

## **FINANCE & ADMINISTRATION COMMITTEE MEETING**

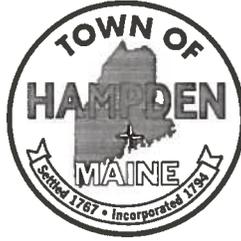
Monday, February 1, 2016

6:00 p.m.

Hampden Town Office

1. Meeting Minutes – January 19, 2016 Meeting
2. Review & Sign Warrants
3. Old Business
  - a. Discussion of FY15 Audit
4. New Business
  - a. Personnel Update
  - b. Discussion of Recent Law Change re Sewer Commitments
  - c. Insurance Claim Updates:
    1. Trash Compactor Cylinder
    2. Police Cruiser
    3. Boiler
5. Public Comment
6. Committee Member Comments

**Town of Hampden**  
106 Western Avenue  
Hampden, Maine 04444



Phone: (207) 862-3034  
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Email:  
townmanager@hampdenmaine.gov

TO: Finance Committee

FROM: Angus Jennings, Town Manager

DATE: January 28, 2016

RE: FY15 Audit

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As you know, we have received the final FY15 Audit, officially closing out the year. A copy of the Audit has been uploaded to the Town website under Finance Committee\Agendas and Minutes.

We have scheduled a presentation from our Auditing firm, James Wadman C.P.A., to the Finance Committee on Tuesday, February 16 at 6 PM.

We have also included discussion of the Audit on the February 1 agenda. The goal is to identify questions members of the Council may have, and to organize those questions in advance of the February 16 meeting to ensure that that meeting is as productive as possible.

Over the course of meetings and correspondence between my office and the Auditor in the weeks leading up to finalizing the Audit, Finance/HR Officer Tammy Ewing and I reviewed many questions with the Auditor, and received satisfactory answers and clarifications. During Monday's meeting, I'd be happy to review prior "asked and answered" questions which may help to clarify items for review with the Auditor on the 16<sup>th</sup>.

*TOWN OF HAMPDEN, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2015*

**TOWN OF HAMPDEN  
 FINANCIAL STATEMENTS  
 AND SUPPLEMENTAL SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2015**

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***INDEPENDENT AUDITOR'S REPORT***

December 24, 2015

Members of the Town Council  
Town of Hampden  
Hampden, ME

***Report on the Financial Statements***

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension disclosure schedules on pages 3-8, 40 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hampden, Maine's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole. .

Respectfully Submitted,

*James W. Wadman, CPA*

James W. Wadman, CPA

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

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

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

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2015 by \$21,607,290 (presented as “net position”). Of this amount, \$1,092,180 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

*Changes in Net Position* – The Town's total net position decreased by \$2,055,758 (an 8.7% decrease) for the fiscal year ended June 30, 2015. Net position of governmental activities decreased by \$1,718,026 (a 8.6% decrease), while net position of business-type activities showed a decrease of \$337,732 (a 9.1% decrease).

**Fund Highlights:**

*Governmental Funds – Fund Balances* – As of the close of the fiscal year ended June 30, 2015; the Town's governmental funds reported a combined ending fund balance of \$2,652,279 with \$1,051,925 being general unassigned fund balance. This unassigned fund balance represents approximately 7.4% of the total general fund expenditures for the year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased by \$636,719 (9%) during the current fiscal year. Existing debt obligations were retired according to schedule. Additional information on the Town's long-term debt can be found in Note 3G of the notes to the financial statements on pages 32-33 of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables. The government-wide financial statements can be found on pages 9-10 of this report.

**Fund Financial Statements**

The fund financial statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The proprietary activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for

resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach. The basic governmental fund financial statements can be found on pages 11-14 of this report. The basic proprietary fund financial statements can be found on pages 15-17 of this report. The fiduciary fund financial statements can be found on pages 18-19 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 20-39 of this report.

**Required Supplementary Information**

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). Required supplementary information can be found on page 40-41 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position**

91% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets); less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

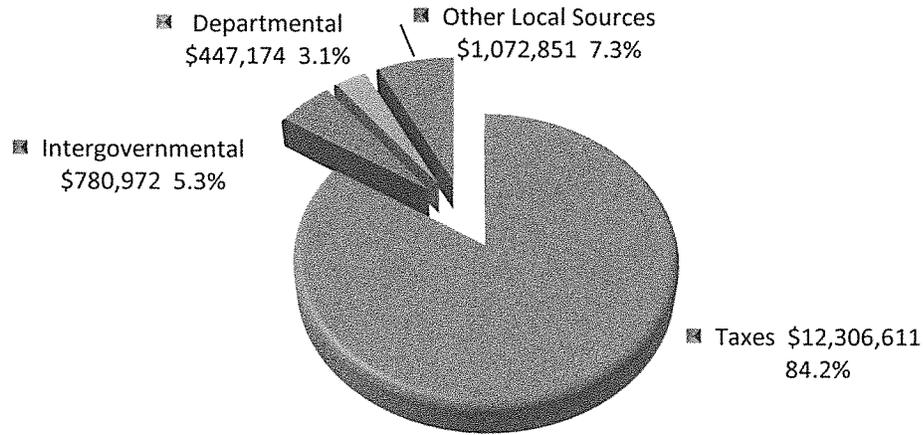
	<b>Governmental Activities</b>	<b>Business-like Activities</b>	<b>Total 2015</b>	<b>Total 2014</b>
Current Assets	3,148,748	(307,987)	2,840,761	3,808,941
Capital Assets	19,311,813	7,562,810	26,874,623	28,406,916
<b>Total Assets</b>	<b>22,460,561</b>	<b>7,254,823</b>	<b>29,715,384</b>	<b>32,215,857</b>
<b>Total Deferred Outflows of Resources</b>	<b>54,943</b>		<b>54,943</b>	
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,515,504</b>	<b>7,254,823</b>	<b>29,770,327</b>	<b>32,215,857</b>
Current Liabilities	525,611	412,138	937,749	1,424,667
Other Liabilities	3,202,933	3,468,973	6,671,906	5,917,223
<b>Total Liabilities</b>	<b>3,728,544</b>	<b>3,881,111</b>	<b>7,609,655</b>	<b>7,341,890</b>
<b>Total Deferred Inflows of Resources</b>	<b>553,382</b>		<b>553,382</b>	
<b>Net Position:</b>				
Net Investment in Capital Assets	16,546,429	3,141,764	19,688,193	21,750,484
Restricted	531,960	294,957	826,917	642,646
Unrestricted	1,155,189	(63,009)	1,092,180	2,480,837
<b>Total Net Position</b>	<b>18,233,578</b>	<b>3,373,712</b>	<b>21,607,290</b>	<b>24,873,967</b>
<b>Total Liabilities and Net Position</b>	<b>22,515,504</b>	<b>7,254,823</b>	<b>29,770,327</b>	<b>32,215,857</b>

**Changes in Net Position**

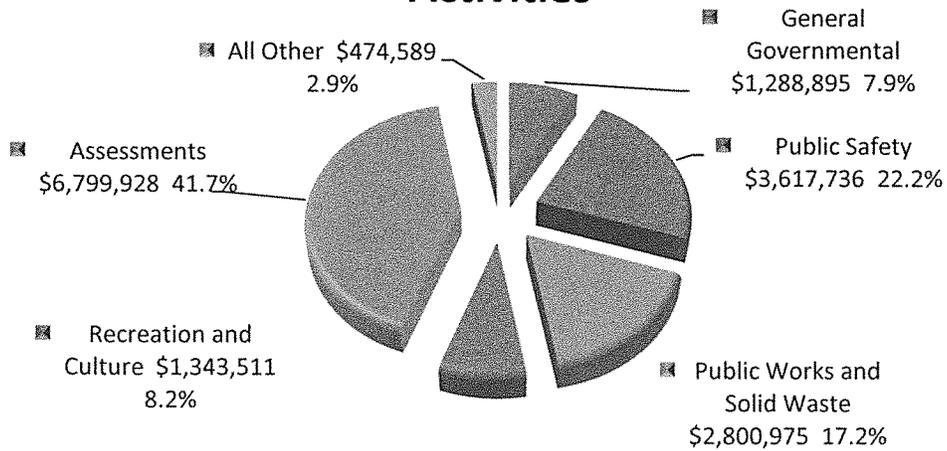
Approximately 81 percent of the Town's total revenue came from property and excise taxes, approximately 5 percent came from State subsidies and grants, and approximately 14 percent came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-like activity assets represents \$1,588,040 of the total expenses for the fiscal year.

	<b>Governmental Activities</b>	<b>Business-like Activities</b>	<b>Total 2015</b>	<b>Total 2014</b>
<b><i>Revenues:</i></b>				
Taxes	12,306,611		12,306,611	11,603,959
Intergovernmental Revenues	780,972		780,972	774,824
Departmental Revenues	447,174	528,165	975,339	964,357
Investment Income	35,846	12,855	48,701	47,594
Fair Value Increase (Decrease)	(35,776)	(541)	(36,317)	47,249
Other Local Sources	1,072,781		1,072,781	764,099
<b><i>Total</i></b>	<b>14,607,608</b>	<b>540,479</b>	<b>15,148,087</b>	<b>14,202,082</b>
<b><i>Expenses:</i></b>				
General Government	1,288,895		1,288,895	1,633,700
Public Safety	3,617,736		3,617,736	2,693,936
Public Works	2,381,234		2,381,234	1,990,684
Solid Waste	419,741		419,741	406,662
Recreation and Culture	1,373,511		1,373,511	1,212,862
The Bus	90,735		90,735	85,353
Buildings and Grounds	79,416		79,416	82,218
Outside Agencies & Gen. Asst.	2,534		2,534	8,000
Debt Service & Capital Outlay	253,488		253,488	195,961
Assessments and TIF	6,818,344		6,818,344	6,454,274
Sewer Enterprise		878,211	878,211	649,351
<b><i>Total</i></b>	<b>16,325,634</b>	<b>878,211</b>	<b>17,203,845</b>	<b>15,413,001</b>
<b><i>Changes in Net Position</i></b>	<b>(1,718,026)</b>	<b>(337,732)</b>	<b>(2,055,758)</b>	<b>(1,210,919)</b>

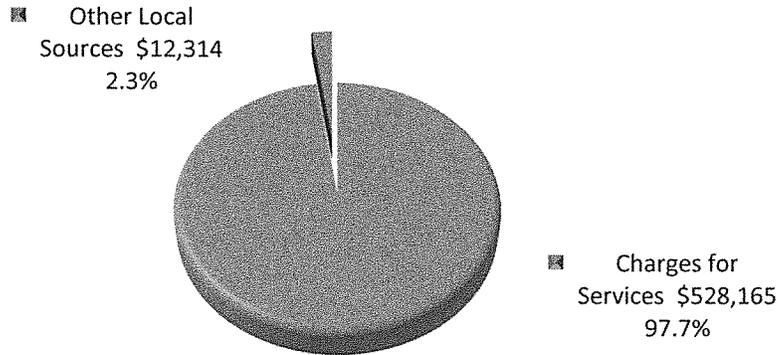
## Revenues By Source - Governmental Activities



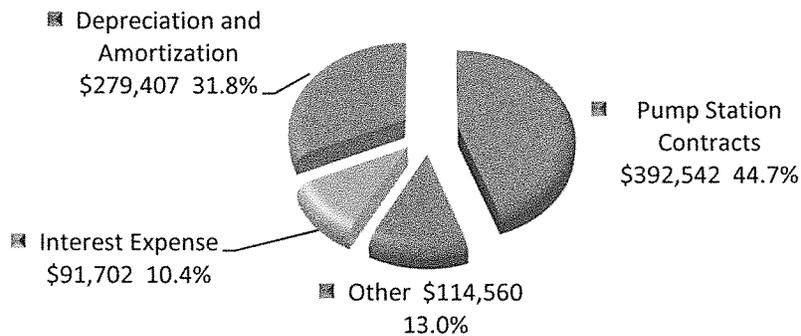
## Expenditures By Source - Governmental Activities



## Revenues By Source - Business-type Activities



## Expenditures By Source - Business-type Activities



### FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

#### Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$2,652,279, a decrease of \$490,971 in comparison with the prior year. Approximately 40 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

**Proprietary Funds**

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$226,652 positive variance in auto excise. The positive variance is due to conservative budgeting.
- \$42,929 positive variance in ambulance service revenue. The variance is due to more ambulance runs and conservative budgeting.
- \$32,510 negative variance in transfer station revenue. The town implemented no sort recycling in July 2014, keeping revenues for transfer station down.
- \$22,580 negative variance in the administrative office. The variance is due to an employee retiring and paying out accumulative vacation time.
- \$27,229 negative variance in police department. The variance is due to increase in health insurance and overtime worked.
- \$54,413 positive variance in fire department. The variance is due to fewer calls, less wages, and gas prices lower than anticipated.

**CAPITAL ASSET ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-like activities amounts to \$55,694,671, net of accumulated depreciation of \$28,820,048 leaving a net book value of \$26,874,623. Current year additions include \$20,747 for LED lighting retrofit, \$8,180 town office painting, \$25,480 epoxy floors, \$23,849 pool metal roof, \$8,749 above ground tank system, \$6,095 plotter printer for maps, \$21,676 snow blower, and \$365,416 in paving and culverts.

Additional information on the Town's capital assets can be found in Note 3D of the notes to the financial statements on pages 29-30 of this report.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Hampden, 106 Western Ave., Hampden, ME 04444.

