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Tremont, Me

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TOWN OF TREMONT, MAINE

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT***

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2018***

**TOWN OF TREMONT
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018**

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
Kellie M. Bowden, C.P.A.
Wanese L. Lynch, C.P.A.
Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

January 15, 2019

Members of the Board of Selectmen
Town of Tremont
P.O. Box 65
Bernard, ME 04612

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tremont, Maine as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tremont, Maine as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension disclosure schedules on pages 3-7, and 38-41, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tremont, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements 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 supplementary information and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA

TOWN OF TREMONT, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Management of the Town of Tremont, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

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

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net position – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2018 by \$8,340,768 (presented as “net position”). Of this amount, \$1,768,163 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 increased by \$506,470 (a 6.5% increase) for the fiscal year ended June 30, 2018.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2018; the Town's governmental funds reported a combined ending fund balance of \$2,336,653 with \$481,732 being general unassigned fund balance. This unassigned fund balance represents approximately 8% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$158,875 (22%) during the current fiscal year. Existing debt obligations were retired according to schedule.

Additional information on the School's long-term debt can be found in Note 3E of the notes to the financial statements on pages 26-27 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities (if applicable) separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary (if applicable). The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own

programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 10-12 of this report.

The fiduciary fund financial statements can be found on pages 13-14 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 15-37 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). This section also includes a schedule of proportionate share of net pension liability and schedule of employer contributions in relation to GASB Statement #68. This section also includes OPEB schedules related to GASB Statement #75. Required supplementary information can be found on pages 38-41 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

71% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets); less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

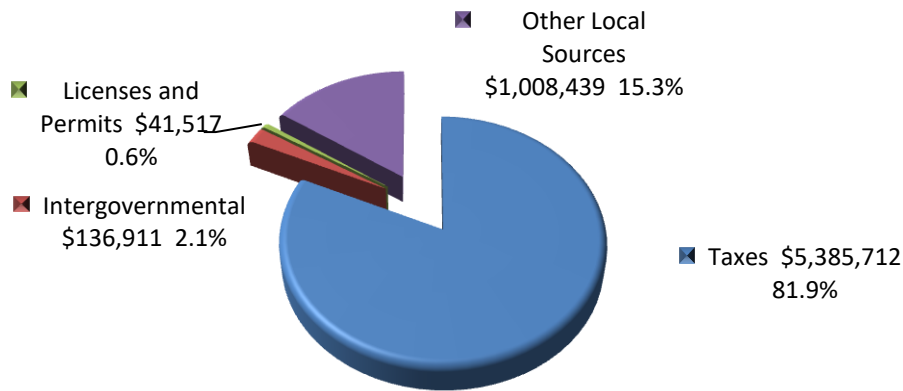
	<i>Governmental Activities</i>	
	<i>Total 2018</i>	<i>Total 2017</i>
Current Assets	2,866,061	2,269,873
Capital Assets	6,526,617	6,598,241
<i>Total Assets</i>	9,392,678	8,868,114
Related to Pensions	75,535	76,085
<i>Total Deferred Outflows of Resources</i>	75,535	76,085
<i>Total Assets and Deferred Outflows of Resources</i>	9,468,213	8,944,199
Current Liabilities	508,805	409,107
Other Liabilities	517,638	669,465
<i>Total Liabilities</i>	1,026,443	1,078,572
Related to Pensions	24,839	16,152
Property Taxes Collected in Advance	76,163	15,177
<i>Deferred Inflows of Resources</i>	101,002	31,329
Net Investment in Capital Assets	5,944,496	5,852,091
Restricted	628,109	579,048
Unrestricted	1,768,163	1,403,159
<i>Total Net Position</i>	8,340,768	7,834,298
<i>Total Liabilities, Deferred Inflows, and Net Position</i>	9,468,213	8,944,199

Changes in Net Position

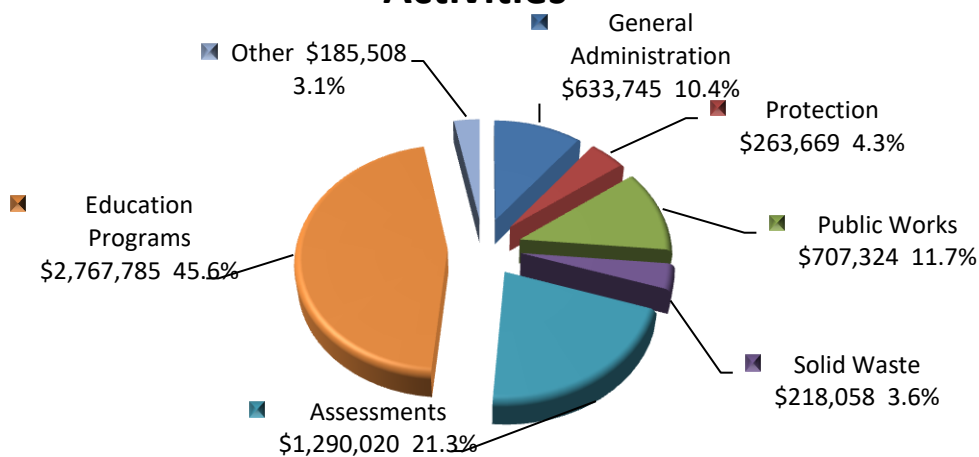
Approximately 82 percent of the Town's total revenue came from property and excise taxes, approximately 2 percent came from State subsidies and grants, and approximately 16 percent came from services, investment earnings and other sources. Depreciation expense on the Town's governmental activity assets represents \$416,627 of the total expenses for the fiscal year.

	<i>Governmental Activities</i>	
	<i>Total 2018</i>	<i>Total 2017</i>
<i>Revenues:</i>		
Taxes	5,385,712	5,217,711
Intergovernmental Revenues	136,911	108,367
Licenses and Permits	41,517	39,258
Other Local Sources	1,008,439	558,239
<i>Total</i>	6,572,579	5,923,575
<i>Expenses:</i>		
General Administration	633,745	601,553
Contingency	800	3,192
Protection	263,669	251,764
Recreation	101,609	102,772
Public Works	707,324	587,722
Solid Waste	218,058	205,696
Committees	5,540	3,655
Third Party Donations	15,231	12,297
Debt Service	18,159	22,575
Assessments	1,290,020	1,243,727
Education Programs	2,767,785	2,682,961
Capital Outlay	-	11,113
All Other	44,169	36,845
<i>Total</i>	6,066,109	5,765,872
<i>Changes in Net Position</i>	506,470	157,703

