

2017

Town of Lincolnville, Independent Auditors' Report 2017

Lincolnville, Me.

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/towndocs>

This Report is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Maine Town Documents by an authorized administrator of DigitalCommons@UMaine. For more information, please contact um.library.technical.services@maine.edu.

TOWN OF LINCOLNVILLE
TABLE OF CONTENTS
JUNE 30, 2017

Independent Auditors' Report

Management's Discussion and Analysis

General Purpose Financial Statements

Exhibits

Government-Wide Financial Statements

Statements of Net Position A

Statements of Activities B

Fund Financial Statements

Reconciliation of Total Governmental Fund Balance to Net Position of
Governmental Activities C

Reconciliation of the Statements of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statements of Activities D

Balance Sheets - Governmental Funds E

Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds F

Statements of Proprietary Net Position - Proprietary Fund - School Lunch Program G

Statements of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund - School Lunch Program H

Statements of Cash Flows - Proprietary Fund - School Lunch Program I

Statements of Fiduciary Net Position - Agency Funds J

Statements of Changes in Fiduciary Net Position - Agency Funds
Cemetery Trust Funds K

Statements of Cash Flows - Fiduciary Fund Type - Agency Funds
Cemetery Trust Funds L

Notes to Financial Statements

Supplemental Information

Schedules

Budgetary Comparison Schedule - General Fund A-1

Statement of Cash Receipts and Disbursements A-2

Statement of Changes in Unappropriated Surplus A-3

Statement of Departmental Operations A-4

Supplemental Information (Cont'd)

Schedules

| | |
|---|------|
| Valuation, Assessment, and Collections | A-5 |
| Reconciliation of Treasurer's Cash Balance | A-6 |
| Statement of Taxes Receivable | A-7 |
| Taxes Receivable | A-8 |
| Prior Year Taxes Receivable | A-9 |
| Tax Liens | A-10 |
| Abatements and Supplementals | A-11 |
| Tax Acquired Property | A-12 |
| Combining Balance Sheet - Capital Reserves | A-13 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance Capital Reserves | A-14 |
| Schedule of Expenditures of Federal Awards | B-1 |
| Schedule of School's Proportionate Share of the Net Pension Liability | B-2 |
| Schedule of Town Contributions | B-3 |

WILLIAM H. BREWER

Certified Public Accountant

858 Washington Street

P.O. Box 306

Bath, Maine 04530

(207) 443-9759

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Lincolnville
Lincolnville, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Lincolnville, as of and for the years ended June 30, 2017 and 2016, 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 from 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, business-type activities, and each major fund of the Town of Lincolnville as of June 30, 2017 and 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lincolnville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Bath, Maine

January 16, 2018

Management's Discussion and Analysis

As management of the Town of Lincolnville, we offer 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. Please read it together with the Town's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A & B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start with Exhibit E. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the Town as a whole begins on the next page. One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in it. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. Readers need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and our other infrastructure, to assess the overall financial health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental activities - Most of the Town’s basic services are reported here, including the police, fire, general administration and public works. Property taxes, excise taxes and state funds finance most of these activities.
- Business-type activities - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The school lunch program is reported here.

For the year ended June 30, 2017 net position changed as follows:

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|------------------------|-------------------------------------|------------------------------------|
| Beginning net position | \$ 18,820.75 | \$ 12,458,187.26 |
| Increase (decrease) | 3,640.39 | 786,771.03 |
| Ending net position | <u>\$ 22,461.14</u> | <u>\$ 13,244,958.29</u> |

Overall the net assets of the community have increased by \$790,411.42 or 6.33% thus placing the community on a stronger financial footing than at the last fiscal year end.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town’s taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

| | |
|--------------------|--|
| General government | Building permits, town clerk and agent fees, land use fees, harbor fees, and plumbing/electric permits |
| Public works | State highway aid grants |
| Education | State subsidies and grants |

All other governmental revenues are reported as miscellaneous. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-Type Activities

The school lunch program is the only “business-type” activity. The revenue for this program is nearly split between the charges for services and the operating grants and contributions. This has been traditionally the case for a number of years. Overall revenues exceeded expenses by \$3,640.39.

THE TOWN AS TRUSTEE

Reporting the Town’s Fiduciary Responsibilities

The Town’s School Department is the trustee, or fiduciary, for various student activity related funds. All of the Town’s fiduciary activities are reported in a separate Statement of Net Assets - Agency Funds on Exhibit J. We exclude these activities from the Town’s other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWN’S FUNDS

Reporting the Town’s Most Significant Funds - Fund Financial Statements

Our analysis of the Town’s major funds begins with the fund financial statements on Exhibit E and provides detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, the Town establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town’s two kinds of funds, governmental and proprietary, use different accounting approaches.

- Governmental funds - Most of the Town’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town’s programs. We describe the relationship, or differences, between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds in reconciliation at the bottom of the fund financial statements.

- Proprietary Funds - When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.
- Reserve Funds - Reserve funds are similar to an individual's savings account and are created with a designated future purpose in mind. The Town has set up several reserve funds in an attempt to cushion the impact of large future purchases on the taxpayers. As an example, the Town has set aside funds for the eventual replacement of its fire trucks.

The following schedule presents a summary of general fund revenues for the fiscal years ended June 30, 2017 and 2016 totals along with increases and decreases in relation to the prior year.

| <u>Revenue</u> | FY 2017 Amount | FY 2016 Amount | Increase (Decrease) From FY 2016 |
|-------------------|----------------------------|----------------------------|---|
| Property taxes | \$ 6,022,627 | \$ 6,085,056 | \$ (62,429) |
| Excise taxes | 475,433 | 458,929 | 16,504 |
| Intergovernmental | 156,509 | 139,428 | 17,081 |
| Miscellaneous | 71,813 | 28,508 | 43,305 |
| Total | <u><u>\$ 6,726,382</u></u> | <u><u>\$ 6,711,921</u></u> | <u><u>\$ 14,461</u></u> |

Property taxes continue to be the Town's major source of revenue.

The following schedule presents a summary of general fund expenditures for the fiscal years ended June 30, 2017 and 2016 totals along with increases and decreases in relation to the prior year.

| <u>Expenditures</u> | FY 2017 Amount | FY 2016 Amount | Increase (Decrease) From FY 2016 |
|---------------------|----------------------------|----------------------------|---|
| General government | \$ 522,148 | \$ 516,712 | \$ 5,436 |
| Public safety | 165,010 | 116,984 | 48,026 |
| Municipal support | 25,898 | 22,604 | 3,294 |
| Education | 5,221,829 | 5,278,502 | (56,673) |
| Public works | 958,306 | 937,960 | 20,346 |
| Unclassified | 860,060 | 903,279 | (43,219) |
| Debt service | 73,951 | 75,598 | (1,647) |
| Total | <u><u>\$ 7,827,202</u></u> | <u><u>\$ 7,851,639</u></u> | <u><u>\$ (24,437)</u></u> |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following schedule presents a summary of capital assets:

| | Governmental Activities | |
|----------------------------|----------------------------|----------------------|
| | 2017 | 2016 |
| Land | \$ 585,628 | \$ 585,628 |
| Buildings and improvements | 11,047,886 | 11,047,886 |
| Vehicles | 634,540 | 634,540 |
| Furniture and equipment | 777,091 | 777,091 |
| Infrastructure | 4,028,363 | 3,719,948 |
| | <u>\$ 17,073,508</u> | <u>\$ 16,765,093</u> |

At the fiscal year end (June 30, 2017), the Town had approximately \$17.1 million invested in capital assets. This represents a net increase of \$308,415 or 1.84% over last year.

Long-Term Liabilities

The following schedule presents a summary of long-term debt:

| | Governmental Activities | |
|---------------|----------------------------|--------------|
| | 2017 | 2016 |
| Bonds payable | \$ 3,382,047 | \$ 3,770,422 |

Included in the total outstanding bonds are the debts for the Lincolnville Central School and the gravel roads improvements. The debt service for the school continues through November 2026 while the road improvement debt service continues through November 2023.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

We continue to see signs of an improving economy. Revenue from vehicle excise taxes are increasing primarily due to new or newer vehicle sales. State Aid to Education and State Revenue sharing continue to be challenges. With the decline of state aid it was challenging to maintain the same services without a tax rate increase.

State Law enacted in 1972 requires that 5 percent of state income and sales tax revenue be distributed to towns and cities. As the principal problem of financing municipal services is the burden on the property tax, the purpose of the State-Municipal Revenue Sharing is to stabilize the property tax burden and to aid in financing all municipal services.

For the fiscal year covered by this audit, statewide approximately \$100 million was transferred from revenue sharing to the State's General Fund. The Town of Lincolnville's reduction was more than we actually received and resulted in a property tax increase.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at (207) 763-3555 and ask for either the Finance Director or the Town Administrator. Citizens are welcome to visit with the appropriate staff on any financial matters.

TOWN OF LINCOLNVILLE
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | 2017 TOTAL | 2016 TOTAL |
|---|----------------------------|-----------------------------|-------------------------|-------------------------|
| ASSETS AND DEFERRED OUTFLOWS | | | | |
| CURRENT ASSETS: | | | | |
| Cash (Note B) | \$ 1,330,489.30 | \$ - | \$ 1,330,489.30 | \$ 1,535,392.09 |
| Investments (Note N) | 2,888,508.81 | | 2,888,508.81 | 2,247,760.58 |
| Accounts Receivable | 174,964.17 | 4,080.15 | 179,044.32 | 219,041.86 |
| Prepaid Expenses | 2,416.69 | | 2,416.69 | |
| Taxes Receivable | 259,650.38 | | 259,650.38 | 261,426.00 |
| Tax Liens | 68,758.94 | | 68,758.94 | 74,911.64 |
| Tax Acquired Property | 25,760.98 | | 25,760.98 | 28,441.96 |
| Inventory | | 3,127.83 | 3,127.83 | 1,584.77 |
| Due From Other Funds | 61,990.59 | 17,416.47 | 79,407.06 | 382,189.40 |
| Total Current Assets | <u>\$ 4,812,539.86</u> | <u>\$ 24,624.45</u> | <u>\$ 4,837,164.31</u> | <u>\$ 4,750,748.30</u> |
| PROPERTY, PLANT, AND EQUIPMENT (NOTE F): | | | | |
| Land | \$ 585,628.00 | \$ - | \$ 585,628.00 | \$ 585,628.00 |
| Buildings | 11,047,886.00 | | 11,047,886.00 | 11,047,886.00 |
| Infrastructure | 3,376,909.00 | | 3,376,909.00 | 3,068,494.00 |
| Vehicles | 634,540.00 | | 634,540.00 | 634,540.00 |
| Equipment | 777,091.00 | | 777,091.00 | 777,091.00 |
| Pier | 651,454.00 | | 651,454.00 | 651,454.00 |
| Total Property, Plant, and Equipment | <u>\$ 17,073,508.00</u> | <u>\$ -</u> | <u>\$ 17,073,508.00</u> | <u>\$ 16,765,093.00</u> |
| Less: Accumulated Depreciation | (4,741,114.00) | | (4,741,114.00) | (4,310,107.00) |
| Net Property, Plant, and Equipment | <u>\$ 12,332,394.00</u> | <u>\$ -</u> | <u>\$ 12,332,394.00</u> | <u>\$ 12,454,986.00</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Related to Pension | \$ 94,263.39 | \$ - | \$ 94,263.39 | \$ 96,166.64 |
| Total Assets and Deferred Outflows | <u>\$ 17,239,197.25</u> | <u>\$ 24,624.45</u> | <u>\$ 17,263,821.70</u> | <u>\$ 17,301,900.94</u> |
| LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | | | | |
| CURRENT LIABILITIES: | | | | |
| Bonds Payable (Note G) | \$ 388,375.00 | \$ - | \$ 388,375.00 | \$ 388,375.00 |
| Accounts Payable | 39,018.86 | 2,163.31 | 41,182.17 | 160,653.65 |
| Accrued Wages (Note I) | 221,600.71 | | 221,600.71 | 245,482.37 |
| Accrued Expenses | 22,771.76 | | 22,771.76 | 44,976.93 |
| Prepaid Taxes | 11,819.99 | | 11,819.99 | 17,366.24 |
| Due To Other Funds | 110,888.14 | | 110,888.14 | 411,905.55 |
| Deferred Revenue (Note P) | 97,899.50 | | 97,899.50 | 90,649.19 |
| Total Current Liabilities | <u>\$ 892,373.96</u> | <u>\$ 2,163.31</u> | <u>\$ 894,537.27</u> | <u>\$ 1,359,408.93</u> |
| LONG-TERM LIABILITIES: | | | | |
| Pension Liability | \$ 93,315.00 | \$ - | \$ 93,315.00 | \$ 65,872.00 |
| Bonds Payable - Net of Current Portion (Note G) | 2,993,672.00 | | 2,993,672.00 | 3,382,047.00 |
| Total Long-Term Liabilities | <u>\$ 3,086,987.00</u> | <u>\$ -</u> | <u>\$ 3,086,987.00</u> | <u>\$ 3,447,919.00</u> |
| Total Liabilities | <u>\$ 3,979,360.96</u> | <u>\$ 2,163.31</u> | <u>\$ 3,981,524.27</u> | <u>\$ 4,807,327.93</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Related to Pension | \$ 14,878.00 | \$ - | \$ 14,878.00 | \$ 17,565.00 |
| NET POSITION: | | | | |
| Net Invested in Capital Assets | \$ 8,950,347.00 | \$ - | \$ 8,950,347.00 | \$ 8,684,564.00 |
| Restricted for: | | | | |
| Capital Reserves | 1,485,201.62 | | 1,485,201.62 | 1,109,275.98 |
| Other Purposes | 92,460.79 | | 92,460.79 | 167,136.49 |
| Unrestricted | 2,716,948.88 | 22,461.14 | 2,739,410.02 | 2,516,031.54 |
| Total Net Position | <u>\$ 13,244,958.29</u> | <u>\$ 22,461.14</u> | <u>\$ 13,267,419.43</u> | <u>\$ 12,477,008.01</u> |
| Total Liabilities, Deferred Inflows, and Net Position | <u>\$ 17,239,197.25</u> | <u>\$ 24,624.45</u> | <u>\$ 17,263,821.70</u> | <u>\$ 17,301,900.94</u> |