**TOWN OF HAMPDEN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

*Exhibit A*

	<i>Governmental</i>	<i>Business-Type</i>	<i>Total</i>
	<i>Activities</i>	<i>Activities</i>	
<b>Assets</b>			
Cash and Equivalents	1,144,929	187,899	1,332,828
Investments	808,976	7,804	816,780
Receivables			
Taxes	303,914		303,914
Liens	66,585		66,585
Sewer User Fees/Liens		37,976	37,976
Solid Waste	18,022		18,022
Ambulance	167,936		167,936
Other	96,720		96,720
Internal Balances	541,666	(541,666)	-
Capital Assets:			
Land and Art Work	1,656,858		1,656,858
Construction Work in Progress		884,701	884,701
Other Capital Assets, Net of Depreciation	17,654,955	6,678,109	24,333,064
<b>Total Assets</b>	<b>22,460,561</b>	<b>7,254,823</b>	<b>29,715,384</b>
<b>Deferred Outflows of Resources:</b>			
Related to Pensions	54,943		54,943
<b>Total Deferred Outflow of Resources</b>	<b>54,943</b>	<b>-</b>	<b>54,943</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,515,504</b>	<b>7,254,823</b>	<b>29,770,327</b>
<b>Liabilities</b>			
Accounts Payable	58,533	393,516	452,049
Accrued Salaries Payable	25,433		25,433
Accrued Interest Payable		18,622	18,622
Project Escrows	109,547		109,547
Due to Other Governments	18,262		18,262
Compensated Absences Payable	313,836		313,836
Long-term Liabilities:			
Net Pension Liability	437,549		437,549
Due Within One Year	421,489	300,252	721,741
Due in More Than One Year	2,343,895	3,168,721	5,512,616
<b>Total Liabilities</b>	<b>3,728,544</b>	<b>3,881,111</b>	<b>7,609,655</b>
<b>Deferred Inflows of Resources:</b>			
Prepaid Taxes	18,071		18,071
Related to Pensions	535,311		535,311
<b>Total Deferred Inflows of Resources</b>	<b>553,382</b>	<b>-</b>	<b>553,382</b>
<b>Net Position</b>			
Net Investment in Capital Assets	16,546,429	3,141,764	19,688,193
Restricted	531,960	294,957	826,917
Unrestricted	1,155,189	(63,009)	1,092,180
<b>Total Net Position</b>	<b>18,233,578</b>	<b>3,373,712</b>	<b>21,607,290</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>22,515,504</b>	<b>7,254,823</b>	<b>29,770,327</b>

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

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

**Exhibit B**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
<u>Primary Government</u>						
<u>Governmental Activities</u>						
General Government	1,288,895	46,056		(1,242,839)		(1,242,839)
Public Safety	3,617,736	250,345	125,436	(3,241,955)		(3,241,955)
Public Works	2,381,234	3,900		(2,377,334)		(2,377,334)
Solid Waste	419,741	39,675		(380,066)		(380,066)
Recreation and Culture	1,373,511	45,347		(1,328,164)		(1,328,164)
The Bus	90,735			(90,735)		(90,735)
Buildings and Grounds	79,416			(79,416)		(79,416)
General Assistance	2,534		3,940	1,406		1,406
Debt Service & Capital Outlay	253,488			(253,488)		(253,488)
Assessments and TIF	6,818,344			(6,818,344)		(6,818,344)
<u>Total Governmental Activities</u>	<u>16,325,634</u>	<u>385,323</u>	<u>129,376</u>	<u>(15,810,935)</u>		<u>(15,810,935)</u>
<u>Business-type Activities</u>						
Sewer Department	878,211	528,165			(350,046)	(350,046)
<u>Total Business-type Activities</u>	<u>878,211</u>	<u>528,165</u>	<u>-</u>		<u>(350,046)</u>	<u>(350,046)</u>
<u>Total Primary Government</u>	<u>17,203,845</u>	<u>913,488</u>	<u>129,376</u>	<u>(15,810,935)</u>	<u>(350,046)</u>	<u>(16,160,981)</u>
<u>General Revenues:</u>						
Taxes						
Property				10,519,371		10,519,371
Auto				1,776,652		1,776,652
Boat				10,588		10,588
Intergovernmental Revenues				653,447		653,447
Departmental Revenues				60,000		60,000
Investment Income				35,846	12,855	48,701
Fair Value Increases/(Decreases)				(35,776)	(541)	(36,317)
Other Local Sources				1,072,781		1,072,781
<u>Total Revenues, Special Items and Transfers</u>				<u>14,092,909</u>	<u>12,314</u>	<u>14,105,223</u>
<u>Changes in Net Position</u>						
<u>Net Position - Beginning</u>				<u>(1,718,026)</u>	<u>(337,732)</u>	<u>(2,055,758)</u>
<u>Net Position - Ending</u>				<u>19,951,604</u>	<u>3,711,444</u>	<u>23,663,048</u>
<u>Net Position - Ending</u>				<u>18,233,578</u>	<u>3,373,712</u>	<u>21,607,290</u>

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

**TOWN OF HAMPDEN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

*Exhibit C*  
*Page 1 of 2*

<i>Assets</i>	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	978,488	166,441	1,144,929
Investments	177,435	631,541	808,976
Receivables			
Taxes	303,914		303,914
Liens	66,585		66,585
Solid Waste	18,022		18,022
Ambulance	167,936		167,936
Other	96,720		96,720
Due from Other Funds	656,545	240,629	897,174
<b>Total Assets</b>	<b>2,465,645</b>	<b>1,038,611</b>	<b>3,504,256</b>
 <i>Liabilities</i>			
Accounts Payable	58,533		58,533
Accrued Salaries Payable	25,433		25,433
Project Escrows	109,547		109,547
Due to Other Funds	348,280	7,228	355,508
Due to Other Governments	18,262		18,262
<b>Total Liabilities</b>	<b>560,055</b>	<b>7,228</b>	<b>567,283</b>
 <i>Deferred Inflows of Resources:</i>			
Prepaid Taxes	18,071		18,071
Advanced Recreation Summer Fees	50,890		50,890
Unavailable Property Tax Revenue	215,733		215,733
<b>Total Deferred Inflows of Resources</b>	<b>284,694</b>	<b>-</b>	<b>284,694</b>
 <i>Fund Balances</i>			
Nonspendable		314,470	314,470
Restricted	124,693	92,797	217,490
Committed	392,187	462,938	855,125
Assigned	52,091	161,758	213,849
Unassigned	1,051,925	(580)	1,051,345
<b>Total Fund Balances</b>	<b>1,620,896</b>	<b>1,031,383</b>	<b>2,652,279</b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>2,465,645</b>	<b>1,038,611</b>	<b>3,504,256</b>

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

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

Total Fund Balance	2,652,279
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$23,041,667	19,311,813
Deferred outflows of resources related to pension plans	54,943
Deferred inflows of resources related to pension plans	(535,311)
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Net Pension Liability	(437,549)
Advanced Recreation Summer Fees	50,890
Unavailable Property Tax Revenue	215,733
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(2,673,434)
Leases Payable	(91,950)
Accrued Compensated Absences	(313,836)
	<hr/>
Net Position of Governmental Activities	<u><u>18,233,578</u></u>

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

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

*Exhibit D*  
*Page 1 of 2*

	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues			
Taxes	12,341,910		12,341,910
Intergovernmental Revenues	780,972		780,972
Departmental Revenues	447,174		447,174
Investment Income	20,075	15,771	35,846
Fair Value Increases (Decreases)	(7,393)	(28,383)	(35,776)
Other Local Sources	610,311	411,580	1,021,891
<b>Total Revenues</b>	<b>14,193,049</b>	<b>398,968</b>	<b>14,592,017</b>
Expenditures			
General Government	1,267,910		1,267,910
Public Safety	2,623,177		2,623,177
Public Works	1,386,643		1,386,643
Solid Waste	380,515		380,515
Recreation and Culture	1,067,006	282,444	1,349,450
The Bus	90,735		90,735
Buildings and Grounds	75,055		75,055
General Assistance	2,534		2,534
Debt Service	485,649		485,649
TIF	18,416		18,416
Capital Outlay		602,976	602,976
Assessments	6,799,928		6,799,928
<b>Total Expenditures</b>	<b>14,197,568</b>	<b>885,420</b>	<b>15,082,988</b>
Excess of Revenues Over (Under) Expenditures	(4,519)	(486,452)	(490,971)
Other Financing Sources (Uses)			
Transfers from Other Funds	5,000	290,405	295,405
Transfers to Other Funds	(276,692)	(18,713)	(295,405)
<b>Total Other Financing Sources (Uses)</b>	<b>(271,692)</b>	<b>271,692</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(276,211)	(214,760)	(490,971)
Fund Balance - July 1	1,897,107	1,246,143	3,143,250
<b>Fund Balance - June 30</b>	<b>1,620,896</b>	<b>1,031,383</b>	<b>2,652,279</b>

(Continued)

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

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

Net change in fund balances - total governmental funds	(490,971)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	480,192
Depreciation expense	(1,308,633)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Taxes	(35,299)
Advanced Recreation Summer Fees	50,890
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Lease principal payments	71,331
General obligation bond principal payments	384,884
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:	
Deferred Outflows of Pension Expense	54,943
Deferred Inflows of Pension Expense	(535,311)
Net Pension Liability	(437,549)
Accrued compensated absences	47,497
	<hr/>
Change in net position of governmental activities	<u>(1,718,026)</u>

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

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

*Exhibit E*

	<i>Sewer Enterprise</i>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and Equivalents	187,899
Investments	7,804
User Fees/Liens Receivable	37,976
<b>Capital Assets:</b>	
Construction Work in Progress	884,701
Other Capital Assets, Net of Depreciation	<u>6,678,109</u>
<b>Total Assets</b>	<u><u>7,796,489</u></u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	393,516
Accrued Interest Payable	18,622
Retainage Payable	
Due to Other Funds	541,666
<b>Long-term Liabilities:</b>	
Due Within One Year	300,252
Due in More Than One Year	<u>3,168,721</u>
<b>Total Liabilities</b>	<u>4,422,777</u>
<b>Net Position</b>	
Net Investment in Capital Assets	3,141,764
Restricted	294,957
Unrestricted	<u>(63,009)</u>
<b>Total Net Position</b>	<u>3,373,712</u>
<b>Total Liabilities and Net Position</b>	<u><u>7,796,489</u></u>

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

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

*Exhibit F*

	<i>Budget</i>	<i>Sewer Enterprise</i>	<i>Variance Favorable (Unfavorable)</i>
<b>Operating Revenues:</b>			
Charges for Services	546,133	528,165	(17,968)
<b>Total Operating Revenues:</b>	546,133	528,165	(17,968)
<b>Operating Expenses:</b>			
Repairs	12,000		12,000
Sewer Flush Repairs	500		500
Utilities/Fuel	42,000	41,414	586
Pump Station Contracts	42,000	73,796	(31,796)
Treatment Service Charges	185,000	318,746	(133,746)
Special Projects	10,000		10,000
Liens/Transfers	4,000		4,000
Wages	60,000	60,000	-
Supplies	18,400	13,146	5,254
Depreciation and Amortization		279,407	(279,407)
<b>Total Operating Expenses</b>	373,900	786,509	(412,609)
<b>Net Operating Income (Loss)</b>	172,233	(258,344)	(430,577)
<b>Non-operating Revenues (Expenses)</b>			
Interest Revenue	12,850	12,855	5
Change in Fair Market Value		(541)	(541)
Miscellaneous Income	20,000		(20,000)
Interest Expense	(344,000)	(91,702)	252,298
<b>Total Non-operating Revenues (Expenses)</b>	(311,150)	(79,388)	231,762
<b>Net Income (Loss) Before Contributions and Transfers</b>	(138,917)	(337,732)	(198,815)
<b>Total Net Position - Beginning</b>		3,711,444	
<b>Total Net Position - Ending</b>		3,373,712	

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

**TOWN OF HAMPDEN**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*Exhibit G*

	<u>Sewer Enterprise</u>
<b><i>Cash Flows from Operating Activities;</i></b>	
Received from Customers	528,165
Payments to Suppliers	(447,102)
Payments to Employees	(60,000)
Other Receipts (Payments)	<u>(197,332)</u>
 <b><i>Net Cash Provided by (Used in) Operating Activities</i></b>	 <u>(176,269)</u>
 <b><i>Cash Flows from Capital and Related Financing Activities</i></b>	
Purchases of Capital Assets	(353,620)
Principal Paid on Capital Debt	(251,855)
Interest Paid on Capital Debt	<u>(91,702)</u>
 <b><i>Net Cash Used in Capital and Related Financing Activities</i></b>	 <u>(697,177)</u>
 <b><i>Cash Flows from Investing Activities</i></b>	
Net Purchases / Sales of Investments	143,161
Interest and Dividends	<u>12,855</u>
 <b><i>Net Cash Provided by (Used in) Investing Activities</i></b>	 <u>156,016</u>
 <b><i>Net Increase (Decrease) in Cash and Cash Equivalents</i></b>	 <u>(717,430)</u>
 <b><i>Balances - beginning of the year</i></b>	 <u>905,329</u>
 <b><i>Balances - end of the year</i></b>	 <u><u>187,899</u></u>
 <b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</i></b>	
Operating Income (Loss)	(258,344)
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	279,407
Changes in Assets and Liabilities;	
Receivables, net	7,434
Accounts Payable	57,627
Accrued Interest	(377)
Retainage Payable	(22,016)
Due to Other Funds	(240,000)
 <b><i>Net Cash Provided by (Used in) Operating Activities</i></b>	 <u><u>(176,269)</u></u>

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

*TOWN OF HAMPDEN  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2015*

*Exhibit H*

	<u><i>Private Purpose Trust Fund Environmental Trust</i></u>
<i>Assets</i>	
Cash and Equivalents	409,359
Investments	<u>3,614,454</u>
<i>Total Assets</i>	<u><u>4,023,813</u></u>
<i>Net Position</i>	
Restricted	<u>4,023,813</u>
<i>Total Net Position</i>	<u><u>4,023,813</u></u>

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

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*Exhibit I*

	<u><i>Private Purpose Trust Fund Environmental Trust</i></u>
Revenues	
Fair Value Increases (Decreases)	(8,176)
Investment Income	90,300
Other Local Sources	
	<hr/>
Total Revenues	<u>82,124</u>
Expenditures	
Professional Fees	<u>12,151</u>
Total Expenditures	<u>12,151</u>
Excess of Revenues Over Expenditures	<u>69,973</u>
Other Financing Sources (Uses)	
Transfers from Other Funds	
Transfers to Other Funds	
	<hr/>
Total Other Financing Sources (Uses)	<u>-</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	
Net Position - July 1	<u>3,953,840</u>
Net Position - June 30	<u><u>4,023,813</u></u>

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

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Hampden have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Financial Reporting Entity**

The Town of Hampden operates under an elected Town Council and Town Manager form of government. The Town's major operations include public works, public safety and general administrative services.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. Fiduciary activities, whose resources are not available to finance the Town's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and various intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the respective fund financial statements.

