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TOWN OF FRENCHBORO, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2017*

TOWN OF FRENCHBORO, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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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

Members of the Board of Selectmen
Town of Frenchboro
Frenchboro, ME 04635

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 Frenchboro, Maine (the Town) as of and for the fiscal year ended June 30, 2017, including the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Frenchboro, Maine, as of June 30, 2017, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension disclosure schedules on pages 3 through 6 and 21 through 24 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 Frenchboro, Maine's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine, and is also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
April 30, 2020

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

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

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2017 by \$1,603,590 (presented as “net position”). Of this amount, \$229,912 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position decreased by \$36,436 (a 2.2% decrease) for the fiscal year ended June 30, 2017.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2017; the Town's governmental funds reported a combined ending fund balance of \$417,461, a decrease of \$219,814 in comparison with the prior year. Of this total fund balance, \$67,453 represents general unassigned fund balance. This unassigned fund balance represents approximately 14.0% of the total general fund expenditures for the fiscal year.

Long-term Debt:

The Town's total long-term debt obligations decreased \$1,405 (0.5%) during the current fiscal year. There were no new debt obligations issued during the year. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three 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. The statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The government-wide financial statements can be found on pages 7 - 8 of this report.

Fund Financial Statements

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

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 11 - 20 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule (page 21), 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 schedules of historical pension information (pages 22-24) as required by GASB Statement #68.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town’s net position (70.5%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, parking lots and other immovable assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<i>Governmental Activities 2017</i>	<i>Governmental Activities 2016</i>
Current Assets	\$ 498,683	\$ 702,022
Capital Assets	\$ 1,434,769	\$ 1,267,586
<i>Total Assets</i>	<i>\$ 1,933,452</i>	<i>\$ 1,969,608</i>
Deferred Outflows	\$ 5,546	\$ 9,593
<i>Total Assets and Deferred Outflows</i>	<i>\$ 1,938,998</i>	<i>\$ 1,979,201</i>
Other Liabilities	\$ 34,593	\$ 17,605
Long-Term Liabilities	\$ 294,684	\$ 316,555
Deferred Inflows	\$ 6,131	\$ 5,015
Net Position;		
Invested in Capital Assets	\$ 1,129,866	\$ 961,278
Restricted	\$ 243,811	\$ 355,747
Unrestricted	\$ 229,913	\$ 323,001
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<i>\$ 1,938,998</i>	<i>\$ 1,979,201</i>

An additional portion of the Town’s net position (15.2%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (14.3%) may be used to meet the government’s ongoing obligations to citizens and creditors.

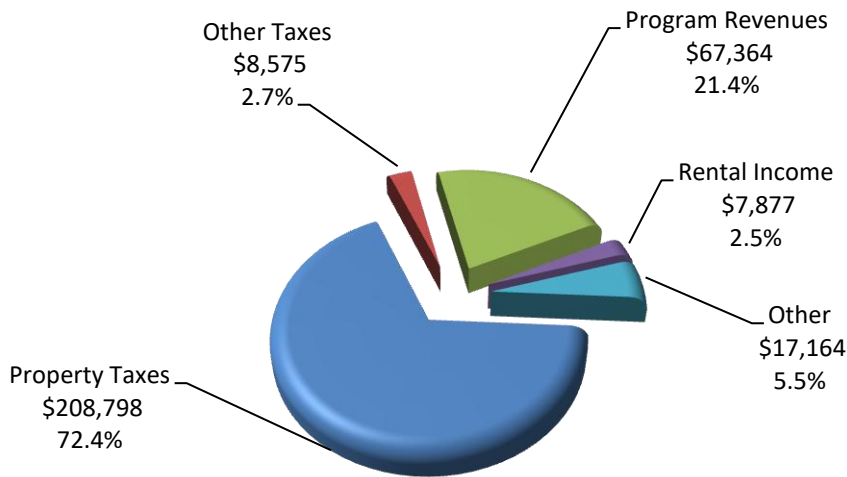
Changes in Net Position

Governmental activities decreased the Town’s net position by \$36,436. This decrease was primarily due to conservative budgeting and controlled costs offset by expenses funded by prior year reserves to reduce commitment and depreciation.