TOWN OF LINCOLNVILLE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | | | |
|--------------------------------------|------------------------|----------------------|------------------------------------|--|--------------------------|--------------------------|--------------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | 2017 TOTAL | 2016 TOTAL |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 558,270.21 | \$ 264,308.06 | \$ 18,000.00 | \$ (275,962.15) | \$ - | \$ (275,962.15) | \$ (382,748.38) |
| Public Safety | 224,167.04 | | 247,273.34 | 23,106.30 | | 23,106.30 | (176,141.36) |
| Health, Welfare, and Recreation | 8,824.00 | | | (8,824.00) | | (8,824.00) | (59,288.67) |
| Education | 5,133,864.64 | | 851,151.17 | (4,282,713.47) | | (4,282,713.47) | (4,271,093.91) |
| Investment Fees | 7,868.30 | | | (7,868.30) | | (7,868.30) | (11,290.41) |
| Public Works | 720,643.25 | 46,724.00 | 22,000.00 | (651,919.25) | | (651,919.25) | (600,773.17) |
| Unclassified | 678,985.71 | | | (678,985.71) | | (678,985.71) | (695,045.22) |
| Debt Service | 51,745.43 | | | (51,745.43) | | (51,745.43) | (71,012.00) |
| On Behalf Payment | 160,617.32 | | 160,617.32 | | | | |
| Total Governmental Activities | \$ 7,544,985.90 | \$ 311,032.06 | \$ 1,299,041.83 | \$ (5,934,912.01) | \$ - | \$ (5,934,912.01) | \$ (6,267,393.12) |
| Business-Type Activities: | | | | | | | |
| School Lunch Program | 90,595.81 | 29,817.37 | 8,082.83 | | (52,695.61) | (52,695.61) | (51,333.76) |
| Total Primary Government | \$ 7,635,581.71 | \$ 340,849.43 | \$ 1,307,124.66 | \$ (5,934,912.01) | \$ (52,695.61) | \$ (5,987,607.62) | \$ (6,318,726.88) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | \$ 6,022,627.35 | \$ - | \$ 6,022,627.35 | \$ 6,085,056.66 |
| Excise Taxes | | | | 475,433.24 | | 475,433.24 | 458,928.74 |
| Intergovernmental | | | | 156,509.00 | 56,336.00 | 212,845.00 | 196,972.56 |
| Interest and Dividends | | | | 27,131.87 | | 27,131.87 | 30,613.84 |
| Unrealized Gain (Loss) | | | | 44,680.75 | | 44,680.75 | (2,105.96) |
| Total General Revenues | | | | \$ 6,726,382.21 | \$ 56,336.00 | \$ 6,782,718.21 | \$ 6,769,465.84 |
| Transfer - Out | | | | (4,699.17) | | (4,699.17) | |
| Changes in Net Position | | | | \$ 786,771.03 | \$ 3,640.39 | \$ 790,411.42 | \$ 450,738.96 |
| Net Position, July 1 | | | | 12,458,187.26 | 18,820.75 | 12,477,008.01 | 12,026,269.05 |
| Net Position, June 30 | | | | \$ 13,244,958.29 | \$ 22,461.14 | \$ 13,267,419.43 | \$ 12,477,008.01 |

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|---|------------------|------------------|
| GOVERNMENTAL FUND BALANCES: | | |
| Restricted for: | | |
| Capital Reserves (Schedule A-13) | \$ 1,485,201.62 | \$ 1,109,275.98 |
| Other Purposes (Schedule A-4) | 92,460.79 | 167,136.49 |
| Unrestricted (Schedule A-3) | 2,545,332.50 | 2,377,835.93 |
| Total Governmental Fund Balances (Exhibit E) | \$ 4,122,994.91 | \$ 3,654,248.40 |
| Amounts reported for governmental activities in the Statements of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 12,332,394.00 | 12,454,986.00 |
| Deferred outflows are deferred as expense in the fund financial statements and in the government-wide financial statements as expense in the year following the year paid. | 94,263.39 | 96,166.64 |
| Notes and leases payable are not due and payable in the current period and therefore are not reported in the funds. | (3,382,047.00) | (3,770,422.00) |
| Compensated absences are accrued when earned, not when paid and are reported in the funds. | (56,125.53) | (77,012.59) |
| Accrued interest expense for notes payable are not reported in the funds. | (22,771.76) | (44,976.93) |
| Property taxes not collected within 60 days after year end are deferred as revenue in the fund financial statements. In the government-wide financial statements the revenue is income in the year it is assessed. | 264,443.28 | 228,634.74 |
| Pension liability is not due and payable in the current period and therefore is not reported in the funds. | (93,315.00) | (65,872.00) |
| Deferred inflows are deferred revenues related to pension expenses that are amortized in the government-wide financial statements. | (14,878.00) | (17,565.00) |
| Net Position of Governmental Activities (Exhibit A) | \$ 13,244,958.29 | \$ 12,458,187.26 |

TOWN OF LINCOLNVILLE
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| Net Change in Fund Balances - Total Governmental Funds (Exhibit F) | \$ 468,746.51 | \$ 279,120.93 |
| Amounts reported for governmental activities in the Statements of Activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which (depreciation exceeds capital outlays) capital outlays exceeds depreciation. | (122,592.00) | (195,891.00) |
| Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statements of Net Position. | 388,375.00 | 388,375.00 |
| The change in accrual for compensated absences is not recorded in the governmental fund statements. | 20,887.06 | (45.84) |
| The change in accrual for interest is not recorded in the governmental fund statements. | 22,205.17 | 4,585.52 |
| Property taxes are deferred in the fund financial statements, but in the government-wide financial statements they are recorded as income in the year they are assessed. | 35,808.54 | (26,382.71) |
| Pension expense is adjusted for changes in earnings contributions and contributions subsequent to the measurement date. | (26,659.25) | (5,233.74) |
| Changes in Net Position of Governmental Activities (Exhibit B) | <u>\$ 786,771.03</u> | <u>\$ 444,528.16</u> |

TOWN OF LINCOLNVILLE
BALANCE SHEETS - GOVERNMENTAL FUNDS
JUNE 30, 2017 AND 2016

| | GOVERNMENTAL FUND TYPES | | 2017 TOTAL | 2016 TOTAL |
|--|-------------------------|------------------------|------------------------|------------------------|
| | GENERAL | CAPITAL RESERVES | | |
| ASSETS: | | | | |
| Cash (Note B) | \$ 1,314,593.24 | \$ 15,896.06 | \$ 1,330,489.30 | \$ 1,535,392.09 |
| Investments | 1,421,544.03 | 1,466,964.78 | 2,888,508.81 | 2,247,760.58 |
| Accounts Receivable | 174,964.17 | | 174,964.17 | 216,906.14 |
| Prepaid Expenses | 2,416.69 | | 2,416.69 | |
| Taxes Receivable | 259,650.38 | | 259,650.38 | 261,426.00 |
| Tax Liens | 68,758.94 | | 68,758.94 | 74,911.64 |
| Tax Acquired Property | 25,760.98 | | 25,760.98 | 28,441.96 |
| Due From Other Funds | 30,916.79 | 31,073.80 | 61,990.59 | 364,915.10 |
| Total Assets | \$ 3,298,605.22 | \$ 1,513,934.64 | \$ 4,812,539.86 | \$ 4,729,753.51 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 31,740.23 | \$ - | \$ 31,740.23 | \$ 156,174.53 |
| Accrued Expenses | 7,278.63 | | 7,278.63 | 2,305.08 |
| Accrued Wages | 165,475.18 | | 165,475.18 | 168,469.78 |
| Prepaid Taxes | 11,819.99 | | 11,819.99 | 17,366.24 |
| Due To Other Funds | 82,155.12 | 28,733.02 | 110,888.14 | 411,905.55 |
| Total Liabilities | \$ 298,469.15 | \$ 28,733.02 | \$ 327,202.17 | \$ 756,221.18 |
| Deferred Inflows of Resources: | | | | |
| Deferred Revenue (Note P) | \$ 97,899.50 | \$ - | \$ 97,899.50 | \$ 90,649.19 |
| Deferred Tax Revenue (Note D) | 264,443.28 | | 264,443.28 | 228,634.74 |
| Total Deferred Inflows of Resources | \$ 362,342.78 | \$ - | \$ 362,342.78 | \$ 319,283.93 |
| Fund Balance: | | | | |
| Committed for Capital Projects | \$ - | \$ 1,485,201.62 | \$ 1,485,201.62 | \$ 1,109,275.98 |
| Assigned for Subsequent Years Expenditures | 92,460.79 | | 92,460.79 | 167,136.49 |
| Unassigned | 2,545,332.50 | | 2,545,332.50 | 2,377,835.93 |
| Total Fund Balance | \$ 2,637,793.29 | \$ 1,485,201.62 | \$ 4,122,994.91 | \$ 3,654,248.40 |
| Total Liabilities, Deferred Inflows, Fund Balance | \$ 3,298,605.22 | \$ 1,513,934.64 | \$ 4,812,539.86 | \$ 4,729,753.51 |