For the year ended 6/30/15, the Town has implemented GASB Statement #68, which accounts for the Town's proportionate share of net pension liability for the Maine Public Employees Retirement System.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales taxes, interdepartmental charges and intergovernmental revenues are considered susceptible to accrual. Special assessments are recorded as revenues in the year the assessment become current. Annual installments not yet due are reflected as special assessment receivables and deferred revenues. Other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The General Fund is used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

The Town reports the following major enterprise fund:

The sewer fund accounts for the activities of the sewerage operations. The Town operates the sewer collection system and related administrative costs.

Additionally, the Town reports the following fund types:

Nonexpendable trust funds account for monies held in trust by the Town, the investment earnings from which may only be used for the operation of the program.

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Town's own programs.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the Statement of Activities, amounts reported as program revenue include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Assets, Liabilities and Net Position or Fund Equity***

***1. 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. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Maine Statute 5705 Title 30-A and as provided in the authorized investment guidelines of the Maine Statutes 5711 through 5719 in effect on the date the investment is made.

Investments in the Pension Trust Fund are carried at fair value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

***2. Receivables and Payables***

Transactions between funds that result in outstanding balances are reported as due to/from other funds.

Property taxes receivable not expected to be collected within 60 days from year-end are classified as deferred revenue. At June 30, \$215,733 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on August 18 on property values assessed on April 1. Taxes were due in two installments due on October 2 and April 2, with interest at 7% beginning October 3 and April 3. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2013 fiscal year levy on August 19, 2015. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.

***3. Inventories***

Inventories are valued at cost using the first in, first out method.

***4. Capital Assets***

Capital assets, which property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**4. Capital Assets (continued)**

historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	18-50
Equipment	5-50

**5. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Employees Retirement System (System) and additions to/deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

**6. Compensated Absences**

Town employees generally earn vacation days at a variable rate based on years of service. In the event of termination, an employee is reimbursed for all accumulated vacation time.

Employees earn sick leave at a rate of one work day for each full calendar month of service, accumulative to a maximum of one 120 working days. Upon retirement or resignation, an employee in good standing is entitled to payment for 25% of accrued sick time up to a maximum of 30 days.

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**7. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

Under State Law, no municipality can incur debt, which would cause its total outstanding debt, exclusive of debt incurred for Town, storm or sanitary sewer, energy facilities, or municipal airports, to exceed 7.50% of its last full state valuation. A municipality may incur debt for Towns not exceeding 10%, storm or sanitary sewers 7.50%, and municipal airports, water districts and special purpose districts 3% of its last full state valuation. In no event can the total debt exceed 15% of its last full valuation. Full state valuation is the valuation of taxable property as certified by the State Tax Assessor, adjusted to 100%.

At June 30, the Town of Hampden is in compliance with the above requirements.

**8. Fund Balances/Net Position**

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, the Town classifies governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through town council voting and does not lapse at year-end.

*Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Manager.

*Unassigned* – includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balance in other governmental funds.

The Town considers restricted, committed, assigned, and unassigned amounts to be spent in that order when expenditures for which any of those amounts are available.

The Town does not have a formal minimum fund balance policy.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**8. Fund Balances/Net Position (continued)**

Fund Balances

The Town has identified June 30, 2015 fund balances on the balance sheet as follows:

	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
<u>Nonspendable</u>			
Dyer Library Principal		257,242	257,242
Cemetery Principal		57,028	57,028
Diane Marshall Book Fund Principal		200	200
<u>Restricted</u>			
Pool Donations		285	285
Public Safety Donation		4,314	4,314
Hampden Bus. Assoc. Fund		1,065	1,065
Library Fund		3,362	3,362
Library Grant		47,982	47,982
Children's Day Raffle		385	385
Library Willard Donation		4,717	4,717
Lura Hoit Pool Scholarship		29,884	29,884
Wellness Fund		30	30
Pink Garden		548	548
Katahdin Trust Partnership		96	96
Maine Community Heritage Grant		129	129
Municipal Revenue Sharing	124,693		124,693
<u>Committed</u>			
Mayo Road Project		109,881	109,881
Capital Improvement Program		353,057	353,057
Town Reserves	119,221		119,221
Fire Training School	4,061		4,061
Voting Machine	18,492		18,492
Recreation	124,563		124,563
Lura Hoit Pool	125,850		125,850
<u>Assigned</u>			
Dyer Library		125,614	125,614
Cemetery		35,868	35,868
Diane Marshall Book Fund		276	276
Encumbrances	52,091		52,091
<u>Unassigned</u>			
General Fund	626,465		626,465
Host Community Benefit	425,460		425,460
Flag Project		(580)	(580)
<u>Total Fund Balance</u>	<u>1,620,896</u>	<u>1,031,383</u>	<u>2,652,279</u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**8. Fund Balances/Net Position (continued)**

Net Position

Net position are required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

*Net Investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portions of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

*Restricted* – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at fiscal year end to the extent that they have not been encumbered.

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2014-2015, \$500,000 of the beginning General Fund fund balance was applied for this purpose.

Reserve funds, once established by the Town Council, may be expended with approval of the council for the purpose for which the reserve was established.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits**

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State Statute 5706 require banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town Treasurer in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Corporation (FDIC).

One or more of the financial institutions holding the Town's cash accounts are participating in the FDIC Transaction Account Guarantee Program. Under the program, all noninterest bearing checking accounts include demand deposit accounts and any transaction account that has unlimited withdrawals and cannot earn interest are fully guaranteed by the FDIC for the entire amount. For interest bearing accounts, the Town's cash deposits, including certificates of deposits, are insured up to \$250,000 per custodian by the FDIC. Any cash deposits or certificates of deposits in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the Town and thus no custodial risk exists.

At year-end, the carrying value of the Town's deposits was \$1,742,187 and the bank balance was \$1,771,070. Of the bank balance, \$251,019 was covered by federal depository insurance. The remaining \$1,520,051 was covered by a FHLB irrevocable letter of credit.

**B. Investments**

At June 30, 2015, the Town had the following investments, maturities, and credit ratings:

<i>Type</i>	<i>Fair Value</i>	<i>Maturities in Years</i>				<i>Credit Rating</i>	
		<i>&lt; 1</i>	<i>1-5</i>	<i>6-10</i>	<i>&gt; 10</i>	<i>S&amp;P</i>	<i>Moody's</i>
<b><i>General Town</i></b>							
Common Stock	179,622	179,622				NR	NR
Common Stock	19,093	19,093				AA3	AA-
Common Stock	56,914	56,914				A-	A2
U.S. Sponsored Agency Obligations	-					AA	AA
U.S. Treasury Securities	477,219	67,290	262,610	147,319		AA	AA
Mutual Funds	83,932	83,932				NR	NR
	<u>816,780</u>	<u>406,851</u>	<u>262,610</u>	<u>147,319</u>	<u>-</u>		
<b><i>Environmental Trust</i></b>							
Government Securities	3,614,454	333,602	2,360,650	920,202		AAA	AAA
	<u>3,614,454</u>	<u>333,602</u>	<u>2,360,650</u>	<u>920,202</u>	<u>-</u>		

*TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015*

*NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)*

*B. Investments (Continued)*

*Investment Policies*

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with the investment policy adopted by the Town Council complying with state statutes. The Town may invest in securities permitted under 30-A MRSA 5712, 5713, 5714, 5715, and 5716. Upon approval of the Town Council, the treasurer of the trustee(s) of a trust fund of the town, may enter into safekeeping and investment management agreements and/or investment advisory agreements in accordance with 30-A MRSA 5706(4) and the investment funds pursuant to any such agreements shall be governed by the rule of prudence as set forth in 18-A MRSA 7-302.

*C. Property Taxes*

Property taxes were levied for the fiscal year as follows:

Assessed Value	599,120,100
Tax Rate (per \$1,000)	<u>17.50</u>
Commitment	<u><u>10,484,602</u></u>
Appropriations	13,892,593
Less:	
State Municipal Revenue Sharing	333,785
Estimated Revenues	2,806,500
BETE Reimbursement	104,089
Homestead Reimbursement	<u>163,617</u>
	<u>3,407,991</u>
Net Assessment for Commitment	<u><u>10,484,602</u></u>

Uncollected taxes at June 30 for the current year commitment totaled \$245,865. Unpaid liens at June 30 totaled \$66,585.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b>Governmental Activities;</b>				
<i>Capital assets not being depreciated</i>				
Land	1,656,858			1,656,858
 <i>Capital assets being depreciated</i>				
Buildings	6,101,511	87,005		6,188,516
Equipment	3,364,312	27,771		3,392,083
Infrastructure	30,750,606	365,416		31,116,022
<i>Total capital assets being depreciated</i>	40,216,429	480,192	-	40,696,621
 <i>Less accumulated depreciation for</i>				
Buildings	2,135,725	133,721		2,269,446
Equipment	1,556,250	243,049		1,799,299
Infrastructure	18,041,058	931,863		18,972,921
<i>Total accumulated depreciation</i>	21,733,033	1,308,633	-	23,041,666
<i>Net capital assets being depreciated</i>	18,483,396	(828,441)	-	17,654,955
<b>Governmental Activities Capital Assets, net</b>	<b>20,140,254</b>	<b>(828,441)</b>	<b>-</b>	<b>19,311,813</b>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**D. Capital Assets (continued)**

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b><i>Business-type Activities;</i></b>				
<i>Capital assets being depreciated</i>				
Sewer System	12,456,491			12,456,491
<i>Total capital assets being depreciated</i>	12,456,491	-	-	12,456,491
 <i>Less accumulated depreciation for</i>				
Sewer System	5,498,975	279,407		5,778,382
<i>Total accumulated depreciation</i>	5,498,975	279,407	-	5,778,382
<i>Net capital assets being depreciated</i>	6,957,516	(279,407)	-	6,678,109
<b><i>Business-type Activities Capital Assets, net</i></b>	<b>6,957,516</b>	<b>(279,407)</b>	<b>-</b>	<b>6,678,109</b>

Depreciation expense was charged to functions/programs of the primary government as follows;

Governmental Activities

General Government	46,207
Public Safety	123,439
Recreation and Culture	52,094
Public Works, including depreciation of general infrastructure assets	1,086,893
 Total Depreciation Expense - Governmental Activities	 <u>1,308,633</u>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**E. Interfund Receivables and Payables**

Individual fund interfund receivable and payable at June 30, 2015, were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	656,545	348,280
Special Revenue Funds	62,913	580
Capital Projects	177,666	
Permanent Funds		
Dyer Library		1,648
Cemetery	50	5,000
Enterprise Fund		
Sewer		<u>541,666</u>
Totals	<u><u>897,174</u></u>	<u><u>897,174</u></u>

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. The above balances represent cash that has been deposited into the general fund checking account for those funds. The Town Council and Town Manager are aware of the interfund balances and are working on a multi-year payback plan.

Transfers To/From Other Funds at June 30, 2015, were as follows:

	<u><i>Transfers From</i></u>	<u><i>Transfers To</i></u>
General Fund	5,000	276,692
Special Revenue Funds		13,713
Capital Projects	290,405	
Trust Funds		<u>5,000</u>
Totals	<u><u>295,405</u></u>	<u><u>295,405</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer funds to general fund to cover expenditures voted on per Council.

**TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**F. Capital Leases**

The town is obligated under certain leases accounted for as capital leases. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30:

<i>Year Ended</i> <i>June 30,</i>	<i>Minimum Lease Payment</i>
2016	75,272
2017	19,881
Total Minimum Lease Payments	<u>95,153</u>
Less: Amount Representing Interest	<u>(3,203)</u>
Present Value of Future Minimum Lease Payments	<u><u>91,950</u></u>

**G. Long-Term Debt**

**1. General Obligation Bonds and Notes.**

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes currently outstanding are as follows:

<i>Purpose Proprietary</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount</i>
1996 Sewer SRF	10/1/2017	3.02%	272,782
2006 Sewer Construction Bond	11/1/2025	2.55-6.00%	868,424
2010 Rt 1A Sewer Bond	7/29/2029	0-1.13%	1,425,717
2014 Sewer Project	11/1/2034	.41-4.02	902,050
			<u>3,468,973</u>

<i>General Obligation</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount</i>
2000 Road Construction & Line Extensions	11/1/2020	4.676-5.751%	540,000
2002 Fire Station	11/1/2021	3.25-5.125%	590,100
2006 Gravel Roads	11/1/2015	2.00-5.25%	83,334
2011 Mayo Rd Bond	11/1/2030	.831-5.094%	1,460,000
			<u>2,673,434</u>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**G. Long-Term Debt (continued)**

**1. General Obligation Bonds and Notes (continued)**

Annual debt service requirements to maturity for general obligation and proprietary bonds and notes, including interest of \$1,117,513 are as follows:

<i>Year Ended</i> <i>June 30,</i>	<i>General</i>		
	<i>Obligation</i> <i>Debt</i>	<i>Proprietary</i>	<i>Total</i>
2016	438,737	381,311	820,048
2017	343,878	377,055	720,933
2018	332,914	372,655	705,569
2019	321,741	273,379	595,120
2020	310,446	269,014	579,460
2021-2025	828,433	1,282,392	2,110,825
2026-2030	501,637	885,910	1,387,547
2031-2035	92,553	247,865	340,418
Total	<u>3,170,339</u>	<u>4,089,581</u>	<u>7,259,920</u>

**2. Changes in Long-Term Liabilities**

The following summary of long-term debt transactions of the Town of Hampden for the fiscal year ended June 30, 2015:

	<i>General</i> <i>Fund</i>	<i>Proprietary</i> <i>Fund</i>	<i>Capital</i> <i>Leases</i>
<i>Long-term Debt payable July 1, 2014</i>	3,058,318	3,720,828	163,281
Debt Issued			
Debt Retired	(384,884)	(251,835)	(71,331)
<i>Long-term Debt payable June 30, 2015</i>	<u>2,673,434</u>	<u>3,468,993</u>	<u>91,950</u>

**3. Overlapping Debt**

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town is summarized as follows:

<i>Units</i>	<i>Net debt</i> <i>outstanding</i> <i>June 30, 2015</i>	<i>Percentage</i> <i>applicable</i> <i>to the Town</i>	<i>Town's</i> <i>proportionate</i> <i>share of debt</i>
Regional School Unit No. 22	40,773,864	58.13%	23,701,847
Penobscot County	-	5.60%	-
Totals	<u>40,773,864</u>		<u>23,701,847</u>

The Town's proportionate share of the above debt is paid through annual assessments by the receptive units.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**H. Reserve Funds**

The Town has authorized various reserve funds primarily for future acquisitions. At June 30 these funds total \$472,278 and are detailed in Exhibits A-6 and C-3.

**NOTE 4 - OTHER INFORMATION**

**A. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amount, if any to be immaterial.

**B. Permanent Funds and Fiduciary Funds**

The principal amount of all Nonexpendable Fiduciary Funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The government's Permanent Funds and Fiduciary Funds at June 30 are detailed as follows:

<i>Fiduciary Funds</i>	<i>Principal</i>	<i>Income</i>	<i>Total</i>
Hampden Environmental		4,023,813	4,023,813
<hr/>			
<i>Permanent Funds</i>			
Dyer Library	257,242	125,614	382,856
Cemetery	57,028	35,868	92,896
Diane Marshall Book Fund	200	276	476
	<hr/>		
	314,470	161,758	476,228
	<hr/>		

**C. Defined Benefit Employee Pension Plan**

**Plan Description**

Qualifying personnel of the Town participate in the Maine Public Employees Retirement System (System) Participating Local District Consolidated (PLD) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of town employees, while towns contribute the normal cost, calculated actuarially, for their members.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

***Pension Benefits***

Benefit terms are established in Maine Statute. The System’s retirement programs provide defined retirement benefits based on member’s average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occur upon the earning of five to ten years of service credit for PLD employees, depending upon when employment began. Normal retirement age for PLD employees is age 60 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for PLD members.

Upon termination of membership, members’ accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to members’ accounts is set by the System’s Board of Trustees.

***Member and Employer Contributions***

Retirement benefits are funded by contributions from members, employers, state contributions, and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2015, the member contribution rate was 7% for regular – AC plan and 8.5% for special – 3C plan of applicable member compensation. The employer contribution rate was 7.8% for regular –AC plan and 11% for Special – 3C plan of applicable member compensation.

The required contributions paid into the System for the ended June 30, 2015 and the previous two years are as follows:

For the year ended	Employee	Employer	Applicable
June 30,	Contributions	Contributions	Member
			Compensation
2015	\$ 82,568	\$ 106,968	\$ 995,645

***Revenue Recognition***

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the PLD consolidated plan, total employer and non-employer

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by the local employers on behalf of their employees. These leave contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those employers contributing towards the net pension liability of the plan using grant funding.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

As of June 30, 2015, the Town reported a net pension liability of \$437,549. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2014, the Town's proportion was .28%, which was a decrease of 0.03% from its proportion measured at June 30, 2013.

For the fiscal year ended June 30, 2015, the Town recognized pension expense of \$45,835. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	54,943	-
Changes in Assumption	-	-
Net Difference between projected between projected and actual earnings on pension plan investments	-	464,705
Changes in proportion and differences between employer contributions and proportionate share of contributions		70,606
	<u>54,943</u>	<u>535,311</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2016	<u>(121,398)</u>
2017	<u>(121,398)</u>
2018	<u>(121,395)</u>
2019	<u>(116,177)</u>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

*Actuarial Assumptions*

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increases	3.5%-13.5% at selected years of service
Investment Rate of Return	7.125%, net of administrative and pension plan investment expense

For the Town employees, the mortality rate is based on the RP2000 Combined Mortality Tables for males and females using Scale AA with a two year set back.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study performed in 2011 and covered the period July 1, 2005 – June 30, 2010.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	20%	2.5%
Non-US Equities	20%	5.5%
Private Equity	10%	7.6%
Real Assets:		
Real Estate	10%	3.7%
Infrastructure	10%	4.0%
Hard Assets	5%	4.8%
Fixed Income	25%	0.0%
	<u>100%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.125% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.125%) or 1 percentage point higher (8.125%) than the current rate:

	<i>1% Decrease</i> ° <i>(6.125%)</i>	<i>Current Discount</i> <i>Rate (7.125%)</i>	<i>1% Increase</i> ° <i>(8.125%)</i>
Proportionate Share of the Net Pension Liability	\$ 376,139	\$ 437,549	\$ 498,959

*Pension Plan Financial and Actuarial Information*

Additional financial information and actuarial information can be found in the System Actuarial Valuation Reports available online at [www.maineopers.org](http://www.maineopers.org) or contacting the System at (207) 512-3100.

**D. Pension Plans**

The government's full-time employees have the option of coverage under the ICMA or Maine Public Employees Retirement Systems.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan is administered by an independent company, and the Town remits all compensation deferred to this administrator for investment as requested by the participant employees. All assets and income of the plans are held in trust for the exclusive benefit of participants and their beneficiaries.

The Town offers its employees a Money Purchase Pension Plan and Trust, which is administered by an independent provider. The Town contributes 8.40% of earnings on behalf of each participant for the plan year. Each participant is not required but can make voluntary contributions up to 10% of earnings for the plan year. All full-time employees not on the Maine Public Employees Retirement System are eligible to participate. Normal retirement age shall be 60 (not to exceed age 65). Participant's vesting requirements are fulfilled as follows: 3 years-20%; 4 years-40%; 5 years-60%; 6 years-80%; and 7 years and over-100%. The Town has contributed \$169,500 for the year ended June 30, 2015.

A participant may direct the investment without restriction among various options available under the trust. Loans are not permitted under the plan.

Additionally, the Town participates in a retirement health savings plan. Employees are allowed to contribute pre-tax wages to this account. The town will contribute the value of one sick day per month to the program for

*TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015*

*NOTE 4 - OTHER INFORMATION (Continued)*

*D. Pension Plans (continued)*

employees who have reached the maximum allowable accrued sick time of 120 days. The Town's contribution to the health savings plan was \$34,269 for June 30, 2015, \$42,491 for June 30, 2013, and \$35,305 for June 30, 2012.

*E. Deficit Fund Balance*

As of June 30, 2015, the sewer fund has a negative unrestricted fund balance of \$130,382. The deficit is partially due to budgeting more expenses than revenues. The pump station contract and treatment service charges came in more than expected for this year. The town also received a bill for prior fiscal year. The town plans on raising rates for the sewer fund to cover costs.

**TOWN OF HAMPDEN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

*Exhibit J*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Taxes	12,075,602	12,075,602	12,341,910	266,308
Intergovernmental Revenues	298,868	420,945	431,262	10,317
Departmental Revenues	387,777	431,816	447,174	15,358
Other Local Sources	139,411	164,000	138,594	(25,406)
<b>Total Revenues</b>	<u>12,901,658</u>	<u>13,092,363</u>	<u>13,358,940</u>	<u>266,577</u>
<b>Expenditures (Net of Departmental Revenues)</b>				
General Government	1,238,954	1,238,954	1,249,151	(10,197)
Public Safety	2,536,974	2,665,404	2,636,280	29,124
Public Works	1,306,410	1,306,410	1,326,908	(20,498)
Solid Waste	374,843	374,843	380,515	(5,672)
Recreation and Culture	558,320	626,948	650,756	(23,808)
The Bus	91,544	91,544	90,735	809
Buildings and Grounds	82,529	82,529	75,055	7,474
General Assistance	10,000	10,000	2,534	7,466
Debt Service	361,397	361,397	363,243	(1,846)
Tax Increment Financing	18,415	18,415	18,416	(1)
Assessments	6,934,779	6,934,779	6,799,928	134,851
<b>Total Expenditures</b>	<u>13,514,165</u>	<u>13,711,223</u>	<u>13,593,521</u>	<u>117,702</u>
<b>Excess Revenues Over Expenditures</b>	(612,507)	(618,860)	(234,581)	384,279
<b>Other Financing Sources</b>				
Transfer from Other Funds	352,432	358,785	338,785	(20,000)
Transfers to Other Funds	(239,925)	(239,925)	(239,925)	-
<b>Total Other Financing Sources (Uses)</b>	<u>112,507</u>	<u>118,860</u>	<u>98,860</u>	<u>(20,000)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<u>(500,000)</u>	<u>(500,000)</u>	(135,721)	<u>364,279</u>
<b>Fund Balance - July 1 (Budgetary Basis)</b>			<u>762,186</u>	
<b>Fund Balance - June 30 (Budgetary Basis)</b>			626,465	
<b>Adjustment to Conform with GAAP Elimination of Encumbrances</b>			<u>52,091</u>	
<b>Fund Balance - June 30 (GAAP Basis)</b>			<u>678,556</u>	

**TOWN OF HAMPDEN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit K**

Schedule 1 - Proportionate Share of the Net Pension Liability:

	<u>For the Fiscal Year Ended June 30, 2015</u>
Proportion of net pension liability	0.28%
Proportionate share of net pension liability	\$437,549
Covered employee payroll	\$995,645
Proportionate share of the net pension liability as a percentage of its covered employee payroll	0.00%
Plan Total Pension Liability	\$2,609,657,845
Plan Fiduciary Net Position	\$2,455,776,671
Plan Net Pension Liability	\$153,881,174
Plan Fiduciary Net Position as a % Of the Total Pension Liability	94.103%
Plan Covered Employee Payroll	\$460,029,637
Plan Net Pension Liability as a % Of the Covered Employee Payroll	33.450%

\* Amounts presented for each fiscal year were determined as of June 30. A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of School Department Contributions:

	<u>For the Fiscal Year Ended June 30, 2015</u>
Contractually required contribution	\$106,968
Contribution in relation to the contractually required contribution	<u>(\$106,968)</u>
Contribution deficiency	<u>\$0</u>
Covered employee payroll	\$995,645
Contributions as a percentage of covered employee payroll	10.74%

\* Amounts presented for each fiscal year were determined as of June 30. A full year schedule will be displayed as it becomes available.

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

*Exhibit A-1*  
*Page 1 of 2*

	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	10,484,602	10,519,900	35,298
Auto Excise	1,550,000	1,776,652	226,652
Boat Excise	9,000	10,588	1,588
Lien Interest and Fees	23,000	21,910	(1,090)
Interest on Taxes	9,000	12,860	3,860
	<u>12,075,602</u>	<u>12,341,910</u>	<u>266,308</u>
Intergovernmental Revenues			
General Assistance	5,000	3,940	(1,060)
Tree Growth	2,000	3,483	1,483
Veterans Reimbursement	6,500	6,809	309
Homestead Reimbursement	163,617	163,617	-
Business Equipment Tax Reimbursement	104,089	110,089	6,000
DEA/School Reimb.	120,000	123,585	3,585
Drive Sober Grant	2,713	2,713	-
Impaired Driving Grant	2,177	2,177	-
Speed Enforcement Grant	12,077	12,077	-
JAG Grant	117	117	-
Snowmobile Reimbursement	2,655	2,655	-
	<u>420,945</u>	<u>431,262</u>	<u>10,317</u>
Departmental Revenues			
Ambulance Service	190,000	232,929	42,929
Police	2,500	16,311	13,811
MMA Safety Grant		1,851	1,851
Fire		1,105	1,105
Solid Waste Recycling	10,000	12,185	2,185
Transfer Station	60,000	27,490	(32,510)
Sewer	60,000	60,000	-
Plumbing Fees	6,500	(2,476)	(8,976)
Re-Registration Fees	21,000	20,981	(19)
Town Clerk Fees	12,500	10,929	(1,571)
Public Works/Cemetery Fees	5,000	3,900	(1,100)
Code Officer	15,000	14,011	(989)
Library	7,000	6,531	(469)
Bronco Travel Basketball Fees	30,181	30,181	-
Bronco Youth Football Fees	8,635	8,635	-
Animal Control	1,000	1,926	926
Planning/Zoning Fees	2,500	685	(1,815)
	<u>431,816</u>	<u>447,174</u>	<u>15,358</u>

