

*TOWN OF LAMOINE, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2017*

***INDEPENDENT AUDITOR'S REPORT***

Members of the Board of Selectmen  
Town of Lamoine  
Lamoine, ME 04605

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Lamoine, Maine (the Town) as of and for the fiscal year ended June 30, 2017, including the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Lamoine, Maine, as of June 30, 2017, and the respective

changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension disclosure schedules on pages 3 through 6 and 25 through 28 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 Lamoine, Maine's financial statements as a whole. The supplementary information and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine Department of Education.

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, C.P.A.*

James W. Wadman, C.P.A.  
January 4, 2018

**TOWN OF LAMOINE, MAINE**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

The management of the Town of Lamoine, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2017 by \$9,636,335 (presented as “net position”). Of this amount, \$1,186,078 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 \$74,628 (a 0.8% decrease) for the fiscal year ended June 30, 2017.

**Fund Highlights:**

*Governmental Funds – Fund Balances* – As of the close of the fiscal year ended June 30, 2017, the Town's governmental funds reported a combined ending fund balance of \$1,863,090, an increase of \$150,854 in comparison with the prior year. Of this total fund balance, \$571,582 represents general unassigned fund balance. This unassigned fund balance represents approximately 19.2% of the total general fund expenditures for the fiscal year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased \$108,718 (36.0%) during the current fiscal year. There were no new debt obligations issued during the year. Existing debt obligations were retired according to schedule.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three component's: 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 and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of net position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate entity - the Lamoine School Patrons - for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information for the primary government itself.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements include statements for two categories of activities – governmental funds and fiduciary funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 of this report.

The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Department's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statements. The fiduciary fund financial statements can be found on pages 11 - 12 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 13 - 24 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), schedule of proportionate share of net pension liability, schedule of employer contributions and notes to historical pension information. Required supplementary information can be found on pages 25 - 28 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

The largest portion of the Town's net position (80.2%) 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 is still outstanding. The Town uses these capital 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.

	Governmental Activities	Business-like Activities	Total 2017	Total 2016
Current Assets	\$ 2,252,095	\$ 0	\$ 2,252,095	\$ 2,059,524
Capital Assets	\$ 7,922,351	\$ 0	\$ 7,922,351	\$ 8,252,537
<i>Total Assets</i>	\$10,174,446	\$ 0	\$10,174,446	\$10,312,061
Deferred Outflows	\$ 58,129	\$ 0	\$ 58,129	\$ 55,992
<i>Total Assets and Deferred Outflows</i>	\$10,232,575	\$ 0	\$10,232,575	\$10,368,053
Current Liabilities	\$ 426,437	\$ 0	\$ 426,437	\$ 385,376
Other Liabilities	\$ 144,422	\$ 0	\$ 144,422	\$ 255,373
Deferred Inflows	\$ 25,381	\$ 0	\$ 25,381	\$ 16,341
Net Position;				
Invested in Capital Assets	\$ 7,728,851	\$ 0	\$ 7,728,851	\$ 7,950,319
Restricted	\$ 721,406	\$ 0	\$ 721,406	\$ 663,459
Unrestricted	\$ 1,186,078	\$ 0	\$ 1,186,078	\$ 1,097,184
<i>Total Liabilities, Deferred Inflows, and Net Position</i>	\$10,232,575	\$ 0	\$10,232,575	\$10,368,053

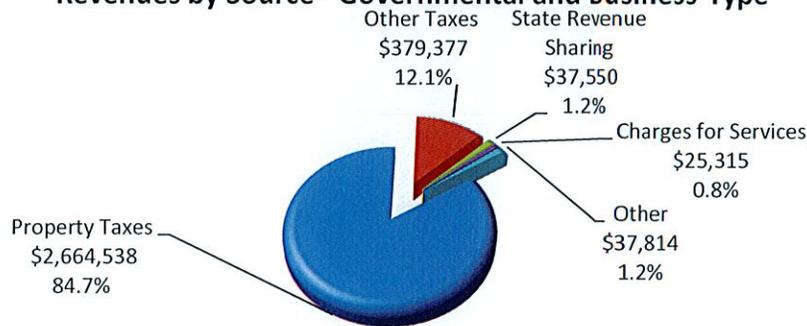
An additional portion of the Town's net position (7.5%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (12.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Changes in Net Position**

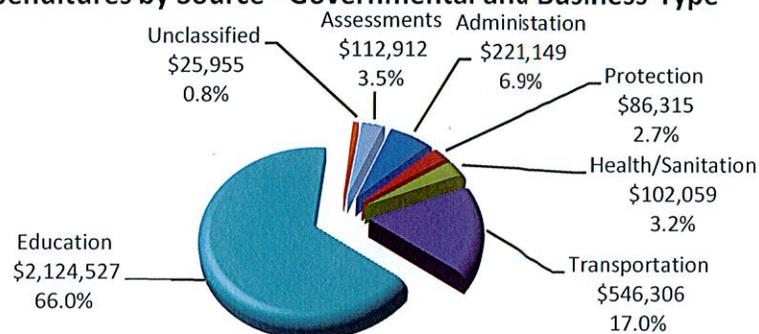
Governmental activities decreased the Town's net position by \$74,628. This increase was primarily due to conservative budgeting and controlled costs.

	Governmental Activities	Business-like Activities	Total 2017	Total 2016
<i>Revenues;</i>				
Tax Revenues	\$ 3,043,915	\$ 0	\$ 3,043,915	\$ 2,977,342
Investments	\$ (5,884)	\$ 0	\$ (5,884)	\$ 24,727
Revenue Sharing	\$ 37,550	\$ 0	\$ 37,550	\$ 36,112
Other	\$ 69,013	\$ 0	\$ 69,013	\$ 97,733
<i>Total Revenues</i>	\$ 3,144,594	\$ 0	\$ 3,144,594	\$ 3,135,914
<i>Expenses;</i>				
Administration	\$ 221,149	\$ 0	\$ 221,149	\$ 180,958
Protection	\$ 86,315	\$ 0	\$ 86,315	\$ 96,714
Health/Sanitation	\$ 102,059	\$ 0	\$ 102,059	\$ 95,569
Transportation	\$ 546,306	\$ 0	\$ 546,306	\$ 523,334
Education	\$ 2,124,527	\$ 0	\$ 2,124,527	\$ 1,965,866
Unclassified	\$ 25,955	\$ 0	\$ 25,955	\$ 22,438
Assessments	\$ 112,912	\$ 0	\$ 112,912	\$ 153,305
<i>Total Expenses</i>	\$ 3,219,223	\$ 0	\$ 3,219,223	\$ 3,038,183
Changes in Net Position	\$ (74,628)	\$ 0	\$ (74,628)	\$ 97,731

