



Proven Expertise and Integrity

March 5, 2015

Board of Selectmen
Town of Harpswell
Harpswell, Maine

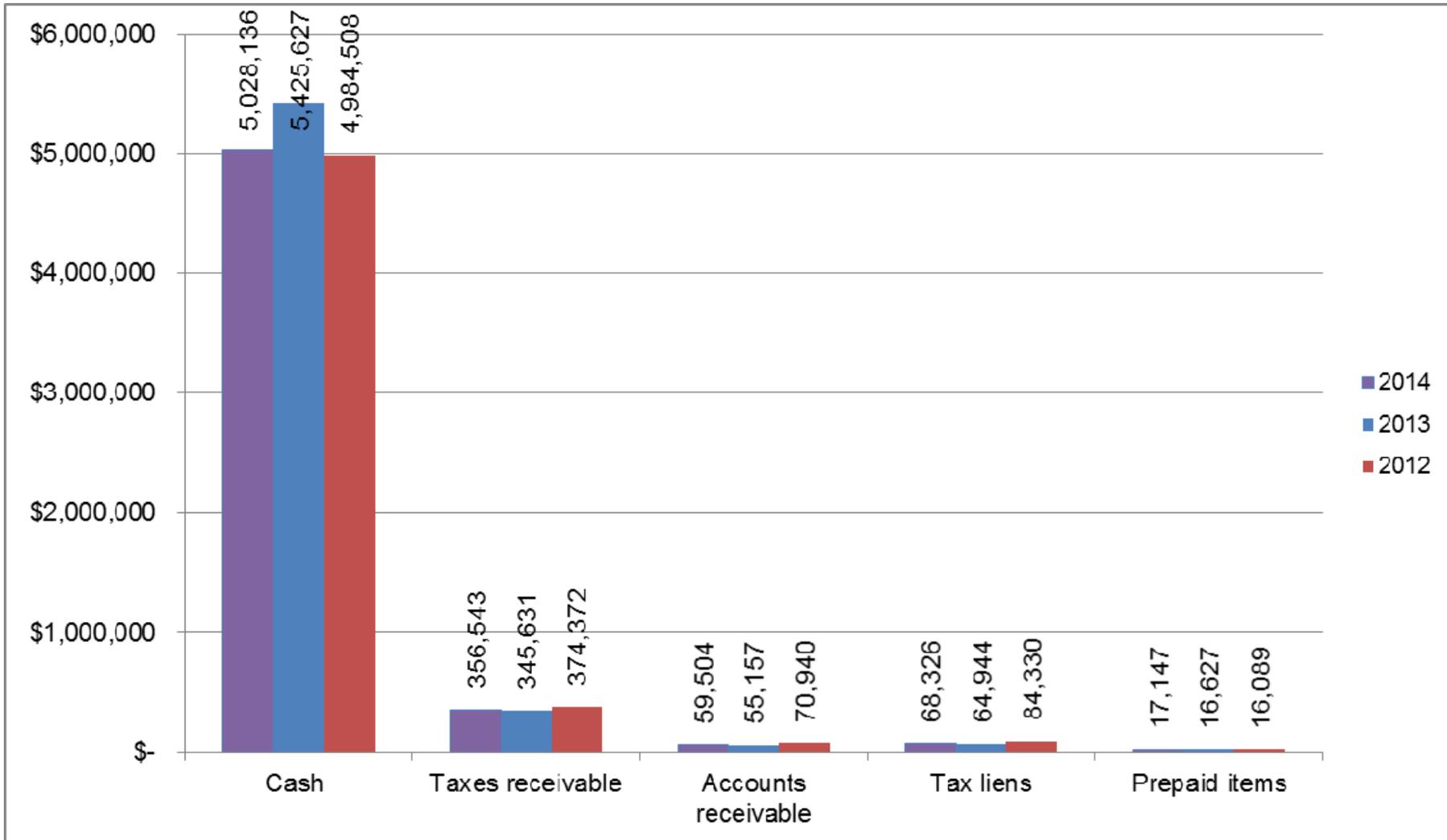
We were engaged by the Town of Harpswell and have audited the financial statements of the Town of Harpswell as of and for the year ended December 31, 2014. The following information, statements, schedules and tables have been excerpted from the 2014 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town Office and on the Town's web-site. The information contained in this report should be used in conjunction with the audited financial statements as a whole and should not be used for any other purposes.

It has been our pleasure to work with the Town and we appreciate all the help and consideration provided by the Town of Harpswell staff. If you have any questions or concerns please do not hesitate to contact us.