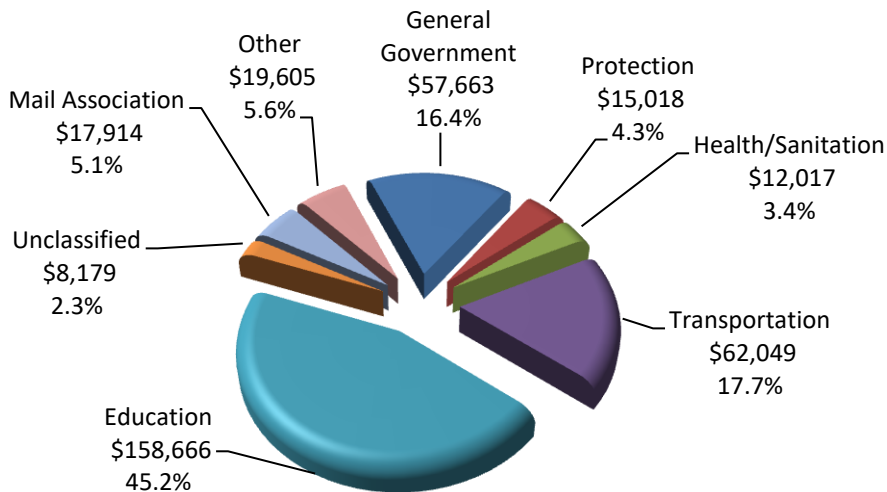
	<i>Governmental Activities 2017</i>	<i>Governmental Activities 2016</i>
<i>Revenues;</i>		
Tax Revenues	\$ 222,270	\$ 217,449
Program Revenues	\$ 67,364	\$ 45,692
Interest	\$ 1,338	\$ 1,015
Revenue Sharing	\$ 4,009	\$ 4,106
Other	\$ 19,694	\$ 20,104
<i>Total Revenues</i>	<i>\$ 314,675</i>	<i>\$ 288,366</i>
<i>Expenses;</i>		
General Government	\$ 57,663	\$ 48,307
Protection	\$ 15,018	\$ 7,810
Health/Sanitation	\$ 12,017	\$ 12,124

Transportation	\$ 62,049	\$ 51,512
Education	\$ 158,666	\$ 151,853
Unclassified	\$ 8,179	\$ 2,864
Assessments	\$ 13,118	\$ 6,674
State Retirement Contributions	\$ 6,487	\$ 6,129
Frenchboro Mail Association	\$ 17,914	\$ 18,170
<i>Total Expenses</i>	\$ 351,111	\$ 305,544
Changes in Net Position	\$ (36,436)	\$ (17,179)

Revenues by Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned

fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$417,461, a decrease of \$219,814 in comparison with the prior fiscal year. Approximately 16.2 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$10,653 negative variance in real estate and personal property tax. This is primarily due to an increase in the unavailable property tax revenue based on slower collection of prior year's unpaid balances.
- \$37,833 positive variance in other revenues. This is primarily due to receipt of unbudgeted SHIP grants totaling \$20,000 as well as conservative budgeting.
- \$29,823 positive variance in general government expenditures. This is primarily due to administration costs being lower than anticipated.
- \$9,716 positive variance in all other expenditures. This is due to controlled costs and conservative budgeting.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$2,363,403; net of accumulated depreciation of \$928,634, leaving a net book value of \$1,434,769. There were current year additions of \$30,659 for the fire department's brush truck and \$198,901 of road improvements. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on pages 15-16 of this report.

Debt

The Town has total bonded debt outstanding of \$304,903 and \$0 of total outstanding capital leases that is backed by the full faith and credit of the Town. The outstanding debt decreased \$1,405 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 16-17 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Frenchboro, One Executive Drive, Frenchboro, ME 04635.

TOWN OF FRENCHBORO, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2017

(Exhibit I)

	<u>Governmental Activities</u>
<u>Assets & Deferred Outflows</u>	
<u>Assets</u>	
Cash and Cash Equivalents	\$418,553
Accounts Receivable	\$8,663
Taxes Due - Current Year	\$33,416
Taxes Due - Prior Years	\$38,051
<u>Capital Assets</u>	
Land	\$33,726
Other Capital Assets, net of Accumulated Depreciation	\$1,401,044
Total Capital Assets	<u>\$1,434,769</u>
<u>Total Assets</u>	<u>\$1,933,452</u>
<u>Deferred Outflows of Resources</u>	
Related to Pensions	<u>\$5,546</u>
<u>Total Deferred Outflows of Resources</u>	<u>\$5,546</u>
<u>Total Assets & Deferred Outflows</u>	<u>\$1,938,998</u>
<u>Liabilities, Deferred Inflows and Net Position</u>	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$15,946
<u>Long-Term Liabilities</u>	
Net Pension Liability	\$8,427
<u>General Obligation Loans Payable</u>	
Due within one year	\$18,646
Due in more than one year	<u>\$286,257</u>
<u>Total Liabilities</u>	<u>\$329,277</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes Collected in Advance	\$1,220
Related to Pensions	<u>\$4,911</u>
<u>Total Deferred Inflows of Resources</u>	<u>\$6,131</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$1,129,866
Restricted	\$243,811
Unrestricted	<u>\$229,912</u>
<u>Total Net Position</u>	<u>\$1,603,590</u>
<u>Total Liabilities, Deferred Inflows and Net Position</u>	<u>\$1,938,998</u>