**Revenues by Source - Governmental and Business-Type**



**Expenditures by Source - Governmental and Business-Type**



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

### **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable 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 \$1,863,090, an increase of \$150,854 in comparison with the prior fiscal year. Approximately 30.7 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$11,841 positive variance in real estate and personal property tax revenues. Actual collections were 95.8% of the levy as compared to 95.2% in the prior year. There was a reduction in unavailable property tax revenue due to high collections within 60 days of year end.
- \$56,363 positive variance in all other revenues. This is primarily due to conservative budgeting, higher than expected excise tax revenues and unbudgeted donations.
- \$44,902 positive variance in administration expenditures. This is due to the conservative budgeting and controlled costs.
- \$101,768 positive variance in all other expenditures. This is primarily due to conservative budgeting and controlled expenditures.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The Town's investment in capital assets for its governmental activities amounts to \$22,020,203, net of accumulated depreciation of \$14,097,853, leaving a net book value of \$7,922,350. There were current year additions of \$30,232 for school department equipment, \$5,000 of school building improvements, \$27,247 for cable equipment, \$21,555 for fire department truck repairs and \$85,922 of road improvements. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on page 19 of this report.

#### **Debt**

The Town has total bonded debt outstanding of \$0 and \$193,500 of total outstanding loans that is backed by the full faith and credit of the Town. The outstanding debt decreased \$108,718 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 7 of the notes to the financial statements on page 20 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 Lamoine, 606 Douglas Highway, Lamoine, ME 04605.

**TOWN OF LAMOINE, MAINE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

(Exhibit I)

	<u>Governmental Activities</u>	<u>Component Unit Lamoine School Patrons</u>
<u>Assets &amp; Deferred Outflows</u>		
<u>Assets</u>		
Cash and Cash Equivalents	\$134,648	\$5,257
Investments, at Fair Market Value	\$1,820,216	
Accounts Receivable	\$157,584	
Taxes and Tax Liens Receivable	\$135,731	
School Lunch Inventory, at cost	\$2,575	
Prepaid Expenses	\$1,342	
<u>Capital Assets</u>		
Land	\$122,029	
Other Capital Assets, net of Accumulated Depreciation	\$7,800,322	
Total Capital Assets	<u>\$7,922,351</u>	<u>\$0</u>
<u>Total Assets</u>	<u>\$10,174,446</u>	<u>\$5,257</u>
<u>Deferred Outflows of Resources</u>		
Related to Pensions	\$58,129	
<u>Total Deferred Outflows of Resources</u>	<u>\$58,129</u>	<u>\$0</u>
<u>Total Assets &amp; Deferred Outflows</u>	<u>\$10,232,575</u>	<u>\$5,257</u>
<u>Liabilities, Deferred Inflows &amp; Net Position</u>		
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$150,404	
Accrued Salaries & Benefits	\$167,009	
<u>Long-Term Liabilities</u>		
Net Pension Liability	\$31,429	
Compensated Absences	\$28,517	
<u>Loans Payable:</u>		
Payable within 1 year	\$109,024	
Payable in more than 1 year	\$84,476	
<u>Total Liabilities</u>	<u>\$570,859</u>	<u>\$0</u>
<u>Deferred Inflows of Resources</u>		
Property Taxes Paid in Advance	\$19,947	
School Lunch Balances Paid in Advance	\$346	
Related to Pensions	\$5,088	
<u>Total Deferred Inflows of Resources</u>	<u>\$25,381</u>	<u>\$0</u>
<u>Net Position</u>		
Net Investment in Capital Assets	\$7,728,851	
Restricted	\$721,406	
Unrestricted	\$1,186,078	\$5,257
<u>Total Net Position</u>	<u>\$9,636,335</u>	<u>\$5,257</u>
<u>Total Liabilities, Deferred Inflows &amp; Net Position</u>	<u>\$10,232,575</u>	<u>\$5,257</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

**TOWN OF LAMOINE, MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(Exhibit II)

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net (Expense) Revenue and Changes in Net Position</i>	
		<i>Charges for Services</i>	<i>Operating Grants</i>	<i>Primary Government Governmental Activities</i>	<i>Component Unit Lamoine School Patrons</i>
<b><u>Primary Government</u></b>					
<i>Governmental Activities</i>					
Administration	\$221,149	\$20,532		(\$200,616)	
Protection	\$86,315			(\$86,315)	
Health & Sanitation	\$102,059	\$1,923		(\$100,136)	
Transportation	\$546,306			(\$546,306)	
Education	\$2,124,527			(\$2,124,527)	
Unclassified	\$25,955	\$2,860		(\$23,095)	
Assessments and Debt Service	\$112,912			(\$112,912)	
<b><u>Total Governmental Activities</u></b>	<b><u>\$3,219,223</u></b>	<b><u>\$25,315</u></b>	<b><u>\$0</u></b>	<b><u>(\$3,193,907)</u></b>	<b><u>\$0</u></b>
<b><u>Total Primary Government</u></b>	<b><u>\$3,219,223</u></b>	<b><u>\$25,315</u></b>	<b><u>\$0</u></b>	<b><u>(\$3,193,907)</u></b>	<b><u>\$0</u></b>
<b><u>Component Unit</u></b>					
School Activities	\$25,035				(\$25,035)
<b><u>Total Component Unit</u></b>	<b><u>\$25,035</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>(\$25,035)</u></b>
<b><u>General Revenues:</u></b>					
Tax Revenues, Including Homestead Exemption				\$2,649,872	
Excise Taxes				\$379,377	
State Revenue Sharing				\$37,550	
Investment Earnings				(\$5,884)	
Interest and Fees on Delinquent Taxes				\$14,666	
Other Revenues				\$43,698	\$2,597
<b><u>Total Revenues</u></b>				<b><u>\$3,119,279</u></b>	<b><u>\$2,597</u></b>
<b><u>Changes in Net Position</u></b>				<b><u>(\$74,628)</u></b>	<b><u>(\$22,438)</u></b>
<b><u>Net Position - Beginning</u></b>				<b><u>\$9,710,963</u></b>	<b><u>\$27,695</u></b>
<b><u>Net Position - Ending</u></b>				<b><u>\$9,636,335</u></b>	<b><u>\$5,257</u></b>

The Notes to the Financial Statements are an Integral Part of this Statement.