RHR SMITH & COMPANY
Certified Public Accountants

TOWN OF HARPSWELL, MAINE

GENERAL FUND ASSETS

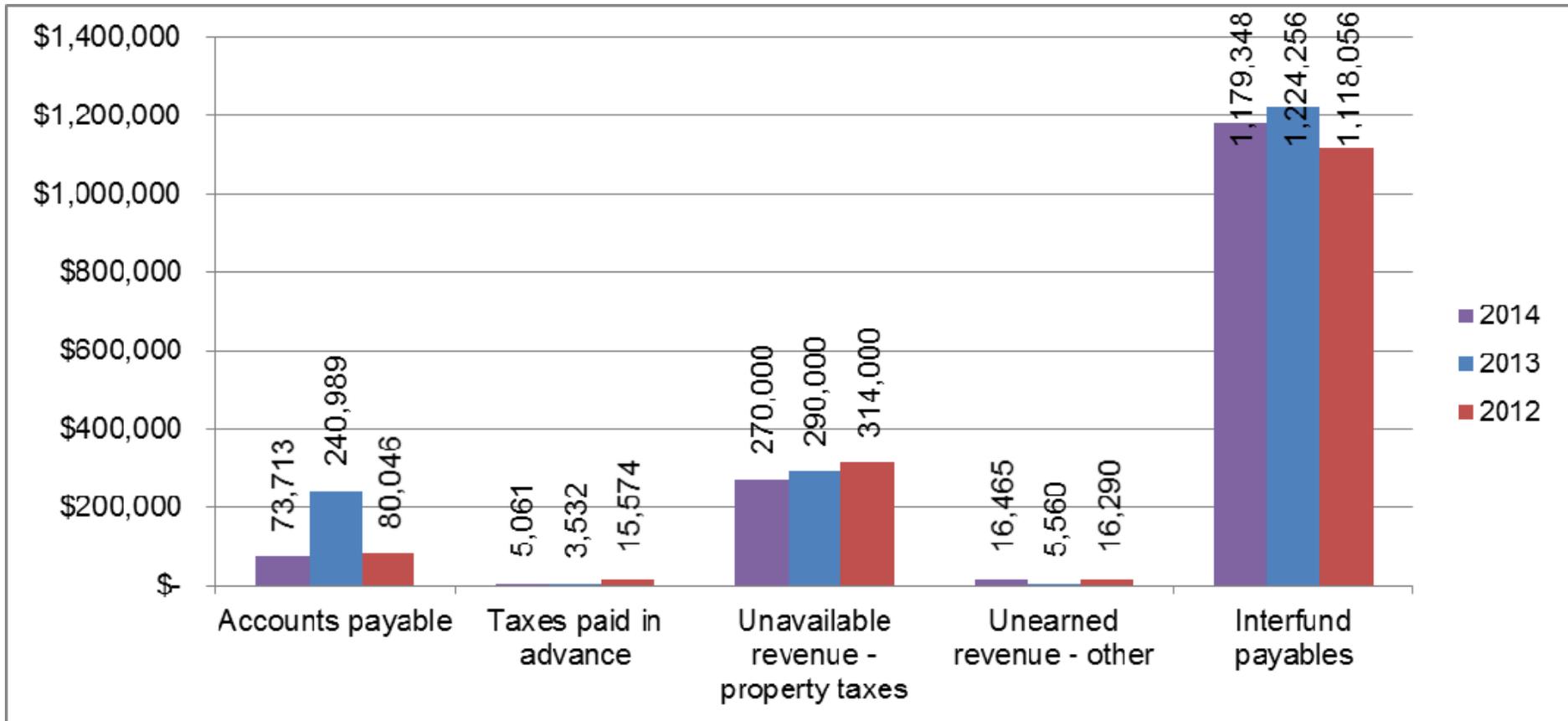


Cash decreased by \$397,491 in 2014 mostly due to expenditures of prior year assigned and committed balances, expending prior year road bonds and a decrease in accounts payable.

Taxes and liens receivable remained stable. The collection rate was 96.64% in 2013 and 96.73% in 2014.

TOWN OF HARPSWELL, MAINE

GENERAL FUND LIABILITIES



Accounts payable decreased from 2013 simply due to the timing of payments at year end.

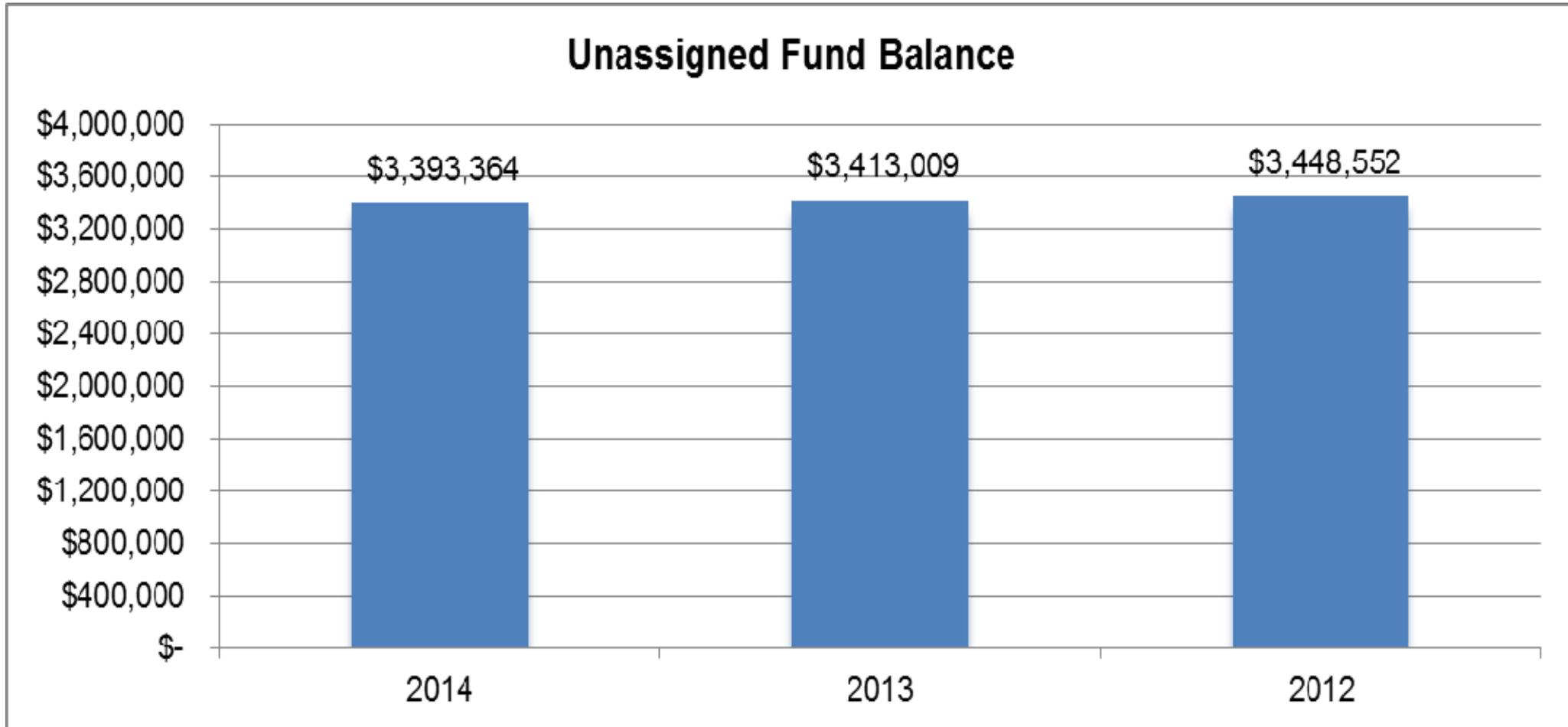
Additionally, 2013 accounts payable included retainage and contractor payments on road projects.