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

*Exhibit A-1*  
*Page 2 of 2*

	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Other Local Sources			
Interest on Investments	10,000	15,249	5,249
Fair Value Increases (Decreases)		1,325	1,325
Cable TV Franchise	40,000	35,582	(4,418)
Sale of Cemetery Lots	4,000	1,350	(2,650)
Rental Income	2,000	1,100	(900)
Fees and Permits	1,000	310	(690)
Housing Foundation	15,000	10,576	(4,424)
PERC Revenue	90,000	71,842	(18,158)
All Other	2,000	1,260	(740)
	<u>164,000</u>	<u>138,594</u>	<u>(25,406)</u>
Operating Transfers In			
Municipal Revenue Sharing	333,785	333,785	-
Cable Reserve	20,000		(20,000)
Cemetery Reserve	5,000	5,000	-
	<u>358,785</u>	<u>338,785</u>	<u>(20,000)</u>
Total Revenues and Transfers	13,451,148	<u><u>13,697,725</u></u>	<u><u>246,577</u></u>
Beginning Fund Balance Used To Reduce Tax Commitment	<u>500,000</u>		
<b>Total</b>	<u><u>13,951,148</u></u>		

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

	Encumbered From 6/30/14	Appropriations	Expenditures Net of Refund	Encumbered To 6/30/16	Under Budget
General Government					
Administrative Office		589,929	612,509		(22,580)
GIS/IT		119,305	107,346		11,959
Communications		25,419	11,307		14,112
Town Council		30,890	23,556		7,334
Municipal Building		92,020	110,020		(18,000)
Tax Collector		6,000	5,380		620
Municipal Elections		7,039	4,815		2,224
Assessor/Planning/CEO		255,032	257,883		(2,851)
Economic Development		113,320	116,335		(3,015)
	-	1,238,954	1,249,151	-	(10,197)
Public Safety					
Police Department		1,028,414	1,040,643	15,000	(27,229)
DARE Program	1,733			1,733	-
Fire Department		976,614	922,201		54,413
Fire Department - FEMA Grant	131			131	-
Public Safety		191,976	189,463		2,513
Non Department Utilities		468,400	468,973		(573)
	1,864	2,665,404	2,621,280	16,864	29,124
Public Works					
Highway Department		1,277,330	1,294,235		(16,905)
Municipal Garage		29,080	32,673		(3,593)
	-	1,306,410	1,326,908	-	(20,498)
Solid Waste		374,843	380,515		(5,672)
Recreation and Culture					
Recreation		139,317	141,468		(2,151)
Bronco Travel Basketball	16,223	30,181	32,925	13,479	-
Bronco Youth Football	8,493	8,635	7,662	9,466	-
Snowmobile	10,627	2,655	1,000	12,282	-
Dyer Library		241,924	259,370		(17,446)
Hoit Memorial Pool		204,236	208,447		(4,211)
	35,343	626,948	650,872	35,227	(23,808)

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

	Encumbered From 6/30/14	Appropriations	Expenditures Net of Refund	Encumbered To 6/30/16	(Over) Under Budget
The Bus		91,544	90,735		809
Buildings and Grounds		82,529	75,055		7,474
General Assistance		10,000	2,534		7,466
Debt Service		361,397	363,243		(1,846)
TIF		18,415	18,416		(1)
Assessments					
Regional School District		6,033,040	6,033,040		-
County Tax		751,929	751,928		1
Overlay		149,810	14,960		134,850
		6,934,779	6,799,928	-	134,851
Transfers To Other Funds					
Town Roads Reserve		100,000	100,000		-
Public Works Equipment Reserve		100,000	100,000		-
Municipal Building Reserve		20,000	20,000		-
Library Reserve		5,000	5,000		-
Computer Reserve		14,925	14,925		-
		239,925	239,925		-
<b>Totals</b>	<b>37,207</b>	<b>13,951,148</b>	<b>13,818,562</b>	<b>52,091</b>	<b>117,702</b>

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

*Exhibit A-3*

Unassigned Fund Balance, July 1	762,186	
Unassigned Fund Balance, June 30	<u>626,465</u>	
<b>Increase (Decrease)</b>		<b><u><u>(135,721)</u></u></b>

*Analysis of Change*

Budget Summary		
Revenue Surplus (Exhibit A-1)	246,577	
Unexpended Balance of Appropriations and Operating Transfers (Exhibit A-2)	<u>117,702</u>	
Budget Surplus		364,279
Deductions		
Beginning Fund Balance Used To Reduce Tax Commitment		<u>(500,000)</u>
<b>Increase (Decrease)</b>		<b><u><u>(135,721)</u></u></b>

**TOWN OF HAMPDEN  
ALL GENERAL RESERVES  
BALANCE SHEET  
JUNE 30, 2015**

**Exhibit A-4**

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Town Reserves</i>	<i>Fire</i>		<i>Voting Machine</i>	<i>Recreation</i>	<i>Host Community</i>		<i>Laura Hoit Enterprise</i>	<i>Laura Hoit Pool</i>	<i>Totals</i>
			<i>Training School</i>	<i>School</i>			<i>Benefit</i>	<i>Benefit</i>			
Cash and Equivalents		245,479					1,584			28,193	275,256
Investments		22,071								79,357	101,428
Due from Other Funds	124,693		4,061		18,492	124,563	423,876		46,037		741,722
<b>Total Assets</b>	<b>124,693</b>	<b>267,550</b>	<b>4,061</b>		<b>18,492</b>	<b>124,563</b>	<b>425,460</b>		<b>46,037</b>	<b>107,550</b>	<b>1,118,406</b>
<i>Liabilities &amp; Fund Balances</i>											
<i>Liabilities</i>		148,329								27,737	176,066
Due to Other Funds											
Total Liabilities	-	148,329	-		-	-	-		-	27,737	176,066
<i>Fund Balances</i>											
Restricted	124,693										124,693
Committed		119,221	4,061		18,492	124,563			46,037	79,813	392,187
Unassigned							425,460				425,460
Total Fund Balances	124,693	119,221	4,061		18,492	124,563	425,460		46,037	79,813	942,340
<b>Total Liabilities &amp; Fund Balances</b>	<b>124,693</b>	<b>267,550</b>	<b>4,061</b>		<b>18,492</b>	<b>124,563</b>	<b>425,460</b>		<b>46,037</b>	<b>107,550</b>	<b>1,118,406</b>

**TOWN OF HAMPDEN  
ALL GENERAL RESERVES  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	Municipal Revenue	Town Reserves	Fire Training School	Voting Machine	Recreation	Community Benefit	Lura Hoit Enterprise	Lura Hoit Pool	Totals
Revenues									
Intergovernmental Revenues	349,710								349,710
Investment Income		814						4,012	4,826
Fair Value Increases (Decreases)		(706)						(8,012)	(8,718)
Other Local Sources		155	5,000		323,213	1,898	154,448	3,577	488,291
<b>Total Revenues</b>	<b>349,710</b>	<b>263</b>	<b>5,000</b>	<b>-</b>	<b>323,213</b>	<b>1,898</b>	<b>154,448</b>	<b>(423)</b>	<b>834,109</b>
Expenditures									
General Government		10,074		3,990		4,695			18,759
Public Safety		-	1,897						1,897
Public Works		10,749				48,986			59,735
Debt Service						122,406			122,406
Recreation and Culture					295,902	1,344	118,888		416,134
<b>Total Expenditures</b>	<b>20,823</b>	<b>1,897</b>	<b>1,897</b>	<b>3,990</b>	<b>295,902</b>	<b>177,431</b>	<b>118,888</b>	<b>-</b>	<b>618,931</b>
Excess of Revenues Over (Under) Expenditures	349,710	(20,560)	3,103	(3,990)	27,311	(175,533)	35,560	(423)	215,178
Other Financing Sources (Uses)									
Transfers from Other Funds		-				33,713			33,713
Transfers to Other Funds	(333,785)	(5,480)					(65,000)		(404,265)
<b>Total Other Financing Sources (Uses)</b>	<b>(333,785)</b>	<b>(5,480)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,713</b>	<b>(65,000)</b>	<b>-</b>	<b>(370,552)</b>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	15,925	(26,040)	3,103	(3,990)	27,311	(141,820)	(29,440)	(423)	(155,374)
Fund Balance - July 1	108,768	145,261	958	22,482	97,252	567,280	75,477	80,236	1,097,714
<b>Fund Balance - June 30</b>	<b>124,693</b>	<b>119,221</b>	<b>4,061</b>	<b>18,492</b>	<b>124,563</b>	<b>425,460</b>	<b>46,037</b>	<b>79,813</b>	<b>942,340</b>

**TOWN OF HAMPDEN  
GENERAL RESERVE FUNDS  
SCHEDULE OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2015**

<i>Reserve Fund</i>	<i>Balance July 1</i>	<i>Revenues</i>	<i>Interest</i>	<i>Increase (Decrease) In Fair Value</i>	<i>Transfers In</i>	<i>Expenditures</i>	<i>Transfers Out</i>	<i>Balance June 30</i>
Boat Fund/Public Safety	1,463		9	(8)				1,464
Buildings/Grounds	3,770		21	(19)				3,772
Contingency	612		4	(4)				612
Copier	240		1	(1)				240
DEP/EPA Garage Improvement	29,425		148	(119)		(8,749)		20,705
Economic Development	1,544		9	(8)				1,545
EMS/Vaccine	1,028	155	7	(6)				1,184
Fire Department Building	7,089		49	(34)			(5,480)	1,624
Fire Training	2,328		13	(12)				2,329
Fire Truck Refurbishing	20,758		118	(107)				20,769
Fire Visual Aid	57							57
GIS Mapping	22,166		126	(114)				22,178
Library Grant	256		1	(1)				256
Matching Grants	20,989		120	(108)		(2,000)		19,001
Planning Board Development	3,168		20	(14)		(3,055)		119
Planning Board	2,471		15	(12)		(680)		1,794
Planning and Commissions	5,211		30	(27)				5,214
Police Cruiser/Communication	8,977		51	(46)				8,982
Town Properties Survey	12,320		70	(63)		(4,114)		8,213
Town Records Restoration	2,228		6	(7)		(2,225)		2
Wage Study and Implementation	(839)		(4)	4				(839)
	<b>145,261</b>	<b>155</b>	<b>814</b>	<b>(706)</b>	<b>-</b>	<b>(20,823)</b>	<b>(5,480)</b>	<b>119,221</b>

**TOWN OF HAMPDEN  
ALL SPECIAL REVENUE FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

**Exhibit B-1  
Page 1 of 2**

Assets	Pool	Public	Hampden	Library	Library	Children's
	Donation	Safety Donation	Bus. Assoc. Fund	Fund	Grant	Day Raffle
					Flag Project	
Cash and Equivalents	285	4,314	1,065	3,362	47,982	385
Due from Other Funds						
<b>Total Assets</b>	<b>285</b>	<b>4,314</b>	<b>1,065</b>	<b>3,362</b>	<b>47,982</b>	<b>385</b>
<b>Liabilities &amp; Fund Balances</b>						
Liabilities						
Due to Other Funds					580	
Total Liabilities	-	-	-	-	580	-
Fund Balances						
Restricted	285	4,314	1,065	3,362	47,982	385
Unassigned					(580)	
Total Fund Balances	285	4,314	1,065	3,362	47,982	385
<b>Total Liabilities &amp; Fund Balances</b>	<b>285</b>	<b>4,314</b>	<b>1,065</b>	<b>3,362</b>	<b>47,982</b>	<b>385</b>

**TOWN OF HAMPDEN  
ALL SPECIAL REVENUE FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

**Exhibit B-1  
Page 2 of 2**

<i>Assets</i>	<i>Library Willard Donation</i>	<i>Lura Hoit Pool Scholarship</i>	<i>Wellness Fund</i>	<i>Pink Garden</i>	<i>Katahdin Trust Partnership</i>	<i>Maine Community Heritage Grant</i>	<i>Totals</i>
Cash and Equivalents		29,884					29,884
Due from Other Funds	4,717		30	548	96	129	62,913
<b>Total Assets</b>	<b>4,717</b>	<b>29,884</b>	<b>30</b>	<b>548</b>	<b>96</b>	<b>129</b>	<b>92,797</b>
<b><i>Liabilities &amp; Fund Balances</i></b>							
<i>Liabilities</i>							
Due to Other Funds							580
Total Liabilities	-	-	-	-	-	-	580
<i>Fund Balances</i>							
Restricted	4,717	29,884	30	548	96	129	92,797
Unassigned							(580)
Total Fund Balances	4,717	29,884	30	548	96	129	92,217
<b>Total Liabilities &amp; Fund Balances</b>	<b>4,717</b>	<b>29,884</b>	<b>30</b>	<b>548</b>	<b>96</b>	<b>129</b>	<b>92,797</b>

TOWN OF HAMPDEN  
ALL SPECIAL REVENUE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	Pool Donation	Public Safety Donation	Hampden Bus. Assoc. Fund	Riverfront Park Project	Library Fund	Library Grant
Revenues						
Other Local Sources		1,424		267,558	12,896	50,000
Total Revenues	-	1,424	-	267,558	12,896	50,000
Expenditures						
General Government						
Recreation and Culture				253,845	10,940	2,258
Total Expenditures	-	-	-	253,845	10,940	2,258
Excess of Revenues Over (Under) Expenditures	-	1,424	-	13,713	1,956	47,742
Other Financing Sources (Uses)						
Transfers from Other Funds						
Transfers to Other Funds				(13,713)		
Total Other Financing Sources (Uses)	-	-	-	(13,713)	-	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	1,424	-	-	1,956	47,742
Fund Balance - July 1	285	2,890	1,065		1,406	240
<b>Fund Balance - June 30</b>	<b>285</b>	<b>4,314</b>	<b>1,065</b>	<b>-</b>	<b>3,362</b>	<b>47,982</b>