**TOWN OF LAMOINE, MAINE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

(Exhibit III)

<u>Assets</u>	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
Cash On Hand and On Deposit	\$134,648		\$134,648
Investments, at Fair Value	\$1,772,043	\$48,173	\$1,820,216
Accounts Receivable	\$157,584		\$157,584
Property Taxes Due	\$135,731		\$135,731
School Lunch Inventory, at cost	\$2,575		\$2,575
Prepaid Expenses	\$1,342		\$1,342
Due from Other Funds	\$11,038		\$11,038
<b><u>Total Assets</u></b>	<b><u>\$2,214,961</u></b>	<b><u>\$48,173</u></b>	<b><u>\$2,263,134</u></b>
<b><u>Liabilities, Deferred Inflows &amp; Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$150,404		\$150,404
Accrued Salaries	\$167,009		\$167,009
Due to Other Funds		\$11,038	\$11,038
<b><u>Total Liabilities</u></b>	<b><u>\$317,414</u></b>	<b><u>\$11,038</u></b>	<b><u>\$328,452</u></b>
<b><u>Deferred Inflows of Resources</u></b>			
Property Taxes Paid in Advance	\$19,947		\$19,947
School Lunch Balances Paid in Advance	\$346		\$346
Unavailable Property Tax Revenue	\$51,298		\$51,298
<b><u>Total Deferred Inflows of Resources</u></b>	<b><u>\$71,592</u></b>	<b><u>\$0</u></b>	<b><u>\$71,592</u></b>
<b><u>Fund Balance:</u></b>			
Nonspendable		\$9,677	\$9,677
Restricted	\$692,089	\$26,544	\$718,633
Committed	\$430,487		\$430,487
Assigned	\$131,798	\$913	\$132,710
Unassigned	\$571,582		\$571,582
<b><u>Total Fund Balance</u></b>	<b><u>\$1,825,956</u></b>	<b><u>\$37,134</u></b>	<b><u>\$1,863,090</u></b>
<b><u>Total Liabilities, Deferred Inflows &amp; Fund Balance</u></b>	<b><u>\$2,214,961</u></b>	<b><u>\$48,173</u></b>	<b><u>\$2,263,134</u></b>
<b><u>Total Fund Balance - Governmental Funds</u></b>			<b><u>\$1,863,090</u></b>
<i>Net position reported for governmental activities in the statement of net position is different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$7,922,351
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds			\$51,298
Deferred outflows of resources related to pension plans			\$58,129
Deferred inflows of resources related to pension plans			(\$5,088)
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds, including:			
Net Pension Liability			(\$31,429)
Compensated Absences			(\$28,517)
Loans Payable			(\$193,500)
<b><u>Net Position of Governmental Activities</u></b>			<b><u>\$9,636,335</u></b>

The Notes to the Financial Statements are an Integral Part of this Statement.

**TOWN OF LAMOINE, MAINE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(Exhibit IV)

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues:</u></b>			
Tax Revenues, Including Homestead Reimbursement	\$2,659,295		\$2,659,295
Excise Taxes	\$379,377		\$379,377
State Revenue Sharing	\$37,550		\$37,550
Investment Earnings (Includes Unrealized Gains / (Losses))	(\$5,650)	(\$234)	(\$5,884)
Interest and Fees on Delinquent Taxes	\$14,666		\$14,666
Intergovernmental Revenues	\$7,475		\$7,475
Other Revenues	\$28,763	\$7,460	\$36,223
<b><u>Total Revenues</u></b>	<b><u>\$3,121,477</u></b>	<b><u>\$7,226</u></b>	<b><u>\$3,128,703</u></b>
<b><u>Expenditures (Net of Departmental Revenues):</u></b>			
<b><u>Current</u></b>			
Administration and Planning	\$196,734		\$196,734
Protection	\$50,064		\$50,064
Health & Sanitation	\$99,978		\$99,978
Highways & Bridges	\$135,300		\$135,300
Education	\$2,137,845		\$2,137,845
Unclassified	\$21,098	\$46	\$21,144
Assessments	\$110,319		\$110,319
<b><u>Capital Outlay</u></b>	<b><u>\$169,957</u></b>		<b><u>\$169,957</u></b>
<b><u>Debt Service</u></b>	<b><u>\$56,507</u></b>		<b><u>\$56,507</u></b>
<b><u>Total Expenditures</u></b>	<b><u>\$2,977,802</u></b>	<b><u>\$46</u></b>	<b><u>\$2,977,848</u></b>
<b><u>Excess Revenues Over Expenditures</u></b>	<b><u>\$143,674</u></b>	<b><u>\$7,180</u></b>	<b><u>\$150,854</u></b>
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In	\$15,000		\$15,000
Operating Transfers Out		(\$15,000)	(\$15,000)
<b><u>Excess Revenues and Other Sources Over Expenditures and Other Uses</u></b>	<b><u>\$158,674</u></b>	<b><u>(\$7,820)</u></b>	<b><u>\$150,854</u></b>
<b><u>Beginning Fund Balances</u></b>	<b><u>\$1,667,282</u></b>	<b><u>\$44,954</u></b>	<b><u>\$1,712,236</u></b>
<b><u>Ending Fund Balances</u></b>	<b><u>\$1,825,956</u></b>	<b><u>\$37,134</u></b>	<b><u>\$1,863,090</u></b>
<b><u>Reconciliation to Statement of Activities, changes in Net Position:</u></b>			
Net Change in Fund Balances - Above			\$150,854
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable revenue (a deferred inflow) in governmental funds			(\$9,423)
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, including:			
Compensated Absences			\$9,228
Pension Plan (Deferred Outflows, Net Pension Liability, Deferred Inflows)			(\$3,818)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position			
This amount represents long-term debt payments			\$108,718
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense.			\$169,957
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.			(\$500,143)
<b><u>Changes in Net Position of Governmental Activities</u></b>			<b><u>(\$74,628)</u></b>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017