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

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

(Exhibit II)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and Changes</u>
<u>Primary Government</u>		<u>Services</u>	<u>Grants</u>	<u>in Net Position</u>
<u>Governmental Activities</u>				<u>Governmental</u>
				<u>Activities</u>
General Government	\$57,664	\$311		(\$57,353)
Protection	\$15,018			(\$15,018)
Health & Sanitation	\$12,017			(\$12,017)
Highways & Bridges	\$62,049		\$23,480	(\$38,569)
Education	\$158,666		\$18,486	(\$140,180)
Unclassified	\$8,179			(\$8,179)
Assessments and Debt Service	\$13,118			(\$13,118)
State Retirement Contributions	\$6,487		\$6,487	\$0
Frenchboro Mail Association	\$17,914	\$18,600		\$686
<u>Total Governmental Activities</u>	<u>\$351,111</u>	<u>\$18,911</u>	<u>\$48,453</u>	<u>(\$283,748)</u>
<u>Total Primary Government</u>	<u>\$351,111</u>	<u>\$18,911</u>	<u>\$48,453</u>	<u>(\$283,748)</u>
<u>General Revenues</u>				
Tax Revenues, Including Homestead Exemption				\$213,695
Auto Excise Taxes				\$7,960
Boat Excise Taxes				\$615
Municipal Revenue Sharing				\$4,009
Interest Earned				\$1,338
Interest and Fees				\$3,670
Rental Income - Teacher's House				\$6,000
Rental Income - Mail Association				\$1,877
Permits & Fees				\$8,147
<u>Total Revenues</u>				<u>\$247,311</u>
<u>Changes in Net Position</u>				<u>(\$36,436)</u>
<u>Net Position - Beginning</u>				<u>\$1,640,026</u>
<u>Net Position - Ending</u>				<u>\$1,603,590</u>

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

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

(Exhibit III)

	<u>General Fund</u>	<u>Special Revenue Fund Frenchboro Mail Association</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$416,258	\$2,295	\$418,553
Accounts Receivable	\$8,663		\$8,663
Due from Other Funds	\$279		\$279
Taxes Due - Current Year	\$33,416		\$33,416
Taxes Due - Prior Years	\$38,051		\$38,051
<u>Total Assets</u>	<u>\$496,667</u>	<u>\$2,295</u>	<u>\$498,961</u>
<u>Liabilities, Deferred Inflows & Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$14,893	\$1,054	\$15,946
Due to Other Funds		\$279	\$279
<u>Total Liabilities</u>	<u>\$14,893</u>	<u>\$1,333</u>	<u>\$16,225</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes Collected in Advance	\$1,220		\$1,220
Unavailable Property Tax Revenue	\$64,054		\$64,054
<u>Total Deferred Inflows of Resources</u>	<u>\$65,275</u>	<u>\$0</u>	<u>\$65,275</u>
<u>Fund Balances:</u>			
Restricted	\$251,603		\$251,603
Committed	\$97,443	\$962	\$98,405
Unassigned	\$67,453		\$67,453
<u>Total Fund Balance</u>	<u>\$416,499</u>	<u>\$962</u>	<u>\$417,461</u>
<u>Total Liabilities, Deferred Inflows & Fund Balance</u>	<u>\$496,667</u>	<u>\$2,295</u>	<u>\$498,961</u>
<u>Total Fund Balance - Governmental Funds</u>			<u>\$417,461</u>
<i>Net position reported for governmental activities in the statement of net position is different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$1,434,769
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds			\$64,054
Deferred outflows of resources related to pension plan			\$5,546
Deferred inflows of resources related to pension plan			(\$4,911)
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including:			
Net Pension Liability			(\$8,427)
Bonds Payable			(\$304,903)
<u>Net Position of Governmental Activities</u>			<u>\$1,603,590</u>

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

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

(Exhibit IV)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals Governmental Funds</u>
<u>Revenues:</u>			
Tax Revenues, Including Homestead Exemption	\$196,280		\$196,280
Auto Excise Taxes	\$7,960		\$7,960
Boat Excise Taxes	\$615		\$615
Municipal Revenue Sharing	\$4,009		\$4,009
State Road Assistance	\$3,480		\$3,480
Interest Earned	\$1,337	\$1	\$1,338
Interest and Fees	\$3,670		\$3,670
SHIP Grant	\$20,000		\$20,000
Rental Income - Teacher's House	\$6,000		\$6,000
Rental Income - Mail Association	\$1,877	\$18,600	\$20,477
Permits, Fees & Other	\$8,147		\$8,147
State Retirement Contribution	\$6,487		\$6,487
<u>Total Revenues</u>	<u>\$259,863</u>	<u>\$18,601</u>	<u>\$278,464</u>
<u>Expenditures: (Net of Departmental Revenues)</u>			
<u>Current:</u>			
General Government	\$51,559		\$51,559
Protection	\$4,996		\$4,996
Health & Sanitation	\$12,017		\$12,017
Highways & Bridges	\$19,545		\$19,545
Education	\$135,346		\$135,346
Unclassified	\$7,736		\$7,736
Assessments & Debt Service	\$13,118		\$13,118
State Retirement Contribution	\$6,487		\$6,487
Frenchboro Mail Association		\$17,914	\$17,914
<u>Capital Outlay:</u>			
Capital Outlay	\$229,560		\$229,560
<u>Total Expenditures</u>	<u>\$480,364</u>	<u>\$17,914</u>	<u>\$498,278</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$220,502)</u>	<u>\$688</u>	<u>(\$219,814)</u>
<u>Beginning Fund Balance</u>	<u>\$637,001</u>	<u>\$275</u>	<u>\$637,276</u>
<u>Ending Fund Balance</u>	<u>\$416,499</u>	<u>\$962</u>	<u>\$417,462</u>
<u>Reconciliation to Statement of Activities, Change in Net Position</u>			
Net Change in Fund Balances - Above			(\$219,814)
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable (a deferred inflow) in governmental funds			\$17,414
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, including:			
Pension Plan (Deferred Outflows, Net Pension Liability, Deferred Inflows)			(\$2,625)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.			
This amount represents long-term debt payments			\$1,405
Governmental funds report capital outlays as expenditures, while in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense.			\$229,560
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds			(\$62,377)
<u>Change in Net Position of Governmental Activities</u>			<u>(\$36,436)</u>

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

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

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. The effect of material interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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*. 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 (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

The Town reports the following major governmental funds:

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

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type is the Frenchboro Mail Association.