Unavailable revenue – property taxes represents amounts not collected 60 days after year end. Unavailable revenue – property taxes decreased \$20,000 in 2014.

(More collections received during the fiscal year)

Interfund loans declined by \$44,908 in 2014 as Road project expenditure exceeded current year transfers by \$202,542 and Emergency Vehicle Fund increased by \$150,783 and Recreation Fund by \$6,851.

TOWN OF HARPSWELL, MAINE
GENERAL FUND – UNASSIGNED FUND BALANCE

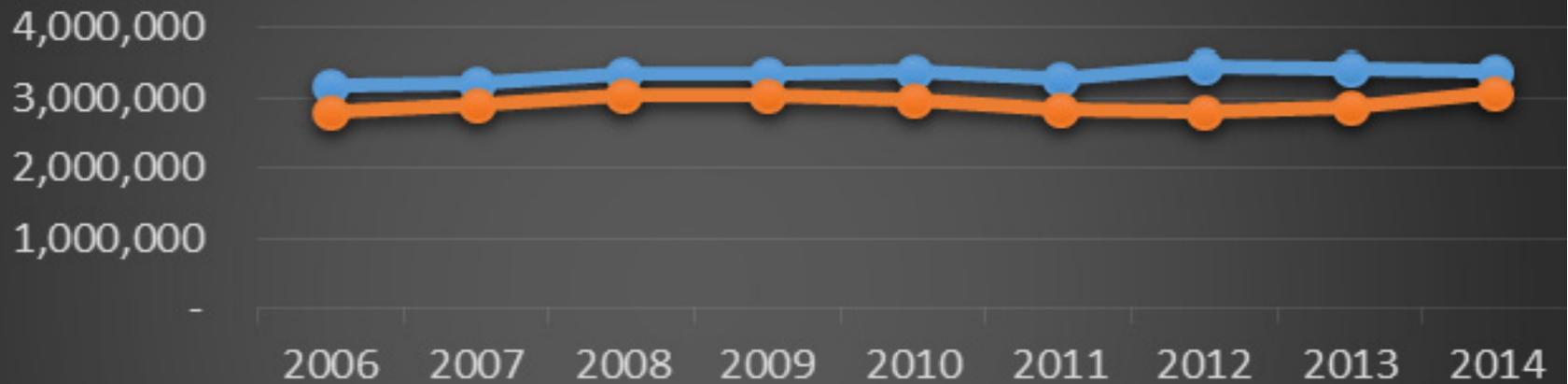


The Town budgeted to use \$392,000 of fund balance in the 2014 budget. The actual decrease was \$19,645.
The Town budgeted to use \$392,000 of fund balance in the 2013 budget. The actual decrease was \$55,543.
The Town budgeted to use \$350,000 from fund balance in the 2012 budget. The actual increase was \$155,462.