(Exhibit V)

	<u>Assets</u>	<u>Student Activity &amp; Principal's Funds</u>
Cash and Cash Equivalents		\$10,596
<u>Total Assets</u>		<u>\$10,596</u>
	<u>Net Position</u>	
Unrestricted		\$10,596
<u>Total Net Position</u>		<u>\$10,596</u>

*The Notes to the Financial Statements are an Integral Part of this Statement.*

TOWN OF LAMOINE, MAINE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit VI)

	<u>Student Activity &amp; Principal's Funds</u>
<u>Additions</u>	
Fundraising, etc.	<u>\$17,414</u>
<u>Deductions</u>	
Student Activities, etc.	<u>\$20,311</u>
<u>Changes in Net Position</u>	(\$2,896)
<u>Beginning Net Position</u>	<u>\$13,492</u>
<u>Ending Net Position</u>	<u><u>\$10,596</u></u>

*The Notes to the Financial Statements are an Integral Part of this Statement.*

TOWN OF LAMOINE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Lamoine, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Lamoine, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended. The Town is governed under an Administration Assistant/Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

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 nonfiduciary activities of the primary government. Fiduciary activities, whose resources are not available to finance the Town's programs are excluded from the government-wide statements. The effect of material interfund activity has been removed from these statements. *Governmental activities* are normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 and the fiduciary fund. Major individual governmental funds and the fiduciary fund are reported as separate columns in the respective fund financial statements.

D. 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*. Revenues and additions are recognized when transactions occur and expenses and deductions 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 (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

In the Statement of Activities, amounts reported as program revenues 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.

The 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 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, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports unavailable revenue on its governmental fund financial statements. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and the revenue is recognized.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

The Town also reports the following fiduciary funds:

The Student Activity Fund accounts for the receipt and disbursement of funds from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the School Committee.

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.

#### D. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Fund Equity

##### 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 one year or less from the date of acquisition. These investments are not specifically identified with any one fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Investments are carried at fair value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

##### Accounts Receivable and Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

##### Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used rather than when purchased. Inventory in the School Lunch Program consist of food, supplies and U.S.D.A. Donated Commodities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The prepayments are charged to expenditures on the governmental fund financial statements over the period of their economic benefit. Amounts of governmental fund inventories are offset by a fund balance reserve account to indicate that they do not represent "available spending resources".

Capital Assets

Capital assets, which include 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 historical cost if purchased and 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. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	30-50
Sewer Lines	40
Equipment	5-10

Interfund Activity

Interfund receivables and payables arise from interfund activity and are recorded by all funds effected in the period in which transactions are executed.

Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows or resources represent and acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The Town has an item that qualifies as deferred outflows of resources and it has three items that qualify as deferred inflows. The deferred outflow and one of the deferred inflows are related to pensions. One of the other deferred inflows is related to prepaid property taxes and the other deferred inflow is related to prepaid lunch balances. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and inflows of resources (revenue) in the period that the amounts become available.

Pensions

For purposes of measuring 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 Public Employees Retirement System (System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

Accrued Compensated Absences

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 in the governmental fund that will pay it. Vested or accumulated vacation and sick leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrued to employees. In accordance GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

The Town administrative assistant, by contract, may accumulate 90 days of sick leave at the rate of 12 days per year and may accumulate all unused vacation time at the rate of 15 days per year. Upon termination of employment, the accumulated sick and vacation days will be compensated at the same pay rate in effect when the days were accumulated. An obligation for accrued compensated absences under this contract provision has been recorded on the government-wide financial statements in the past but there was a new contract drawn up with the administrative assistant during the current year and as part of that, the accumulated portion of this contract provision was paid out in part. Therefore, there is no provision for compensated absences in the current year.

Teachers may accumulate 120 days of sick leave at the rate of 15 days per year. Full time employees other than teachers accrue vacation and sick leave in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance. An obligation for compensated absences is recorded in the general fund balance sheet for compensated sick pay for employees eligible for retirement. Under the current contract provisions, teachers who have 25 years of creditable teaching service with at least 10 of those years being at the Lamoine School Department are entitled to thirty days of compensated sick pay at their per diem rate.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has identified June 30, 2017 fund balances on the balance sheet as follows:

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
<u>Nonspendable</u>			
Cemetery Trust Principal		\$9,677	\$9,677
<u>Restricted</u>			
Restoration Fund-Goodwin	\$4,512		\$4,512
Restoration Fund-Gott (Smith BH)	\$5,727		\$5,727
Restoration - MacQuinn	\$1,338		\$1,338
Gravel Escrow-Jordan	\$329		\$329
Education Fund	\$646,338		\$646,338
Sesquicentennial Fund	\$18,417		\$18,417
Heating Assistance Fund	\$15,429		\$15,429
Hodgkin's Trust		\$26,544	\$26,544
<u>Committed</u>			
Code Enforcement Fund	\$54,432		\$54,432
Road Fund	\$167,692		\$167,692
Education Capital Fund	\$9,883		\$9,883
Revaluation Fund	\$107,230		\$107,230
Veteran's Memorial Fund	\$5,196		\$5,196
Capital Improvement Fund	\$56,425		\$56,425
Town Hall Restoration	\$20,097		\$20,097
Land Conservation Fund	\$9,533		\$9,533
<u>Assigned</u>			
Flag Program Fund	\$1,256		\$1,256
Fire Truck Fund	\$1,494		\$1,494
Animal Control Fund	\$1,395		\$1,395
Recreation Fund	\$17,038		\$17,038
Parks & Recreation Fund	\$12,673		\$12,673
Cemetery Care Fund	(\$62)		(\$62)
Cable TV Equipment Fund	\$32,523		\$32,523
Insurance Deductible Fund	\$7,254		\$7,254
Harbor Fund	\$24,050		\$24,050
Conservation Commission Fund	\$1,080		\$1,080
Reserve for Encumbrances	\$33,096		\$33,096

Cemetery Trust Income		\$913	\$913
<u>Unassigned</u>	\$571,582		\$571,582
<u>Total Fund Balances</u>	<u>\$1,825,956</u>	<u>\$37,134</u>	<u>\$1,863,090</u>

In accordance with GASB Statement 54, 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 grantors or 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 Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

*Assigned* - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted or Committed.