TOWN OF LINCOLNVILLE
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | GOVERNMENTAL FUND TYPES | | 2017 TOTAL | 2016 TOTAL |
|--|-------------------------|------------------------|------------------------|------------------------|
| | GENERAL | CAPITAL RESERVES | | |
| REVENUES: | | | | |
| State Revenue Sharing | \$ 85,671.00 | \$ - | \$ 85,671.00 | \$ 92,719.00 |
| Homestead Reimbursement | 67,730.00 | | 67,730.00 | 44,872.00 |
| Property Taxes | 5,986,818.81 | | 5,986,818.81 | 6,111,379.37 |
| Excise Tax (Auto and Boat) | 475,433.24 | | 475,433.24 | 458,928.74 |
| General Government | 282,308.06 | | 282,308.06 | 165,180.02 |
| Education | 851,151.17 | | 851,151.17 | 890,312.63 |
| Public Works | 68,724.00 | | 68,724.00 | 167,939.95 |
| Public Safety | 247,273.34 | | 247,273.34 | |
| Municipal Support | | | | 12,286.33 |
| Interest and Dividends | | 27,131.87 | 27,131.87 | 30,613.84 |
| Unrealized Gain | | 44,680.75 | 44,680.75 | (2,105.96) |
| BETE | 3,108.00 | | 3,108.00 | 1,837.00 |
| On Behalf Payment (Note H) | 160,617.32 | | 160,617.32 | 156,797.09 |
| Total Revenues | \$ 8,228,834.94 | \$ 71,812.62 | \$ 8,300,647.56 | \$ 8,130,760.01 |
| EXPENDITURES: | | | | |
| Education | \$ 5,221,828.62 | \$ 12,588.77 | \$ 5,234,417.39 | \$ 5,278,501.80 |
| General Government | 522,148.50 | | 522,148.50 | 516,711.56 |
| Public Works | 958,306.25 | | 958,306.25 | 937,960.12 |
| Public Safety | 165,010.04 | | 165,010.04 | 116,984.36 |
| Municipal Support | 25,897.77 | | 25,897.77 | 62,751.00 |
| Special Assessments - County Tax | 677,389.92 | | 677,389.92 | 691,943.06 |
| Special Assessments - Other | 1,595.79 | | 1,595.79 | 3,102.16 |
| Debt Service | 73,950.60 | | 73,950.60 | 75,597.52 |
| Investment Fees | | 7,868.30 | 7,868.30 | 11,290.41 |
| On Behalf Payment (Note H) | 160,617.32 | | 160,617.32 | 156,797.09 |
| Total Expenditures | \$ 7,806,744.81 | \$ 20,457.07 | \$ 7,827,201.88 | \$ 7,851,639.08 |
| Excess of Revenues Over Expenditures | \$ 422,090.13 | \$ 51,355.55 | \$ 473,445.68 | \$ 279,120.93 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfers - In | \$ 34,104.27 | \$ 358,743.73 | \$ 392,848.00 | \$ 456,942.94 |
| Operating Transfers - Out | (363,373.53) | (34,173.64) | (397,547.17) | (456,942.94) |
| Total Other Financing Sources (Uses) | \$ (329,269.26) | \$ 324,570.09 | \$ (4,699.17) | \$ - |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ 92,820.87 | \$ 375,925.64 | \$ 468,746.51 | \$ 279,120.93 |
| Fund Balance, July 1 | 2,544,972.42 | 1,109,275.98 | 3,654,248.40 | 3,375,127.47 |
| Fund Balance, June 30 | \$ 2,637,793.29 | \$ 1,485,201.62 | \$ 4,122,994.91 | \$ 3,654,248.40 |

TOWN OF LINCOLNVILLE
 STATEMENTS OF PROPRIETARY NET POSITION - PROPRIETARY FUND
 SCHOOL LUNCH PROGRAM
 JUNE 30, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|---------------------|---------------------|
| ASSETS: | | |
| Accounts Receivable | \$ 4,080.15 | \$ 2,135.72 |
| Inventory | 3,127.83 | 1,584.77 |
| Due From Other Funds | 17,416.47 | 17,274.30 |
| Total Assets | <u>\$ 24,624.45</u> | <u>\$ 20,994.79</u> |
| LIABILITIES: | | |
| Accounts Payable | \$ 2,163.31 | \$ 2,174.04 |
| NET POSITION: | | |
| Restricted | 22,461.14 | 18,820.75 |
| Total Liabilities and Net Position | <u>\$ 24,624.45</u> | <u>\$ 20,994.79</u> |

TOWN OF LINCOLNVILLE
 STATEMENTS OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUND - SCHOOL LUNCH PROGRAM
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|--------------------------|----------------------------|----------------------------|
| REVENUES: | | |
| Sales | \$ 29,817.37 | \$ 30,445.34 |
| Subsidy | 31,762.14 | 31,937.80 |
| Donated Commodities | 7,184.25 | 5,442.90 |
| Donations | 500.00 | |
| Miscellaneous | 398.58 | |
| Town Share | 24,573.86 | 25,606.76 |
| Total Revenues | <u>\$ 94,236.20</u> | <u>\$ 93,432.80</u> |
| EXPENSES: | | |
| Food | \$ 28,840.28 | \$ 29,469.85 |
| Labor | 44,284.42 | 42,371.39 |
| Supplies | 1,228.17 | 1,682.08 |
| Health Insurance | 13,117.44 | 12,786.00 |
| Repairs/Maintenance | 955.00 | 912.68 |
| Training and Development | 252.00 | |
| Miscellaneous | 1,918.50 | |
| Total Expenses | <u>\$ 90,595.81</u> | <u>\$ 87,222.00</u> |
| Net Income | <u>\$ 3,640.39</u> | <u>\$ 6,210.80</u> |
| Net Position, July 1 | 18,820.75 | 12,609.95 |
| Net Position, June 30 | <u><u>\$ 22,461.14</u></u> | <u><u>\$ 18,820.75</u></u> |

Exhibit I

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND
 SCHOOL LUNCH PROGRAM
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Received from Customers | \$ 30,215.95 | \$ 30,445.34 |
| Received from the State | 38,587.71 | 29,802.08 |
| Received from Donations | 500.00 | |
| Payments to Suppliers for Goods and Services | (66,032.68) | (55,578.11) |
| Net Amount Transferred to (from) Town | (3,270.98) | (4,669.31) |
| Net Cash Provided by Operating Activities | <u>\$ -</u> | <u>\$ -</u> |
| Cash Balance, July 1 | <u>\$ -</u> | <u>\$ -</u> |
| Cash Balance, June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

TOWN OF LINCOLNVILLE
 STATEMENTS OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2017 AND 2016

| | CEMETERY FUNDS | ALTON FRENCH | LARRABEE MEMORIAL | 2017 TOTAL | 2016 TOTAL |
|------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| ASSETS: | | | | | |
| Cash | \$ 11,172.21 | \$ - | \$ - | \$ 11,172.21 | \$ 9,181.40 |
| Investments | 27,654.45 | 26,464.73 | 19,150.57 | 73,269.75 | 72,545.06 |
| Due From Other Funds | 500.00 | 5,105.74 | | 5,605.74 | 500.00 |
| Total Assets | <u>\$ 39,326.66</u> | <u>\$ 31,570.47</u> | <u>\$ 19,150.57</u> | <u>\$ 90,047.70</u> | <u>\$ 82,226.46</u> |
| LIABILITIES: | | | | | |
| Due To Other Funds | \$ - | \$ 2,183.77 | \$ - | \$ 2,183.77 | \$ 2,183.77 |
| NET POSITION: | | | | | |
| Restricted | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ 500.00 |
| Unrestricted | 38,826.66 | 29,386.70 | 19,150.57 | 87,363.93 | 79,542.69 |
| Total Net Position | <u>\$ 39,326.66</u> | <u>\$ 29,386.70</u> | <u>\$ 19,150.57</u> | <u>\$ 87,863.93</u> | <u>\$ 80,042.69</u> |
| Total Liabilities and Net Position | <u>\$ 39,326.66</u> | <u>\$ 31,570.47</u> | <u>\$ 19,150.57</u> | <u>\$ 90,047.70</u> | <u>\$ 82,226.46</u> |

TOWN OF LINCOLNVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS - CEMETERY TRUST FUNDS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | CEMETERY FUNDS | ALTON FRENCH | LARRABEE MEMORIAL | 2017 TOTAL | 2016 TOTAL |
|------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| REVENUES: | | | | | |
| Interest and Dividends | \$ 534.37 | \$ 476.17 | \$ 344.57 | \$ 1,355.11 | \$ 1,333.75 |
| Unrealized Gain (Loss) | 564.83 | 487.49 | 352.76 | 1,405.08 | 425.98 |
| Contributions | 6,025.00 | 5,105.74 | | 11,130.74 | 22,653.00 |
| Capital Gains | 320.65 | 297.03 | 214.94 | 832.62 | 18.31 |
| Total Revenues | <u>\$ 7,444.85</u> | <u>\$ 6,366.43</u> | <u>\$ 912.27</u> | <u>\$ 14,723.55</u> | <u>\$ 24,431.04</u> |
| EXPENDITURES: | | | | | |
| Investment Fees | \$ 157.00 | \$ 139.86 | \$ 101.20 | \$ 398.06 | \$ 330.37 |
| Program Expense | 6,504.25 | | | 6,504.25 | 4,470.60 |
| Total Expenditures | <u>\$ 6,661.25</u> | <u>\$ 139.86</u> | <u>\$ 101.20</u> | <u>\$ 6,902.31</u> | <u>\$ 4,800.97</u> |
| Change in Net Position | <u>\$ 783.60</u> | <u>\$ 6,226.57</u> | <u>\$ 811.07</u> | <u>\$ 7,821.24</u> | <u>\$ 19,630.07</u> |
| Net Position, July 1 | 38,543.06 | 23,160.13 | 18,339.50 | 80,042.69 | 60,412.62 |
| Net Position, June 30 | <u>\$ 39,326.66</u> | <u>\$ 29,386.70</u> | <u>\$ 19,150.57</u> | <u>\$ 87,863.93</u> | <u>\$ 80,042.69</u> |

STATEMENTS OF CASH FLOWS
FIDUCIARY FUND TYPE
AGENCY FUNDS - CEMETERY TRUST FUNDS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|---|---------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from Customers and Users | \$ 8,652.06 | \$ 5,000.84 |
| Payments to Suppliers | (6,661.25) | (4,470.60) |
| Net Cash Provided by Operating Activities | <u>\$ 1,990.81</u> | <u>\$ 530.24</u> |
| Cash Balance, July 1 | 9,181.40 | 8,651.16 |
| Cash Balance, June 30 | <u>\$ 11,172.21</u> | <u>\$ 9,181.40</u> |

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of Lincolnville conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Town of Lincolnville was incorporated in 1802. The Town operates under a town meeting form of government. Major services provided by the Town are public safety, public works, administrative services, and code enforcement.

In evaluating the Town of Lincolnville as a reporting entity, management has addressed all potential component units. The primary criteria for including a component reporting entity are the exercise of financial accountability by the Town of Lincolnville's municipal officials.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

2. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Town's public safety, recreation, public works, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net invested in capital assets; restricted; and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, public works, administrative, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

1. General Fund:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Capital Reserves:

Capital Reserve Funds are used to account for financial resources to be used for specific projects as determined by the Town's administrator.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category) for the determination of major funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

4. Proprietary Fund:

The Proprietary Fund is the fund used to account for all financial resources relating to the school nutrition program. The generally accepted accounting principles applicable are those similar to business in the private sector.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. Accrual:

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

b. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer of the Town, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$10,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|--------------|------------|
| Buildings | 40 Years |
| Equipment | 5-10 Years |
| Improvements | 20 Years |
| Vehicles | 5-15 Years |

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

c. Revenues:

Substantially, all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

d. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

e. Fund Balance:

In accordance with GASB Statement No. 54, the Town employs terminology and classifications for fund balance items as follows:

Nonspendable fund balances include amounts that are not expected to be converted to cash, or that are legally required to be maintained intact. The fund balance of the Town's Cemetery Perpetual Care Fund is classified as nonspendable.

Assigned fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The school budget carryforward amount and the fund balances of the Special Revenue Funds are classified as assigned.

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. Budget carryforward amounts (other than the school budget) and the fund balances in the Capital Projects Fund and the Cemetery Maintenance Fund are in this category.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

f. Compensated Absences:

The Town accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

g. Deferred Inflows and Outflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows relate to the net pension liability, which include the differences between expected and actual experience and changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

h. Use of Estimates:

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

NOTE B - CASH:

Cash

The Town's cash is categorized to give an indication of the level of risk assumed by the Town at year end. These categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the Town or by its agent in the Town's name.

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Category #3 - Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Town's name).

TOWN OF LINCOLNVILLE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE B - CASH (CONT'D):

| ACCOUNT TYPE | CARRYING AMOUNT | BANK BALANCE | CATEGORY | | |
|----------------------------------|--------------------|-----------------|---------------|-----------------|----|
| | | | #1 | #2 | #3 |
| Checking and Savings Accounts | \$ 1,334,311.80 | \$ 1,615,881.87 | \$ 302,390.13 | \$ 1,313,491.74 | \$ |

NOTE C - GENERAL FUND BUDGET:

The Town operates on a gross budget as compared with a net budget. All revenues are estimated and credited to the particular operating account. Certain revenues are dedicated for particular purposes by vote of the townspeople at the annual town meeting or at special town meetings.

At the annual town meeting, held in June of each year, the townspeople vote on various articles, on which amounts for appropriations have been recommended by the Board of Selectmen, Town Manager, or Budget Committee.