TOWN OF HARPSWELL, MAINE

GENERAL FUND – UNASSIGNED FUND BALANCE

Unassigned compared to policy goal (thousands)



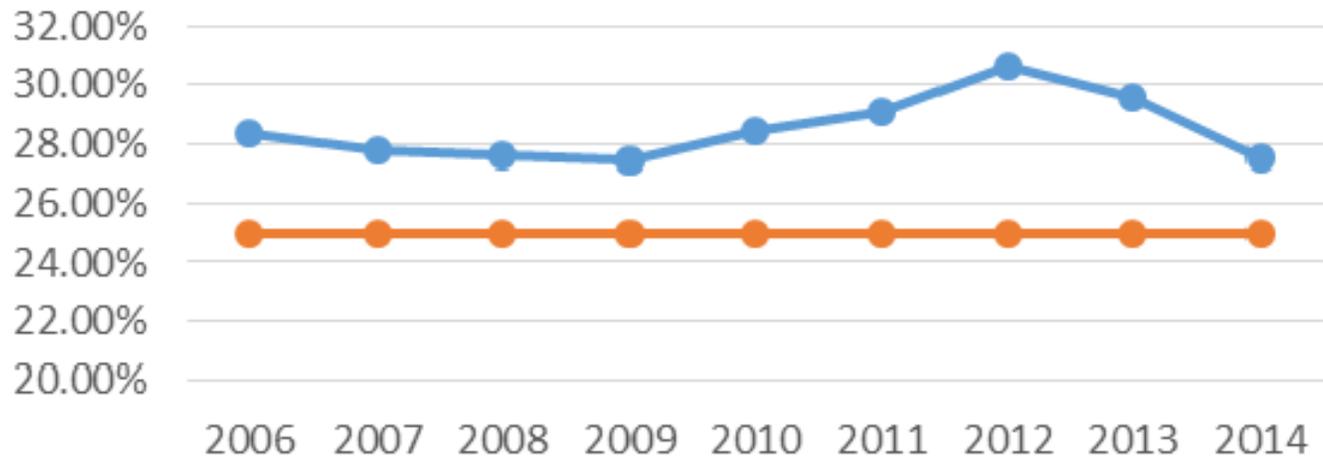
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unassigned	3,182,	3,226,	3,359,	3,356,	3,400,	3,293,	3,448,	3,413,	3,393,
25% of prior expenditures	2,805,	2,904,	3,042,	3,054,	2,990,	2,833,	2,810,	2,880,	3,083,

—●— Unassigned
 —●— 25% of prior expenditures

TOWN OF HARPSWELL, MAINE

GENERAL FUND – UNASSIGNED FUND BALANCE

Unassigned as a percentage of PY expenditures



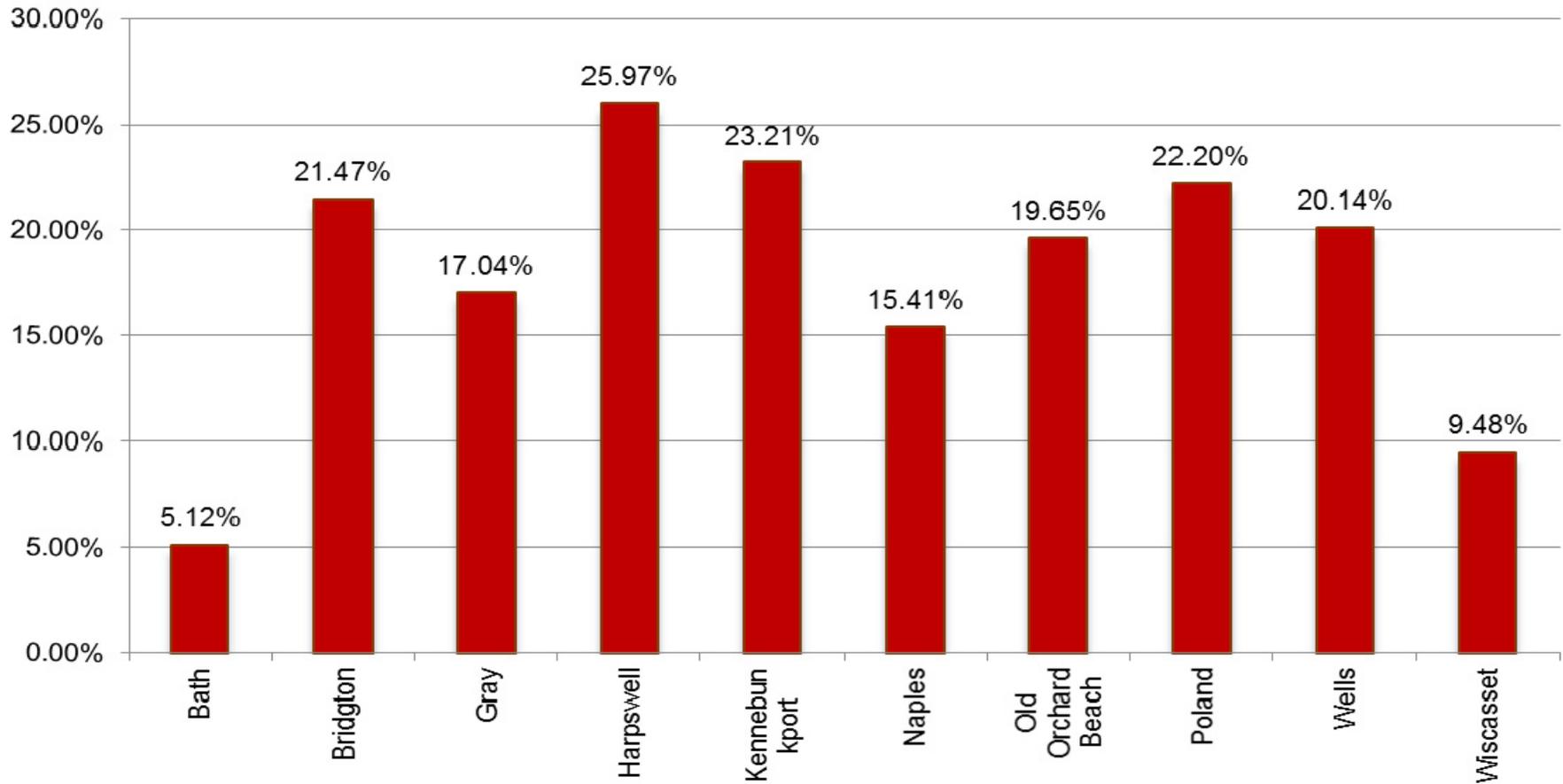
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unassigned %	28.36%	27.77%	27.61%	27.47%	28.43%	29.05%	30.67%	29.62%	27.51%
25% of prior expenditures	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