*Unassigned* - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

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

The Board of Selectmen are authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position is 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 consist 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.

*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 regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$721,406 of restricted net position, of which enabling legislation restricts \$0.

*Unrestricted* - This component consists of net position that do not meet the definition of "restricted" or "net investment in capital asset".

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Endowments

In the permanent funds, there are established endowment funds of \$9,677 for the Cemetery Trust Funds. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is

\$913 from the Cemetery Trust Funds, which is reported as unrestricted net position in the statement of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

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 authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

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

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. Under the program, all accounts, including non-interest bearing accounts, are aggregated and are insured up to \$250,000 in total by the FDIC. Any cash deposits, including certificates of deposit, in excess of the \$250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to avoid exceeding the \$250,000 FDIC limits, the Town deposits excess funds into an investment account, which invests funds in certificates of deposit and other fixed income securities.

At year end, the carrying value of the Town's deposits was \$144,841 and the bank balance was \$195,630. The Town has no uninsured and uncollateralized deposits as of June 30, 2017.

Investments

At year end, the Town's Governmental Funds investment balances were as follows:

	<i>Fair Market Value</i>	<i>Maturities (yrs)</i>		
		<i>Less than 1 yr</i>	<i>1-5 yrs</i>	<i>Long-term</i>
U.S. Treasury Securities - Agencies	\$268,634	\$49,958	\$218,676	\$0
Money Market	\$263,050	\$263,050	\$0	\$0
Certificates of Deposit	\$1,288,533	\$199,978	\$893,736	\$194,819
	<u>\$1,820,216</u>	<u>\$512,986</u>	<u>\$1,112,412</u>	<u>\$194,819</u>

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements.

*Custodial credit risk* - for an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment securities that are in the possession of an outside party. As a means of limiting its exposure to custodial credit risk, the Town requires that, at the time funds are invested, collateral for repurchase agreements be held in the Town's name by a custodial agent for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve.

*Interest rate risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term investments held by a local institution.

*Credit risk* - credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/ investments in insured commercial bank, insured credit unions and direct debt securities of the United States Government

unless such an investment is expressly prohibited by law.

**Note 3 - Property Taxes**

Property taxes were assessed on April 1, 2016 and committed on July 14, 2016. Interest of 7.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$51,298 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated</i>				
Land	\$122,029			\$122,029
<i>Capital assets being depreciated</i>				
Buildings / Improvements	\$2,565,978	\$5,000		\$2,570,978
Equipment	\$1,126,883	\$79,034		\$1,205,917
Infrastructure	\$18,035,357	\$85,922		\$18,121,279
<i>Total capital assets being depreciated</i>	<u>\$21,728,218</u>	<u>\$169,957</u>	<u>\$0</u>	<u>\$21,898,175</u>
<i>Less accumulated depreciation for</i>				
Buildings	\$1,013,111	\$55,164		\$1,068,275
Equipment	\$645,474	\$37,773		\$683,247
Infrastructure	\$11,939,124	\$407,206		\$12,346,330
<i>Total accumulated depreciation</i>	<u>\$13,597,710</u>	<u>\$500,143</u>	<u>\$0</u>	<u>\$14,097,853</u>
<i>Net capital assets being depreciated</i>	<u>\$8,130,508</u>	<u>(\$330,187)</u>	<u>\$0</u>	<u>\$7,800,322</u>
<i>Governmental Activities, Capital Assets, net</i>	<u>\$8,252,537</u>	<u>(\$330,187)</u>	<u>\$0</u>	<u>\$7,922,351</u>

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

**Governmental Activities**

Administration	\$3,882
Protection	\$36,251
Health & Sanitation	\$158
Education	\$46,895
Unclassified	\$1,951
Highways, including depreciation of general infrastructure assets	\$411,006
<b>Total Depreciation Expense - Governmental Activities</b>	<u><u>\$500,143</u></u>

**Note 5 - Interfund Activity**

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. At June 30, 2017, the offsetting receivable and payable balances were \$11,038. The balances represent amounts due to the general fund from the cemetery care and amounts due to the Hodgkin's Trust from the general fund. These amounts are expected to be repaid when the funds are needed. The change during the current year represents cemetery maintenance costs paid by the general fund on behalf of the cemetery trust and amounts received from the Hodgkin's Trust to fund the current year budget.

**Note 6 - Obligation Under Contracted Services**

An obligation for July 2017 and August 2017 salaries for school employees under September 2016 through August 2017 contracts is being recorded on the general fund balance sheet. This obligation, along with the obligation for compensated absences, represents GAAP reporting for the Town.

**Note 7 - Long-Term Debt**

The following is a summary of long-term debt transactions of the Town of Lamoine, Maine for the fiscal year ended June 30, 2017:

<u>Long-Term Debt payable at July 1,</u>		\$302,218
	<i>Long-Term Debt Issued</i>	\$0
	<i>Long-Term Debt Retired</i>	<u>(\$108,718)</u>
<u>Long-Term Debt payable at June 30,</u>		<u>\$193,500</u>

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Lamoine, Maine. Outstanding bonds at June 30, 2017 are as follows:

In June 2013, the Town issued bonds for a fire truck purchase with The First, N.A.. The bonds were authorized by the Town for \$196,000. The entire amount was borrowed during the fiscal year. The bonds are to be repaid over a 5 year period with yearly principal payments of \$39,200 plus interest at the rate of 1.92%. The principal balance outstanding at June 30, 2017 is \$39,200.

In June 2007, the Lamoine School Department entered into a revolving loan general obligation bond with Maine Municipal Bond Bank for the purpose of performing school renovations. The total debt is for \$652,300. As part of the revolving loan fund, 30% of the debt is forgiven at issuance, therefore \$195,690 of the debt was forgiven. The remaining \$456,610 is payable in ten annual payments of \$45,661 with interest at 0%. The balance at June 30, 2017 is \$91,322.

