUIIA Business Park	32,363	-	15,714	48,077	11,303	-	36,774
Town garage	25,369	52,360	606,952	684,681	631,745	23	52,913
	<u>1,172,445</u>	<u>1,485,330</u>	<u>745,663</u>	<u>3,403,438</u>	<u>2,174,940</u>	<u>161</u>	<u>1,228,337</u>
Health and sanitation:							
Health	-	102,000	-	102,000	96,725	5,275	-
Sewer maintenance	-	43,340	-	43,340	44,851	(1,511)	-
Solid waste	-	535,000	-	535,000	530,044	4,956	-
	<u>-</u>	<u>680,340</u>	<u>-</u>	<u>680,340</u>	<u>671,620</u>	<u>8,720</u>	<u>-</u>
Welfare:							
Welfare office	-	70,970	-	70,970	82,048	(11,078)	-
	<u>-</u>	<u>70,970</u>	<u>-</u>	<u>70,970</u>	<u>82,048</u>	<u>(11,078)</u>	<u>-</u>
Public service:							
Library	-	236,312	-	236,312	241,593	(5,281)	-
Municipal planning	18,050	24,500	-	42,550	22,045	2,455	18,050
Park & rec comm - parks	-	184,650	-	184,650	192,908	(8,258)	-
Park & rec comm - skate	-	10,000	-	10,000	4,076	5,924	-
Park & rec comm - cem	-	5,800	-	5,800	9,989	(4,189)	-
	<u>18,050</u>	<u>461,262</u>	<u>-</u>	<u>479,312</u>	<u>470,611</u>	<u>(9,349)</u>	<u>18,050</u>

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	2009 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
Debt service:							
Principal	-	230,600	-	230,600	230,600	-	-
Interest	-	117,803	-	117,803	69,802	48,001	-
	-	348,403	-	348,403	300,402	48,001	-
Social services	-	215,410	-	215,410	215,410	-	-
Education	-	6,465,048	-	6,465,048	6,359,770	105,278	-
County tax	-	481,072	-	481,072	481,072	-	-
TIF	-	2,099,610	-	2,099,610	2,099,910	(300)	-
Unclassified:							
Insurances/social security	50,000	976,450	-	1,026,450	913,421	63,029	50,000
Contingency	-	15,000	-	15,000	11,365	3,635	-
Cable tv franchise	33,303	-	-	33,303	46,004	(61,918)	49,217
Central Street Improvements Overlay	-	450,000	-	450,000	896	449,104	-
	83,303	1,441,450	-	1,524,753	971,686	453,850	99,217
Transfers out:							
Special revenues	-	-	-	-	14,783	(14,783)	-
Capital reserves	53,152	227,000	-	280,152	280,152	-	-
	53,152	227,000	-	280,152	294,935	(14,783)	-
Total Expenditures	\$ 1,434,730	\$ 16,866,855	\$ 745,663	\$ 19,047,248	\$ 16,860,487	\$ 664,547	\$ 1,522,214

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 246,055	\$ 811,307	\$ 63,424	\$ 1,120,786
Investments	-	-	4,531	4,531
Accounts receivable	168,685	-	-	168,685
Due from other funds	2,727	860	-	3,587
Total assets	<u>\$ 417,467</u>	<u>\$ 812,167</u>	<u>\$ 67,955</u>	<u>\$ 1,297,589</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,998	-	-	1,998
Total liabilities	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>1,998</u>
FUND EQUITY				
Fund balance:				
Reserved:				
Designated for subsequent years' expenditures	415,469	812,167	67,955	1,295,591
Total fund equity	<u>415,469</u>	<u>812,167</u>	<u>67,955</u>	<u>1,295,591</u>
Total liabilities and fund equity	<u>\$ 417,467</u>	<u>\$ 812,167</u>	<u>\$ 67,955</u>	<u>\$ 1,297,589</u>

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 232,226	\$ -	\$ -	\$ 232,226
Interest/Gains & Losses	9,262	14,734	1,897	25,893
Other	-	47,182	-	47,182
TOTAL REVENUES	<u>241,488</u>	<u>61,916</u>	<u>1,897</u>	<u>305,301</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	119,913	-	-	119,913
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Public Service	-	-	32	32
Education	-	-	-	-
Cemeteries	-	-	1,167	1,167
Unclassified	93,671	-	-	93,671
Capital outlay	-	281,229	-	281,229
TOTAL EXPENDITURES	<u>213,584</u>	<u>281,229</u>	<u>1,199</u>	<u>496,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,904</u>	<u>(219,313)</u>	<u>698</u>	<u>(190,711)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,783	288,152	-	294,935
Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,783</u>	<u>288,152</u>	<u>-</u>	<u>294,935</u>
NET CHANGE IN FUND BALANCE	34,687	68,839	698	104,224
FUND BALANCES - JULY 1	<u>380,782</u>	<u>743,328</u>	<u>67,257</u>	<u>1,191,367</u>
FUND BALANCES - JUNE 30	<u>\$ 415,469</u>	<u>\$ 812,167</u>	<u>\$ 67,955</u>	<u>\$ 1,295,591</u>

See accompanying independent auditors' report.