NOTE D - REVENUE RECOGNITION - PROPERTY TAXES:

The Town's property tax for the current year was levied August 8, 2016 on the assessed value listed as of April 1, 2016 for all real and personal property located in the Town. Taxes were due October 5, 2016 with the balance due April 6, 2017. Interest of 7.0% was charged on delinquent taxes on the unpaid portion not paid on or before October 6, 2016 and April 7, 2017.

The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized only to the extent it will be collected within 60 days following the year end. The deferred tax revenue shown on the balance sheet represents property taxes not expected to be collected within 60 days after the year end.

Property taxes are recognized when they become available. Available includes those taxes expected to be collected within 60 days after the year end as stated above. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$137,592.09 for the year ended June 30, 2017.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

NOTE E - DEFINED BENEFIT PENSION PLAN - TOWN EMPLOYEES:

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

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in fixed assets at June 30, 2017:

| | BALANCE JULY 1, 2016 | ADDITIONS | DISPOSALS | BALANCE JUNE 30, 2017 |
|---|-------------------------|------------------------|-----------|--------------------------|
| General Government: | | | | |
| Land | \$ 585,628.00 | \$ | \$ | \$ 585,628.00 |
| Buildings | 11,047,886.00 | | | 11,047,886.00 |
| Infrastructure | 3,068,494.00 | 308,415.00 | | 3,376,909.00 |
| Vehicles | 634,540.00 | | | 634,540.00 |
| Equipment | 777,091.00 | | | 777,091.00 |
| Pier | 651,454.00 | | | 651,454.00 |
| Total Property, Plant, and Equipment | <u>\$ 16,765,093.00</u> | <u>\$ 308,415.00</u> | <u>\$</u> | <u>\$ 17,073,508.00</u> |
| Accumulated Depreciation | (4,310,107.00) | (431,007.00) | | (4,741,114.00) |
| Net Property, Plant, and Equipment | <u>\$ 12,454,986.00</u> | <u>\$ (122,592.00)</u> | <u>\$</u> | <u>\$ 12,332,394.00</u> |

Depreciation expense for the period totaled \$431,007.00. Of that amount, \$31,111.00 was administration, \$127,419.00 was public works, \$59,157.00 was public safety, \$8,824.00 was health, welfare, and recreation, and \$204,496.00 was education.

NOTE G - LONG-TERM DEBT:

The following is a summary of debt transactions for the year:

| | BALANCE JULY 1, 2016 | ADDITIONS | REDUCTIONS | BALANCE JUNE 30, 2017 |
|--|-------------------------|-----------|----------------------|--------------------------|
| Maine Municipal Bond Bank School Renovation | \$ 3,317,086.00 | \$ | \$ 331,708.00 | \$ 2,985,378.00 |
| Maine Municipal Bond Bank Road Repair/Improvement | 453,336.00 | | 56,667.00 | 396,669.00 |
| | <u>\$ 3,770,422.00</u> | <u>\$</u> | <u>\$ 388,375.00</u> | <u>\$ 3,382,047.00</u> |

Long-Term Debt as of June 30, 2017 is as follows:

Maine Municipal Bond Bank - 200JC

The note dated May 26, 2005 is for twenty years with annual principal payments of \$321,708.00 plus interest. Interest is variable and was 3.77% for 2017. The note matures November 1, 2025.

Maine Municipal Bond Bank - 2008C

The note dated May 15, 2008 is for fifteen years with annual principal payments of \$56,666.00 plus interest. Interest is variable and was 4.34% for 2017. The note matures November 1, 2023.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE G - LONG-TERM DEBT (CONT'D):

The annual requirements to amortize the note and loans are as follows:

| FISCAL YEAR | PRINCIPAL | INTEREST | TOTAL |
|-------------|------------------------|----------------------|------------------------|
| 2018 | \$ 388,375.00 | \$ 129,299.39 | \$ 517,674.39 |
| 2019 | 388,375.00 | 113,764.39 | 502,139.39 |
| 2020 | 388,375.00 | 97,393.55 | 485,768.55 |
| 2021 | 388,376.00 | 81,036.86 | 469,412.86 |
| 2022 | 388,376.00 | 64,665.98 | 453,041.98 |
| Thereafter | 1,440,170.00 | 109,546.91 | 1,549,716.91 |
| | <u>\$ 3,382,047.00</u> | <u>\$ 595,707.08</u> | <u>\$ 3,977,754.08</u> |

NOTE H - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Summary of Significant Accounting Policies

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows for resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Maine Public Employees Retirement System

General Information about the Pension Plan

Plan Description - Teaching-certified employees of the Town of Lincolnville are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineipers.org.

Benefits provided - The SET Plan provide defined retirement benefits based on members' 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. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET members, normal retirement age is 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. MPERS also provides disability and death benefits, which are established by statute.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town of Lincolnville's contractually required contribution rate for the year ended June 30, 2017, was 13.38% of annual payroll of which 3.36% of payroll was required from the Town and 10.02% was required from the State. Contributions to the pension plan from the Town was \$55,569.39 for the year ended June 30, 2017.

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

The net pension liabilities were measured as of June 30, 2016 and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating School Administrative Units and the State (SET Plan), actuarially determined.

SET Plan - At June 30, 2016, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

| | | |
|---|----|-------------------------------|
| Town of Lincolnville's Proportionate Share of the Net Pension Liability | \$ | 93,315.00 |
| State's Proportionate Share of the Net Pension Liability Associated with the Town of Lincolnville | | <u>2,356,623.00</u> |
| Total | | <u><u>\$ 2,449,938.00</u></u> |

At June 30, 2016, the Town of Lincolnville's proportion of the SET Plan was .005282%.

For the year ended June 30, 2017, the Town recognized pension cost of \$26,659.25 and revenue of \$160,617.32 for support provided by the State for the SET Plan. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 1,805.00 | \$ 176.00 |
| Changes in Assumptions | | 2,397.00 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 29,798.00 | 12,210.00 |
| Changes in Proportion and Differences between Town Contributions and Proportionate Share of Contributions | 7,091.00 | 95.00 |
| Town Contributions Subsequent to the Measurement Date | <u>55,569.39</u> | |
| Total | <u><u>\$ 94,263.39</u></u> | <u><u>\$ 14,878.00</u></u> |

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

\$55,569.39 is reported as deferred outflows and resources related to pensions resulting from the Town of Lincolnville's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------|-------------|
| 2017 | \$ 6,953.00 |
| 2018 | \$ 3,851.00 |
| 2019 | \$ 8,393.00 |
| 2020 | \$ 4,619.00 |

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:

| | SET Plan |
|---|-----------------|
| Inflation | 2.75% |
| Salary Increases, per year | 2.75% - 14.5% |
| Investment return, per annum, compounded annually | 6.875% |
| Cost of living benefit increases, per annum | 2.20% |

Mortality rates were 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 July 1, 2005 to June 30, 2010.

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 asset class. 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:

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

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 6.875% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities.

Sensitivity of the Town of Lincolnville's proportionate share of the net pension liabilities to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.875% for the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using the discount rate that is 1 percentage-point lower 5.875% for SET Plan or 1 percentage-point higher 7.875% for SET Plan than the current rate:

| SET Plan | 1% Decrease (5.875%) | Current Discount Rate (6.875%) | 1% Increase (7.875%) |
|--|----------------------------|--------------------------------------|----------------------------|
| Town of Lincolnville's Proportionate Share of the Net Pension Liability | \$ 149,421.00 | \$ 93,315.00 | \$ 46,551.00 |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - none as of June 30, 2017.

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuation:

| | 2017 | 2016 |
|---|----------------|---------------|
| Discount rate | 6.875% | 7.125% |
| Inflation rate | 2.75% | 3.5% |
| Salary increases - SET Plan | 2.75% to 14.5% | 3.5% to 13.5% |
| Cost of Living Increase | 2.20% | 2.55% |
| Long-term expected real rate of return on assets: | | |
| US Equities | 5.7% | 5.2% |
| Real Estate | 5.2% | 3.7% |
| Infrastructure | 5.3% | 4.0% |
| Hard Assets | 5.0% | 4.8% |
| Fixed Income | 2.9% | 0.7% |

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - COMPENSATED ABSENCES:

As of June 30, 2017, the accrued town salaries due for hours worked in the 2017 fiscal year was \$12,385.90; accrued sick time was \$41,564.68; and accrued comp time was \$2,174.95. Employees earn three (3) personal days each year beginning after one year of employment. Half of all unused personal days are paid to employees upon termination of employment.

As of June 30, 2017 accrued summer wages for teachers amounted to \$165,475.18.

NOTE J - RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE K - OVERLAPPING DEBT:

The Town of Lincolnville is situated in Waldo County and is therefore subject to annual assessment of its proportional share of county expenses. There was no long-term debt outstanding in Waldo County for which the Town of Lincolnville would be proportionally responsible in the event the County defaulted at June 30, 2017.

The Town of Lincolnville participates in the Mid-Coast Solid Waste Corporation and is therefore subject to annual assessment of its proportional share of the Corporation's expenses. There was no long-term debt outstanding at June 30, 2017 for which the Town of Lincolnville would be responsible for in the event the Mid-Coast Solid Waste Corporation defaulted.

The Town of Lincolnville participates in the Five Town CSD and is therefore subject to annual assessment of its proportional share of school expenses. Long-term debt outstanding in the Five Town CSD for which the Town of Lincolnville would be proportionally responsible in the event the school defaulted amounted to \$4,762,863.00 at June 30, 2017. The Town of Lincolnville's share would be 15.14% of the debt, or approximately \$721,097.00.

NOTE L - INTEREST COSTS INCURRED:

During the current year the Town incurred interest costs totaling \$143,332.88 which was charged as an expense to education for \$126,049.28 and public works for \$17,283.60.

NOTE M - RETIREMENT PLAN:

The Town maintains a 457(b) retirement plan for the benefit of eligible town employees. Total value of the Plan at June 30, 2017 was \$207,414.86. Total contributions to the Plan for the year ended June 30, 2017 was \$22,575.92.

TOWN OF LINCOLNVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE N - INVESTMENTS:

Investments at June 30, 2017 consisted of the following:

| | COST | UNREALIZED APPRECIATION (DEPRECIATION) | FAIR MARKET VALUE |
|--------------|------------------------|--|-------------------------|
| Money Market | \$ 61,810.01 | \$ | \$ 61,810.01 |
| Mutual Funds | 598,212.28 | 144,303.55 | 742,515.83 |
| Bonds | 2,175,675.86 | (18,223.11) | 2,157,452.75 |
| | <u>\$ 2,835,698.15</u> | <u>\$ 126,080.44</u> | <u>\$ 2,961,778.59</u> |

NOTE O - OXTON FUND:

The Town is a beneficiary of the Oxton Trust Fund. They receive 2% of the trust's income each year.

NOTE P - DEFERRED REVENUE:

The Deferred Revenue Account shown on the balance sheet is the difference between the actual 2017 state revenue sharing and the estimated amount used to reduce the 2017 tax commitment. This amount must be added to the 2018 estimated state revenue sharing and used to reduce the 2018 tax commitment.

NOTE Q - INTERFUND RECEIVABLES AND PAYABLES:

During the course of normal operations, the District has numerous transactions between funds including expenditures and transfers. Individual fund interfund receivable and payable balances at June 30, 2017 arising from those transactions were as follows:

| FUND | RECEIVABLES | PAYABLES |
|---------------------------|----------------------|----------------------|
| General Fund | \$ 79,407.06 | \$ 110,888.14 |
| Business-Type Activities | 17,416.47 | |
| Capital Reserves | 31,073.80 | 28,733.02 |
| Nonexpendable Trust Funds | 5,605.74 | 2,183.77 |
| School Project | 28,059.11 | |
| | <u>\$ 161,562.18</u> | <u>\$ 141,804.93</u> |

NOTE R - SUBSEQUENT EVENT:

The Town of Lincolnville has evaluated the subsequent events through January 16, 2018, the date the financial statements were available to be issued. No subsequent events were identified which require accrual or disclosure.