In November 2008, the Lamoine School Department entered into an additional revolving loan general obligation bond with Maine Municipal Bond Bank for the purpose of performing school renovations. The total debt is for \$273,700. As part of the revolving loan fund, 30% of the debt is forgiven at issuance, therefore \$82,110 of the debt was forgiven. The remaining \$191,590 is payable in ten annual payments of \$19,159 with interest at 0%. In 2013, the Maine Municipal Bond Bank informed RSU #24, the holder of the debt at that point, that an additional \$60,095 of the debt was being forgiven, therefore, the remaining 6 annual payments were reduced to \$9,143 with interest at 0%. The balance at June 30, 2017 is \$18,286.

In May 2015, the Town issued a loan for the purchase of a rescue watercraft with The First, N.A.. The loan was authorized by the Town for \$75,000. The loan is to be repaid over a 5 year period with monthly installments of \$1,316.78, including interest at the rate of 2.04%. The principal balance outstanding at June 30, 2017 is \$44,691.

Annual debt service requirements to maturity of the general obligation bonds including estimated interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$109,024	\$1,537	\$110,560
2019	\$70,138	\$470	\$70,608
2020	\$14,335	\$149	\$14,484
	<u>\$193,500</u>	<u>\$2,155</u>	<u>\$195,652</u>

**Note 8 - Defined Benefit Employee Pension Plan**

**A. Plan Description**

Qualifying personnel of the Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is the non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. 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) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 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 State employee and teacher 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.

C. 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, 2017, the member contribution rate was 7.65% and the employer contribution rate was 3.36% of applicable member compensation. The employer is also responsible for contributing 10.57% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 10.02% of the applicable member compensation into the System.

The required contributions paid into the System for the year ended June 30, 2017 and the previous two years are as follows:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>State of Maine Contributions</i>	<i>Applicable Member Compensation</i>
2017	\$72,053	\$38,709	\$87,680	\$941,863
2016	\$63,725	\$32,667	\$94,177	\$833,011
2015	\$43,634	\$17,980	\$65,569	\$570,379

D. 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 teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves 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 School Systems contributing towards the net pension liability of the Plan using grant funding.

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

At June 30, 2017, the School Department reported a net pension liability of \$31,429. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2017, the School Department's proportion was .0018%, which was an increase of 0.0000% from its proportion measured at June 30, 2016.

For the fiscal year ended June 30, 2017, the School Department recognized pension expense of \$40,063. At June 30, 2017, the School Department 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	\$0	\$60
Changes in Assumptions	\$608	\$807
Net Difference between projected between projected and actual earnings on pension plan investments	\$10,035	\$4,112
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$8,777	\$109
Employer contributions made subsequent to measurement date	<u>\$38,709</u>	<u>\$0</u>
	<u>\$58,129</u>	<u>\$5,088</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>	
2018	\$48,026
2019	\$634
2020	\$2,827
2021	\$1,556

#### F. 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	3.50%
Salary Increases	3.50% - 13.50% at selected years of service
Investment Rate of Return	7.125%, net of administrative and pension plan investment expense

For the School Department employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the Entry Age Normal actuarial funding method. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

The long-term expected rate of return on pension plan investments was 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, 2016 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
US Equities	20%	5.7%
Non-US Equities	20%	5.5%
Private Equity	10%	7.6%
Real Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Hard Assets	5%	5.0%
Fixed Income	25%	2.9%
	<u>100%</u>	

G. Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that 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 return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	<i>1% Decrease (5.875%)</i>	<i>Current Discount Rate (6.875%)</i>	<i>1% Increase (7.875%)</i>
Proportionate Share of the Net Pension Liability	\$50,326	\$31,429	\$15,679

I. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the System's 2016 Comprehensive Annual Financial Report available online at [www.mainepepers.org](http://www.mainepepers.org) or by contacting the System at (207) 512-3100.

Note 9 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town of Lamoine, Maine has completed the closure of its municipal landfill. The Town will fund any future postclosure monitoring costs on an as needed basis through town meeting appropriations.

Note 10 - Restricted Net Position

The Town reports restricted net position totaling \$721,406 on its statements of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

Note 11 - Commitments and Contingencies

The School Department participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time, however, the School Department does not believe such amounts would be significant.

**Note 12 - Risk Management**

The Town of Lamoine, Maine participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Unemployment Compensation. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for the participation in the respective programs.

The Town is exposed to various risks of loss related to torts, theft of, damage, or destruction of assets, errors or omissions, and natural disasters for which it carries commercial and municipal insurance. Based on the coverage provided by this insurance, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017.

**Note 13 - Pending Litigation**

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town of Lamoine, Maine through the date of the audit report.

**TOWN OF LAMOINE, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(Exhibit VII)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>				
Tax Revenues	\$2,647,454	\$2,647,454	\$2,659,295	\$11,841
Excise Taxes	\$303,500	\$303,500	\$379,377	\$75,877
State Revenue Sharing	\$37,394	\$37,394	\$37,550	\$156
Investment Earnings (Includes Unrealized Losses)	\$7,500	\$7,500	(\$5,650)	(\$13,150)
Interest and Fees on Delinquent Taxes	\$10,000	\$10,000	\$14,666	\$4,666
Intergovernmental Revenues	\$3,624	\$3,624	\$7,475	\$3,851
Other Revenues	\$43,800	\$43,800	\$28,763	(\$15,037)
<u>Total Revenues</u>	<u>\$3,053,272</u>	<u>\$3,053,272</u>	<u>\$3,121,477</u>	<u>\$68,204</u>
<i>Expenditures (Net of Departmental Revenues):</i>				
Administration and Planning	\$241,636	\$241,636	\$196,734	\$44,902
Protection	\$77,068	\$77,068	\$71,619	\$5,449
Health & Sanitation	\$105,050	\$105,050	\$99,978	\$5,072
Highways & Bridges	\$246,250	\$246,250	\$221,223	\$25,027
Education	\$2,206,268	\$2,206,268	\$2,173,078	\$33,190
Unclassified	\$64,215	\$64,215	\$48,344	\$15,871
Assessments & Debt Service	\$183,985	\$183,985	\$166,826	\$17,159
<u>Total Expenditures</u>	<u>\$3,124,472</u>	<u>\$3,124,472</u>	<u>\$2,977,802</u>	<u>\$146,670</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$71,200)</u>	<u>(\$71,200)</u>	<u>\$143,674</u>	<u>\$214,874</u>
<i>Other Financing Sources (Uses)</i>				
Operating Transfers In	\$15,000	\$15,000	\$15,000	\$0
<u>Excess Revenues and Other Sources Over Expenditures and Other Uses</u>	<u>(\$56,200)</u>	<u>(\$56,200)</u>	<u>\$158,674</u>	<u>\$214,874</u>
<u>Beginning Fund Balances</u>	<u>\$1,667,282</u>	<u>\$1,667,282</u>	<u>\$1,667,282</u>	<u>\$0</u>
<u>Ending Fund Balances</u>	<u>\$1,611,082</u>	<u>\$1,611,082</u>	<u>\$1,825,956</u>	<u>\$214,874</u>