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

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

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. These investments are not specifically identified with any other fund.

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

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

Accounts Receivable and Accounts Payable

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

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

Capital Assets

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	50
Equipment	10-20

Interfund Activity

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

Deferred Inflows/Outflows of Resources

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

Pensions

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

Long-Term Obligations

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

Governmental Fund Balances

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Restricted</u>			
State Revenue Sharing	\$1,288		\$1,288
Fire Department Capital	\$1,332		\$1,332
FEMA Reserve	\$2,347		\$2,347
Preschool Funds	\$4,838		\$4,838
SHIP Grant	\$23,815		\$23,815
Town Dock/Road Project	\$165,312		\$165,312
Community Garden Grant	\$55		\$55
MCF Recreation Grant	\$142		\$142
Education	\$52,476		\$52,476
<u>Committed</u>			
Town Roads Reserve	\$7,637		\$7,637

	<i>General Fund</i>	<i>Special Revenue Fund</i>	<i>Total</i>
<u>Committed (continued)</u>			
Municipal Building Reserve	\$13,511		\$13,511
Teacher's House Reserve	\$30,350		\$30,350
Town Floats & Ramps Reserve	\$17,214		\$17,214
Ferry Pier Hoist Reserve	\$3,801		\$3,801
Fire Department Reserve	\$11,530		\$11,530
Legal Reserve	\$10,900		\$10,900
Medical Training Reserve	\$1,500		\$1,500
Bond Counsel	\$1,000		\$1,000
Mail Association		\$962	\$962
<u>Unassigned</u>			
General Fund	\$67,453		\$67,453
<u>Total Fund Balances</u>	<u>\$416,499</u>	<u>\$962</u>	<u>\$417,461</u>

In accordance with Government Auditing Standards Board 54, the Town classifies governmental fund balances as follows:

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

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by the Board of Selectmen.

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 are incurred for which any of those amounts are available.

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

Net Position

Net position 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.

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. The government-wide statement of net position reports \$246,436 of restricted net position, of which enabling legislation restricts \$0.

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

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are

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

F. Estimates

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

Note 2 - Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits. State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Program. For demand deposit accounts, The Town's cash accounts are insured up to \$250,000 by the FDIC. Any cash deposits in excess of the \$250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to protect deposits in excess of the \$250,000 FDIC limits, the Town deposits excess funds into a sweep repurchase account, which is collateralized by U.S. Treasury securities purchased by the financial institution in the name of the Town. Therefore, no custodial credit risk exists.

At year end, the carrying value of the Town's deposits was \$414,802 and the bank balance was \$415,241. The Town has no uninsured and uncollateralized deposits as of June 30, 2017.

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2016 and committed on October 4, 2016. Interest of 7.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$64,054 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities;</u>				
<u>Capital assets not being depreciated</u>				
Land	\$33,726			\$33,726
<u>Capital assets being depreciated</u>				
Land Improvements	\$326,292			\$326,292
Buildings	\$767,494			\$767,494
Equipment	\$126,005	\$30,659		\$156,664
Infrastructure	\$880,326	\$198,901		\$1,079,227
<u>Total capital assets being depreciated</u>	<u>\$2,100,118</u>	<u>\$229,560</u>	<u>\$0</u>	<u>\$2,329,678</u>

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Less accumulated depreciation for</u>				
Land Improvements	\$67,410	\$6,526		\$73,936
Buildings	\$256,255	\$16,126		\$272,381
Equipment	\$74,332	\$11,573		\$85,905
Infrastructure	\$468,260	\$28,152		\$496,411
<i>Total accumulated depreciation</i>	<u>\$866,257</u>	<u>\$62,377</u>	<u>\$0</u>	<u>\$928,634</u>
<i>Net capital assets being depreciated</i>	<u>\$1,233,860</u>	<u>\$167,183</u>	<u>\$0</u>	<u>\$1,401,044</u>
<u><i>Governmental Activities, Capital Assets, net</i></u>	<u><u>\$1,267,586</u></u>	<u><u>\$167,183</u></u>	<u><u>\$0</u></u>	<u><u>\$1,434,769</u></u>

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

Governmental Activities

General Government	\$7,199
Education	\$2,210
Protection	\$10,022
Unclassified	\$442
Public Transportation, including depreciation of general infrastructure assets	\$42,503
Total Depreciation Expense - Governmental Activities	<u><u>\$62,377</u></u>

Note 5 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. At June 30, 2017, the offsetting receivable and payable balances were \$279. The balances represent amounts due from the mail association to the general fund for prior year expenditures paid on behalf of the mail association by the general fund and is expected to be repaid when funds are available.