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 RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Byrne Grant	JAG Grant	Summer High Visibility Grant	High Visibility Impaired Driving
ASSETS							
Cash	\$ 146,276	\$ 39,231	\$ 37,326	\$ 16,416	\$ -	\$ -	\$ -
Accounts receivable	166,066	771	-	-	-	1,848	-
Due from other funds			-	-	2,727	-	-
TOTAL ASSETS	<u>\$ 312,342</u>	<u>\$ 40,002</u>	<u>\$ 37,326</u>	<u>\$ 16,416</u>	<u>\$ 2,727</u>	<u>\$ 1,848</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	1,848	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,848</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Reserved:							
Designated for subsequent years' expenditures	312,342	40,002	37,326	16,416	2,727	-	-
TOTAL FUND EQUITY	<u>312,342</u>	<u>40,002</u>	<u>37,326</u>	<u>16,416</u>	<u>2,727</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 312,342</u>	<u>\$ 40,002</u>	<u>\$ 37,326</u>	<u>\$ 16,416</u>	<u>\$ 2,727</u>	<u>\$ 1,848</u>	<u>\$ -</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	High Visibility Holiday Enforcement	MDEA Grant	River Valley Underage Drinking Grant	Stonegarden	DARE	Bill & Melinda Gates Foundation	Totals
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 6,806	\$ -	\$ 246,055
Accounts receivable	-	-	-	-	-	-	168,685
Due from other funds	-	-	-	-	-	-	2,727
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 6,806	\$ -	\$ 417,467
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	150	-	1,998
TOTAL LIABILITIES	-	-	-	-	150	-	1,998
FUND EQUITY							
Fund balance:							
Reserved:							
Designated for subsequent years' expenditures	-	-	-	-	6,656	-	415,469
TOTAL FUND EQUITY	-	-	-	-	6,656	-	415,469
TOTAL LIABILITIES AND FUND EQUITY	\$ -	\$ -	\$ -	\$ -	\$ 6,806	\$ -	\$ 417,467

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Byrne Grant	JAG Grant	Summer High Visibility Grant	High Visibility Impaired Driving
REVENUES							
Intergovernmental	\$ -	\$ 90,866	\$ -	\$ 38,500	\$ 8,177	\$ 1,848	\$ 4,976
Interest/Gains & Losses	7,590	853	590	229	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	7,590	91,719	590	38,729	8,177	1,848	4,976
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	22,313	5,450	1,848	4,976
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Unclassified	-	90,956	55	-	-	-	-
TOTAL EXPENDITURES	-	90,956	55	22,313	5,450	1,848	4,976
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,590	763	535	16,416	2,727	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	7,590	763	535	16,416	2,727	-	-
FUND BALANCES - JULY 1	304,752	39,239	36,791	-	-	-	-
FUND BALANCES - JUNE 30	\$ 312,342	\$ 40,002	\$ 37,326	\$ 16,416	\$ 2,727	\$ -	\$ -

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	High Visibility Holiday Enforcement	MDEA Grant	River Valley Underage Drinking Grant	Stonegarden	DARE	Bill & Melinda Gates Foundation	Totals
REVENUES							
Intergovernmental	\$ 3,493	\$ 75,706	\$ 3,040	\$ 1,360	\$ 2,960	\$ 1,300	232,226
Interest/Gains & Losses	-	-	-	-	-	-	9,262
Other	-	-	-	-	-	-	-
TOTAL REVENUES	3,493	75,706	3,040	1,360	2,960	1,300	241,488
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Public Safety	3,493	75,706	3,040	-	3,087	-	119,913
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Unclassified	-	-	-	1,360	-	1,300	93,671
TOTAL EXPENDITURES	3,493	75,706	3,040	1,360	3,087	1,300	213,584
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(127)	-	27,904
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	6,783	-	6,783
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	6,783	-	6,783
NET CHANGE IN FUND BALANCE	-	-	-	-	6,656	-	34,687
FUND BALANCES - JULY 1	-	-	-	-	-	-	380,782
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ 6,656	\$ -	415,469

See accompanying independent auditors' report.