TOWN OF LINCOLNVILLE
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL |
|---|---------------------------------|------------------------|
| REVENUES: | | |
| Homestead Reimbursement | \$ 67,729.74 | \$ 67,730.00 |
| Property Taxes | 6,028,866.48 | 5,986,818.81 |
| Excise Tax | 405,000.00 | 475,433.24 |
| General Government | 10,000.00 | 282,308.06 |
| Education | 638,748.53 | 851,151.17 |
| Public Works | 46,940.00 | 68,724.00 |
| On Behalf Payment | | 160,617.32 |
| BETE | 3,094.26 | 3,108.00 |
| Public Safety | | 247,273.34 |
| Intergovernmental | 85,671.00 | 85,671.00 |
| Total Revenues | <u>\$ 7,286,050.01</u> | <u>\$ 8,228,834.94</u> |
| EXPENDITURES: | | |
| General Government | \$ 509,978.00 | \$ 522,148.50 |
| Municipal Support | 33,289.00 | 25,897.77 |
| Public Works | 984,108.00 | 958,306.25 |
| Education | 4,916,144.00 | 5,221,828.62 |
| Special Assessments - County Tax | 677,389.92 | 677,389.92 |
| Special Assessments - Miscellaneous | 6,000.00 | 1,595.79 |
| Public Safety | 157,598.00 | 165,010.04 |
| Debt Service | 73,951.00 | 73,950.60 |
| On Behalf Payment | | 160,617.32 |
| Total Expenditures | <u>\$ 7,358,457.92</u> | <u>\$ 7,806,744.81</u> |
| Excess of Revenues Over (Under) Expenditures | <u>\$ (72,407.91)</u> | <u>\$ 422,090.13</u> |
| OTHER FINANCING SOURCES (USES): | | |
| Operating Transfers - In | \$ - | \$ 34,104.27 |
| Operating Transfers - Out | (90,000.00) | (363,373.53) |
| Total Other Financing Sources (Uses) | <u>\$ (90,000.00)</u> | <u>\$ (329,269.26)</u> |
| Excess of Revenues and Other Sources Over (Under) | | |
| Expenditures and Other Uses | \$ (162,407.91) | \$ 92,820.87 |
| Fund Balance, July 1, 2016 | 2,544,972.42 | 2,544,972.42 |
| Fund Balance, June 30, 2017 | <u>\$ 2,382,564.51</u> | <u>\$ 2,637,793.29</u> |

TOWN OF LINCOLNVILLE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|--|-------------------|-------------------------------|
| Cash Balance, July 1, 2016 | | \$ 1,518,909.86 |
| ADD: CASH RECEIPTS: | | |
| Tax Collections: | | |
| Current Year | \$ 5,753,672.47 | |
| Prior Years | 263,302.42 | |
| Prepaid Taxes | <u>11,819.99</u> | |
| Total Tax Collections | \$ 6,028,794.88 | |
| Departmental (Schedule A-4) | 647,179.78 | |
| Excise Tax | 475,433.24 | |
| State Revenue Sharing | 92,921.31 | |
| Homestead Reimbursement | 50,481.00 | |
| State Fees Collected | 199,692.26 | |
| BETE | 3,108.00 | |
| Accounts Receivable | 190,894.87 | |
| School Lunch Receipts | 94,236.20 | |
| Harbor Savings | 8,750.00 | |
| Capital Reserves | <u>227,361.86</u> | |
| Total Cash Receipts | | <u>8,018,853.40</u> |
| Total Cash Available | | \$ <u>9,537,763.26</u> |
| LESS: CASH DISBURSEMENTS: | | |
| Departmental (Schedule A-4) | \$ 7,011,268.05 | |
| State Fees Remitted | 194,476.77 | |
| Accounts Payable | 156,174.53 | |
| Capital Reserve Transfers | 103,182.08 | |
| Due to Capital Reserves | 131,779.19 | |
| Investment | 364,807.12 | |
| Accrued Wages | 168,469.78 | |
| School Lunch Expense | 90,595.81 | |
| Prepaid Expenses | <u>2,416.69</u> | |
| Total Cash Disbursements | | <u>8,223,170.02</u> |
| Cash Balance, June 30, 2017 (Schedule A-6) | | <u><u>\$ 1,314,593.24</u></u> |

TOWN OF LINCOLNVILLE
STATEMENT OF CHANGES IN UNAPPROPRIATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|--|------------------|-------------------------------|
| Unappropriated Surplus, July 1, 2016 | | \$ 2,377,835.93 |
| INCREASE: | | |
| Operating Account Balances Lapsed (Schedule A-4) | | 503,305.11 |
| DECREASE: | | |
| Appropriated at Town Meeting | \$ 300,000.00 | |
| Increase in Deferred Property Taxes | <u>35,808.54</u> | |
| | | 335,808.54 |
| Unappropriated Surplus, June 30, 2017 | | <u><u>\$ 2,545,332.50</u></u> |

TOWN OF LINCOLNVILLE
STATEMENT OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

| | BALANCE FORWARD JULY 1, 2016 | APPROPRIATIONS | CASH RECEIPTS | OTHER CREDITS | TOTAL | CASH DISBURSED | OTHER CHARGES | TOTAL | UNEXPENDED (OVERDRAFT) | BALANCE FORWARD JUNE 30, 2017 |
|--|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|-------------------------------------|
| GENERAL GOVERNMENT: | | | | | | | | | | |
| Administration - Personnel | \$ - | \$ 245,092.00 | \$ - | \$ - | \$ 245,092.00 | \$ 241,842.55 | \$ - | \$ 241,842.55 | \$ 3,249.45 | \$ - |
| Administration - Finance Department | | 68,310.00 | | | 68,310.00 | 78,974.15 | | 78,974.15 | (10,664.15) | |
| Administration - Professional Services | 747.00 | 75,200.00 | | | 75,947.00 | 61,850.78 | 4,432.93 | 66,283.71 | 9,663.29 | |
| CEO and Assessors | 5,792.44 | 82,434.00 | | | 88,226.44 | 80,185.34 | | 80,185.34 | | 8,041.10 |
| Conservation Commission | 4,135.23 | | | | 4,135.23 | | | | | 4,135.23 |
| Municipal Buildings | | 24,883.00 | | | 24,883.00 | 21,240.56 | 2,674.24 | 23,914.80 | 968.20 | |
| Boards and Committees | | 14,059.00 | | | 14,059.00 | 8,451.74 | | 8,451.74 | 5,607.26 | |
| | <u>\$ 10,674.67</u> | <u>\$ 509,978.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 520,652.67</u> | <u>\$ 492,545.12</u> | <u>\$ 7,107.17</u> | <u>\$ 499,652.29</u> | <u>\$ 8,824.05</u> | <u>\$ 12,176.33</u> |
| GOVERNMENTAL REVENUES: | | | | | | | | | | |
| BETE | \$ - | \$ - | \$ - | \$ 3,108.00 | \$ 3,108.00 | \$ - | \$ 3,094.26 | \$ 3,094.26 | \$ 13.74 | \$ - |
| Excise Taxes | | | | 475,433.24 | 475,433.24 | 348.58 | 405,824.25 | 406,172.83 | 69,260.41 | |
| Miscellaneous Revenue/Expense | | | 111,315.67 | | 111,315.67 | 16,549.15 | 62,969.00 | 79,518.15 | 20,368.87 | 11,428.65 |
| Tax Collections | | | 5,281.48 | | 5,281.48 | 5,281.48 | 6,239.13 | 11,520.61 | (6,239.13) | |
| Municipal Agent Fees | | | 14,050.81 | | 14,050.81 | 7.00 | | 7.00 | 14,043.81 | |
| Post Office Land Lease | | | 1,440.00 | | 1,440.00 | | | | 1,440.00 | |
| Donations | | | 500.00 | | 500.00 | | | | 500.00 | |
| Interest | | | 75,263.25 | | 75,263.25 | | | | 75,263.25 | |
| Interest/Liens on Taxes | | | 34,428.02 | | 34,428.02 | | | | 34,428.02 | |
| Veterans Reimbursement | | | | 1,901.00 | 1,901.00 | | | | 1,901.00 | |
| Tree Growth Reimbursement | | | 10,092.03 | | 10,092.03 | | | | 10,092.03 | |
| Licenses and Permits | | | 18,750.29 | | 18,750.29 | 310.00 | | 310.00 | 18,440.29 | |
| Parks and Recreation | | | 9,285.51 | | 9,285.51 | | | | 9,285.51 | |
| Homestead Reimbursement | | | | 67,730.00 | 67,730.00 | | 67,729.74 | 67,729.74 | 0.26 | |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 280,407.06</u> | <u>\$ 548,172.24</u> | <u>\$ 828,579.30</u> | <u>\$ 22,496.21</u> | <u>\$ 545,856.38</u> | <u>\$ 568,352.59</u> | <u>\$ 248,798.06</u> | <u>\$ 11,428.65</u> |
| MUNICIPAL SUPPORT: | | | | | | | | | | |
| General Assistance | \$ - | \$ 11,000.00 | \$ - | \$ - | \$ 11,000.00 | \$ 681.90 | \$ - | \$ 681.90 | \$ 10,318.10 | \$ - |
| Welfare Director | | 130.00 | | | 130.00 | 30.00 | | 30.00 | 100.00 | |
| Moderator | | 225.00 | | | 225.00 | 225.00 | | 225.00 | | |
| Ballot Clerks | | 500.00 | | | 500.00 | 225.75 | | 225.75 | 274.25 | |
| Registrar of Voters | | 350.00 | | | 350.00 | 22.33 | | 22.33 | 327.67 | |
| Megunticook Watershed | | 3,200.00 | | | 3,200.00 | 3,200.00 | | 3,200.00 | | |
| Cemeteries | 2,965.40 | 6,000.00 | | | 8,965.40 | 5,500.00 | | 5,500.00 | | 3,465.40 |
| LIA Building | | 3,650.00 | | | 3,650.00 | 3,586.00 | | 3,586.00 | | 64.00 |
| Memorial Day | | 1,160.00 | | | 1,160.00 | 1,035.00 | | 1,035.00 | 125.00 | |
| Historical Society | | 1,000.00 | | | 1,000.00 | 1,000.00 | | 1,000.00 | | |
| Provider Agencies | | 5,749.00 | | | 5,749.00 | 5,749.00 | | 5,749.00 | | |
| Chamber of Commerce | | 325.00 | | | 325.00 | 325.00 | | 325.00 | | |
| Special - Alton French | 9,423.53 | | | | 9,423.53 | 4,317.79 | 5,105.74 | 9,423.53 | | |
| | <u>\$ 12,388.93</u> | <u>\$ 33,289.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,677.93</u> | <u>\$ 25,897.77</u> | <u>\$ 5,105.74</u> | <u>\$ 31,003.51</u> | <u>\$ 11,145.02</u> | <u>\$ 3,529.40</u> |

TOWN OF LINCOLNVILLE
STATEMENT OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