Note 6 - Long-Term Debt

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

<u>Long-Term Debt payable at July 1:</u>	\$306,309
Long-Term Debt Proceeds	\$0
Long-Term Debt Retired	(\$1,405)
<u>Long-Term Debt payable at June 30:</u>	<u><u>\$304,903</u></u>

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

In January 2006, the Town borrowed \$22,000 through Bar Harbor Bank & Trust for the purpose of constructing a Town Hall addition. The general obligation is for ten years and is payable in monthly installments of \$223.24, including interest at the rate of 3.99% per annum. The first payment was due July 2006 when the money was fully drawn down. The outstanding principal balance as of June 30, 2017 is \$0.

In June 2007, the Town borrowed an additional \$12,000 through Bar Harbor Bank & Trust for the purpose of constructing a Town Hall addition. The general obligation is for fifteen years and is payable in monthly installments of \$91.43, including interest at the rate of 4.44% per annum. The outstanding balance at June 30, 2017 is \$4,903.

In April 2016, the Town borrowed \$300,000 from Maine Municipal Bond Bank for the purpose of town dock and road improvements project. This general obligation bond is for sixteen years with principal and interest payments at the rate of 6% due on November 1 of each year and an interest only payment due on May 1 of each at the rate of 6%. The first interest only payment was due during the 2016-2017 year and the first principal and interest payment is due November 1, 2017. The outstanding principal balances as of June 30, 2017 is \$300,000.

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

<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2018	\$18,646	\$6,341	\$24,986
2019	\$18,861	\$6,126	\$24,986
2020	\$19,105	\$5,881	\$24,986
2021	\$19,382	\$5,604	\$24,986
2022	\$19,685	\$5,293	\$24,979
2023-2027	\$98,285	\$21,162	\$119,447
2028-2032	\$110,939	\$8,507	\$119,447
	<u>\$304,903</u>	<u>\$58,914</u>	<u>\$363,818</u>

Note 7 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The Town received a grant from the State of Maine for this purpose in 1995. This grant has been used to fund the costs of engineers and surveyors to evaluate the landfill and make an estimate on the future costs of closing and monitoring the landfill.

Note 8 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is 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 their teacher members.

B. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

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

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2017, the member contribution rate was 7.65% and the employer contribution rate was 3.36% of applicable member compensation. The employer is also responsible for contributing 10.57% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 10.02% of the applicable member compensation into the System.

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

<u>For the year ended June 30,</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>State of Maine Contributions</u>	<u>Applicable Member Compensation</u>
2017	\$5,188	\$2,604	\$6,487	\$67,816
2016	\$5,109	\$2,838	\$6,129	\$66,785
2015	\$5,248	\$3,201	\$7,603	\$68,597

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the plan using grant funding.

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

At June 30, 2017, the School Department reported a net pension liability of \$8,427. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2016, the School Department's proportion was .000477%, which was a decrease of 0.000386% from its proportion measured at June 30, 2015.

For the fiscal year ended June 30, 2017, the School Department recognized pension expense of \$5,231. At June 30, 2017, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$0	\$16
Changes in Assumptions	\$163	\$216
Net Difference between projected and actual earnings on pension plan investments	\$2,691	\$1,103
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$88	\$3,576
Employer contributions made subsequent to measurement date	<u>\$2,604</u>	<u>\$0</u>
	<u>\$5,546</u>	<u>\$4,911</u>

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

<u>Year ended June 30,</u>	
2017	\$1,060
2018	(\$1,600)
2019	\$758
2020	\$417

F. Actuarial Assumptions

The total pension liability in the June 30, 2016 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

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

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

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

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 was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

G. Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease (5.875%)</u>	<u>Current Discount Rate (6.875%)</u>	<u>1% Increase (6.875%)</u>
Proportionate Share of the Net Pension Liability	\$13,494	\$8,427	\$4,204

I. Pension Plan Financial and Actuarial Information

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

Note 9 - Restricted Net Position

The Town reports restricted net position totaling \$246,436 on its statement of net position. This restricted net position represents the restricted fund balances detailed in the governmental fund balance note above.

Note 10 - Commitment and Contingencies

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

Note 11 - Risk Management

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

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017.

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

(Exhibit V)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>				
Tax Revenues, Including Homestead Reimbursement	\$206,933	\$206,933	\$196,280	(\$10,653)
Auto Excise Taxes	\$5,961	\$5,961	\$7,960	\$1,999
Boat Excise Taxes	\$6	\$6	\$615	\$609
Municipal Revenue Sharing	\$4,106	\$4,106	\$4,009	(\$97)
State Road Assistance	\$0	\$0	\$3,480	\$3,480
Interest Earned	\$591	\$591	\$1,337	\$746
Interest and Fees	\$881	\$881	\$3,670	\$2,789
SHIP Grant	\$0	\$0	\$20,000	\$20,000
Rental Income - Teacher's House	\$0	\$0	\$6,000	\$6,000
Rental Income - Municipal Building	\$0	\$0	\$1,877	\$1,877
Permits, Fees & Other	\$4,237	\$4,237	\$8,147	\$3,910
<u>Total Revenues</u>	<u>\$222,715</u>	<u>\$222,715</u>	<u>\$253,376</u>	<u>\$30,660</u>
<i>Expenditures (Net of Departmental Revenues):</i>				
General Government	\$81,383	\$81,383	\$51,559	\$29,823
Protection	\$37,159	\$37,159	\$35,655	\$1,504
Health & Sanitation	\$12,401	\$12,401	\$12,017	\$384
Highways & Bridges	\$125,288	\$219,501	\$218,446	\$1,055
Education	\$142,035	\$142,035	\$135,346	\$6,689
Unclassified	\$4,500	\$4,500	\$7,736	(\$3,236)
Assessments & Debt Service	\$12,958	\$12,958	\$13,118	(\$160)
<u>Total Expenditures</u>	<u>\$415,724</u>	<u>\$509,937</u>	<u>\$473,877</u>	<u>\$36,059</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$193,009)</u>	<u>(\$287,221)</u>	<u>(\$220,502)</u>	<u>\$66,720</u>
<u>Beginning Fund Balance</u>	<u>\$637,001</u>	<u>\$637,001</u>	<u>\$637,001</u>	<u>\$0</u>
<u>Ending Fund Balance</u>	<u>\$443,992</u>	<u>\$349,780</u>	<u>\$416,499</u>	<u>\$66,720</u>