Capital Project Funds

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

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	Highway Department Fund	NORSWB Trucking Fund	Building Renovations Fund	Town Hall Administration Fund	Town Hall Maintenance Fund	Fire Department Fund	Police Department Fund
ASSETS							
Cash	\$ 177,439	\$ 38,761	\$ 64,662	\$ 536	\$ 157,073	\$ 173,630	\$ 39,402
Due from other funds	-	-	-	-	103	-	757
TOTAL ASSETS	<u>\$ 177,439</u>	<u>\$ 38,761</u>	<u>\$ 64,662</u>	<u>\$ 536</u>	<u>\$ 157,176</u>	<u>\$ 173,630</u>	<u>\$ 40,159</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Reserved:							
Designated for subsequent years' expenditures	177,439	38,761	64,662	536	157,176	173,630	40,159
TOTAL FUND EQUITY	<u>177,439</u>	<u>38,761</u>	<u>64,662</u>	<u>536</u>	<u>157,176</u>	<u>173,630</u>	<u>40,159</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 177,439</u>	<u>\$ 38,761</u>	<u>\$ 64,662</u>	<u>\$ 536</u>	<u>\$ 157,176</u>	<u>\$ 173,630</u>	<u>\$ 40,159</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	<u>Parks Department Fund</u>	<u>Public Library Fund</u>	<u>Other Town Properties</u>	<u>Code Enforcement Fund</u>	<u>Computer Fund</u>	<u>Voting Machine Fund</u>	<u>Totals</u>
ASSETS							
Cash	\$ 79,204	\$ 24,562	\$ 4,613	\$ 10,057	\$ 35,725	\$ 5,643	\$ 811,307
Due from other funds	-	-	-	-	-	-	860
TOTAL ASSETS	<u>\$ 79,204</u>	<u>\$ 24,562</u>	<u>\$ 4,613</u>	<u>\$ 10,057</u>	<u>\$ 35,725</u>	<u>\$ 5,643</u>	<u>\$ 812,167</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Reserved:							
Designated for subsequent years' expenditures	79,204	24,562	4,613	10,057	35,725	5,643	812,167
TOTAL FUND EQUITY	<u>79,204</u>	<u>24,562</u>	<u>4,613</u>	<u>10,057</u>	<u>35,725</u>	<u>5,643</u>	<u>812,167</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 79,204</u>	<u>\$ 24,562</u>	<u>\$ 4,613</u>	<u>\$ 10,057</u>	<u>\$ 35,725</u>	<u>\$ 5,643</u>	<u>\$ 812,167</u>

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Highway Department Fund	NORSWB Trucking Fund	Building Renovations Fund	Town Hall Administration Fund	Town Hall Maintenance Fund	Fire Department Fund	Police Department Fund
REVENUES							
Interest	\$ 5,943	\$ 589	\$ 1,043	\$ 8	\$ 1,446	\$ 2,592	\$ 625
Other	-	-	-	-	22,000	-	18,078
TOTAL REVENUES	<u>5,943</u>	<u>589</u>	<u>1,043</u>	<u>8</u>	<u>23,446</u>	<u>2,592</u>	<u>18,703</u>
EXPENDITURES							
Capital Outlay	153,628	55	7,438	-	6,506	3,566	35,209
TOTAL EXPENDITURES	<u>153,628</u>	<u>55</u>	<u>7,438</u>	<u>-</u>	<u>6,506</u>	<u>3,566</u>	<u>35,209</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(147,685)</u>	<u>534</u>	<u>(6,395)</u>	<u>8</u>	<u>16,940</u>	<u>(974)</u>	<u>(16,506)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	100,000	3,152	-	-	50,000	50,000	25,900
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>3,152</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>25,900</u>
NET CHANGE IN FUND BALANCE	(47,685)	3,686	(6,395)	8	66,940	49,026	9,394
FUND BALANCES - JULY 1	<u>225,124</u>	<u>35,075</u>	<u>71,057</u>	<u>528</u>	<u>90,236</u>	<u>124,604</u>	<u>30,765</u>
FUND BALANCES - JUNE 30	<u>\$ 177,439</u>	<u>\$ 38,761</u>	<u>\$ 64,662</u>	<u>\$ 536</u>	<u>\$ 157,176</u>	<u>\$ 173,630</u>	<u>\$ 40,159</u>