● Unassigned %
 ● 25% of prior expenditures

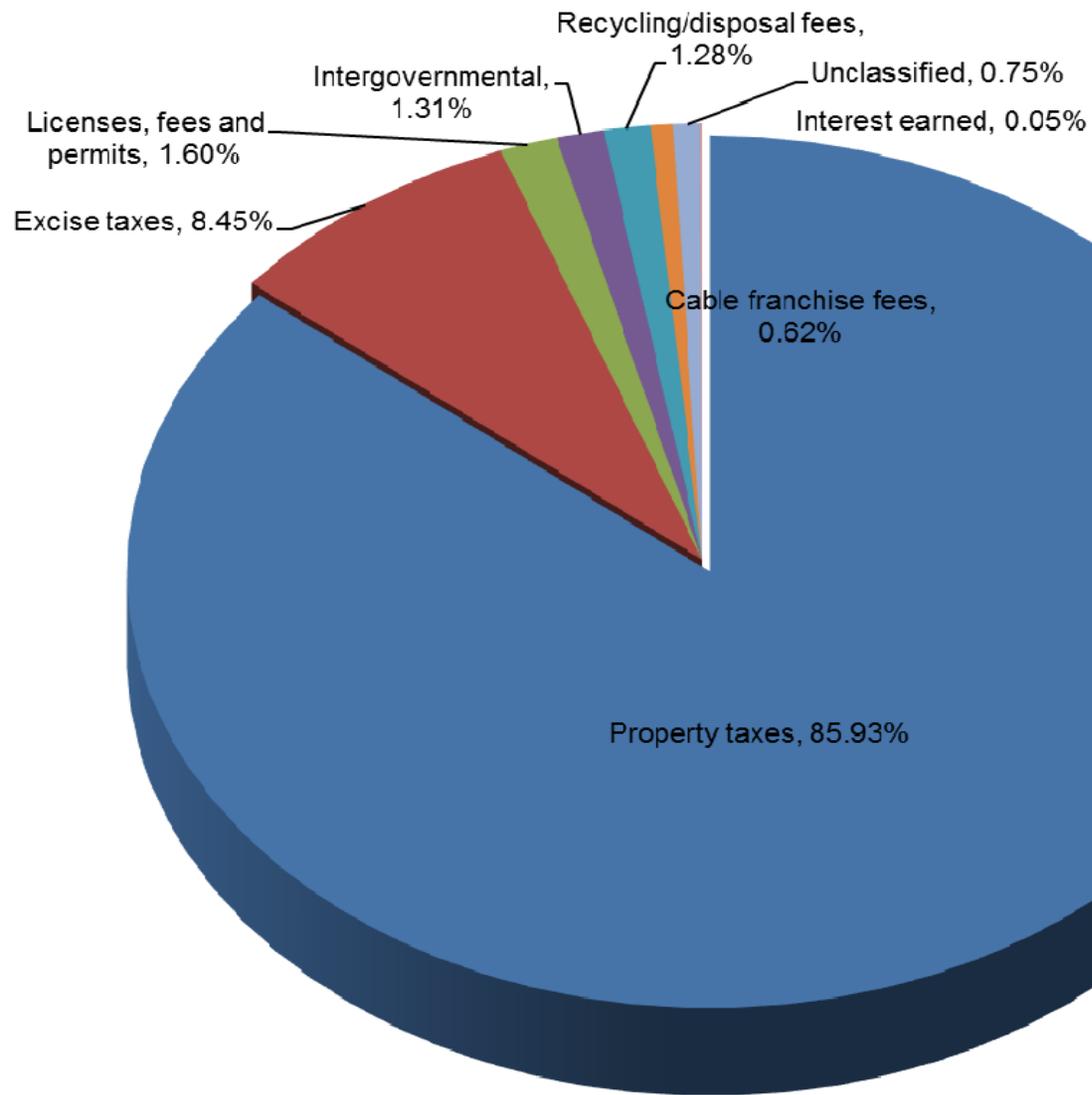
TOWN OF HARPSWELL, MAINE