TOWN OF FRENCHBORO, MAINE

(Exhibit VI)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<i>Last 10 Fiscal Years</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	0.0005%	0.0009%	0.0008%
Proportionate Share of the Net Pension Liability (Asset)	\$8,427	\$11,652	\$9,129
Covered Employee Payroll	\$67,816	\$66,785	\$68,597
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	12.426%	17.447%	13.308%
Plan Total Pension Liability	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	171.194%	139.727%	118.230%

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

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

(Exhibit VII)

	<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>
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Last 10 Fiscal Years			
Contractually required contribution	\$2,604	\$2,604	\$2,838
Actual Contribution	(\$2,604)	(\$2,604)	(\$2,838)
Contribution Deficiency	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered Employee Payroll	\$67,816	\$66,785	\$68,597
Contributions as a % of Covered Employee Payroll	3.840%	3.899%	4.137%

* 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 FRENCHBORO, MAINE
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Actuarial Methods and Assumptions

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

A. Actuarial Cost Method

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

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

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

B. Asset Valuation Method

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

C. Amortization

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

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

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

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

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-1)

<i>Department</i>	<i>Beginning Balance</i>	<i>Appropriations</i>	<i>Cash Receipts</i>	<i>Total Available</i>	<i>Warrants Drawn</i>	<i>Other Charges (Credits)</i>	<i>Lapsed Underexpended (Overdraft)</i>	<i>Ending Balance</i>
<i>General Government:</i>								
Payment In Lieu of Taxes	\$0	\$0	\$20,300	\$20,300	\$0	\$10,000	\$10,300	\$0
Administration	\$0	\$29,160	\$311	\$29,471	\$25,979	\$120	\$3,372	\$0
Administrative Salaries	\$0	\$27,700	\$0	\$27,700	\$17,719	\$138	\$9,843	\$0
Legal Reserve	\$10,900	\$0	\$0	\$10,900	\$0	\$0	\$0	\$10,900
Municipal Building - Operations	\$0	\$11,500	\$0	\$11,500	\$9,250	\$2,250	\$0	\$0
Municipal Building Reserve	\$15,261	\$0	\$0	\$15,261	\$0	\$1,750	\$0	\$13,511
Bond Counsel	\$0	\$4,000	\$0	\$4,000	\$1,902	\$2,098	\$0	\$0
Bond Counsel Reserve	\$2,902	\$0	\$0	\$2,902	\$0	\$1,902	\$0	\$1,000
Comprehensive Planning	\$0	\$17,000	\$0	\$17,000	\$16,855	\$0	\$145	\$0
Teachers House	\$0	\$2,500	\$0	\$2,500	\$685	\$1,815	\$0	\$0
Teachers House Reserve	\$22,535	\$0	\$6,000	\$28,535	\$0	(\$1,815)	\$0	\$30,350
	<u>\$51,598</u>	<u>\$91,860</u>	<u>\$26,611</u>	<u>\$170,069</u>	<u>\$72,390</u>	<u>\$18,258</u>	<u>\$23,660</u>	<u>\$55,762</u>
<i>Protection:</i>								
Fire Department	\$0	\$3,500	\$3,250	\$6,750	\$5,367	(\$1,867)	\$3,250	\$0
Fire Department Reserve	\$13,397	\$0	\$0	\$13,397	\$0	\$1,867	\$0	\$11,530
Fire Department Capital Reserve	\$32,547	\$0	\$0	\$32,547	\$31,215	\$0	\$0	\$1,332
EMT Training Reserve	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$0	\$1,500
Emergency Medical Services	\$0	\$2,000	\$0	\$2,000	\$1,675	\$0	\$325	\$0
Town Security Lights	\$0	\$1,000	\$0	\$1,000	\$648	\$0	\$352	\$0
	<u>\$47,444</u>	<u>\$6,500</u>	<u>\$3,250</u>	<u>\$57,194</u>	<u>\$38,905</u>	<u>\$0</u>	<u>\$3,927</u>	<u>\$14,362</u>
<i>Health & Sanitation:</i>								
Landfill Maintenance	\$0	\$12,500	\$0	\$12,500	\$12,017	\$99	\$384	\$0
	<u>\$0</u>	<u>\$12,500</u>	<u>\$0</u>	<u>\$12,500</u>	<u>\$12,017</u>	<u>\$99</u>	<u>\$384</u>	<u>\$0</u>
<i>Highways & Bridges:</i>								
Town Roads	\$0	\$1,000	\$0	\$1,000	\$321	\$0	\$679	\$0
Town Roads Reserve	\$85,157	\$0	\$3,480	\$88,637	\$0	\$81,000	\$0	\$7,637
FEMA Reserve	\$2,347	\$0	\$0	\$2,347	\$0	\$0	\$0	\$2,347
Town Dock/Road Reserve	\$270,000	\$94,213	\$0	\$364,213	\$198,901	\$0	\$0	\$165,312
Snow Removal	\$0	\$17,000	\$0	\$17,000	\$17,000	\$0	\$0	\$0
Generator Trailer	\$0	\$600	\$0	\$600	\$470	\$0	\$130	\$0
Gravel Pit Reserve	\$13,213	\$0	\$0	\$13,213	\$0	\$13,213	\$0	\$0
Town Dock, Float & Mooring	\$0	\$1,000	\$0	\$1,000	\$805	\$0	\$195	\$0
Town Floats & Ramps Reserve	\$16,605	\$0	\$615	\$17,220	\$0	\$6	\$0	\$17,214
SHIP Grant Reserve	\$3,815	\$0	\$20,000	\$23,815	\$0	\$0	\$0	\$23,815
Ferry Pier Hoist	\$0	\$1,000	\$0	\$1,000	\$949	\$0	\$51	\$0
Ferry Pier Hoist Reserve	\$3,801	\$0	\$0	\$3,801	\$0	\$0	\$0	\$3,801
	<u>\$394,936</u>	<u>\$114,813</u>	<u>\$24,095</u>	<u>\$533,844</u>	<u>\$218,446</u>	<u>\$94,219</u>	<u>\$1,055</u>	<u>\$220,124</u>