Revenues By Source - Governmental Activities



Expenditures By Source - Governmental Activities



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$2,336,653 an increase of \$438,496 in comparison with the prior year. Approximately 20 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$17,679 negative variance in interest and costs on taxes and liens. The variance is due to collecting more taxes by the due date.
- \$18,146 positive variance in PERC reimbursements. We received more revenue for two reasons. First, with the transition to Fiberight, we received our equity share from PERC, since we are no longer a part owner. That equity share was \$9,254.60. Second, we received a one-time payment of \$8,563.12 which has been held as loan security from a 1998 refinancing.
- \$40,816 positive variance in employee benefits. We switched health insurance plans to a high-deductible option that was much less expensive. We reinvested some of those savings into an HRA which employees can use to pay their deductibles. Even with that reinvestment, we still had \$40,816 in savings.
- \$10,708 negative variance in office operations. Two primary drivers of this. First were attorney's fees, which were \$5,449 over budget. These were much higher due to the extensive work our attorney performed this year related to tax-acquired property. Second was the Town Manager search, which was \$5,944. There was no budget allocated for the town manager search.
- \$21,073 positive variance in law enforcement. Due to staffing issues with Hancock County Sheriff's office, we had no coverage for July and August in the summer of 2017. Therefore, we weren't billed for those months. Additionally, the monthly bills worked out slightly less than originally anticipated.
- \$68,831 positive variance in summer roads. We had planned to do major roadwork on Dodge Point Road, but this was deferred until we could develop a comprehensive road plan.
- \$11,059 negative variance in landfill remediation. We didn't have any budget for landfill remediation, expecting 90% state reimbursement. Expenses related to remediation were \$30,901. However, when the state reviewed our expenses, they determined only \$18,915 was eligible for reimbursement. Therefore, we received 90% reimbursement on \$18,915 for a total reimbursement of \$17,023. The remainder had to be paid for by the Town.

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$12,170,402, net of accumulated depreciation of \$5,643,785, leaving a net book value of \$6,526,617. Current year additions include \$70,412 for a Ford F550 Plow Truck, \$165,244 for Dow Point and Crockett Road reconstruction, \$6,761 for school counter top, \$23,380 for school siding and trim, and \$79,206 for a school bus.

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 Tremont, P.O. Box 159, Bernard, ME 04612.

TOWN OF TREMONT
STATEMENT OF NET POSITION
JUNE 30, 2018

Exhibit A

	<i>Governmental Activities</i>
<i>Assets and Deferred Outflows of Resources</i>	
<i>Assets</i>	
Cash and Equivalents	2,414,579
Investments	2,955
Receivables	
Taxes	163,243
Tax Liens	71,177
Accounts	146,889
Prepaid Expenditures	64,642
Inventory	2,576
Capital Assets:	
Land	1,642,993
Other Capital Assets, Net of Depreciation	4,883,624
<i>Total Assets</i>	<u>9,392,678</u>
<i>Deferred Outflows of Resources</i>	
Related to Pensions	75,535
<i>Total Deferred Outflows of Resources</i>	<u>75,535</u>
<i>Total Assets and Deferred Outflows of Resources</i>	<u><u>9,468,213</u></u>
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
<i>Liabilities</i>	
Accounts Payable	124,191
Accrued Salaries Payable	193,398
Compensated Absences Payable	27,039
Long-term Liabilities:	
Net Pension Liability	67,543
Net Other Post Employment Benefits Liability	32,151
<i>Bonds and Leases Payable</i>	
Due Within One Year	164,177
Due in More Than One Year	417,944
<i>Total Liabilities</i>	<u>1,026,443</u>
<i>Deferred Inflows of Resources:</i>	
Related to Pensions	24,839
Property Taxes Collected in Advance	76,163
<i>Total Deferred Inflows of Resources</i>	<u>101,002</u>
<i>Net Position</i>	
Net Investment in Capital Assets	5,944,496
Restricted	628,109
Unrestricted	1,768,163
<i>Total Net Position</i>	<u>8,340,768</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	<u><u>9,468,213</u></u>

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

TOWN OF TREMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit B

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Revenue and Changes in Net Position</u>
<u>Primary Government</u>					
<u>Governmental Activities</u>					
General Administration	633,745	20,802			(612,943)
Contingency	800				(800)
Protection	263,669				(263,669)
Recreation	101,609				(101,609)
Public Works	707,324				(707,324)
Solid Waste	218,058				(218,058)
Committees	5,540				(5,540)
Third Party Donations	15,231				(15,231)
Debt Service	18,159				(18,159)
Education	2,767,785	27,626	261,209		(2,478,950)
Assessments	1,290,020				(1,290,020)
All Other	44,169				(44,169)
<u>Total Governmental Activities</u>	<u>6,066,109</u>	<u>48,428</u>	<u>261,209</u>	<u>-</u>	<u>(5,756,472)</u>
<u>Total Primary Government</u>	<u>6,066,109</u>	<u>48,428</u>	<u>261,209</u>	<u>-</u>	<u>(5,756,472)</u>
<u>General Revenues:</u>					
Property Taxes					4,987,880
Auto Excise					397,832
Intergovernmental Revenues					236,176
Other Local Sources					641,054
<u>Total Revenues, Special Items and Transfers</u>					<u>6,262,942</u>
<u>Changes in Net Position</u>					506,470
<u>Net Position - Beginning</u>					<u>7,834,298</u>
<u>Net Position - Ending</u>					<u>8,340,768</u>

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

TOWN OF TREMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

Exhibit C

	<i>General Fund</i>	<i>Capital Improvement Projects</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Assets				
Cash and Equivalents	1,605,521	591,623	217,435	2,414,579
Investments	2,955			2,955
Receivables				
Taxes	163,243			163,243
Tax Liens	71,177			71,177
Accounts	146,889			146,889
Prepaid Expenditures	64,642			64,642
Due from Other Funds	6,145		41,208	47,353
Inventory	2,576			2,576
Total Assets	2,063,148	591,623	258,643	2,913,414
Liabilities				
Accounts Payable	124,191			124,191
Accrued Salaries Payable	193,398			193,398
Due to Other Funds	36,247	7,642	3,464	47,353
Total Liabilities	353,836	7,642	3,464	364,942
Deferred Inflows of Resources:				
Property Taxes Collected in Advance	76,163			76,163
Unavailable Property Tax Revenue	135,656			135,656
Total Deferred Inflows of Resources	211,819	-	-	211,819
Fund Balances				
Nonspendable	2,801		182,587	185,388
Restricted	440,522	2,199	-	442,721
Committed	503,608	581,782	69,082	1,154,472
Assigned	68,830		6,974	75,804
Unassigned	481,732		(3,464)	478,268
Total Fund Balances	1,497,493	583,981	255,179	2,336,653
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,063,148	591,623	258,643	2,913,414

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

Total Fund Balance	2,336,653
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$5,643,785	6,526,617
Deferred outflows of resources related to pension plans	75,535
Deferred inflows of resources related to pension plans	(24,839)

Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

Bonds Payable	(565,750)
Capital Leases Payable	(16,371)
Unavailable Property Tax Revenue	135,656
Net Pension Liability	(67,543)
Net Other Post Employment Benefit Liability	(32,151)
Accrued Compensated Absences	(27,039)
Net Position of Governmental Activities	<u>8,340,768</u>