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Parks Department Fund</u>	<u>Public Library Fund</u>	<u>Other Town Properties</u>	<u>Code Enforcement Fund</u>	<u>Computer Fund</u>	<u>Voting Machine Fund</u>	<u>Totals</u>
REVENUES							
Interest	\$ 1,421	\$ 226	\$ 91	\$ 65	\$ 637	\$ 48	\$ 14,734
Other	<u>1,504</u>	<u>5,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,182</u>
TOTAL REVENUES	<u>2,925</u>	<u>5,826</u>	<u>91</u>	<u>65</u>	<u>637</u>	<u>48</u>	<u>61,916</u>
EXPENDITURES							
Capital Outlay	<u>34,403</u>	<u>31,494</u>	<u>2,406</u>	<u>8</u>	<u>6,511</u>	<u>5</u>	<u>281,229</u>
TOTAL EXPENDITURES	<u>34,403</u>	<u>31,494</u>	<u>2,406</u>	<u>8</u>	<u>6,511</u>	<u>5</u>	<u>281,229</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,478)</u>	<u>(25,668)</u>	<u>(2,315)</u>	<u>57</u>	<u>(5,874)</u>	<u>43</u>	<u>(219,313)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	15,000	28,500	-	10,000	-	5,600	288,152
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,000</u>	<u>28,500</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>5,600</u>	<u>288,152</u>
NET CHANGE IN FUND BALANCE	(16,478)	2,832	(2,315)	10,057	(5,874)	5,643	68,839
FUND BALANCES - JULY 1	<u>95,682</u>	<u>21,730</u>	<u>6,928</u>	<u>-</u>	<u>41,599</u>	<u>-</u>	<u>743,328</u>
FUND BALANCES - JUNE 30	<u>\$ 79,204</u>	<u>\$ 24,562</u>	<u>\$ 4,613</u>	<u>\$ 10,057</u>	<u>\$ 35,725</u>	<u>\$ 5,643</u>	<u>\$ 812,167</u>

See accompanying independent auditors' report.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Rumford, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2010

	Cemetery Trust Fund	Library Trust Fund	Totals
ASSETS			
Cash	\$ 41,526	\$ 21,898	\$ 63,424
Investments	4,531	-	4,531
Due from other funds	-	-	-
Total assets	<u>\$ 46,057</u>	<u>\$ 21,898</u>	<u>\$ 67,955</u>
LIABILITIES			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY			
Fund balance:			
Reserved:			
Designated for subsequent years' expenditures	<u>46,057</u>	<u>21,898</u>	<u>67,955</u>
Total fund equity	<u>46,057</u>	<u>21,898</u>	<u>67,955</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 46,057</u>	<u>\$ 21,898</u>	<u>\$ 67,955</u>

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Cemetery Trust Fund	Library Trust Fund	Totals
REVENUES			
Interest	\$ 1,551	\$ 346	\$ 1,897
Other	-	-	-
TOTAL REVENUES	<u>1,551</u>	<u>346</u>	<u>1,897</u>
EXPENDITURES			
Other	1,167	32	1,199
TOTAL EXPENDITURES	<u>1,167</u>	<u>32</u>	<u>1,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>384</u>	<u>314</u>	<u>698</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	384	314	698
FUND BALANCES - JULY 1	<u>45,673</u>	<u>21,584</u>	<u>67,257</u>
FUND BALANCES - JUNE 30	<u>\$ 46,057</u>	<u>\$ 21,898</u>	<u>\$ 67,955</u>

See accompanying independent auditors' report.

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 assets.

TOWN OF RUMFORD, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2010

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ -	\$ -	\$ 167,443	\$ -	\$ 167,443
Public safety	296	48,472	1,694,333	-	1,743,101
Public works	6,381	159,599	2,371,490	14,442,352	16,979,822
Recreation	21,557	483,827	557,741	-	1,063,125
Library	2,535	29,734	59,992	-	92,261
Cemeteries	4,987	-	-	-	4,987
Town-wide	<u>290,752</u>	<u>1,508,100</u>	<u>-</u>	<u>771,084</u>	<u>2,569,936</u>
Total General Capital Assets	326,508	2,229,732	4,850,999	15,213,436	22,620,675
Less: Accumulated Depreciation	<u>-</u>	<u>(810,279)</u>	<u>(2,750,690)</u>	<u>(10,871,346)</u>	<u>(14,432,315)</u>
Net General Capital Assets	<u>\$ 326,508</u>	<u>\$ 1,419,453</u>	<u>\$ 2,100,309</u>	<u>\$ 4,342,090</u>	<u>\$ 8,188,360</u>

See accompanying independent auditors' report.

TOWN OF RUMFORD, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2010

	General Capital Assets 7/1/09	Additions	Deletions	General Capital Assets 6/30/10
General government	\$ 167,443	\$ -	\$ -	\$ 167,443
Public safety	1,743,101	-	-	1,743,101
Public works	16,732,309	254,573	(7,060)	16,979,822
Recreation	1,063,125	-	-	1,063,125
Library	92,261	-	-	92,261
Cemeteries	4,987	-	-	4,987
Town-wide	<u>2,569,936</u>	<u>-</u>	<u>-</u>	<u>2,569,936</u>
Total General Capital Assets	22,373,162	254,573	(7,060)	22,620,675
Less: Accumulated Depreciation	<u>(13,645,372)</u>	<u>(794,003)</u>	<u>7,060</u>	<u>(14,432,315)</u>
Net General Capital Assets	<u>\$ 8,727,790</u>	<u>\$ (539,430)</u>	<u>\$ -</u>	<u>\$ 8,188,360</u>

See accompanying independent auditors' report.