| | BALANCE FORWARD JULY 1, 2016 | APPROPRIATIONS | CASH RECEIPTS | OTHER CREDITS | TOTAL | CASH DISBURSED | OTHER CHARGES | TOTAL | UNEXPENDED (OVERDRAFT) | BALANCE FORWARD JUNE 30, 2017 |
|---|------------------------------------|-----------------|------------------|------------------|-----------------|-------------------|------------------|-----------------|---------------------------|-------------------------------------|
| PUBLIC WORKS: | | | | | | | | | | |
| Highways and Bridges | \$ - | \$ 196,588.00 | \$ 46,724.00 | \$ - | \$ 243,312.00 | \$ 144,599.48 | \$ 47,498.00 | \$ 192,097.48 | \$ 51,214.52 | \$ - |
| Slabcity Culvert | | | | | 292,725.00 | 12,708.00 | | 12,708.00 | | (12,708.00) |
| Paving and Construction | | 292,725.00 | | | 292,725.00 | 243,710.30 | | 243,710.30 | 49,014.70 | |
| Public Works Department | 319.77 | 17,265.00 | | | 17,584.77 | 8,768.77 | 802.69 | 9,571.46 | | 8,013.31 |
| Harbor/Pier | | 39,783.00 | | 24,504.27 | 64,287.27 | 47,331.52 | 16,955.75 | 64,287.27 | | |
| Harbor Evaluation | | | 6,000.00 | 25,600.00 | 31,600.00 | 23,940.00 | 7,660.00 | 31,600.00 | | |
| Winter Operations | | 356,422.00 | | | 356,422.00 | 352,469.57 | | 352,469.57 | 3,952.43 | |
| Transfer Station | | 81,325.00 | | | 81,325.00 | 81,325.00 | | 81,325.00 | | |
| | \$ 319.77 | \$ 984,108.00 | \$ 52,724.00 | \$ 50,104.27 | \$ 1,087,256.04 | \$ 914,852.64 | \$ 72,916.44 | \$ 987,769.08 | \$ 104,181.65 | \$ (4,694.69) |
| SPECIAL ASSESSMENTS AND ORGANIZATIONS: | | | | | | | | | | |
| Common School | \$ 130,556.89 | \$ 3,321,093.00 | \$ 28,867.56 | \$ 459,250.25 | \$ 3,939,767.70 | \$ 2,667,636.06 | \$ 1,236,041.16 | \$ 3,903,677.22 | \$ - | \$ 36,090.48 |
| Community School District | | 1,595,051.00 | | | 1,595,051.00 | 1,595,050.96 | | 1,595,050.96 | 0.04 | |
| Special Revenues | 13,196.23 | | 96,431.00 | 15,929.12 | 125,556.35 | 110,773.08 | 402.65 | 111,175.73 | | 14,380.62 |
| Central Office Administration | | | 166,476.82 | 84,196.42 | 250,673.24 | 249,163.02 | 1,510.22 | 250,673.24 | | |
| County Tax Assessment | | 677,389.92 | | | 677,389.92 | 677,389.92 | | 677,389.92 | | |
| Overlay | | 137,592.09 | | | 137,592.09 | | | | 137,592.09 | |
| Contingency | | 6,000.00 | | | 6,000.00 | | | | 4,404.21 | |
| | \$ 143,753.12 | \$ 5,737,126.01 | \$ 291,775.38 | \$ 559,375.79 | \$ 6,732,030.30 | \$ 5,301,608.83 | \$ 1,237,954.03 | \$ 6,539,562.86 | \$ 141,996.34 | \$ 50,471.10 |
| PUBLIC SAFETY: | | | | | | | | | | |
| Animal Control | \$ - | \$ 8,178.00 | \$ - | \$ - | \$ 8,178.00 | \$ 7,907.98 | \$ - | \$ 7,907.98 | \$ 270.02 | \$ - |
| Ambulance | | 12,090.00 | | | 12,090.00 | 11,293.60 | | 11,293.60 | 796.40 | |
| Dispatch Services | | 8,420.00 | | | 8,420.00 | 8,420.00 | | 8,420.00 | | |
| Fire Department | | 59,067.00 | 2,273.34 | 225,000.00 | 286,340.34 | 53,711.92 | 232,628.42 | 286,340.34 | | |
| Insurance | | 33,700.00 | | | 33,700.00 | 24,102.30 | | 24,102.30 | 9,597.70 | |
| Emergency Management | | 2,643.00 | | | 2,643.00 | 1,642.74 | | 1,642.74 | 1,000.26 | |
| Street Lights | | 3,500.00 | | | 3,500.00 | 2,326.00 | 187.72 | 2,513.72 | 986.28 | |
| Legal | | 30,000.00 | | | 30,000.00 | 31,244.42 | 23,046.65 | 54,291.07 | (24,291.07) | |
| Fire Retention and Recruiting | | | 20,000.00 | | 20,000.00 | 450.00 | | 450.00 | | 19,550.00 |
| | \$ - | \$ 157,598.00 | \$ 22,273.34 | \$ 225,000.00 | \$ 404,871.34 | \$ 141,098.96 | \$ 255,862.79 | \$ 396,961.75 | \$ (11,640.41) | \$ 19,550.00 |
| DEBT SERVICE | | | | | | | | | | |
| | \$ - | \$ 73,951.00 | \$ - | \$ - | \$ 73,951.00 | \$ 73,950.60 | \$ - | \$ 73,950.60 | \$ 0.40 | \$ - |
| CAPITAL BUDGET: | | | | | | | | | | |
| Capital Reserves | \$ - | \$ 90,000.00 | \$ - | \$ - | \$ 90,000.00 | \$ 38,817.92 | \$ 51,182.08 | \$ 90,000.00 | \$ - | \$ - |
| | \$ 167,136.49 | \$ 7,586,050.01 | \$ 647,179.78 | \$ 1,382,652.30 | \$ 9,783,018.58 | \$ 7,011,268.05 | \$ 2,175,984.63 | \$ 9,187,252.68 | \$ 503,305.11 | \$ 92,460.79 |

TOWN OF LINCOLNVILLE
VALUATION, ASSESSMENT, AND COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|---|--------------------------|----------------------|
| VALUATION: | | |
| Real Estate | \$ 383,983,100.00 | |
| Personal Property | 2,482,700.00 | |
| Total | <u>\$ 386,465,800.00</u> | |
| | | |
| ASSESSMENT: | | |
| Valuation x Rate (\$386,465,800.00 x .015600) | | \$ 6,028,866.48 |
| | | |
| COLLECTIONS AND CREDITS: | | |
| Cash Collections | \$ 5,753,672.47 | |
| Abatements | 3,185.52 | |
| Prepaid Taxes | <u>17,366.24</u> | |
| Total Collections and Credits | | <u>5,774,224.23</u> |
| 2016-17 Taxes Receivable, June 30, 2017 | | <u>\$ 254,642.25</u> |

COMPUTATION OF ASSESSMENT

| | | |
|--------------------------------------|-------------------|----------------------|
| Tax Commitment | \$ 6,028,866.48 | |
| Motor Vehicle Excise Tax | 400,000.00 | |
| Boat Excise Tax | 5,000.00 | |
| Highway Block Grant | 46,940.00 | |
| State Revenue Sharing | 85,671.00 | |
| Homestead Reimbursement | 67,729.74 | |
| BETE | 3,094.26 | |
| School State Reimbursement | 98,000.00 | |
| School MSRA | 493,352.93 | |
| Common Schools Miscellaneous Revenue | 2,400.00 | |
| Harbor Fees | 10,000.00 | |
| School Title Funds | 44,995.60 | |
| Surplus | <u>300,000.00</u> | |
| | | \$ 7,586,050.01 |
| | | |
| REQUIREMENTS: | | |
| Appropriations | \$ 6,771,068.00 | |
| County Tax | <u>677,389.92</u> | |
| | | <u>7,448,457.92</u> |
| OVERLAY | | <u>\$ 137,592.09</u> |

TOWN OF LINCOLNVILLE
 RECONCILIATION OF TREASURER'S CASH BALANCE
 FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|--------------------------------|---------------------|-------------------------------|
| Cash on Hand | | \$ 700.00 |
| GENERAL FUND CHECKING ACCOUNT: | | |
| The First | | |
| Balance Per Bank Statement | \$ 1,415,093.57 | |
| Add: Deposits in Transit | 52,363.25 | |
| Deduct: Outstanding Checks | <u>(155,716.89)</u> | |
| Balance Per Books | | 1,311,739.93 |
| Camden National Bank | | |
| Community Septic Grant | | 2,151.31 |
| The First | | 1.00 |
| The First | | 1.00 |
| Cash Balance, June 30, 2017 | | <u><u>\$ 1,314,593.24</u></u> |

STATEMENT OF TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2017

| | <u>2017</u> | <u>2016</u> |
|-----------|-----------------------------|-----------------------------|
| 2016-2017 | \$ 254,642.25 | \$ - |
| 2015-2016 | 1,361.03 | 257,003.57 |
| 2014-2015 | 1,333.00 | 2,108.33 |
| 2013-2014 | 674.56 | 674.56 |
| 2012-2013 | 587.88 | 587.88 |
| 2010-2011 | 545.28 | 545.28 |
| 2009-2010 | 506.38 | 506.38 |
| | <u><u>\$ 259,650.38</u></u> | <u><u>\$ 261,426.00</u></u> |

TOWN OF LINCOLNVILLE
TAXES RECEIVABLE
JUNE 30, 2017

Real Estate2016-2017

| | |
|---|-------------|
| Albano, Kerry J. & Michael J. (JT) | \$ 2,299.44 |
| Albano, Kerry J. & Michael J. (JT) | 511.46 |
| Baas, Jacobus & Lynda, TTEES | 2,146.36 |
| Ballou, Richard D., Jr. & Karen E. (JT) | 3,935.10 |
| Barter, Charles R. | 496.83 |
| Beherrell, Herbert | 997.62 |
| Bernier, Gerald A. & Jane | 54.60 |
| Bernier, Gerald A. & Jane N. (JT) | 812.76 |
| Brown, Glenn | 1,168.44 |
| Carpentier, Whitney E. & Christopher M. | 2,210.52 |
| Carver, Carol | 1,959.36 |
| Ciraldo, Virginia L. | 4,026.36 |
| Clayton, Mark | 1,878.24 |
| Corporate Management Services Intl. LLC | 1,336.92 |
| Creamer, Randall W. & Judy | 2,749.51 |
| Creamer, Randall W. & Judy | 1,242.54 |
| Crowley Investments LLC | 3,427.32 |
| Crutcher, David & Amanda, Trustees | 15.22 |
| Dayhoof, John T., IV | 2,202.72 |
| Deer Meadows Property LLC | 2,672.28 |
| Deer Meadows Property LLC | 7,052.76 |
| Deer Meadows Property LLC | 7,133.88 |
| Deer Meadows Property LLC | 1,414.92 |
| Deer Meadows Property LLC | 1,536.60 |
| Deer Meadows Property LLC | 1,486.68 |
| Deer Meadows Property LLC | 1,569.36 |
| Deer Meadows Property LLC | 1,606.80 |
| Dodge, Arthur R., Jr. & Sherry A. (JT) | 953.16 |
| Dodge, Arthur R., Jr. & Sherry A. (JT) | 1,279.20 |
| Doherty, Francis HRS & Alfreda | 846.66 |
| Dougherty, Iris M. | 1,331.46 |
| Drake, Terry S. & Gretchen | 3,171.48 |
| Durkee, Adam J. | 1,912.56 |
| Eaton, Charles E., Sr. & Cathy | 358.80 |
| Feener, Brian J. | 499.41 |
| Feener, Mildred T., Heirs of | 2,235.48 |
| Flanagan, William C. | 1,311.96 |
| Foss, William P. & Stacy | 393.81 |
| Goldblatt, Heather A. | 466.44 |
| Graffam, Janice | 2,910.96 |
| Graffam, Janice | 3,715.92 |
| Grant-Johnson, Susan | 2,413.32 |
| Green, Peter C. | 2,388.36 |
| Green, Peter C. | 708.24 |
| Greyhound Investments LLC | 477.36 |
| Greyhound Investments LLC | 3,407.81 |

TOWN OF LINCOLNVILLE
TAXES RECEIVABLE
JUNE 30, 2017

Real Estate (Cont'd)2016-2017 (Cont'd)

| | |
|--|-----------|
| Grotton, Phyllis J. | \$ 915.72 |
| Hall, Margaret | 878.28 |
| Harding, Everett | 70.28 |
| Harriman, Arlene D. | 1,857.96 |
| Harrison, Jill | 12.04 |
| Heald, Donald R., IV | 2,399.28 |
| Heald, Nancy E. | 21.84 |
| Hedstrom, Donald, TTEE (1/2 INT) | 1,889.16 |
| Hedstrom, Mark D. | 3,673.80 |
| Hickey, Shawn | 463.32 |
| Hoops, Benjamin | 2,257.32 |
| Jacobs, Edwin C. | 691.08 |
| Keybank National Association | 758.94 |
| Laite, Keryn B., Jr., PR for Ruth C. Laite | 999.18 |
| Larmor, Vivienne E. | 1,668.08 |
| Leadbetter, Robert R. & Jared K. (JT) | 663.00 |
| Leadbetter, Robert Ryan & Leilani Mauna (JT) | 3,363.36 |
| LFD Atlantic Highway, LLC | 1,797.34 |
| Libby, Julia B. | 966.22 |
| Marchessault, Lawrence J. & Denise | 861.12 |
| Mastromarino, Victoria | 1,818.96 |
| Mathiau, Joe & Jamie | 1.56 |
| McLaren, Dorothy | 1,359.62 |
| McLaughlin, Richard M. & Patricia A. | 1,071.72 |
| Miller, John J. | 3,230.76 |
| Milliken, Todd | 861.12 |
| Moran, Edward J. & Doris T. (JT) | 324.48 |
| Moran, Ronald J., et al | 1,327.56 |
| Morong, Willian G., Trustee | 5,130.06 |
| Mountain, Pamela | 1,105.26 |
| Nakjaroen, Ravin | 1,648.14 |
| Nelson, Ralph E., Jr. | 1,842.36 |
| Nippe, Casey | 478.92 |
| Oakes, Ryan | 2,441.40 |
| Ocean Falls Estates LLC | 2,611.44 |
| Ocean Falls Estates LLC | 2,477.28 |
| Ocean Falls Estates LLC | 2,584.92 |
| Old Coast Investors LLC | 3,495.96 |
| Osgood, Christopher W. & Thomas H. | 4,683.38 |
| Packard, Paul G. & Doris | 193.44 |
| Pearse, Dennis C. | 63.18 |
| Pearse, Dennis C. | 71.76 |
| Pearse, Dennis PR | 436.80 |
| Pearse, Shannan L. | 1,592.56 |
| Pendleton, Clifford J. | 2,101.32 |
| Pendleton, Wayne | 1,196.52 |