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

TOWN OF TREMONT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>Capital Improvement Projects</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	5,394,925			5,394,925
Intergovernmental Revenues	111,207	25,704		136,911
Licenses and Permits	41,517			41,517
Other Local Sources	456,986	434,884	116,569	1,008,439
Total Revenues	6,004,635	460,588	116,569	6,581,792
Expenditures				
Current:				
General Administration	576,441			576,441
Contingency	800			800
Protection	216,866			216,866
Recreation	87,178			87,178
Public Works	515,924	175,488		691,412
Solid Waste	218,058			218,058
Committees	5,540			5,540
Boards, Committees, and Services	15,231			15,231
Debt Service	154,103		22,931	177,034
Education	2,828,679			2,828,679
Assessments	1,290,020			1,290,020
All Other			36,037	36,037
Total Expenditures	5,908,840	175,488	58,968	6,143,296
Excess of Revenues Over (Under) Expenditures	95,795	285,100	57,601	438,496
Other Financing Sources (Uses)				
Transfers from Other Funds	58,214	54,954		113,168
Transfers to Other Funds	(35,962)	(29,927)	(47,279)	(113,168)
Total Other Financing Sources (Uses)	22,252	25,027	(47,279)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	118,047	310,127	10,322	438,496
Fund Balance - July 1	1,379,446	273,854	244,857	1,898,157
Fund Balance - June 30	1,497,493	583,981	255,179	2,336,653

(Continued)

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

TOWN OF TREMONT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit D
Page 2 of 2

Net change in fund balances - total governmental funds	438,496
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	345,003
Capital assets disposed	
Depreciation expense	(416,627)
Bond proceeds provided current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
General obligation bond principal payments	158,875
New capital lease	
Capital lease principal payments	5,154
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:	
Unavailable Tax Revenue	(9,213)
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	10,564
Other Post Employment Benefits	(32,151)
Accrued compensated absences	6,369
Change in net position of governmental activities	<u><u>506,470</u></u>

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

TOWN OF TREMONT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

Exhibit E

	<u><i>Private Purpose Trust Fund</i></u>	<u><i>Agency Fund</i></u>	
	<u><i>Welch Christmas Fund</i></u>	<u><i>Elementary School</i></u>	<u><i>Totals</i></u>
Assets			
Cash and Equivalents	2,200	37,060	39,260
Total Assets	<u>2,200</u>	<u>37,060</u>	<u>39,260</u>
Liabilities and Net Position			
Liabilities			
Due to Student Groups		37,060	37,060
Total Liabilities	<u>-</u>	<u>37,060</u>	<u>37,060</u>
Net Position			
Restricted	2,200		2,200
Total Net Position	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Total Liabilities and Net Position	<u>2,200</u>	<u>37,060</u>	<u>39,260</u>

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

TOWN OF TREMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit F

	<i>Private Purpose Trust Fund</i>
	<hr/>
	<i>Welch Christmas Fund</i>
	<hr/>
Revenues	
Investment Income	12
	<hr/>
Total Revenues	12
	<hr/>
Expenditures	
Christmas Exp.	
	<hr/>
Total Expenditures	-
	<hr/>
Excess of Revenues Over Expenditures	12
Net Position - July 1	2,188
	<hr/>
Net Position - June 30	2,200
	<hr/> <hr/>

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The Town of Tremont operates under an elected Board of Selectmen and Town Manager form of government. The Town's Elementary School Department operates under an elected School Committee and is administered by AOS #91. The Town's major operations include public works, public safety, fire protection, education and general administrative services.

For financial reporting purposes the Town includes all organizations, functions and activities in its financial statements for which it exercises oversight responsibility. Oversight responsibility as defined by the Governmental Accounting Standards Board (GASB) includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

In addition to entities that should be included within these financial statements, the Town may enter into agreements with other governments for specific purposes. These agreements are referred to as joint ventures or jointly governed entities. The Town participates in the following joint venture:

ACADIA DISPOSAL DISTRICT – The Town has entered into an interlocal agreement with Acadia Disposal District to provide for the disposal of solid waste generated within the territories of the parties. The facility is managed by Acadia Disposal District Board consisting of one voting member per Town. Operating costs of the facility are allocated among member municipalities based on the amount of municipal waste generated by each town. The Town of Tremont's costs for fiscal year ended June 30, 2018 was \$2,699.

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

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

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

Capital improvement projects are used to account for Town purchases of capital assets and infrastructure.

Additionally, the Town reports the following fund types:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities and Net Position or Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

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

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

2. Receivables and Payables

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

Property taxes receivable not expected to be collected within 60 days from year's end are classified as unavailable revenue. At June 30, \$135,656 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on July 27 on property values assessed on April 1. Taxes were due on August 27, with interest at 7% beginning September 25.

Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2018 fiscal year levy in FY 19'.

The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

3. Inventories

Inventories in the School Department Food Service Fund are valued at cost. The costs of other governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Infrastructure	50
Equipment	5-20

5. 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 of resources represent an acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The School Department has an item that qualifies as deferred outflows of resources, and it has an item that qualifies as a deferred inflow. Both items are related to pensions. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and an inflow of resources (revenue) in the period that the amounts become available.

6. Pensions

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Compensated Absences

Town employees earn two weeks' vacation per year for the first five years of service. Town employees earn three weeks per year after six years of service. In the event of termination, an employee is reimbursed for all accumulated vacation time.

Employees earn sick leave at a rate of twelve days per year, accumulative to a maximum of ninety days.

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the fund financial statements, governmental funds recognize the face amount of debt issued and is reported as an other financing source.

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

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

9. Fund Balances/Net Position

Fund Balances

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

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

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

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balances/Net Position (continued)

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Town Manager.

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

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

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

The Town has identified June 30, 2018 fund balances on the balance sheet as follows:

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balances/Net Position (continued)

	General	Capital	Other	
	Fund	Improvement	Governmental	
		Projects	Funds	Total
<u>Nonspendable</u>				
School Lunch Inventory	2,801			2,801
Cemetery Principal			171,587	171,587
Library Principal			11,000	11,000
<u>Restricted</u>				
Tremont School	371,431			371,431
Municipal Revenue Sharing	69,091			69,091
State Road Assistance		2,199		2,199
<u>Committed</u>				
General Reserves	465,130			465,130
Library Operating	38,478			38,478
Fire Equipment Reserve		19,422		19,422
Town Truck		233		233
Sidewalks		34,001		34,001
Town Equipment		71,020		71,020
Library Capital		430,466		430,466
Wharf Capital		10,403		10,403
School Bus		16,237		16,237
Municipal Wharf			62,344	62,344
Seal Cove Facility			6,738	6,738
<u>Assigned</u>				
Cemetery Permanent Fund			3,532	3,532
Summer Roads	68,830			68,830
Library Funds			3,442	3,442
<u>Unassigned</u>				
General Fund	481,732			481,732
Harbor Management			(3,464)	(3,464)
<u>Total Fund Balance</u>	<u>1,497,493</u>	<u>583,981</u>	<u>255,179</u>	<u>2,336,653</u>

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balances/Net Position (continued)

Net Position

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the government’s general fund and school department operating fund except the Town does not budget for the revenues and expenditures associated with the employer’s teacher retirement contribution made by the State of Maine on behalf of the town to the Maine Public Employees Retirement System; and encumbrances which are considered to be expenditures for budgetary purposes.