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-1)

<i>Department</i>	<i>Beginning Balance</i>	<i>Approp- riations</i>	<i>Cash Receipts</i>	<i>Total Available</i>	<i>Warrants Drawn</i>	<i>Other Charges (Credits)</i>	<i>Lapsed Underexpended (Overdraft)</i>	<i>Ending Balance</i>
<i>Education:</i>								
Education	\$45,786	\$142,035	\$23,075	\$210,897	\$150,557	\$7,864	\$0	\$52,476
	<u>\$45,786</u>	<u>\$142,035</u>	<u>\$23,075</u>	<u>\$210,897</u>	<u>\$150,557</u>	<u>\$7,864</u>	<u>\$0</u>	<u>\$52,476</u>
<i>Unclassified:</i>								
Preschool Funds	\$4,838	\$0	\$0	\$4,838	\$0	\$0	\$0	\$4,838
Town Wharf Electricity	\$0	\$1,000	\$0	\$1,000	\$761	\$0	\$239	\$0
Town of Tremont	\$0	\$800	\$0	\$800	\$800	\$0	\$0	\$0
Community Garden Grant	\$55	\$0	\$0	\$55	\$0	\$0	\$0	\$55
MCF Recreation Grant	\$142	\$0	\$0	\$142	\$0	\$0	\$0	\$142
WHCA	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Island Institute	\$0	\$0	\$0	\$0	\$4,000	\$0	(\$4,000)	\$0
American Red Cross	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Hospice of Hancock County	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Emmaus Shelter	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Downeast Health Services	\$0	\$25	\$0	\$25	\$0	\$0	\$25	\$0
Downeast Aids Network	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Yesterdays Children	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Community Health & Counseling	\$0	\$25	\$0	\$25	\$25	\$0	\$0	\$0
Cemetery Maintenance	\$0	\$1,000	\$0	\$1,000	\$600	\$0	\$400	\$0
Public Bathroom	\$0	\$1,500	\$0	\$1,500	\$900	\$0	\$600	\$0
Library	\$0	\$0	\$0	\$0	\$500	\$0	(\$500)	\$0
	<u>\$5,035</u>	<u>\$4,500</u>	<u>\$0</u>	<u>\$9,535</u>	<u>\$7,736</u>	<u>\$0</u>	<u>(\$3,236)</u>	<u>\$5,035</u>
<i>Assessments & Debt Service:</i>								
Hancock County Tax	\$0	\$5,452	\$0	\$5,452	\$5,452	\$0	\$0	\$0
Town Hall Addition Debt Service	\$0	\$0	\$0	\$0	\$5,789	\$1,877	(\$7,666)	\$0
Overlay	\$0	\$7,506	\$0	\$7,506	\$0	\$0	\$7,506	\$0
	<u>\$0</u>	<u>\$12,958</u>	<u>\$0</u>	<u>\$12,958</u>	<u>\$11,241</u>	<u>\$1,877</u>	<u>(\$160)</u>	<u>\$0</u>
<u>TOTALS</u>	<u>\$544,799</u>	<u>\$385,166</u>	<u>\$77,031</u>	<u>\$1,006,996</u>	<u>\$511,292</u>	<u>\$122,316</u>	<u>\$25,629</u>	<u>\$347,759</u>

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

(Exhibit A-2)