REQUIRED SUPPLEMENTARY INFORMATIONSCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITYMAINE PUBLIC EMPLOYEES RETIREMENT SYSTEMFOR THE FISCAL YEAR ENDED JUNE 30, 2017

Last 10 Fiscal Years	For the Fiscal Year Ended June 30,		
	2017	2016	2015
Proportion of Net Pension Liability	0.0018%	0.0018%	0.0000%
Proportionate Share of the Net Pension Liability (Asset)	\$31,429	\$24,127	\$0
Covered Employee Payroll	\$941,863	\$833,011	\$570,379
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	3.337%	2.896%	0.000%
Plan Total Pension Liability	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	171.194%	139.727%	118.230%

\* Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

**TOWN OF LAMOINE, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(Exhibit IX)

	<i>For the Fiscal Year Ended June 30,</i>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Last 10 Fiscal Years			
Contractually required contribution	\$38,709	\$32,667	\$17,980
Actual Contribution	(\$38,709)	(\$32,667)	(\$17,980)
Contribution Deficiency	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered Employee Payroll	\$941,863	\$833,011	\$570,379
Contributions as a % of Covered Employee Payroll	4.110%	3.922%	3.152%

\* Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available

TOWN OF LAMOINE, MAINE  
NOTES TO HISTORICAL PENSION INFORMATION  
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2016, is as follows:

A. Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost rate for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

B. Asset Valuation Method

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

Inflation	2.75%
Salary Increases	2.75% - 14.50% at selected years of service
Investment Rate of Return	6.875%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For members, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

TOWN OF LAMOINE, MAINE

(Exhibit A-1)

SCHEDULE OF DEPARTMENTAL OPERATIONS (NON-CONTINUING ACCOUNTS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Administration:</u>			
General Government	\$217,836	\$203,158	\$14,678
	<u>\$217,836</u>	<u>\$203,158</u>	<u>\$14,678</u>
<u>Protection:</u>			
Public Safety	\$77,068	\$72,663	\$4,405
	<u>\$77,068</u>	<u>\$72,663</u>	<u>\$4,405</u>
<u>Health &amp; Sanitation:</u>			
Solid Waste	\$104,050	\$95,771	\$8,279
Dump Closing	\$0	\$1,503	(\$1,503)
	<u>\$104,050</u>	<u>\$97,274</u>	<u>\$6,776</u>
<u>Unclassified:</u>			
Appeals & Charities	\$9,854	\$9,854	\$0
Library Contract	\$7,300	\$7,300	\$0
Shellfish Program	\$3,000	\$3,000	\$0
	<u>\$20,154</u>	<u>\$20,154</u>	<u>\$0</u>
<u>Assessments and Debt Service:</u>			
County Tax	\$110,319	\$110,319	\$0
Fire Truck Debt	\$40,706	\$40,703	\$3
Rescue Watercraft Debt	\$15,840	\$15,804	\$36
Overlay	\$17,120	\$0	\$17,120
	<u>\$183,985</u>	<u>\$166,826</u>	<u>\$17,159</u>
<u>TOTALS</u>	<u>\$603,093</u>	<u>\$560,075</u>	<u>\$43,018</u>

TOWN OF LAMOINE, MAINE  
SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-2)

<u>Beginning Unassigned Fund Balance</u>		\$520,416
<u>Additions:</u>		
Lapsed Accounts	\$43,018	
Decrease in Unavailable Property Tax Revenues	\$9,423	
Supplemental Taxes	\$3,428	
Excise Taxes (Net of Appropriation)	\$75,877	
Delinquent Tax Interest (Net of Appropriation)	\$4,666	
Investment Earnings (Net of Appropriation)	\$5,506	
State Revenues (Net of Appropriation)	\$4,007	
Other Revenues (Net of Appropriation)	\$4,963	
	<hr/>	
<u>Total Additions</u>		\$150,889
<u>Reductions:</u>		
Appropriations from Unassigned Fund Balance	\$56,200	
Decrease in Fair Market Value of Investments	\$22,513	
Lease Income (Net of Appropriation)	\$20,000	
Abatements Granted	\$1,011	
	<hr/>	
<u>Total Reductions</u>		<hr/> \$99,723
<u>Ending Unassigned Fund Balance</u>		<hr/> <hr/> \$571,582

TOWN OF LAMOINE, MAINE  
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-3)

Taxable Valuation:

Land and Buildings	\$256,698,800	
Personal Property	\$2,380,400	
	<hr/>	

<u>Total Taxable Valuation</u>		\$259,079,200
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<u>Rate per \$1 Valuation</u>		<hr/> \$0.0101
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<u>Tax Commitment</u>		\$2,616,700
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Collections and Adjustments:

Cash Collections	\$2,509,951	
Supplementals	(\$3,428)	
Abatements on Commitment	\$60	
	<hr/>	