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

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2017-2018, \$0 of the beginning General Fund fund balance was applied for this purpose.

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

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits

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

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

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

At year-end, the carrying value of the Town's deposits was \$2,453,839 and the bank balance was \$2,592,870. Of the bank balances, \$2,366,251 was collateralized by Federal Deposit Insurance Corporation insurance. The remaining \$226,620 was collateralized with a surety bond.

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value	501,411,900
Tax Rate (per \$1,000)	9.90
Commitment	<u>4,963,978</u>
Appropriations	5,688,808
Less:	
State Municipal Revenue Sharing	63,497
Estimated Revenues	620,150
BETE Reimbursement	197
Homestead Reimbursement	<u>40,986</u>
	724,830
Net Assessment for Commitment	<u>4,963,978</u>

Uncollected taxes at June 30 for the current year commitment totaled \$163,234. Unpaid liens for prior years at June 30 totaled \$71,177.

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2018 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	6,145	36,247
Capital Improvement Fund		7,642
Municipal Wharf	35,873	
Harbor Management		3,464
Seal Cove Facilities	2,313	
Library Trust Fund	3,022	
Totals	<u><u>47,353</u></u>	<u><u>47,353</u></u>

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. All balances are expected to be repaid during the following year.

Transfers To/From Other Funds at June 30, 2018, were as follows:

	<u><i>Transfers From</i></u>	<u><i>Transfers To</i></u>
General Fund	58,214	35,962
Special Revenue Funds		
Municipal Wharf		28,825
Harbor Management		18,454
Capital Project Funds		
Capital Improvement Projects	54,954	29,927
Totals	<u><u>113,168</u></u>	<u><u>113,168</u></u>

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	1,642,993			1,642,993
<i>Capital assets being depreciated</i>				
Buildings	5,816,534	30,141		5,846,675
Equipment	1,989,909	149,618		2,139,527
Infrastructure	2,375,964	165,244		2,541,208
<i>Total capital assets being depreciated</i>	10,182,407	345,003	-	10,527,410
<i>Less accumulated depreciation for</i>				
Buildings	3,013,641	97,118		3,110,759
Equipment	1,270,406	105,137		1,375,543
Infrastructure	943,112	214,372		1,157,484
<i>Total accumulated depreciation</i>	5,227,159	416,627	-	5,643,786
<i>Net capital assets being depreciated</i>	4,955,248	(71,624)	-	4,883,624
<i>Governmental Activities Capital Assets, net</i>	6,598,241	(71,624)	-	6,526,617

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

<u>Governmental Activities</u>	
General Administration	27,623
Protection	46,803
Recreation	14,666
Public Works, including general infrastructure assets	251,356
All Other	8,132
Education Programs	68,047
 Total Depreciation Expense - Governmental Activities	 416,627

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Leases

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

<i>Year Ended June 30,</i>	<i>Minimum Lease Payment</i>
2019	5,775
2020	5,776
2021	5,775
Total Minimum Lease Payments	17,326
Less: Amount Representing Interest	(955)
Present Value of Future Minimum Lease Payments	16,371

F. Long-Term Debt

1. General Obligation Bonds and Notes.

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

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

<i>General Obligation</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount</i>
2012 Acadia Wildlife & Fire Truck	7/13/2019	3.15%	193,750
2013 Wharf and Harbor Loan	10/15/2022	2.09%	120,000
2013 Highway Reconstruction	7/1/2023	1.99%	252,000
			565,750

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (continued)

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<i>Year Ended June 30,</i>	<i>General Obligation Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	158,875	17,115	175,990
2020	158,875	13,112	171,987
2021	62,000	5,015	67,015
2022	62,000	3,761	65,761
2023	62,000	2,508	64,508
2024	62,000	1,254	63,254
Total	<u>565,750</u>	<u>42,765</u>	<u>608,515</u>

2. Changes in Long-Term Liabilities

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

<i>Long-term Debt payable July 1</i>	724,625
Debt Issued	
Debt Retired	<u>(158,875)</u>
<i>Long-term Debt payable June 30</i>	<u>565,750</u>

3. Overlapping Debt

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

<i>Units</i>	<i>Net debt outstanding June 30, 2018</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
MDICSD	2,218,246	8.90%	197,424
Hancock County	400,000	3.94%	15,760
Totals	<u>2,618,246</u>		<u>213,184</u>

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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION

A. Contingent Liabilities

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

There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the management that resolution of these matters will not have a material adverse effect on the financial condition of the government.

B. Defined Benefit Employee Pension Plan

Plan Description

Qualifying personnel of the School 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 also a 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 the teacher members.

Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occur upon the earning of five 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 employees 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.

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, 2018, the member contribution rate was 7.65% and the employer contribution rate was 3.97% of applicable member compensation. The employer is also responsible for contributing 11.68% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 11.08% of the applicable member compensation into the System.

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

The required contributions paid into the System for the ended June 30, 2018 and the previous two years are as follows:

For the				Applicable		
year ended	Employee	Employer	State of Maine	Member	Federal	
June 30,	Contributions	Contributions	Contributions	Compensation	Compensation	Total
2018	\$ 90,633	\$ 53,850	\$ 124,804	\$ 1,126,389	\$ 58,351	\$ 1,184,740
2017	\$ 86,730	\$ 44,064	\$ 107,940	\$ 1,077,243	\$ 56,489	\$ 1,133,732
2016	\$ 89,573	\$ 45,499	\$ 111,486	\$ 1,112,638	\$ 58,249	\$ 1,170,887

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 the local school systems on behalf of their employees. These leave contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the plan using grant funding.

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

As of June 30, 2018, the School Department reported a net pension liability of \$67,543. The net pension liability was measured as of June 30, 2017, 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 .004650%, which was a decrease of .000294% from its proportion measured at June 30, 2016.

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

For the fiscal year ended June 30, 2018, the School Department recognized pension expense of \$53,850. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	2,841	
Changes in Assumption		1,055
Net Difference between projected between projected and actual earnings on pension plan investments	18,844	19,838
Changes in proportion and differences between employer contributions and proportionate share of contributions		3,946
Employer Contributions made subsequent to measurement date	53,850	
	<u>75,535</u>	<u>24,839</u>

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

<i>Year ended June 30,</i>						
2018		(3,365)				
2019		3,377				
2020		452				
2021		(3,616)				

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 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, 2017 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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

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.