GENERAL FUND – UNASSIGNED FUND BALANCE

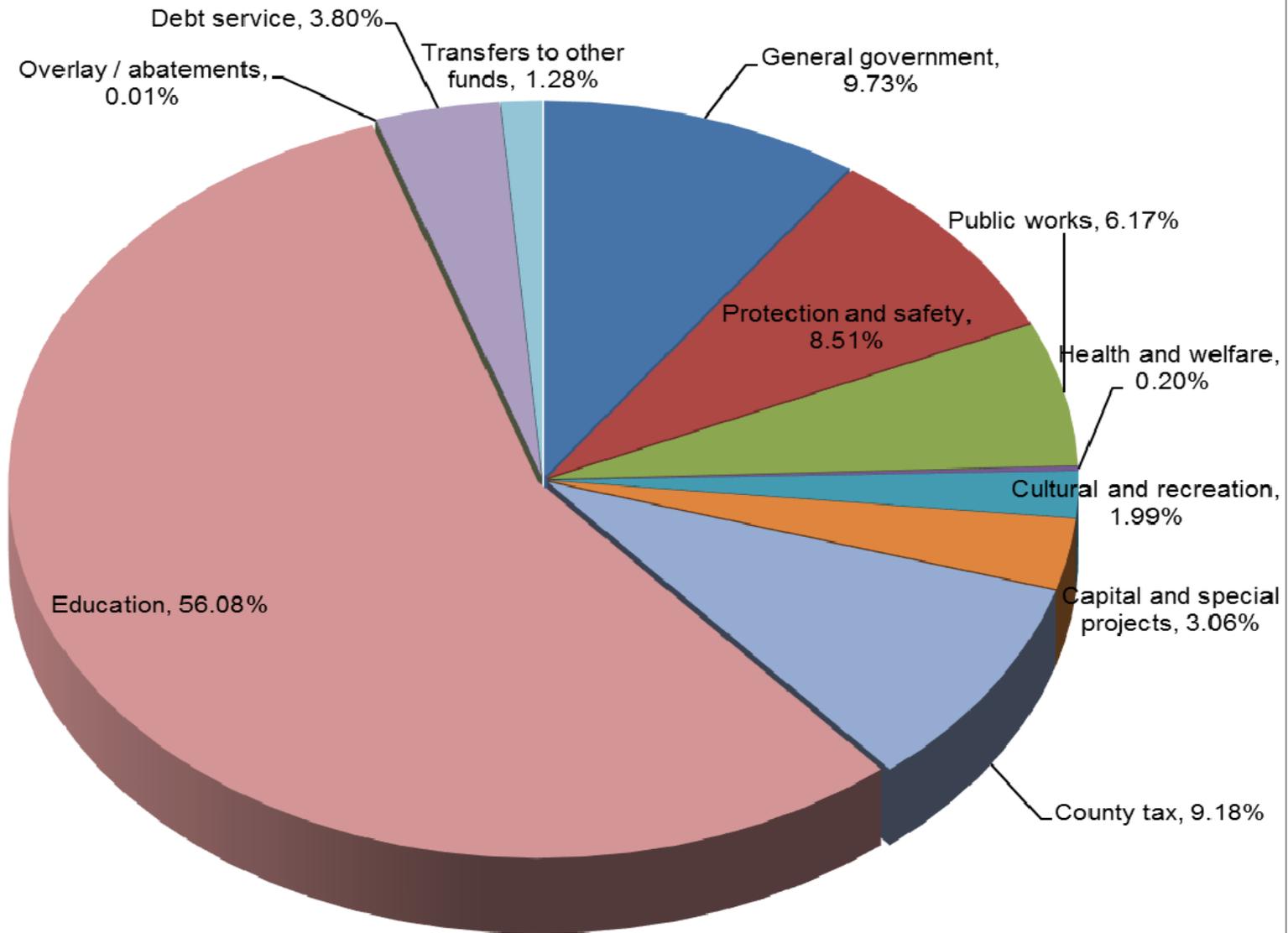
Unassigned Fund Balance as a % of budget