<u>Total Collections and Adjustments</u>		<hr/> \$2,506,583
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<u>Uncollected Taxes June 30, 2017</u>		<hr/> <hr/> \$110,117
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TOWN OF LAMOINE, MAINE  
SCHEDULE OF RESERVES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance 7/1/2016	Investment Earnings (Net of Fees)	Appropriated to Reserves	Revenues	Total Available	Appropriated from Reserves	Expenditures	Balance 6/30/2017
<u>General Administration:</u>								
Code Enforcement	\$42,711	\$278	\$16,100	\$20,532	\$79,621	\$11,500	\$13,689	\$54,432
Revaluation	\$107,872	\$858	\$0	\$0	\$108,730	\$1,500	\$0	\$107,230
Flag Program	\$725	\$0	\$400	\$311	\$1,436	\$0	\$180	\$1,256
Town Hall Restoration	\$0	\$97	\$20,000	\$0	\$20,097	\$0	\$0	\$20,097
Insurance Deductible	\$7,143	\$61	\$300	\$0	\$7,504	\$0	\$250	\$7,254
	\$158,450	\$1,294	\$36,800	\$20,844	\$217,388	\$13,000	\$14,119	\$190,269
<u>Public Safety:</u>								
Fire Truck	\$1,482	\$12	\$0	\$0	\$1,494	\$0	\$0	\$1,494
	\$1,482	\$12	\$0	\$0	\$1,494	\$0	\$0	\$1,494
<u>Health &amp; Sanitation:</u>								
Animal Control	\$1,100	\$0	\$2,500	\$1,923	\$5,523	\$1,500	\$2,627	\$1,395
	\$1,100	\$0	\$2,500	\$1,923	\$5,523	\$1,500	\$2,627	\$1,395
<u>Highways &amp; Bridges:</u>								
Road Fund	\$140,946	\$937	\$268,250	\$22,620	\$432,753	\$22,000	\$243,061	\$167,692
	\$140,946	\$937	\$268,250	\$22,620	\$432,753	\$22,000	\$243,061	\$167,692
<u>Education:</u>								
Education Fund	\$613,148	\$0	\$2,206,268	\$294,102	\$3,113,518	\$0	\$2,467,181	\$646,338
Education Capital	\$9,728	\$155	\$0	\$0	\$9,883	\$0	\$0	\$9,883
	\$622,876	\$155	\$2,206,268	\$294,102	\$3,123,401	\$0	\$2,467,181	\$656,220
<u>Unclassified:</u>								
Harbor	\$22,029	\$172	\$0	\$2,860	\$25,060	\$0	\$1,010	\$24,050
Restoration-Goodwin	\$0	\$0	\$0	\$4,512	\$4,512	\$0	\$0	\$4,512
Restoration-Gott	\$3,262	\$0	\$0	\$2,465	\$5,727	\$0	\$0	\$5,727
Restoration-MacQuinn	\$0	\$0	\$0	\$1,338	\$1,338	\$0	\$0	\$1,338
Gravel Escrow-Jordan	\$135	\$0	\$0	\$194	\$329	\$0	\$0	\$329
Capital Improvement	\$55,276	\$440	\$3,500	\$0	\$59,216	\$0	\$2,790	\$56,425
Cable Television	\$55,588	\$417	\$0	\$12,131	\$68,137	\$0	\$35,614	\$32,523
Recreation Fund	\$7,914	\$57	\$15,687	\$3,958	\$27,615	\$3,500	\$7,077	\$17,038
Parks & Recreation	\$13,044	\$102	\$4,091	\$50	\$17,287	\$150	\$4,464	\$12,673
Sesquicentennial	\$6,673	\$77	\$11,667	\$0	\$18,417	\$0	\$0	\$18,417
Cemetery	\$0	\$0	\$5,100	\$0	\$5,100	\$0	\$5,162	(\$62)
Veteran's Memorial	\$5,207	\$42	\$0	\$224	\$5,473	\$0	\$277	\$5,196
Heating Assistance	\$8,651	\$70	\$6,667	\$270	\$15,657	\$0	\$228	\$15,429
Conservation Commission	\$848	\$6	\$0	\$424	\$1,278	\$0	\$198	\$1,080
Land Conservation	\$8,453	\$75	\$1,000	\$6	\$9,533	\$0	\$0	\$9,533
	\$187,079	\$1,458	\$47,711	\$28,431	\$264,679	\$3,650	\$56,821	\$204,208
<b>Total Reserves</b>	<b>\$1,111,932</b>	<b>\$3,856</b>	<b>\$2,561,529</b>	<b>\$367,920</b>	<b>\$4,045,237</b>	<b>\$40,150</b>	<b>\$2,783,810</b>	<b>\$1,221,278</b>

TOWN OF LAMOINE, MAINE  
SCHEDULE OF APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-5)

Revenues:

Property Taxes, Including Homestead Exemption	\$2,649,328
Excise Taxes	\$303,500
State Revenue Sharing	\$37,394
Local Road Assistance	\$22,000
Investment Interest	\$7,500
Interest on Delinquent Taxes	\$10,000
Lease Income	\$33,800
Hodgkins Memorial Trust Transfer	\$15,000
General Assistance Reimbursements	\$1,750
Fees Revenues	\$10,000

Fund Balance Appropriations:

Unassigned Fund Balance	<u>\$56,200</u>
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<u>Total Fund Balance Appropriations</u>	<u>\$56,200</u>
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<u>Total Revenues</u>	<u>\$3,146,472</u>
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Expenditures:

Administration and Planning	\$241,636
Protection	\$77,068
Health & Sanitation	\$105,050
Highways & Bridges	\$268,250
Education	\$2,206,268
Unclassified	\$64,215
Assessments & Debt Service	<u>\$183,985</u>

<u>Total Expenditures</u>	<u>\$3,146,472</u>
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**TOWN OF LAMOINE, MAINE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(Exhibit A-6)

<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grantor Pass- Through Number</u>	<u>Program Award Amount</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Passed through State of Maine</u>				
<u>Department of Education</u>				
Title IA - Disadvantaged	84.010	013-05A-3057-13	\$31,308	\$34,502
Title IIA - Teacher Quality	84.367	013-05A-3042-11	\$6,500	\$5,861
Local Entitlement	84.027	013-05A-3046-12	\$35,172	\$67,706
Rural Education Achievement Program	84.213	013-05A-6336-13	\$13,641	\$7,892
<u>Total State of Maine Department of Education</u>			<u>\$86,620</u>	<u>\$115,961</u>
<u>Total U.S. Department of Education</u>			<u>\$86,620</u>	<u>\$115,961</u>
<u>U.S. Department of Agriculture:</u>				
<u>Passed through State of Maine</u>				
<u>Department of Education</u>				
National School Lunch Program - Lunch	10.555	-	\$19,975	\$19,975
National School Lunch Program - Breakfast	10.555	-	\$7,024	\$7,024
National School Lunch Program - Other	10.555	-	\$607	\$607
Food Distribution - Donated Commodities	10.550	-	\$3,777	\$3,777
<u>Total U.S. Department of Agriculture</u>			<u>\$31,383</u>	<u>\$31,383</u>
<u>Totals</u>			<u>\$118,004</u>	<u>\$147,344</u>