TOWN OF LINCOLNVILLE
TAXES RECEIVABLE
JUNE 30, 2017

Real Estate (Cont'd)2016-2017 (Cont'd)

| | |
|---|---------------|
| Pierce, Marie A. | \$ 320.96 |
| Pinkham, Roger A. | 2,418.00 |
| Quarter Cape LLC | 2,397.72 |
| Raymer, Peter | 2,057.64 |
| Reuter, Craig | 1,004.10 |
| Rosenberg, Richard | 1,939.93 |
| Russo, John L. | 2,332.20 |
| Rutland, James | 16,078.92 |
| Rutland, James | 195.00 |
| Rutland, James | 556.92 |
| Rutland, James M. | 422.76 |
| Rutland, James M. | 1,856.40 |
| Rutland, James M. | 4,308.72 |
| Rutland, James M. | 474.24 |
| Rutland, James M. | 528.84 |
| Rutland, James M. | 361.92 |
| Rutland, James M. | 361.92 |
| S&G Enterprises, LLC | 3,007.68 |
| Santoro, Ovid & Traikos, Lori, (JT) | 20.28 |
| Simons, Donald E. & Tina L., (JT) | 945.36 |
| Sloan, Michael C. | 2,347.76 |
| Smith, Jeffrey S. | 2,711.28 |
| Smith, Leon A, Sr & Juanita L., (JT) | 716.04 |
| Sowell, James B. & Karen | 248.36 |
| Stevens, Christine O. | 1,625.52 |
| Tanglewood Timber Company, LLC | 689.52 |
| Thomas St. Associates, LLC | 2,444.52 |
| Thomas, Suzanne | 489.84 |
| Thomas, Suzanne | 1,216.80 |
| Thompson, Guy | 4,185.48 |
| Thurlow, Mark A. | 1,748.76 |
| Tooley, Mary Beth & Edward F. | 577.20 |
| Tremblay, Michael, Jr. & Mercedes, (JT) | 2,194.40 |
| Trisdale, Catherine A. | 1,127.41 |
| Trzaska, Zach | 3,511.56 |
| Vinal, William J. | 321.91 |
| Watson, Raymond III | 2,012.40 |
| Weed, Walter | 411.84 |
| Welliver, Mary M. | 2,953.08 |
| White, Shawn | 1,425.84 |
| Wrona, Kristina | 2,074.80 |
| Young, Andrew I. | 3,330.60 |
| ZR Management, LLC | 12,121.20 |
| | \$ 251,160.42 |

TOWN OF LINCOLNVILLE
TAXES RECEIVABLE
JUNE 30, 2017

Personal Property2016-2017

| | | | | |
|---------------------------------------|----|--------|----|------------|
| Bald Rock Builders, Inc. & Umbach, M. | \$ | 17.16 | | |
| Flik International Corp. | | 6.37 | | |
| Green Tree Coffee & Tea of Maine | | 1.14 | | |
| Heal, Wayne A. | | 470.34 | | |
| Inn at Sunrise Point, LLC | | 619.32 | | |
| Lincolnvillle Family Dentistry | | 605.52 | | |
| Lydon, Shane P. & Judith | | 88.92 | | |
| Marlin Leasing | | 219.96 | | |
| Muzak, LLC | | 4.68 | | |
| Rutland, James | | 664.56 | | |
| S&G Enterprises, LLC | | 563.16 | | |
| Safety-Kleen Systems, Inc. | | 0.74 | | |
| Young, Bernard I. & Rachel | | 219.96 | | |
| | | 219.96 | | |
| | | | \$ | 3,481.83 |
| | | | \$ | 254,642.25 |

TOWN OF LINCOLNVILLE
PRIOR YEAR TAXES RECEIVABLE
JUNE 30, 2017

Personal Property2015-2016

| | | | |
|---------------------------------------|----|--------|-------------|
| Bald Rock Builders, Inc. & Umbach, M. | \$ | 17.38 | |
| Lydon, Shane P. & Judith | | 90.06 | |
| Marlin Leasing | | 3.88 | |
| Muzak, LLC | | 4.67 | |
| Rutland, James | | 673.08 | |
| S&G Enterprises, LLC | | 571.96 | |
| | | <hr/> | |
| | | | \$ 1,361.03 |

2014-2015

| | | | |
|---------------------------------------|----|--------|----------|
| Bald Rock Builders, Inc. & Umbach, M. | \$ | 17.05 | |
| GE Capital Info. Tech Solutions | | 6.20 | |
| Lydon, Shane P. & Judith | | 88.35 | |
| Rutland, James | | 660.30 | |
| S&G Enterprises LLC | | 561.10 | |
| | | <hr/> | |
| | | | 1,333.00 |

2013-2014

| | | | |
|---------------------------------------|----|--------|--------|
| Bald Rock Builders, Inc. & Umbach, M. | \$ | 14.96 | |
| Lydon, Shane P & Judith | | 77.52 | |
| Rutland, James | | 579.36 | |
| Smucker Foodservice, Inc. | | 2.72 | |
| | | <hr/> | |
| | | | 674.56 |

2012-2013

| | | | |
|----------------|--|--|--------|
| Rutland, James | | | 587.88 |
|----------------|--|--|--------|

2010-2011

| | | | |
|----------------|--|--|--------|
| Rutland, James | | | 545.28 |
|----------------|--|--|--------|

2009-2010

| | | | |
|----------------|--|--|--------------------|
| Rutland, James | | | 506.38 |
| | | | <hr/> |
| | | | <u>\$ 5,008.13</u> |

TOWN OF LINCOLNVILLE
TAX LIENS
JUNE 30, 2017

2015

| | |
|--|--------------|
| Albano, Kerry J. & Michael J., (JT) | \$ 1,128.94 |
| Carpentier, Whitney E. & Christopher M. | 2,061.90 |
| Ciraldo, Virginia L. | 4,077.98 |
| Crowley Investments, LLC | 3,471.26 |
| Deer Meadows Property, LLC | 913.65 |
| Dodge, Arthur R., Jr. & Sherry A. (JT) | 965.38 |
| Dodge, Arthur R., Jr. & Sherry A. (JT) | 1,295.60 |
| Durkee, Adam J. | 1,873.88 |
| Eaton, Charles E., Sr. & Cathy | 442.40 |
| Feener, Mildred T., Heirs of | 2,136.16 |
| Goldblatt, Heather A. | 472.42 |
| Graffam, Janice | 1,309.67 |
| Graffam, Janice | 1,215.46 |
| Grant-Johnson, Susan | 2,444.26 |
| Green, Peter C. | 2,497.98 |
| Green, Peter C. | 717.32 |
| Grotton, Phyllis J. | 45.08 |
| Harriman, Arlene D. | 1,881.78 |
| Heald, Donald R., IV | 2,509.04 |
| Hedstrom, Mark D. | 3,720.90 |
| Hickey, Shawn | 576.70 |
| Jacobs, Edwin C. | 699.94 |
| Leadbetter, Robert R. & Jared K., (JT) | 671.50 |
| Leadbetter, Robert Ryan & Lielani, Mauna, (JT) | 3,485.48 |
| Mathiau, Joe & Jamie | 80.58 |
| Milliken, Todd | 872.16 |
| Moran, Edward J. & Doris T., (JT) | 328.64 |
| Moran, Ronald J., et al | 983.15 |
| Nelson, Ralph E., Jr. | 1,865.98 |
| Ocean Falls Estates, LLC | 2,644.92 |
| Ocean Falls Estates, LLC | 2,509.04 |
| Ocean Falls Estates, LLC | 2,618.06 |
| Pendleton, Clifford J. | 2,207.26 |
| Raymer, Peter | 547.90 |
| S&G Enterprises, LLC | 3,046.24 |
| Santoro, Ovid & Traikos, Lori (JT) | 20.54 |
| Simmons, Donald E. & Tina L. (JT) | 957.48 |
| Tanglewood Timber Company LLC | 698.36 |
| Thomas, Suzanne | 496.12 |
| Thurlow, Mark A. | 1,850.18 |
| Tooley, Mary Beth & Edward F. | 584.60 |
| Watson, Raymond III | 2,038.20 |
| Young, Andrew I. | 3,452.30 |
| | \$ 68,416.39 |

TOWN OF LINCOLNVILLE
TAX LIENS
JUNE 30, 2017

2014

| | | | |
|-------------------------------------|----|--------|--------------|
| Moran, Edward J. & Doris T., (JT) | \$ | 322.40 | |
| Santoro, Ovid & Traikos, Lori, (JT) | | 20.15 | |
| | | 20.15 | |
| | | | \$ 342.55 |
| | | | \$ 68,758.94 |

Schedule A-11

ABATEMENTS AND SUPPLEMENTALS
JUNE 30, 2017

ABATEMENTS

Real Estate2016

| | | | |
|----------------------|----|----------|-------------|
| Gay, Phineas & Mundy | \$ | 2,031.12 | |
| Burke, Hannah N. | | 10.92 | |
| Parker, Kent & Susan | | 639.60 | |
| | | 639.60 | |
| | | | \$ 2,681.64 |

2014

| | | | |
|---------|--|--|----------|
| Poverty | | | 1,949.13 |
|---------|--|--|----------|

Personal Property2016

| | | | |
|-----------------|--|--|-------------|
| Andy's Brew Pub | | | 503.88 |
| | | | \$ 5,134.65 |

SUPPLEMENTALS

NONE

TOWN OF LINCOLNVILLE
TAX ACQUIRED PROPERTY
FOR THE YEAR ENDED JUNE 30, 2017

| MAP | LOT | 1989 | 1990 | 1997 | 1998 | 1999 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | TOTAL |
|-----|-----|----------------|-----------------|--------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 34 | 218 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 411.72 | \$ 271.95 | \$ 303.03 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 986.70 |
| 35 | 90 | 3.05 | 21.45 | | | | | | | | | | | | | 24.50 |
| 5 | 1 | | | 1,717.56 | 1,782.96 | 1,799.23 | | | | | | | | | | 5,299.75 |
| 5 | 3 | | | 129.48 | 141.93 | 143.22 | | | | | | | | | | 414.63 |
| 6 | 38 | | | | | | | | 1,287.00 | 1,287.00 | 1,364.00 | | | | | 3,938.00 |
| 34 | 150 | | | | | | | | 1,305.72 | 1,545.04 | 1,594.88 | | | | | 4,445.64 |
| 22 | 31 | | | | | | | | | | 1,565.44 | 1,687.74 | 1,663.28 | | | 4,916.46 |
| 22 | 28 | | | | | | | | | | | 1,928.48 | 1,956.84 | 1,841.40 | | 5,726.72 |
| 22 | 29 | | | | | | | | | | | 2.76 | 2.72 | 3.10 | | 8.58 |
| | | <u>\$ 3.05</u> | <u>\$ 21.45</u> | <u>\$ 1,847.04</u> | <u>\$ 1,924.89</u> | <u>\$ 1,942.45</u> | <u>\$ 411.72</u> | <u>\$ 271.95</u> | <u>\$ 1,590.03</u> | <u>\$ 2,592.72</u> | <u>\$ 2,909.04</u> | <u>\$ 3,160.32</u> | <u>\$ 3,618.98</u> | <u>\$ 3,622.84</u> | <u>\$ 1,844.50</u> | <u>\$25,760.98</u> |