<u>Beginning Unassigned Fund Balance</u>		\$90,817
<u>Additions:</u>		
Lapsed Accounts (Exhibit A-1)	\$25,629	
Supplemental Taxes - prior year	\$6,762	
Excise Taxes (net of appropriation)	\$1,999	
Interest Earned (net of appropriation)	\$746	
Tax Interest and Lien Fees (net of appropriation)	\$2,789	
Rental Income - Municipal Building	\$1,877	
Permit, Fees and Other (net of appropriation)	\$3,910	
	<hr/>	
<u>Total Additions</u>		\$43,712
<u>Reductions:</u>		
Fund Balance Appropriation	\$49,661	
Increase in Unavailable Tax Revenue (Note 3)	\$17,414	
	<hr/>	
<u>Total Reductions</u>		<hr/> \$67,076
<u>Ending Unassigned Fund Balance</u>		<hr/> <hr/> \$67,453

TOWN OF FRENCHBORO, MAINE
VALUATION, ASSESSMENT AND APPROPRIATIONS
JUNE 30, 2017

(Exhibit A-3)

Valuation:

Land, Buildings and Equipment	\$15,856,680	
Less Exempt Property	(\$379,100)	
<u>Total Valuation</u>		<u>\$15,477,580</u>

Tax Rate Per Thousand

\$13.27

Taxes Committed, Including Homestead Exemption	\$205,341	
State Revenue Sharing	\$4,106	
Interest Earned	\$591	
Tax Interest & Fees	\$881	
In Lieu of Taxes	\$10,000	
Excise Taxes	\$5,967	
BETE Reimbursement	\$3,437	
Tree Growth Reimbursement	\$869	
Homestead	\$1,592	
Other Income	\$507	
Reserve - Town Roads	\$81,000	
Reserve - Municipal Building	\$4,000	
Reserve - Gravel Pit	\$13,213	
Reserve - Bond Counsel	\$4,000	
Undesignated Fund Balance	\$49,661	
<u>Total Appropriations and Assessments</u>		<u><u>\$385,166</u></u>

Appropriations and Assessments:

Administration	\$29,160	
Administrative Salaries	\$27,700	
Municipal Building	\$11,500	
Bond Counsel	\$4,000	
Teachers House Account	\$2,500	
Comprehensive Planning	\$17,000	
Fire Department	\$3,500	
Town Security Lights	\$1,000	
Waste Management	\$12,500	
Emergency Medical Services	\$2,000	
Town Roads	\$1,000	
Town Road Paving	\$94,213	
Snow Removal	\$17,000	
Generator Trailer	\$600	
Town Dock, Float & Mooring	\$1,000	
Ferry Pier Hoise	\$1,000	
Education	\$142,035	
Town Wharf Electricity	\$1,000	
Donations	\$1,000	
Cemetery Maintenance	\$1,000	
Public Restroom	\$1,500	
Hancock County Tax	\$5,452	
Overlay	\$7,506	
<u>Total Appropriations and Assessments</u>		<u><u>\$385,166</u></u>

TOWN OF FRENCHBORO, MAINE
TAX COLLECTOR'S COMMITMENT AND UNCOLLECTED TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-4)

<u>Tax Commitment</u>		\$205,341
<u>Collections and Adjustments:</u>		
Cash Collections - Current Year	\$170,018	
Cash Collections - Prior Year	\$1,907	
<u>Total Collections and Adjustments</u>		<u>\$171,925</u>
<u>Uncollected Taxes June 30:</u>		<u>\$33,416</u>
<u>Uncollected Taxes:</u>		
Alan & Erica Davis		\$42
Ruth Davis		\$1,810
Stephen Davis		\$2,692
Justin Dobson		\$1,227
Justin Dobson		\$651
Paula Sue Giamo		\$855
Joseph & Sue Hayes		\$1,077
Lunt & Lunt		\$4,258
Dean & Michelle Lunt		\$583
Kristi Lunt		\$1,588
Nathaniel Lunt		\$2,193
Nathaniel & David Lunt		\$1,082
Zachary, David & Laurette Lunt		\$1,927
Zachary & Laurette Lunt		\$664
Zachary & Laurette Lunt		\$1,335
Zachary & Laurette Lunt		\$465
Zachary & Laurette Lunt		\$1,085
Louise McLaoughlin		\$107
James Miller		\$1,543
James Miller		\$879
David Mitchell		\$332
Monte Smart		\$737
Southernstar LLC		\$405
Timothy Wiggins		\$1,408
Heirs of Walter & Irene Wolf		\$2,432
Wolfgang Family		\$1,044
Island Telephone Company (Personal Property)		\$996
<u>Total</u>		<u>\$33,416</u>

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-5)

<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grantor Pass- Through Number</u>	<u>Program Award Amount</u>	<u>Expenditures</u>
<i>U.S. Department of Education;</i> <i>Passed through State of Maine</i> <i>Department of Education</i>				
Rural Education Achievement Program	84.358	013-05A-6336-13	\$17,194	\$17,194
<i>Total State of Maine Department of Education</i>			\$17,194	\$17,194
<i>Total U.S. Department of Education</i>			\$17,194	\$17,194
<u>Totals</u>			\$17,194	\$17,194