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

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

		<i>Long-Term</i>		
	<i>Target</i>	<i>Expected Real</i>		
<i>Asset Class</i>	<i>Allocation</i>	<i>Rate of Return</i>		
Public Equities	30.0%	6.0%		
US Government	7.5%	2.3%		
Private Equity	15.0%	7.6%		
Real Assets:				
Real Estate	10.0%	5.2%		
Infrastructure	10.0%	5.3%		
Natural Resources	5.0%	5.0%		
Traditional Credit	7.5%	3.0%		
Alternative Credit	5.0%	4.2%		
Diversifiers	10.0%	5.9%		
	<u>100.0%</u>			

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 the plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the 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

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

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</i>	<i>Current Discount</i>	<i>1% Increase</i>	
	<i>(5.875%)</i>	<i>Rate (6.875%)</i>	<i>(7.875%)</i>	
Proportionate Share of the Net Pension Liability	\$ 118,518	\$ 67,543	\$ 25,456	

Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the System's 2017 Comprehensive Annual Financial Reports available online at www.maineopers.org or contacting the System at (207) 512-3100.

C. Other Post Employment Benefits - Group Life Insurance Plan for Retired State Employees and Teachers

Plan Description

Qualifying personnel of the Department participate in the Group Life Insurance Plan for Retired State Employees and Teachers as provided by the Maine Public Employees Retirement System (SET Plan). The plan is a multiple-employer, cost sharing plan with a special funding situation. As of June 30, 2017 there are 220 employers, including the State of Maine participating in the plan. The State of Maine is also a non-employer contributing entity in the State pay contributions for retired public school teachers in the plan.

Benefits

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10 year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at a rate of 15% per year to the greatest of 40% of the initial amount or \$2,500.

Funding Policy

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for basic life insurance for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

Actuarial Methods and Assumptions

The collective total OPEB liability for the plan was determined by an actuarial valuation of June 30, 2017, using the following methods and assumptions, applied to all periods included in the measurement:

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

B. Other Post Employment Benefits - Group Life Insurance Plan for Retired State Employees and Teachers

Actuarial Cost Method

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the funding methodologies. Costs are developed using the individual entry age normal cost method based on a level percentage of payroll. Experience gains and losses, i.e., actual decreases or increases in the liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

Significant Actuarial Assumptions

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
Participation Rates for Future Retirees	100% of those currently enrolled
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance
Form of Benefit Payment	Lump Sum

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

On-Behalf Payments

As mentioned in Plan Description above, contributions are made by the System for participating retired teachers. The summary below provides the School Department's allocation of these contributions as well as the proportionate share of the Net OPEB liability. The Net OPEB liability is not recorded on the School Department's financial statements since it is a liability of the State of Maine and not a liability of the School Department.

		<i>Allocation of:</i>		
		<i>On-Behalf</i>	<i>Benefits</i>	<i>Net OPEB</i>
		<i>Payments</i>	<i>Expense</i>	<i>Liability</i>
2017		\$2,596	\$3,187	\$28,650

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB)- Maine Municipal Employees Health Trust postretirement benefit plan

Plan description

Qualifying personnel of the Town can participate in the Maine Municipal Employees Health Trust postretirement benefit plan. The plan is a single employer OPEB plan.

Benefits provided

Medical/Prescription Drug: The non-Medicare retirees are offered the same plans that are available to the active employees, as described in the benefits summaries. Medicare retirees are assumed to be enrolled in Medicare Part A and Part B which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage.

Medicare: Medicare benefits will be taken into account for any member or dependent while they are eligible to apply for Medicare. The Fund will determine a family member's benefit allowance, if any, based upon the applicable Medicare statutes and regulations. The Fund does not participate in the Medicare Retiree Drug Subsidy program.

Duration of Coverage: Medical benefits are provided for the life of the retiree and surviving spouses.

Life Insurance: The \$2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$2,000 life insurance benefit as well.

Dental: Current retirees do not have access to dental benefits. Future new retirees who retire on and after January 1, 2017 will have access to purchase dental coverage at the Plan COBRA rates. Since retirees pay for the coverage and rates are set to mirror plan experience costs, no additional obligation is anticipated. Program experience will be monitored with future valuations and updated as with all benefit provisions and assumptions.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	5
Average age	47.44
Average service	5.97

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB) Maine Municipal Employees Health Trust postretirement benefit plan

Discount Rate	3.44% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

Healthcare cost trend rates:

Pre-Medicare Medical: Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Pre-Medicare Drug: Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Medical: Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Drug: Initial trend of 9.60% applied in FYE 2017 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2017 were used by the actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The actuary distributed the cost based on the current covered population and Cheiron's standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

This report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 related legislation and regulations.

Discount Rate: Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB) Maine Municipal Employees Health Trust postretirement benefit plan

as of December 31, 2017 is based upon an earlier measurement date, as of December 29, 2016 and is 3.78% per annum. The discount rate as of December 31, 2018 is based upon an earlier measurement date, as of December 28, 2017 and is 3.44% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

Changes in the Net OPEB Liability

	Increase (Decrease)		
		Plan	
	Total OPEB	Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balances at 1/1/17	23,428	-	23,428
Changes for the year:			-
Service Cost	1,831		1,831
Interest	925		925
Changes of benefits	-		-
Differences between expected and actual experience	7,493		7,493
Changes of assumptions	62		62
Contributions - employer			-
Contributions - member			-
Net investment income			-
Benefit payments	(1,588)		(1,588)
Administrative expense			-
Net Change	8,723	-	8,723
Balances at 1/1/18	32,151	-	32,151

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
	<i>(2.44%)</i>	<i>Rate (3.44%)</i>	<i>(4.44%)</i>
Net OPEB liability (asset)	\$ 36,275	\$ 32,151	\$ 28,743

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.2% decreasing to 3%) or 1 percentage point higher (9.2% decreasing to 5%) than the current healthcare cost trend rates:

	<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
Net OPEB liability (asset)	\$ 28,677	\$ 32,151	\$ 36,444

TOWN OF TREMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB) Maine Municipal Employees Health Trust postretirement benefit plan

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The impact of experience gains or losses and assumption changes on the TOL are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 7 years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years, and thereafter.

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	6,423	
Changes in Assumption	53	
Net Difference between projected between projected and actual earnings on pension plan investments		
	6,476	-
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:		
2019	1079	
2020	1079	
2021	1079	
2022	1079	
2023	1079	
Thereafter	1081	

TOWN OF TREMONT

Exhibit G

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - UNASSIGNED FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Taxes	5,396,581	5,396,581	5,394,925	(1,656)
Intergovernmental Revenues	72,312	72,312	76,997	4,685
Licenses and Permits	39,901	39,901	41,517	1,616
Other Local Sources	27,269	27,269	51,675	24,406
Total Revenues	<u>5,536,063</u>	<u>5,536,063</u>	<u>5,565,114</u>	<u>29,051</u>
Expenditures (Net of Departmental Revenues)				
General Administration	615,503	606,088	571,784	34,304
Contingency	12,751	12,751	800	11,951
Protection	239,241	239,241	216,866	22,375
Recreation	27,105	27,105	26,339	766
General Assistance	2,369	2,369	-	2,369
Public Works	539,969	525,825	524,023	1,802
Solid Waste	190,693	190,693	211,313	(20,620)
Committees	8,501	8,501	5,540	2,961
Third Party Donations	15,231	15,231	15,231	-
Debt Service	153,969	153,969	154,103	(134)
Education	2,496,196	2,496,196	2,496,196	-
Assessments	1,309,057	1,309,057	1,290,020	19,037
Total Expenditures	<u>5,610,585</u>	<u>5,587,026</u>	<u>5,512,215</u>	<u>74,811</u>
Excess Revenues Over Expenditures	(74,522)	(50,963)	52,899	103,862
Other Financing Sources				
Transfers In	152,745	152,745	154,987	2,242
Transfers Out	(78,223)	(101,782)	(101,882)	(100)
Total Other Financing Sources (Uses)	<u>74,522</u>	<u>50,963</u>	<u>53,105</u>	<u>2,142</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>-</u>	106,004	<u>106,004</u>
Unassigned Fund Balance - July 1			<u>375,728</u>	
Unassigned Fund Balance - June 30			<u>481,732</u>	