TOWN OF HAMPDEN  
ALL SPECIAL REVENUE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	Flag Project	Children's Day Raffle	Library Willard Donation	Lura Hoit Pool Scholarship	Air fill System Grant	Wellness Fund
Revenues						
Other Local Sources	200	385		1,835	2,000	
Total Revenues	200	385	-	1,835	2,000	-
Expenditures						
General Government Recreation and Culture	780		4,357	1,246	2,062	
Total Expenditures	780	-	4,357	1,246	2,062	-
Excess of Revenues Over (Under) Expenditures	(580)	385	(4,357)	589	(62)	-
Other Financing Sources (Uses)						
Transfers from Other Funds						
Transfers to Other Funds						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	(580)	385	(4,357)	589	(62)	-
Fund Balance - July 1			9,074	29,295	62	30
<b>Fund Balance - June 30</b>	<b>(580)</b>	<b>385</b>	<b>4,717</b>	<b>29,884</b>	<b>-</b>	<b>30</b>

**TOWN OF HAMPDEN  
 ALL SPECIAL REVENUE FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015**

*Exhibit B-2  
 Page 2 of 2*

	<i>Pink Garden</i>	<i>Katahdin Trust Partnership</i>	<i>MRPA Tickets</i>	<i>1859 Map Restoration</i>	<i>Maine Community Heritage Grant</i>	<i>Totals</i>
Revenues						
Other Local Sources	111		6,351			342,760
Total Revenues	111	-	6,351	-	-	342,760
Expenditures						
General Government Recreation and Culture			6,756	200		282,444
Total Expenditures	-	-	6,756	200	-	282,444
Excess of Revenues Over (Under) Expenditures	111	-	(405)	(200)	-	60,316
Other Financing Sources (Uses) Transfers from Other Funds Transfers to Other Funds						0 (13,713)
Total Other Financing Sources (Uses)	-	-	-	-	-	(13,713)
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	111	-	(405)	(200)	-	46,603
Fund Balance - July 1	437	96	405	200	129	45,614
<b>Fund Balance - June 30</b>	<b>548</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>92,217</b>

**TOWN OF HAMPDEN**  
**ALL CAPITAL PROJECTS FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2015**

*Exhibit C-1*

<i>Assets</i>	<i>Mayo Road</i>	<i>Capital Improvement Program</i>	<i>Totals</i>
Cash		92,015	92,015
Investments		193,257	193,257
Due from Other Funds	109,881	67,785	177,666
<b>Total Assets</b>	<b>109,881</b>	<b>353,057</b>	<b>462,938</b>
 <i>Liabilities &amp; Fund Balances</i>			
Liabilities			
Accounts Payable			-
Due To Other funds			-
<b>Total Liabilities</b>	-	-	-
 Fund Balances			
Committed	109,881	353,057	462,938
<b>Total Fund Balances</b>	<b>109,881</b>	<b>353,057</b>	<b>462,938</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>109,881</b>	<b>353,057</b>	<b>462,938</b>

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*Exhibit C-2*

	<i>Mayo Road</i>	<i>Capital Improvement Program</i>	<i>Totals</i>
Revenues			
Investment Income		3,254	3,254
Fair Value Increases (Decreases)		(2,544)	(2,544)
Other Local Sources		68,820	68,820
<b>Total Revenues</b>	-	69,530	69,530
Expenditures			
Capital Outlay		602,976	602,976
<b>Total Expenditures</b>	-	602,976	602,976
Excess of Revenues Over Expenditures	-	(533,446)	(533,446)
Other Financing Sources (Uses)			
Transfers from Other Funds		290,405	290,405
Transfers to Other Funds		-	-
<b>Total Other Financing Uses</b>	-	290,405	290,405
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	(243,041)	(243,041)
Fund Balance - July 1	109,881	596,098	705,979
<b>Fund Balance - June 30</b>	<b>109,881</b>	<b>353,057</b>	<b>462,938</b>

TOWN OF HAMPDEN  
 CAPITAL IMPROVEMENT PROGRAM  
 SCHEDULE OF ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2015

Reserve Fund	Balance		Revenues	Interest	Increase (Decrease) In Fair Value	Transfers In	Expenditures	Transfers Out	Balance June 30
	July 1	June 30							
Ambulance	174,827			995	(897)				174,925
Bus	1,141			7	(6)				1,142
Cemetery	10,821		1,450	91	(83)		(100)		12,179
Communications	798			4	(4)				798
Computer	71,702		1,042	467	(374)	14,925	(22,815)		64,947
Equip. Replacement - Public Works	(48,037)			(269)	423	100,000	(89,697)		(37,580)
Fire Truck	86,376			491	(443)				86,424
Library	15,986			90	(82)	5,000			20,994
Marina	14,276			81	(73)				14,284
Municipal Building	10,487			126	(53)	25,480	(34,792)		1,248
Pool Facility	10,529			8	34	45,000	(23,849)		31,722
Recreation	68,940			392	(354)				68,978
Solid Waste	17,930		488	103	(94)				18,427
Town Roads	160,322		65,840	668	(538)	100,000	(431,723)		(105,431)
	<b>596,098</b>		<b>68,820</b>	<b>3,254</b>	<b>(2,544)</b>	<b>290,405</b>	<b>(602,976)</b>	<b>-</b>	<b>353,057</b>

**TOWN OF HAMPDEN  
ALL PERMANENT FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

**Exhibit D-1**

<i>Assets</i>	<i>Dyer Library</i>	<i>Cemetery</i>	<i>Diane Marshall Book Fund</i>	<i>Totals</i>
Cash and Equivalents	27,927	16,139	476	44,542
Investments	356,577	81,707		438,284
Due from Other Funds		50		50
<b>Total Assets</b>	<b>384,504</b>	<b>97,896</b>	<b>476</b>	<b>482,876</b>
 <i>Liabilities &amp; Fund Balances</i>				
Liabilities				
Due to Other Funds	1,648	5,000		6,648
Total Liabilities	1,648	5,000	-	6,648
Fund Balances				
Nonspendable	257,242	57,028	200	314,470
Assigned	125,614	35,868	276	161,758
Total Fund Balances	382,856	92,896	476	476,228
<b>Total Liabilities &amp; Fund Balances</b>	<b>384,504</b>	<b>97,896</b>	<b>476</b>	<b>482,876</b>

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Exhibit D-2

	<u>Dyer Library</u>	<u>Cemetery</u>	<u>Diane Marshall Book Fund</u>	<u>Totals</u>
Revenues				
Fair Value Increases (Decreases)	(25,334)	(505)		(25,839)
Investment Income	11,923	593	1	12,517
Other Local Sources				-
Total Revenues	<u>(13,411)</u>	<u>88</u>	<u>1</u>	<u>(13,322)</u>
Expenditures				
Cemetery Maintenance				-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>(13,411)</u>	<u>88</u>	<u>1</u>	<u>(13,322)</u>
Other Financing Sources (Uses)				
Transfers to Other Funds		(5,000)		(5,000)
Total Other Financing Uses	<u>0</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	<u>(13,411)</u>	<u>(4,912)</u>	<u>1</u>	<u>(18,322)</u>
Fund Balance - July 1	396,267	97,808	475	494,550
<b>Fund Balance - June 30</b>	<b><u>382,856</u></b>	<b><u>92,896</u></b>	<b><u>476</u></b>	<b><u>476,228</u></b>

**TOWN OF HAMPDEN, MAINE**  
**Management Representation Letter**

December 24, 2015

James W. Wadman, C.P.A.  
P.O. Box 889  
Ellsworth, Maine 04605

We are providing this letter in connection with your audit of the financial statements of the **Town of Hampden** as of **June 30, 2015** and for the fiscal year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **Town of Hampden** and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with the U.S generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm to the best of our knowledge and belief, as of and for the fiscal year then ended **June 30, 2015**, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all -
  - a. Financial records and related data.
  - b. Minutes of meetings of the Town and the Board of Selectmen, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analyst, regulators, or others.
9. **The Town of Hampden** has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions, including revenues, expenditures/ expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b. Guarantees, whether written or oral, under which the **Town of Hampden** is contingently liable.
  - c. All accounting estimated, (including fair value measurements), that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
11. We are responsible for the compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no -
  - a. Violations or possible violations of budget ordinances, or laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.

- c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB No.5.
  - d. Reservations or designations of fund equity that were not properly authorized and approved.
13. As part of your audit, you prepared the draft financial statements and related notes and, if applicable, Schedule of Expenditures of Federal Awards. We have designated a competent employee to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
  14. The **Town of Hampden** has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
  15. The **Town of Hampden**, has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  16. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
  17. The financial statements properly classify all funds and activities.
  18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
  19. Net assets components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
  20. Provisions for uncollectible receivables have been properly identified and recorded.
  21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
  22. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
  23. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  24. Deposits and investment securities are properly classified as to risk.
  25. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

26. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
27. With respect to federal award programs:
  - a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
  - b. We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
  - c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
  - d. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of the contracts and grant system are adequate and are functioning as intended. Also, no changes have been made in the internal control, including any corrective action taken with regard to reportable conditions reported in the schedule of findings and questioned costs.
  - e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.
  - f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
  - g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.
  - h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
  - i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared on a basis consistent with the schedule of expenditures of federal awards.
- l. The copies of federal program financial reports provided to you are true copies of the reports submitted or electronically transmitted to the respective federal agency or pass-through entity, as applicable.
- m. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.
- n. We have taken appropriate action on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.
- o. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- p. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- q. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- r. We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustments to or disclosure in the aforementioned financial statements.

Signed: \_\_\_\_\_

Signed:

Title: \_\_\_\_\_

Title:

4a

**Town of Hampden**  
106 Western Avenue  
Hampden, Maine 04444



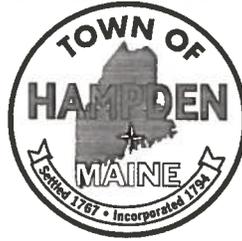
Phone: (207) 862-3034  
Fax: (207) 862-5067  
Email:  
townmanager@hampdenmaine.gov

TO: Finance Committee  
FROM: Angus Jennings, Town Manager  
DATE: January 28, 2016  
RE: Personnel Updates

---

1. As you know, Town Clerk Denise Hodsdon will retire effective March 10. Since posting her position, we have received forty-four resumes and applications. The application deadline is Monday, and it is likely that we will receive additional resumes before the deadline. Pursuant to the Town Charter Sec. 301, my appointment of the Town Clerk is subject to the confirmation of the Town Council. I intend to conduct first-round candidate interviews beginning next week, and hope to have a short list of finalists for interview the week of February 8. If one or more Councilors (but less than a quorum) would like to participate in the finalist interviews, this would be welcome. If possible, I hope to bring forward an appointment for recommended confirmation at the February 16 meeting in order to extend an offer and get someone on board in time to allow for a period of training with Denise. We will discuss this process and timeline further on Monday.
2. Following Dennis Babcock's retirement from DPW in December, we posted an Operator I position. DPW Director Sean Currier and Foreman Dudley Patterson conducted approximately twelve first round interviews, and Sean and I conducted six finalist interviews. Earlier this week, we extended an employment offer to Travis Roberts of Orrington. He accepted, and will begin work Monday as Operator I.
3. We recently received notice from long-time DPW employee Albie Valcourt that he will retire, effective March 4. We have not yet posted Albie's position, Operator III, but intend to post this internally, consistent with the Personnel Rules and Policies Ordinance/Handbook. It is anticipated that this vacancy would be filled as Operator I.
4. With the approval of Public Safety Director Joe Rogers, one of Hampden's Police officers has applied for assignment to the Maine Drug Enforcement Agency's South Central Task Force, and is scheduled for interview on February 11. If selected, compensation of this officer would transfer to the MDEA, and it is expected that the resulting vacancy would be filled. If selected, direct costs associated with this would be limited to recruitment and pre-employment background checks, all of which are budgeted in the approved FY16 budget. Chief Rogers will be in attendance on Monday to discuss this further.

**Town of Hampden**  
106 Western Avenue  
Hampden, Maine 04444



Phone: (207) 862-3034  
Fax: (207) 862-5067  
Email:  
[townmanager@hampdenmaine.gov](mailto:townmanager@hampdenmaine.gov)

TO: Finance Committee

FROM: Angus Jennings, Town Manager

DATE: January 28, 2016

RE: Recent Law Change regarding Sewer Commitments

---

In the past, the Town Council has voted the Sewer Commitment four times a year, following the issuance of quarterly sewer bills but prior to the Town proceeding with placing liens. State law changed last year eliminating this requirement (see attached).

We are happy to continue to bring forward the Sewer Commitment for Town Council approval, or to end this practice to reduce administrative work that is no longer required. At Monday's meeting I'll look for guidance regarding how you would like us to proceed. Thanks.

## Plowing Private Roads

*Question:* We've heard that if a municipality has been plowing a private road for a certain number of years, it must continue doing so. Can this be true?

*Answer:* We sometimes hear this too, but it is not and never has been true. Plowing or otherwise maintaining private roads at public expense is a violation of the Maine Constitution's "public purpose" clause, which requires that public funds be expended only for public purposes (see *Opinion of the Justices*, 560 A.2d 552 (Me. 1989)). There is no statute, case law or legal theory to support the claim that plowing a private road for any period of time somehow obligates a municipality to continue doing so despite the law. Nor does a history of plowing a private road in some way "grandfather" or permit a municipality to continue the practice.

The source of this misunderstanding is likely the doctrine of prescriptive use, by which a municipality may acquire a public easement over a private road by continuously using it for at least 20 consecutive years. But two crucial points: First, a prescriptive easement does not exist unless and until suit has been filed and a court declares it so. Second, a prescriptive easement cannot arise where the municipality's use has been with the owner's consent, which is virtually always the case with public plowing of private roads. Also, even if a court were to declare that a prescriptive easement exists, this would not require public plowing, it would merely permit it.