TOWN OF HARPSWELL, MAINE
GENERAL FUND REVENUES - 2014

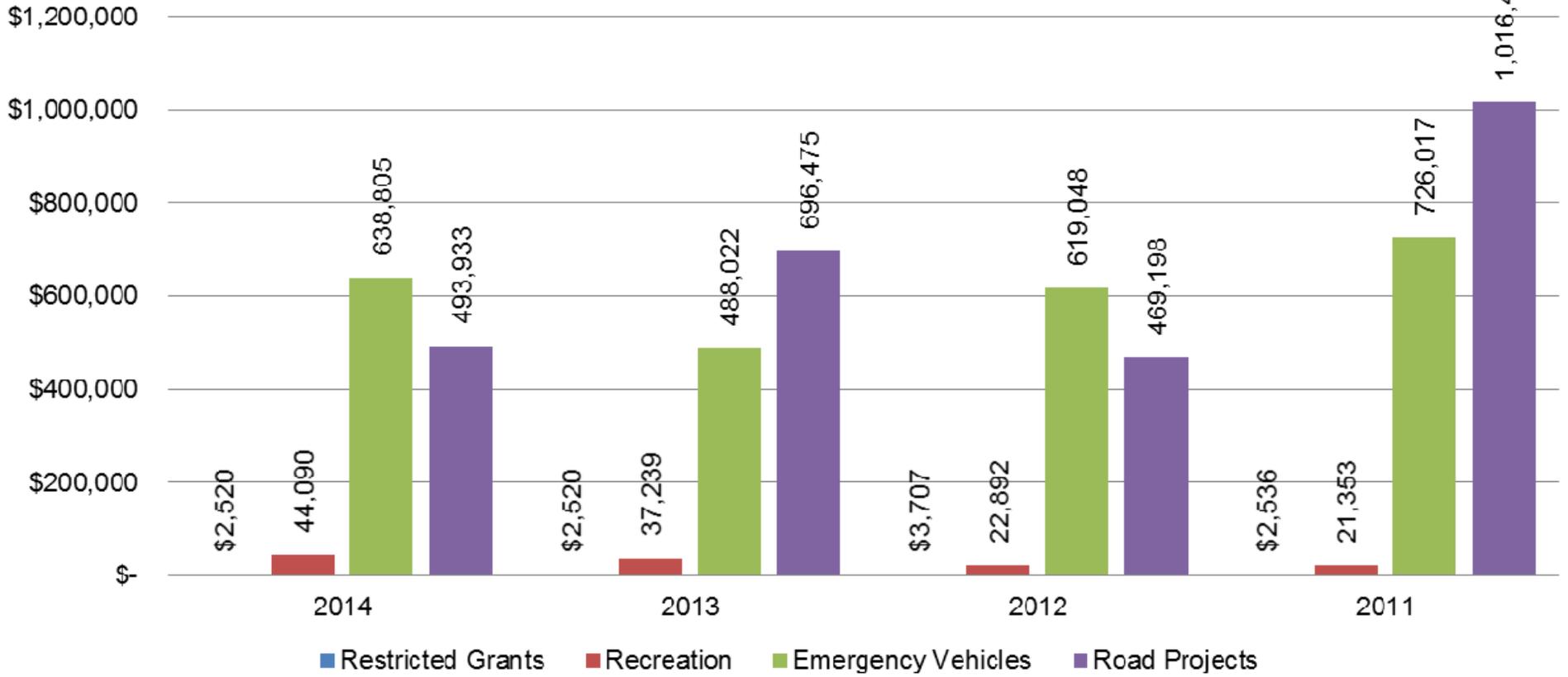


TOWN OF HARPSWELL, MAINE
GENERAL FUND EXPENDITURES - 2014

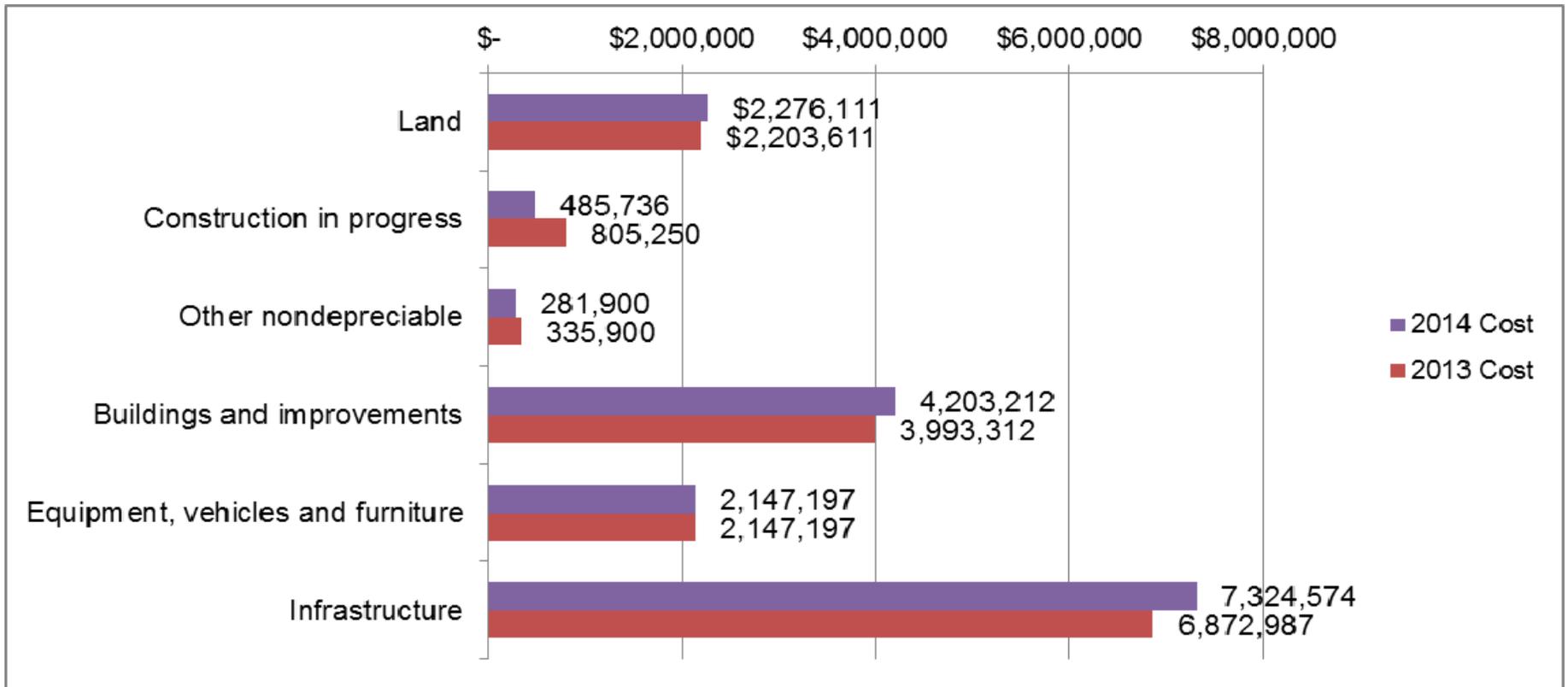


TOWN OF HARPSWELL, MAINE

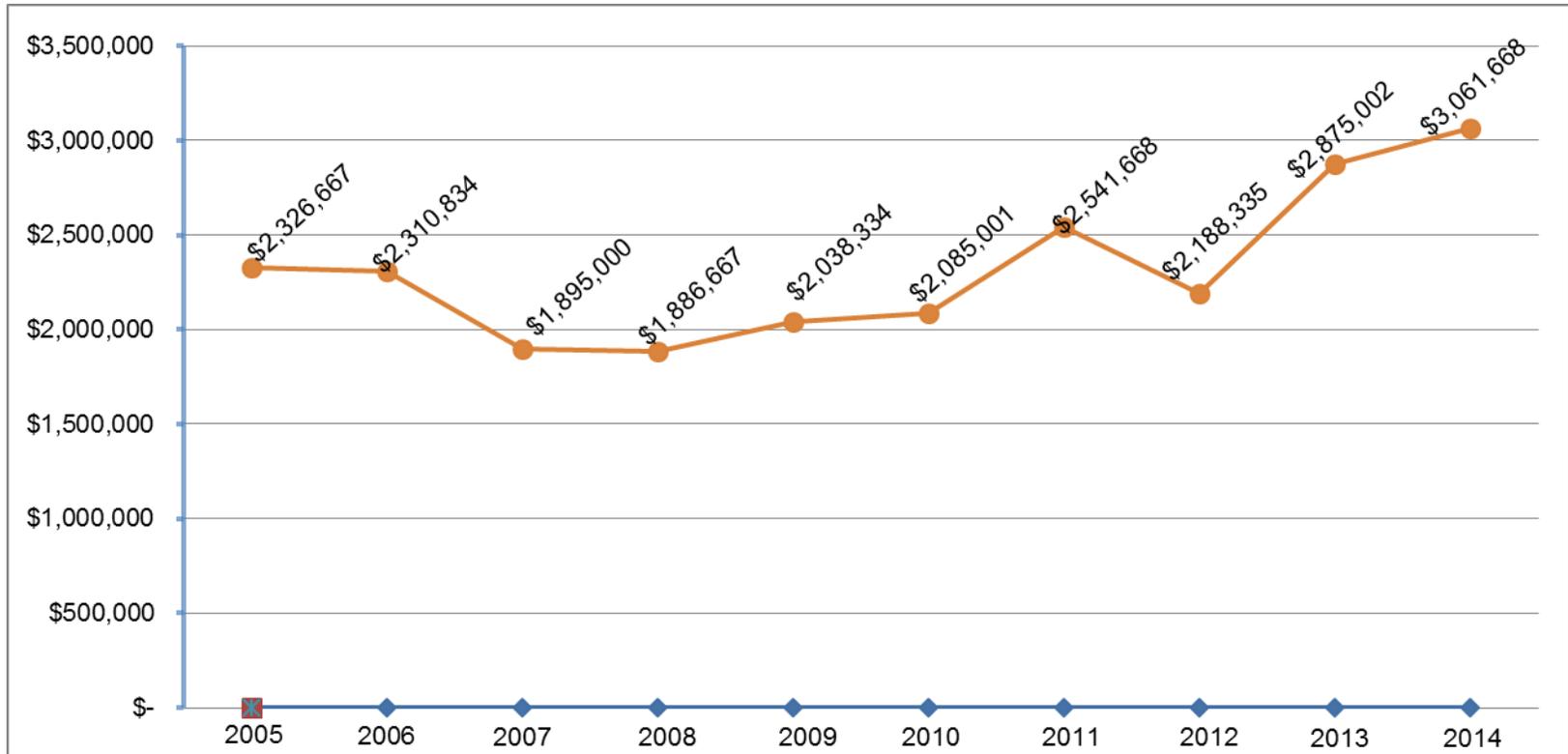
Special Revenue and Capital Project Funds



TOWN OF HARPSWELL, MAINE
CAPITAL ASSETS – 2014 and 2013



TOWN OF HARPSWELL, MAINE
BONDS PAYABLE – LAST TEN FISCAL YEARS



TOWN OF HARPSWELL, MAINE

GENERAL FUND COMPARATIVE REVENUES / EXPENDITURES

	2014	2013	Net Change
Property taxes	\$ 10,943,800	\$ 10,328,396	615,404
Excise taxes	1,075,697	1,041,611	34,086
Licenses, fees and permits	204,095	156,643	47,452
Intergovernmental	167,104	228,733	(61,629)
Recycling/disposal fees	163,631	165,638	(2,007)
Cable franchise fees	78,823	76,106	2,717
Unclassified	95,832	90,028	5,804
Interest earned	6,670	5,631	1,039
	\$ 12,735,652	\$ 12,092,786	3,526,346
General government	\$ 1,254,928	\$ 1,260,319	(5,391)
Protection and safety	1,097,257	949,396	147,861
Public works	795,393	753,802	41,591
Health and welfare	25,409	31,386	(5,977)
Cultural and recreation	256,931	241,491	15,440
Capital and special projects	394,385	250,750	143,635
County tax	1,183,087	1,128,378	54,709
Education	7,230,969	6,762,429	468,540
Overlay / abatements	766	3,243	(2,477)
Debt service	490,257	393,366	96,891
Transfers to other funds	164,850	160,850	4,000
	\$ 12,894,232	\$ 11,935,410	4,113,522
Net change in fund balance	\$ (158,580)	\$ 157,376	