TOWN OF TREMONT
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit H
Page 1 of 2

Schedule 1 - Proportionate Share of the Net Pension Liability:

	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension liability	0.004650%	0.494400%	0.005184%	0.004687%
Proportionate share of net pension liability	\$67,543	\$87,344	\$69,990	\$50,635
Covered employee payroll	\$1,184,740	\$1,133,732	\$1,170,887	\$1,116,678
Proportionate share of the net pension liability as a percentage of its covered employee payroll	5.7011%	7.7041%	5.9775%	4.5344%
Plan Total Pension Liability	\$13,484,886,512	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$10,893,291,864	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$2,591,594,648	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	80.781%	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,860,230,663	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	139.316%	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 TREMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit H
Page 2 of 2

	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Last 10 Fiscal Years				
Contractually required contribution	\$53,850	\$44,064	\$45,499	\$37,902
Actual Contribution	(\$53,850)	(\$44,064)	(\$45,499)	(\$37,902)
Contribution Deficiency	\$0	\$0	\$0	\$0
Covered Employee Payroll	\$1,184,740	\$1,133,732	\$1,170,887	\$1,116,678
Contributions as a % of Covered Employee Payroll	4.55%	3.89%	3.89%	3.39%

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

TOWN OF TREMONT**Exhibit I****REQUIRED SUPPLEMENTARY INFORMATION****OTHER POST EMPLOYMENT BENEFITS SCHEDULES (OPEB) - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2018****Schedule 1 - Schedule of Changes in Net OPEB Liability and Related Ratios***For the Fiscal
Year Ended
June 30, 2018***Total OPEB Liability**

Service Cost (BOY)	\$1,831
Interest (includes interest on service cost)	\$925
Changes of benefit terms	
Differences between expected and actual experience	\$7,493
Changes in assumptions	\$62
Benefit payments, including refunds of member contributions	(\$1,588)
Net Change in total OPEB liability	\$8,723

Total OPEB liability - beginning**\$23,428****Total OPEB liability - ending****\$32,151****Plan fiduciary net position**

Contributions - employer	\$1,588
Contributions - member	
Net investment income	
Benefit payments, including refunds of member contributions	(\$1,588)
Administrative expense	
Net change in plan fiduciary net position	-

Plan fiduciary net position - beginning**Plan fiduciary net position - ending****-****Net OPEB liability - ending****\$32,151**Plan Fiduciary Net Position as a %
Of the Total OPEB Liability

0.000%

Covered Employee Payroll

\$230,714

Net OPEB Liability as a %
Of the Covered Employee Payroll

13.935%

Schedule 2 - Schedule of Contributions:*For the Fiscal
Year Ended
June 30, 2018*

Contractually required contribution	\$1,588
Contribution in relation to the contractually required contribution	(\$1,588)
Contribution deficiency	\$0

* Amounts presented for each fiscal year were determined as of January 1. A full year schedule will be displayed as it becomes available.

TOWN OF TREMONT
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2017, 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 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

The 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 actual assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payrolls 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, 2017 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 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, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in the assumptions for the fiscal year ended June 30, 2017.

TOWN OF WINTERPORT
NOTES TO OTHER POST EMPLOYMENT BENEFIT
LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Benefit Changes

Claims costs and retiree contributions were updated to reflect current healthcare costs.

Changes of Assumptions

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

Net OPEB Liability

The Town’s net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	3.44% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.
Retirement Age	65
Healthcare cost trend rates	

- Pre-Medicare Medical:* Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.
- Pre-Medicare Drug:* Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.
- Medicare Medical:* Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.
- Medicare Drug:* Initial trend of 9.60% applied in FYE 2017 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

TOWN OF TREMONT

Exhibit A-1

GENERAL FUND

STATEMENT OF ESTIMATED AND ACTUAL REVENUES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

	<i>Budget</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	4,963,978	4,979,895	15,917
Auto Excise	397,726	397,832	106
Interest and Costs on Taxes and Liens	34,877	17,198	(17,679)
	<u>5,396,581</u>	<u>5,394,925</u>	<u>(1,656)</u>
Intergovernmental Revenues			
Snowmobile Refund	494	417	(77)
Homestead Reimbursement	40,986	40,986	-
BETE Reimbursement	198	204	6
Veterans Reimbursement	1,242	1,140	(102)
Gas Tax Refund	1,165	915	(250)
General Assistance	921		(921)
Federal PILT	22,128	27,459	5,331
Tremont Housing Authority PILT	4,051	5,133	1,082
Tree Growth Reimbursement	1,127	743	(384)
	<u>72,312</u>	<u>76,997</u>	<u>4,685</u>
Licenses and Permits			
Building Permit Fees	4,954	6,332	1,378
Town Clerk Fees	1,865	1,750	(115)
Registration Agent Fees	7,001	7,451	450
Cable Television	20,850	20,715	(135)
Plumbing Fees	3,264	4,525	1,261
Miscellaneous Fees	1,967	744	(1,223)
	<u>39,901</u>	<u>41,517</u>	<u>1,616</u>
Local Sources			
Interest on Investments	10,197	12,544	2,347
Other PILT	2,852	1,850	(1,002)
Property Sales		1,650	1,650
Donations		100	100
Community Building Rent		5,000	5,000
PERC Reimbursements	12,385	30,531	18,146
Insurance Reimbursement	1,835		(1,835)
	<u>27,269</u>	<u>51,675</u>	<u>24,406</u>
Transfers and Other Sources			
Transfers In			
Municipal Revenue Sharing	63,497	63,497	-
Harbor Management	17,333	18,454	1,121
Wharf Fund	17,333	18,454	1,121
State Road Assistance Program	25,306	25,306	-
Museum Settlement Reserve	29,276	29,276	-
	<u>152,745</u>	<u>154,987</u>	<u>2,242</u>
	<u>5,688,808</u>	<u>5,720,101</u>	<u>31,293</u>
Fund Balance Used to Reduce Tax Rate			
Total Revenues and Use of Fund Balance	<u>5,688,808</u>		

TOWN OF TREMONT**GENERAL FUND****STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS****FOR THE YEAR ENDED JUNE 30, 2018****Exhibit A-2****Page 1 of 3**