Another myth about plowing private roads is that if emergency vehicles such as fire and rescue cannot gain access to persons or property due to snowbound roads, the municipality can be held liable. This of course is nonsense. Municipalities have no legal duty to ensure access to private roads. Those who live on private roads but neglect to maintain them do so at their own risk.

For more on why plowing private roads is both illegal and inadvisable from a liability standpoint, see "Plowing Private Roads & Driveways Revisited," *Maine Townsman*, Legal Notes, November 2003. (By R.P.F.)

## New Sewer Lien Law

The last session of the Legislature made three important changes to the

law governing municipal sewer liens (see PL 2015, c. 174, amending 38 M.R.S.A. § 1208, eff. Oct. 15, 2015).

First, the requirement that sewer charges be "committed" to the treasurer before the lien process can begin has been eliminated. (It was never clear exactly what "committed" meant, and many municipalities simply didn't bother.) Now, it should be sufficient just to give the treasurer a list of names, addresses and overdue accounts.

Second, if the initial 30-day "demand" notice is not sent to all record owners of the real estate at that time, the treasurer must send a true copy of the recorded lien certificate to any owner who was not sent the demand notice. A true copy of the lien certificate must also be sent to any new record owner at the time of recording.

Third, after the expiration of the 18-month redemption period, in the event a copy of the lien certificate was not provided to a mortgage holder of record or an owner of record who was entitled to one (see above), the mortgage holder or owner who did not receive it has the right to redeem the real estate within three months after receiving actual knowledge of the recording of the lien certificate by paying the amount of the lien together with interest and costs.

These changes will be incorporated in Chapter 4 of MMA's *Guide to Municipal Liens*, which contains a detailed step-by-step description of the sewer lien process. The guide is available free to members at [www.memun.org](http://www.memun.org). (By R.P.F.)

## Traffic Ordinances Revisited

As we noted here last month, only the municipal officers (selectmen or councilors) can enact ordinances regulating traffic and parking on public ways and public property (see "Traffic & Parking Ordinances," *Maine Townsman*, Legal Notes, November 2015).

Several readers have since asked whether the voters can petition to amend or repeal such ordinances. Our answer: The voters are free to circulate and submit a petition to do so, but since the municipal officers have exclusive authority over traffic and parking ordinances (see 30-A M.R.S.A. § 3009(1)), a petition would be merely an expression of political sentiment and would have

## MUNICIPAL CALENDAR

**JANUARY 1** — New Year's Day 2015  
— A legal holiday. (4 M.R.S.A. §1051)

**ON OR BEFORE JANUARY 15** — Monthly/Quarterly expenditure statement and claim for General Assistance reimbursement to be sent to Department of Human Services, General Assistance Unit, 11 State House Station, Augusta, ME 04333-0011 [22 MRSA §4311].

**JANUARY 18** — Martin Luther King, Jr. Day - a legal holiday (4 MRSA §1051).

**BY JANUARY 20** — Treasurer of State to post notice of maximum interest rate which can be charged on delinquent taxes (36 M.R.S.A. §505).

**JANUARY 31** — Deadline to submit quarterly withholding taxes to State Tax Assessor (36 MRSA § 5253).

**DURING JANUARY** — In towns with a March annual meeting, selectmen should begin preparing the town meeting warrant and town report. Obtain reports from all departments: schools, roads, etc. Arrange to have annual audit made before town meeting. ■

absolutely no legally binding effect. Specifically, it would neither require a town meeting (which would be powerless to act in this case) nor require the municipal officers themselves to act on the request. They would be free, in their discretion, to either consider or ignore it, as they see fit.

The same is true for any other ordinances (general assistance, cable television, etc.) that the municipal officers have the exclusive authority to enact (see "Municipal Officers' Legislative Authority," *Maine Townsman*, Legal Notes, May 1999).

Ditto for public ways that the municipal officers have the exclusive authority to designate as ATV-access routes (see "Public Ways & Public Ways," *Maine Townsman*, Legal Notes, July 2007). (By R.P.F.)

**Town of Hampden**  
106 Western Avenue  
Hampden, Maine 04444



Phone: (207) 862-3034  
Fax: (207) 862-5067  
Email:  
townmanager@hampdenmaine.gov

TO: Finance Committee  
FROM: Angus Jennings, Town Manager  
DATE: January 28, 2016  
RE: Insurance Claim Updates

- 
1. As you know, the trash compactor cylinder required replacement. The Town Council recently authorized a budget transfer of Reserve Funds to the Public Works equipment maintenance budget line item, and the invoice for \$6,220 was paid. We also filed this expense with our insurance provider, and today we received a check for \$5,220 – the cost minus our \$1,000 deductible. The funds received will be deposited to the Reserve Account from which the funds were initially transferred, so the net expense to that account will be limited to \$1,000.
  2. A Hampden Police cruiser was recently involved with an accident; the accident report is enclosed. This accident has also been filed with our insurance company. We expect that the costs of the repairs will be covered by our insurance. If we are responsible for payment of the deductible, we intend to pursue payment through the other driver’s insurance company.
  3. A pinhole leak has been detected in the boiler in the Municipal Building. The boiler is approximately four years old, so is still under warranty. However, we will be responsible for associated labor costs, estimated at \$2,000. This expense has also been filed as a claim with our insurance.

Payee: Town of Hampden  
Company: MMA Property and Casualty Fund

Policy #: P19280PC2015

Adjuster: Debra Marquis  
Invoice #:

Check Number: 44319  
Check Date: 1/26/2016  
Check Total: \$ 5,220.00  
From Date:  
Through Date:

Client #	Loss Date	Claim #	Claimant Name	L-O-B	Comment	Payment Transaction	Amount
19280	11/30/2015	216P6666-0001	Town of Hampden	PR		Loss	5,220.00

THIS CHECK IS PRINTED WITH A BLUE BACKGROUND, CONTAINS MICROPRINTING ON THE FACE, UV FIBERS AND AN ARTIFICIAL WATERMARK ON THE BACK.



Maine Municipal Association

Property & Casualty Pool  
PO Box 9109  
Augusta, ME 04332-9109

52-7438  
2112

Bangor Savings - MMA PC Pool

3 State Street  
Bangor, ME 04402

44319

Date: 1/26/2016  
CHECK NO. 44319

NOT VALID AFTER 1 YEAR FROM DATE

AMOUNT

\$ 5,220.00

Claimant: 216P6666-0001 Town of Hampden

PAY \*\*FIVE THOUSAND TWO HUNDRED TWENTY DOLLARS AND XX / 100\*\*

TO THE  
ORDER  
OF  
Town of Hampden  
Attn: Denise Hodsdon  
106 Western Ave  
Hampden, ME 04444-

Second Signature required if amount over \$20,000

⑈44319⑈ ⑆216274382⑆ 4020011230⑈

# Invoice

## Atlantic Recycling Equipment, LLC

PO Box 609  
 Rollinsford, NH 03869  
 Phone 603-749-2414 Fax 603-749-2421

Date	Invoice #
12/3/2015	003103

<b>Bill To</b>
Town of Hampden 106 Western Ave. Hampden, ME 04444

<b>Ship To</b>

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	Net 30		12/3/2015			

Quantity	Item Code	Description	Price Each	Amount
		Install new cylinder on 44XHD S/N 14725		
1	Parts	Cylinder 6.25X80X4.75	3,995.00	3,995.00T
1	Freight	Freight	300.00	300.00
11	Service Labor/JJoy	Service Labor - Jeff Joy	97.50	1,072.50
11	Service Labor/TMa..	Service Labor - Tom Martineau	77.50	852.50
		Sales Tax	0.00%	0.00

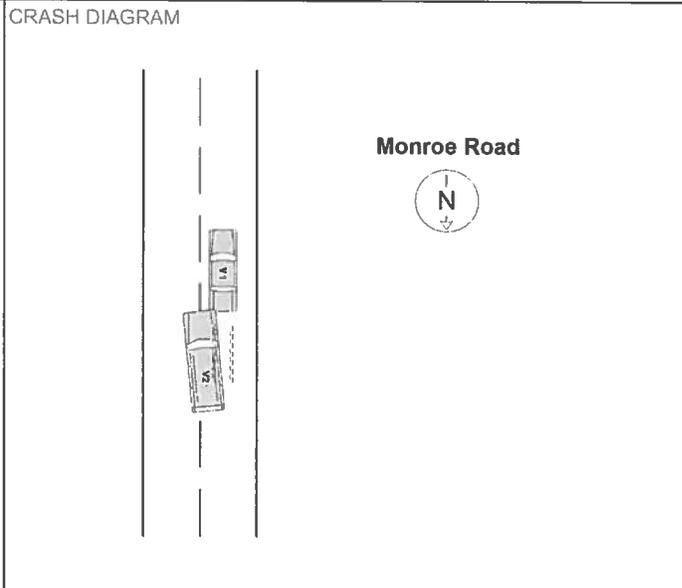
Thank you for your business.	<b>Total</b>	\$6,220.00
	<i>deductible</i>	<i>-1,000.00</i>

*\$ 5,220.00*

# STATE OF MAINE CRASH REPORT

**FIRST PAGE**

**FIRST**

Reporting Agency <b>MEMSPOE00</b>		Report Number <b>SP16-005685</b>		Crash Date <b>1/20/2016</b>		Crash Time <b>14:55</b>		At Scene Date <b>1/20/2016</b>		At Scene Time <b>15:10</b>	
City or Town <b>Hampden</b>			Street or Highway <b>MONROE RD</b>			Nearest Intersecting Street <b>Int of KENNEBEC RD, MONROE RD</b>			<input type="checkbox"/> Off Road		
Direction FROM Nearest Intersection to Crash Site <input type="checkbox"/> At Intersection <input type="checkbox"/> North <input checked="" type="checkbox"/> South <input type="checkbox"/> East <input type="checkbox"/> West				Distance From Nearest Inter. <b>0.67</b> <input type="checkbox"/> Feet <input checked="" type="checkbox"/> Miles		Latitude <b>44.712720</b>			Longitude <b>-68.886760</b>		
Node 1 <b>41779</b>		Node 2 <b>36524</b>		Measurement Node <b>36524</b>		Distance to Scene <b>0.67</b> Miles Per Hour		Posted Speed Limit <input type="checkbox"/> Unknown <input type="checkbox"/> Not Posted 25		<input checked="" type="checkbox"/> Not Posted 45	
(F1) Type of Crash <b>2 - Rear End / Sideswipe</b>						(F2) Type of Location <b>1 - Straight Road</b>					
(F3) Weather Condition <b>1 - Clear</b>						(F4) Light Condition <b>1 - Daylight</b>					
(F5) Road Grade <b>2 - On Grade</b>						(F6) Road Surface Condition <b>1 - Dry</b>					
(F7) Traffic Control Device <b>13 - None</b>						Traffic Control Device Operational (pre-crash)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unk					
(F8) Location of First Harmful Event <b>1 - On Roadway</b>						Total Damage over Threshold? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
(F9) Contributing Circumstances - Environment 1 <b>1 - None</b>						(F9) Contributing Circumstances - Environment 2					
(F10) Contributing Circumstances - Road 1 <b>1 - None</b>						(F10) Contributing Circumstances - Road 2					
In or Near a Construction, Maintenance, or Utility Work Zone? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk						Work Zone Workers Present? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unk					
(F11) Location of the Crash related to Work Zone						(F12) Type of Work Zone					
Law Enforcement Present at Work Zone? <input type="checkbox"/> Officer Present <input type="checkbox"/> Law Enforcement Vehicle Only <input type="checkbox"/> No						School Bus Related? <input type="checkbox"/> Yes, Directly Involved <input type="checkbox"/> Yes, Indirectly Involved <input checked="" type="checkbox"/> No					
<p><b>NARRATIVE</b></p> <p><b>V2 was driven by an officer who was attempting to stop the operator of V1 because of both reported and observed unsafe operation. The driver of V1 applied her brakes suddenly and sharply. The driver of V2 was not able to stop in time to avoid contact with V1.</b></p> <p><b>V1 sustained damage to the driver's side rear. V2 sustained damage to the passenger's side front.</b></p>						<p><b>CRASH DIAGRAM</b></p> 					
Witness Last Name		First		MI		Address		City		State Zip	
Witness Last Name		First		MI		Address		City		State Zip	
Non Vehicle Property Damage Description						<input type="checkbox"/> State <input type="checkbox"/> City or Town <input type="checkbox"/> Utilities <input type="checkbox"/> Private					
Property Owner Name						Address City State Zip					
Non Vehicle Property Damage Description						<input type="checkbox"/> State <input type="checkbox"/> City or Town <input type="checkbox"/> Utilities <input type="checkbox"/> Private					
Property Owner Name						Address City State Zip					
Reporting Officer <b>Corporal Trevor Snow</b>				Badge# <b>4474</b>		Report Date <b>1/20/2016</b>		Approved By <b>Corporal Trevor Snow</b>		Approved Date <b>1/21/2016</b>	

Report Number  
**SP16-005685**

# STATE OF MAINE CRASH REPORT

UNIT PAGE

Unit ID <b>1</b>	<input type="checkbox"/> Hit Run?	VIN <b>1G8ZG52831Z319662</b>	License Plate <b>2502TZ</b>	State <b>ME</b>	(U1) Unit Type <b>1 - Passenger Car</b>
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<input type="checkbox"/> No Insurance	NAIC <b>11770</b>	Insurance Company Name <b>UNITED FINANCIAL CASUALTY COMPANY</b>	Insurance Policy Number <b>901165418</b>
---------------------------------------	----------------------	--	---

(U2) Vehicle Make <b>62 - SATURN</b>	Vehicle Year <b>2001</b>	(U3) Vehicle Color <b>8 - Grey, Silver</b>
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(U4) Vehicle Configuration	GVWR or GCWR <input type="checkbox"/> < 10,000 lbs. <input type="checkbox"/> 10,001 - 26,000 lbs. <input type="checkbox"/> > than 26,000 lbs.
----------------------------	--