	<i>Encumbered From 2017</i>	<i>Budget</i>	<i>Revenues/ Transfers In</i>	<i>Expenditures</i>	<i>Encumbered to 2019</i>	<i>(Over) Under Budget</i>
General Administration						
Wages and Salaries		232,738		223,698		9,040
Employee Benefits		220,019		179,203		40,816
Office Operations		101,791		112,499		(10,708)
Abatements		3,463		3,137		326
Town Office Building		22,241		22,794		(553)
Insurance		25,836		30,453		(4,617)
	-	606,088	-	571,784	-	34,304
Contingency		12,751		800		11,951
Protection						
Fire Department		80,200		80,200		-
Dispatch		20,000		20,000		-
Animal Control		5,131		3,830		1,301
Law Enforcement		94,380		73,307		21,073
Ambulance		39,000		39,000		-
Emergency Preparedness		530		529		1
	-	239,241	-	216,866	-	22,375
Recreation						
Recreation Board	3,906	6,830	2,166	12,136		766
Harbor House		20,275		20,275		-
	3,906	27,105	2,166	32,411	-	766
General Assistance		2,369				2,369

TOWN OF TREMONT

GENERAL FUND

**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Exhibit A-2

Page 2 of 3

	<i>Encumbered From 2017</i>	<i>Budget</i>	<i>Revenues/ Transfers In</i>	<i>Expenditures</i>	<i>Encumbered to 2019</i>	<i>(Over) Under Budget</i>
Public Works						
Wages		150,433		147,907		2,526
Summer Roads	53,570	249,541		234,280	68,830	1
Winter Roads		69,934		72,160		(2,226)
Town Garage Buildings		11,695		11,714		(19)
Equipment		25,135		33,215		(8,080)
Seal Cove Fishway		501				501
Cemetery Care	7,161	7,982		5,748		9,395
Street Lights		10,604		10,900		(296)
	<u>60,731</u>	<u>525,825</u>	<u>-</u>	<u>515,924</u>	<u>68,830</u>	<u>1,802</u>
Solid Waste						
Landfill Remediation		2		11,059		(11,057)
Trash Disposal		190,691		200,254		(9,563)
	<u>-</u>	<u>190,693</u>	<u>-</u>	<u>211,313</u>	<u>-</u>	<u>(20,620)</u>
Committees						
Planning Board		6,000		3,040		2,960
Board of Appeals		1				1
Historical Society		2,500		2,500		-
	<u>-</u>	<u>8,501</u>	<u>-</u>	<u>5,540</u>	<u>-</u>	<u>2,961</u>
Third Party Donations						
Campfire Coalition		3,000		3,000		-
Washington Hancock Community Agency		2,211		2,211		-
WIC Program		1,120		1,120		-
Island Connection		1,500		1,500		-
Island Explorer		3,000		3,000		-
Downeast Horizons		1,600		1,600		-
Bar Harbor Food Pantry		2,000		2,000		-
Hospice		800		800		-
	<u>-</u>	<u>15,231</u>	<u>-</u>	<u>15,231</u>	<u>-</u>	<u>-</u>

TOWN OF TREMONT**GENERAL FUND****STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018****Exhibit A-2****Page 3 of 3**

	<i>Encumbered From 2017</i>	<i>Budget</i>	<i>Revenues/ Transfers In</i>	<i>Expenditures</i>	<i>Encumbered to 2019</i>	<i>(Over) Under Budget</i>
Debt Service						
Hinton Property/ Fire Truck		106,137		106,233		(96)
New Roads		47,832		47,870		(38)
		153,969		154,103		(134)
Education						
Elementary School	343,307	2,496,196	363,408	2,828,679	374,232	-
Assessments						
MDI Community School District		1,060,827		1,060,827		-
County Tax		222,014		222,014		-
Overlay		26,216		7,179		19,037
		1,309,057		1,290,020		19,037
Operating Transfers Out						
Reserve Funds						
Community Building		5,000		5,000		-
Town Equipment		15,000		15,000		-
Town Truck		27,583		27,583		-
Landfill Remediation Reserve	3,773			3,773		-
Bass Harbor Memorial Library		54,199		54,299		(100)
	3,773	101,782		105,655		(100)
Totals	411,717	5,688,808	365,574	5,948,326	443,062	74,711

TOWN OF TREMONT
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit A-3

Unassigned Fund Balance July 1, 2017	375,728	
Unassigned Fund Balance June 30, 2018	<u>481,732</u>	
Increase/(Decrease)		<u><u>106,004</u></u>

Analysis of Change

Budget Summary		
Revenue Surplus (Exhibit A-1)	31,293	
Unexpended Balance of Appropriations (Exhibit A-2)	<u>74,711</u>	
Budget Surplus		106,004
Deductions		
Beginning Fund Balance Used to Reduce Tax Rate		<u>-</u>
Increase /(Decrease)		<u><u>106,004</u></u>

TOWN OF TREMONT
GENERAL RESERVE AND RESTRICTED FUNDS
BALANCE SHEET
JUNE 30, 2018

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Library Operating Fund</i>	<i>Town Reserves</i>	<i>Totals</i>
Cash & Equivalents		12,950	432,579	445,529
Due From Other Funds	69,091	25,528	32,551	127,170
Total Assets	69,091	38,478	465,130	572,699
<i>Liabilities & Fund Balances</i>				
Liabilities				
Due to Other Funds				-
Total Liabilities				-
Fund Balances				
Restricted	69,091			69,091
Committed		38,478	465,130	503,608
Total Fund Balances	69,091	38,478	465,130	572,699
Total Liabilities & Fund Balances	69,091	38,478	465,130	572,699

TOWN OF TREMONT
GENERAL RESERVE AND RESTRICTED FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit A-5

	<i>Municipal Revenue Sharing</i>	<i>Library Operating Fund</i>	<i>Town Reserves</i>	<i>Totals</i>
Revenues				
Intergovernmental	34,210			34,210
Local Sources		12,377	25,000	37,377
Interest/Dividends		56	2,304	2,360
Total Revenues	34,210	12,433	27,304	73,947
Expenditures				
All Other		53,930	12,239	66,169
Total Expenditures		53,930	12,239	66,169
Excess of Revenues Over (Under) Expenditures	34,210	(41,497)	15,065	7,778
Other Financing Sources (Uses)				
Transfers In		58,920	10,773	69,693
Transfers Out	(63,497)	(4,000)	(29,276)	(96,773)
Total Other Financing Sources (Uses)	(63,497)	54,920	(18,503)	(27,080)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,287)	13,423	(3,438)	(19,302)
Fund Balance - July 1	98,378	25,055	468,568	592,001
Fund Balance - June 30	69,091	38,478	465,130	572,699

TOWN OF TREMONT
GENERAL RESERVE FUNDS
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit A-6

<i>Reserve</i>	<i>Balance July 1</i>	<i>Transfers In</i>	<i>Interest</i>	<i>Revenue</i>	<i>Expenditures</i>	<i>Transfers Out</i>	<i>Balance June 30</i>
Community Building	63,934	5,000	378		(4,657)		64,655
Law Enforcement	100,072		367				100,439
Landfill Remediation Reserve	2,943	3,773	29		(6,745)		-
Museum Settlement	29,439		149			(29,276)	312
Seal Cove Fishway	5,036		27				5,063
Library Technology Reserve	3,000	2,000	14		(837)		4,177
Maintenance of School Plant	25,125		55	25,000			50,180
Emergency Special Education	239,019		1,285				240,304
Totals	468,568	10,773	2,304	25,000	(12,239)	(29,276)	465,130

TOWN OF TREMONT
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
JUNE 30, 2018

Exhibit B-1

<i>Assets</i>	<i>Municipal Wharf</i>	<i>Harbor Management</i>	<i>Seal Cove Facilities</i>	<i>Totals</i>
Cash	26,471		4,425	30,896
Due From Other Funds	35,873		2,313	38,186
Total Assets	62,344		6,738	69,082
<i>Liabilities & Fund Balances</i>				
Liabilities				
Due to Other Funds		3,464		3,464
Total Liabilities		3,464		3,464
Fund Balances				
Restricted				-
Committed	62,344		6,738	69,082
Unassigned		(3,464)		(3,464)
Total Fund Balances	62,344	(3,464)	6,738	65,618
Total Liabilities & Fund Balances	62,344	-	6,738	69,082

TOWN OF TREMONT
ALL SPECIAL REVENUE FUNDS

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<i>Municipal Wharf</i>	<i>Harbor Management</i>	<i>Seal Cove Facilities</i>	<i>Totals</i>
Revenues				
Local Sources	72,305	38,386	4,510	115,201
Interest/Dividends	345		21	366
Total Revenues	72,650	38,386	4,531	115,567
Expenditures				
Capital Outlay				0
Maintenance and Repairs	10,276	1,110	448	11,834
Debt Payment	22,931			22,931
All Other	19,115	3,340	1,748	24,203
Total Expenditures	52,322	4,450	2,196	58,968
Excess of Revenues Over (Under) Expenditures	20,328	33,936	2,335	56,599
Other Financing Sources (Uses)				
Transfers from Other Funds				-
Transfers to Other Funds	(28,825)	(18,454)		(47,279)
Total Other Financing Sources (Uses)	(28,825)	(18,454)		(47,279)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(8,497)	15,482	2,335	9,320
Fund Balance - July 1	70,841	(18,946)	4,403	56,298
Fund Balance - June 30	62,344	(3,464)	6,738	65,618

TOWN OF TREMONT
ALL CAPITAL PROJECT FUNDS
BALANCE SHEET
JUNE 30, 2018

Exhibit C-1

	<i>Capital Improvement Projects</i>
<i>Assets</i>	
Cash	591,623
Due from Other Funds	
Total Assets	591,623
<i>Liabilities and Fund Balances</i>	
Liabilities	
Due to Other Funds	7,642
Total Liabilities	7,642
Fund Balances	
Restricted	2,199
Committed	581,782
Total Fund Balances	583,981
Total Liabilities and Fund Balances	591,623

TOWN OF TREMONT
ALL CAPITAL PROJECT FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit C-2

	<i>Capital Improvement Projects</i>
Revenues	
Intergovernmental	25,704
Local Sources	<u>434,884</u>
Total Revenues	<u>460,588</u>
Expenditures	
Dredging	
Miscellaneous	<u>175,488</u>
Total Expenditures	<u>175,488</u>
Excess of Revenues Over (Under)	
Expenditures	<u>285,100</u>
Other Financing Sources (Uses)	
Transfers from Other Funds	54,954
Transfers to Other Funds	<u>(29,927)</u>
Total Other Financing Sources (Uses)	<u>25,027</u>
Excess of Revenues and Other Sources	
Over (Under) Expenditures and	
Other Uses	310,127
Fund Balance - July 1	<u>273,854</u>
Fund Balance - June 30	<u><u>583,981</u></u>

TOWN OF TREMONT
CAPITAL IMPROVEMENT PROJECTS
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit C-3

<i>Reserve</i>	<i>Balance July 1</i>	<i>Transfers In</i>	<i>Interest</i>	<i>Revenue</i>	<i>Expenditures</i>	<i>Transfers Out</i>	<i>Balance June 30</i>
Fire Equipment Reserve	18,768		68	586			19,422
Town Truck	32,584	27,583	222		(60,156)		233
State Road Assistance Program	1,802		(1)	25,704		(25,306)	2,199
Sidewalks	33,796		205				34,001
Town Equipment Reserve	66,630	15,000	353		(10,963)		71,020
Library Capital	36,280	2,000	1,386	431,790	(36,369)	(4,621)	430,466
Wharf Capital Reserve		10,371	32				10,403
School Bus	83,994		243		(68,000)		16,237
Totals	273,854	54,954	2,508	458,080	(175,488)	(29,927)	583,981

TOWN OF TREMONT
BALANCE SHEET
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit D-1

<i>Assets</i>	<i>Cemetery Trust Fund</i>	<i>Library Trust Fund</i>	<i>Total</i>
Cash	175,119	11,420	186,539
Due from Other Funds		3,022	3,022
Total Assets	175,119	14,442	189,561
<i>Liabilities & Fund Balances</i>			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Nonspendable	171,587	11,000	182,587
Assigned	3,532	3,442	6,974
Unassigned			-
Total Fund Balances	175,119	14,442	189,561
Total Liabilities & Fund Balances	175,119	14,442	189,561

TOWN OF TREMONT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit D-2

	<i>Cemetery Trust Fund</i>	<i>Library Trust Fund</i>	<i>Total</i>
Revenues			
Local Sources	934	68	1,002
Total Revenues	934	68	1,002
Expenditures			
Library			-
	-	-	-
Excess of Revenues Over Expenditures	934	68	1,002
Other Financing Sources (Uses)			
Transfers to Other Funds			-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	934	68	1,002
Fund Balance - July 1	174,185	14,374	188,559
Fund Balance - June 30	175,119	14,442	189,561

TOWN OF TREMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass-through Number</i>	<i>Program or Award Amount</i>	<i>Expenditures</i>
U.S. Department of Education				
Rural School Achievement Program	84.358		14,099	3,321
Passed Through State Department of Educational and Cultural Services				
NCLB Title IA - Basic Compensatory Ed.	84.010	013-05A-3057-13	25,186	25,186
Title VI, Part B - Local Entitlement	84.027	013-05A-3046-12	41,298	41,298
Total U.S. Department of Education			80,583	69,805
U.S. Department of Agriculture				
Passed Through State Department of Educational and Cultural Services				
National School Lunch Program	10.555	013-05A-3024-05	24,919	24,919
National School Breakfast Program	10.553	013-05A-3024-05	8,771	8,771
Food Distribution	10.560	013-05A-6134-05	4,244	4,244
Total U.S. Department of Agriculture			37,934	37,934
Total			118,517	107,739