Vehicle Has 9 or More Seats ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	HAZMAT Placarded ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Vehicle Travel Direction <input type="checkbox"/> Northbound <input checked="" type="checkbox"/> Southbound <input type="checkbox"/> Eastbound <input type="checkbox"/> Westbound <input type="checkbox"/> Not on Roadway <input type="checkbox"/> Unknown
--	---	--

(U5) Special Function Vehicle <b>1 - No Special Function</b>	<input type="checkbox"/> Exempt Vehicle	Emergency Vehicle Responding to Scene ? <input type="checkbox"/> Yes <input type="checkbox"/> No
---	---	---

Extent of Damage <input type="checkbox"/> No Damage Observed <input type="checkbox"/> Minor Damage <input checked="" type="checkbox"/> Functional Damage <input type="checkbox"/> Towed Due to Disabling Damage
--

(U6) Most Damaged Area <b>7 - Rear Driver Side</b>	(U7) Most Harmful Event <b>13 - Motor Vehicle in Transport</b>
---	---

(U8) Pre Crash Actions <b>16 - Skidding</b>	(U9) Contributing Circumstances - Vehicle <b>1 - None</b>
--	--

(U10) Sequence of Events 1 <b>21 - Motor Vehicle In Transport</b>	(U10) Sequence of Events 2
--	----------------------------

(U10) Sequence of Events 3	(U10) Sequence of Events 4
----------------------------	----------------------------

<input checked="" type="checkbox"/> Driver <input type="checkbox"/> Bicycle <input type="checkbox"/> Pedestrian <input type="checkbox"/> Last Known Operator	License Number <b>6382212</b>	<input checked="" type="checkbox"/> Active <input type="checkbox"/> No License <input type="checkbox"/> Permit <input type="checkbox"/> Suspended	State <b>ME</b>	License Class <b>C</b>	Endorsements <b>0</b>	Restrictions <b>A</b>
--	----------------------------------	---	--------------------	---------------------------	--------------------------	--------------------------

DRIVER Last Name <b>Rich, Susan R</b>	First Name	MI	DRIVER Address <b>420 Dickey Hill Road, Monroe ME 04951</b>	City	State	Zip
--	------------	----	--	------	-------	-----

Citation Number Pending <input type="checkbox"/>	Violation 1	Violation 2
--	-------------	-------------

OWNER Last Name (skip if same as Driver) First Name <b>Rich, Susan R</b>	MI	OWNER Address <b>420 Dickey Hill Road, Monroe ME 04951</b>	City	State	Zip
---	----	---	------	-------	-----

(D1) Driver Distracted By <b>1 - Not Distracted</b>	(D2) Condition at Time of Crash <b>6 - Under the Influence of Medications/Drugs/Alcohol</b>
--	--

<b>16 - Operated Motor Vehicle in Erratic, Reckless, Careless, Negligent or Aggressive Manner</b>	(D3) Driver Actions at Time of Crash 2
---	--

Alcohol Test <input checked="" type="checkbox"/> Breath <input type="checkbox"/> Urine <input type="checkbox"/> Test Not Given <input type="checkbox"/> Test Refused <input type="checkbox"/> Other Chemical Test (Not Field Sobriety or PBT)	<input type="checkbox"/> Alcohol Test Result Pending	Alcohol BAC Result <b>0.190</b>
--	--	------------------------------------

Drug Test <input checked="" type="checkbox"/> Test Not Given <input type="checkbox"/> Urine <input type="checkbox"/> Test Refused <input type="checkbox"/> Blood	Drug Test Result <input type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Pending
---	--

(D4) Non Motorist Location at Time of Crash	(D5) Non Motorist Action Prior to Crash
---	---

(D6) Non Motorist Action at Time of Crash 1	(D6) Non Motorist Action at Time of Crash 2
---	---

(D7) Pedestrian Maneuvers	(D8) Bicyclist Maneuvers
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PERSON TYPE 1-Driver, 2-Passenger, 3-Pedestrian, 6-Driver/Owner, 7-Bicycle, 8-Passenger/Owner, 24-Last Known Operator 25-Last Known Operator/Owner

SEAT ROW	SEAT POSITION	SEAT POSITION OTHER	AIRBAG DEPLOYED	RESTRAINT SYSTEM	INJURY TYPE	INJURY AREA	INJURY DEGREE
1-Front Row	1-Left (driver)	1-Sleeper Section of Cab (truck)	1-Not Applicable	1-Not Applicable	1-Amputation	1-Face	1-Fatal
2-Second Row	2-Middle	2-Other Enclosed Cargo Area	2-Not Deployed	2-None Used - Motor Vehicle Occupant	2-Bleeding	2-Head	2-Incapacitating
3-Third Row	3-Right	3-Unenclosed Cargo Area	3-Deployed - Front	3-Shoulder and Lap Belt Used	3-Broken Bones	3-Neck	3-Nonincapacitating
4-Fourth Row	4-Other	4-Trailing Unit	4-Deployed - Side	4-Shoulder Belt Only Used	4-Burns	4-Back	4-Possible Injury
5-Other Row	5-Unknown	5-Riding on Motor Vehicle Ext (non-trailing unit)	5-Deployed - Other (knee, air belt,...)	5-Lap Belt Only Used	5-Concussion	5-Arm(s)	5-No Injury
6-Unknown		6-Unknown	6-Deployed - Combination	6-Restraint Used - Other	6-Shock	6-Leg(s)	
EJECTED	HELMET USE		7-Deployment - Curtain	7-Child Restraint - Forward Facing	7-Dizziness	7-Chest Stomach	INJURY INFO SOURCE
1-Not Ejected	1-DOT-Compliant Motorcycle Helmet			8-Child Restraint - Rear Facing	8-Abrasion/Bruises	8-Internal	1-Officer Observation
2-Ejected Partially	2-Other Helmet			9-Child Restraint - Used Incorrectly	9-Complaint of Pain	9-Entire Body	2-Individual Statement
3-Ejected Totally	3-No Helmet			10-Booster Seat	10-Other	10-Other	3-Medical, Paramedical Observation

AMB CODES - see code sheet

Person Type	Last Name, First Name, Mi	Sex (M,F,U)	DOB	Seat Pos Row	Seat Pos	Seat Pos Other	Air Bag Deployed	Ejected	Restraint System	Helmet Use	Injury Degree	Injury Type	Injury Area	Inj Info Source	Amb Code
6	Rich, Susan R	F	06/16/71	1	1		2	1	3		5			1	1

Report Number  
**SP16-005685**

# STATE OF MAINE CRASH REPORT

UNIT PAGE

U

Unit ID <b>2</b>	<input type="checkbox"/> Hit Run?	VIN <b>1GNSKDEC4GR127845</b>	License Plate <b>425-395</b>	State <b>ME</b>	(U1) Unit Type <b>2 - (Sport) Utility Vehicle</b>
<input type="checkbox"/> No Insurance		NAIC	Insurance Company Name <b>Maine Municipal Association</b>		Insurance Policy Number <b>P19280PC2015</b>
(U2) Vehicle Make <b>11 - CHEVROLET</b>			Vehicle Year <b>2016</b>	(U3) Vehicle Color <b>1 - Black</b>	
(U4) Vehicle Configuration			GVWR or GCWR <input type="checkbox"/> < 10,000 lbs. <input type="checkbox"/> 10,001 - 26,000 lbs. <input type="checkbox"/> > than 26,000 lbs.		
Vehicle Has 9 or More Seats ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		HAZMAT Placarded ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Vehicle Travel Direction <input type="checkbox"/> Northbound <input checked="" type="checkbox"/> Southbound <input type="checkbox"/> Eastbound <input type="checkbox"/> Westbound <input type="checkbox"/> Not on Roadway <input type="checkbox"/> Unknown		
(U5) Special Function Vehicle <b>6 - Police</b>			<input checked="" type="checkbox"/> Exempt Vehicle		Emergency Vehicle Responding to Scene ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Extent of Damage <input type="checkbox"/> No Damage Observed <input checked="" type="checkbox"/> Minor Damage <input type="checkbox"/> Functional Damage <input type="checkbox"/> Towed Due to Disabling Damage					

N  
I  
T

(U6) Most Damaged Area <b>1 - Front Passenger Corner</b>	(U7) Most Harmful Event <b>13 - Motor Vehicle in Transport</b>
(U8) Pre Crash Actions <b>15 - Avoiding Vehicle Object, Pedestrian, Animal in Roadway</b>	(U9) Contributing Circumstances - Vehicle <b>1 - None</b>
(U10) Sequence of Events 1 <b>21 - Motor Vehicle In Transport</b>	(U10) Sequence of Events 2
(U10) Sequence of Events 3	(U10) Sequence of Events 4

D

<input checked="" type="checkbox"/> Driver <input type="checkbox"/> Bicycle <input type="checkbox"/> Pedestrian <input type="checkbox"/> License Number <b>0474276</b>	<input checked="" type="checkbox"/> Active <input type="checkbox"/> No License <input type="checkbox"/> Permit <input type="checkbox"/> Suspended	State <b>ME</b>	License Class <b>C</b>	Endorsements <b>0</b>	Restrictions <b>0</b>
DRIVER Last Name <b>Rice, Jeffrey</b>	First Name	MI	DRIVER Address <b>P.O. Box 121, Lincoln ME 04457</b>	City	State Zip
Citation Number	Pending <input type="checkbox"/>		Violation 1	Violation 2	

R

OWNER Last Name (skip if same as Driver) First Name <b>Town Of Hampden</b>	MI	OWNER Address <b>106 Western Ave, Hampden ME 04444</b>	City	State	Zip
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I

(D1) Driver Distracted By <b>1 - Not Distracted</b>	(D2) Condition at Time of Crash <b>1 - Apparently Normal</b>
--	---

V

(D3) Driver Actions at Time of Crash 1 <b>1 - No Contributing Action</b>	(D3) Driver Actions at Time of Crash 2
---	--

E

Alcohol Test <input type="checkbox"/> Breath <input type="checkbox"/> Urine <input checked="" type="checkbox"/> Test Not Given <input type="checkbox"/> Test Refused <input type="checkbox"/> Blood <input type="checkbox"/> Other Chemical Test (Not Field Sobriety or PBT)	<input type="checkbox"/> Alcohol Test Result Pending	Alcohol BAC Result
Drug Test <input type="checkbox"/> Urine <input checked="" type="checkbox"/> Test Not Given <input type="checkbox"/> Test Refused <input type="checkbox"/> Blood	Drug Test Result <input type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Pending	

R

(D4) Non Motorist Location at Time of Crash	(D5) Non Motorist Action Prior to Crash
---	---

O

(D6) Non Motorist Action at Time of Crash 1	(D6) Non Motorist Action at Time of Crash 2
---	---

C

(D7) Pedestrian Maneuvers	(D8) Bicyclist Maneuvers
---------------------------	--------------------------

U

PERSON TYPE 1-Driver, 2-Passenger, 3-Pedestrian, 6-Driver/Owner, 7-Bicycle, 8-Passenger/Owner, 24-Last Known Operator 25-Last Known Operator/Owner

SEAT ROW	SEAT POSITION	SEAT POSITION OTHER	AIRBAG DEPLOYED	RESTRAINT SYSTEM	INJURY TYPE	INJURY AREA	INJURY DEGREE
1-Front Row	1-Left (driver)	1-Sleeper Section of Cab (truck)	1-Not Applicable	1-Not Applicable	1-Amputation	1-Face	1-Fatal
2-Second Row	2-Middle	2-Other Enclosed Cargo Area	2-Not Deployed	2-None Used - Motor Vehicle Occupant	2-Bleeding	2-Head	2-Incapacitating
3-Third Row	3-Right	3-Unenclosed Cargo Area	3-Deployed - Front	3-Shoulder and Lap Belt Used	3-Broken Bones	3-Neck	3-NonIncapacitating
4-Fourth Row	4-Other	4-Trailing Unit	4-Deployed - Side	4-Shoulder Belt Only Used	4-Burns	4-Back	4-Possible Injury
5-Other Row	5-Unknown	5-Riding on Motor Vehicle Ext (non-trailing unit)	5-Deployed - Other (knee, air belt,...)	5-Lap Belt Only Used	5-Concussion	5-Arm(s)	5-No Injury
6-Unknown	6-Unknown	6-Unknown	6-Deployment - Combination	6-Restraint Used - Other	6-Shock	6-Leg(s)	
EJECTED	HELMET USE		7-Deployment - Curtain	7-Child Restraint - Forward Facing	7-Dizziness	7-Chest Stomach	INJURY INFO SOURCE
1-Not Ejected	1-DOT-Compliant Motorcycle Helmet			8-Child Restraint - Rear Facing	8-Abrasion/Bruises	8-Internal	1-Officer Observation
2-Ejected Partially	2-Other Helmet			9-Child Restraint - Used Incorrectly	9-Complaint of Pain	9-Entire Body	2-Individual Statement
3-Ejected Totally	3-No Helmet			10-Booster Seat	10-Other	10-Other	3-Medical, Paramedical Observation
				11-Child Restraint - Other			

P

AMB CODES - see code sheet

Person Type	Last Name, First Name, Mi	Sex (M,F,U)	DOB	Seat Pos Row	Seat Pos	Seat Pos Other	Air Bag Deployed	Ejected	Restraint System	Helmet Use	Injury Degree	Injury Type	Injury Area	Inj Info Source	Amb Code
1	Rice, Jeffrey	M	11/05/85	1	1		2	1	3		5			1	1

A

N

T

STATE OF MAINE CRASH REPORT

Report Number  
SP16-005685

Narrative / Diagram Supplemental

Monroe Road