TOWN OF LINCOLNVILLE
COMBINING BALANCE SHEET - CAPITAL RESERVES
JUNE 30, 2017

| | ASSETS | | | | LIABILITIES AND FUND EQUITY | | |
|---------------------------|---------------------|------------------------|-------------------------|------------------------|-----------------------------|--------------------------------|------------------------|
| | CASH | INVESTMENTS | DUE FROM OTHER FUNDS | TOTAL | LIABILITIES | FUND EQUITY | TOTAL |
| | | | | | DUE TO OTHER FUNDS | RESERVED FOR OTHER PROJECTS | |
| Fire Truck | \$ - | \$ 264,481.33 | \$ 6,951.71 | \$ 271,433.04 | \$ - | \$ 271,433.04 | \$ 271,433.04 |
| Forest Fire Emergency | | 15,703.24 | | 15,703.24 | | 15,703.24 | 15,703.24 |
| Pier | | 96,620.59 | 23,646.15 | 120,266.74 | 9,600.00 | 110,666.74 | 120,266.74 |
| Watershed Account | | 683.27 | | 683.27 | | 683.27 | 683.27 |
| Character Generator | | 3,725.98 | | 3,725.98 | | 3,725.98 | 3,725.98 |
| Shade Tree | | 2,842.18 | | 2,842.18 | | 2,842.18 | 2,842.18 |
| Drink Water School | | 513.47 | | 513.47 | | 513.47 | 513.47 |
| Alton Oxton | | 21,516.38 | 475.94 | 21,992.32 | 3,378.75 | 18,613.57 | 21,992.32 |
| Coombs & Griffin - Town | | 168,666.82 | | 168,666.82 | | 168,666.82 | 168,666.82 |
| Coombs & Griffin - School | | 276,191.64 | | 276,191.64 | | 276,191.64 | 276,191.64 |
| Coombs & Griffin Checking | 3,540.26 | | | 3,540.26 | | 3,540.26 | 3,540.26 |
| Norton Pond Float | | 4,448.14 | | 4,448.14 | | 4,448.14 | 4,448.14 |
| Capital Campaign - School | | 190,771.20 | | 190,771.20 | | 190,771.20 | 190,771.20 |
| Capital Campaign Checking | 2,240.07 | | | 2,240.07 | | 2,240.07 | 2,240.07 |
| Road Improvements | | 165,994.00 | | 165,994.00 | | 165,994.00 | 165,994.00 |
| Beach Fire Station | | 154,512.66 | | 154,512.66 | | 154,512.66 | 154,512.66 |
| Education Reserve | | 39,439.49 | | 39,439.49 | | 39,439.49 | 39,439.49 |
| School Facilities Reserve | | 13,146.50 | | 13,146.50 | | 13,146.50 | 13,146.50 |
| Megunticook Dam | | 47,684.82 | | 47,684.82 | 15,754.27 | 31,930.55 | 47,684.82 |
| WW II Memorial | | 23.07 | | 23.07 | | 23.07 | 23.07 |
| Boat Launch Escrow | 10,115.73 | | | 10,115.73 | | 10,115.73 | 10,115.73 |
| | <u>\$ 15,896.06</u> | <u>\$ 1,466,964.78</u> | <u>\$ 31,073.80</u> | <u>\$ 1,513,934.64</u> | <u>\$ 28,733.02</u> | <u>\$ 1,485,201.62</u> | <u>\$ 1,513,934.64</u> |

TOWN OF LINCOLNVILLE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - CAPITAL RESERVES

| | REVENUES | | | EXPENDITURES | | | OTHER FINANCING | EXCESS REVENUES | FUND | FUND | |
|---------------------------|------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---|--------------------------------|----------------------|------------------------|---|
| | INTEREST AND DIVIDENDS | GAINS AND LOSSES | TOTAL | INVESTMENT FEES | PROGRAM EXPENSES | TOTAL | EXCESS REVENUES OVER (UNDER) EXPENDITURES | OPERATING TRANSFERS - IN (OUT) | | | AND OTHER SOURCES EXPENDITURES AND OTHER USES |
| Fire Truck | \$ 3,685.99 | \$ 6,569.96 | \$ 10,255.95 | \$ 1,081.95 | \$ - | \$ 1,081.95 | \$ 9,174.00 | \$ 101,951.71 | \$ 111,125.71 | \$ 160,307.33 | \$ 271,433.04 |
| Forest Fire Emergency | 282.55 | 465.50 | 748.05 | 82.99 | | 82.99 | 665.06 | | 665.06 | 15,038.18 | 15,703.24 |
| Pier | 5,324.91 | 7,675.49 | 13,000.40 | 1,532.42 | | 1,532.42 | 11,467.98 | 24,784.00 | 36,251.98 | 74,414.76 | 110,666.74 |
| Watershed Account | 12.28 | 20.26 | 32.54 | 3.61 | | 3.61 | 28.93 | | 28.93 | 654.34 | 683.27 |
| Character Generator | 67.05 | 110.45 | 177.50 | 19.69 | | 19.69 | 157.81 | | 157.81 | 3,568.17 | 3,725.98 |
| Shade Tree | 257.90 | (122.52) | 135.38 | 15.02 | | 15.02 | 120.36 | | 120.36 | 2,721.82 | 2,842.18 |
| Drink Water School | 9.24 | 16.28 | 25.52 | 3.77 | | 3.77 | 21.75 | | 21.75 | 491.72 | 513.47 |
| Alton Oxtou | 387.15 | 637.83 | 1,024.98 | 113.71 | | 113.71 | 911.27 | 475.94 | 1,387.21 | 17,226.36 | 18,613.57 |
| Coombs & Griffin - Town | 3,034.78 | 4,999.95 | 8,034.73 | 891.34 | | 891.34 | 7,143.39 | | 7,143.39 | 161,523.43 | 168,666.82 |
| Coombs & Griffin - School | 5,038.41 | 8,301.05 | 13,339.46 | 1,479.82 | | 1,479.82 | 11,859.64 | (3,833.47) | 8,026.17 | 268,165.47 | 276,191.64 |
| Coombs & Griffin Checking | | | | | 3,659.25 | 3,659.25 | (3,659.25) | 3,833.47 | 174.22 | 3,366.04 | 3,540.26 |
| Norton Pond Float | 80.04 | 131.86 | 211.90 | 23.51 | | 23.51 | 188.39 | | 188.39 | 4,259.75 | 4,448.14 |
| Capital Campaign - School | 3,576.44 | 5,892.33 | 9,468.77 | 1,050.42 | | 1,050.42 | 8,418.35 | (7,999.00) | 419.35 | 190,351.85 | 190,771.20 |
| Capital Campaign Checking | | | | | 8,929.52 | 8,929.52 | (8,929.52) | 7,999.00 | (930.52) | 3,170.59 | 2,240.07 |
| Road Improvements | 2,785.49 | 4,589.24 | 7,374.73 | 818.12 | | 818.12 | 6,556.61 | 11,182.08 | 17,738.69 | 148,255.31 | 165,994.00 |
| Beach Fire Station | 1,405.63 | 3,524.73 | 4,930.36 | 417.70 | | 417.70 | 4,512.66 | 150,000.00 | 154,512.66 | | 154,512.66 |
| Education Reserve | 203.34 | 289.77 | 493.11 | 53.62 | | 53.62 | 439.49 | 39,000.00 | 39,439.49 | | 39,439.49 |
| School Facilities Reserve | 67.78 | 96.59 | 164.37 | 17.87 | | 17.87 | 146.50 | 13,000.00 | 13,146.50 | | 13,146.50 |
| Megunticook Dam | 857.99 | 1,413.57 | 2,271.56 | 252.00 | | 252.00 | 2,019.56 | (15,754.27) | (13,734.71) | 45,665.26 | 31,930.55 |
| WW II Memorial | 34.77 | 68.41 | 103.18 | 10.74 | | 10.74 | 92.44 | (69.37) | 23.07 | | 23.07 |
| Boat Launch Escrow | 20.13 | | 20.13 | | | | 20.13 | | 20.13 | 10,095.60 | 10,115.73 |
| | <u>\$ 27,131.87</u> | <u>\$ 44,680.75</u> | <u>\$ 71,812.62</u> | <u>\$ 7,868.30</u> | <u>\$ 12,588.77</u> | <u>\$ 20,457.07</u> | <u>\$ 51,355.55</u> | <u>\$ 324,570.09</u> | <u>\$ 375,925.64</u> | <u>\$ 1,109,275.98</u> | <u>\$ 1,485,201.62</u> |

TOWN OF LINCOLNVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | FEDERAL CFDA NUMBER | PASS THROUGH GRANTOR NUMBER | FUND BALANCE JULY 1, 2016 | REVENUES | EXPENDITURES | TRANSFER TO GENERAL FUND | FUND BALANCE JUNE 30, 2017 |
|---|---------------------------|--------------------------------|---------------------------------|----------------------|----------------------|-----------------------------|----------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE: | | | | | | | |
| Passed Through State Department of Education: | | | | | | | |
| Donated Commodities (Note 2) | 10.550 | N/A | \$ - | \$ 7,184.25 | \$ 7,184.25 | \$ - | \$ - |
| National School Lunch - Regular | 10.555 | 013.3024.05 | | 31,762.14 | 31,762.14 | | |
| Subtotal | | | <u>\$ -</u> | <u>\$ 38,946.39</u> | <u>\$ 38,946.39</u> | <u>\$ -</u> | <u>\$ -</u> |
| U.S. DEPARTMENT OF EDUCATION: | | | | | | | |
| Rural Education Achievement Program | | | | | | | |
| | 84.358 | N/A | \$ - | \$ 14,502.21 | \$ 14,502.21 | \$ - | \$ - |
| Passed Through State Department of Education: | | | | | | | |
| IDEA Special Education - Grants to States (IDEA Part B) | 84.027 | 013.3046.12 | | 56,634.10 | 56,634.10 | | |
| NCLB - Title I | 84.010 | 013.3107.13 | | 31,494.29 | 31,494.29 | | |
| NCLB - Title IIA | 84.367 | 013.3042.11 | | 1,978.27 | 1,978.27 | | |
| Subtotal | | | <u>\$ -</u> | <u>\$ 104,608.87</u> | <u>\$ 104,608.87</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total | | | <u>\$ -</u> | <u>\$ 143,555.26</u> | <u>\$ 143,555.26</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of Lincolnville School Department's Schedule of Expenditures of Federal Awards conforms to generally accepted accounting principles as applicable to governmental units. The modified accrual basis of accounting is followed. This method of accounting is defined as the basis of accounting under which expenditures are recorded as incurred, and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

NOTE 2 - DONATED COMMODITIES:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities consumed.

NOTE 3 - INDIRECT COST RATE:

Town of Lincolnville School Department has elected not to use the 10% de minimus indirect cost rate allowed under uniform guidance.

TOWN OF LINCOLNVILLE
 SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 STATE EMPLOYEE AND TEACHER PLAN (SET)
 LAST 10 FISCAL YEARS*

| | 2017** | 2016** | 2015** |
|--|------------------------|------------------------|------------------------|
| Town's proportion of the net pension liability | .005282% | .004879% | .004192% |
| Town's proportionate share of the net pension liability | \$ 93,315.00 | \$ 65,872.00 | \$ 45,287.00 |
| State's proportionate share of the net pension liability associated with the School | 2,356,623.00 | 1,730,902.00 | 1,405,153.00 |
| Total | \$ 2,449,938.00 | \$ 1,796,774.00 | \$ 1,450,440.00 |
| Town's covered-employee payroll | \$ 1,653,844.96 | \$ 1,630,494.87 | \$ 1,584,278.38 |
| Town's proportion share of the net pension liability as a percentage of its covered-employee payroll | 5.64% | 4.04% | 2.86% |
| Plan fiduciary net position as a percentage of the pension liability | (14.93%) | 19.32% | 39.67% |

*Only three years of information available

**The amounts presented for each fiscal year were determined as of the prior fiscal year.

SCHEDULE OF TOWN CONTRIBUTIONS
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 STATE EMPLOYEE AND TEACHER PLAN (SET)
 LAST 10 FISCAL YEARS*

| | 2017 | 2016 | 2015 |
|--|-----------------|-----------------|-----------------|
| SET Plan | | | |
| Contractually required contribution | \$ 55,569.39 | \$ 54,786.64 | \$ 41,983.38 |
| Contributions in relation to the contractually required contribution | (55,569.39) | (54,786.64) | (41,983.38) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| School's covered-employee payroll | \$ 1,653,844.96 | \$ 1,630,494.87 | \$ 1,584,278.38 |
| Contributions as a percentage of covered-employee payroll | 3.36% | 3.36% | 2.65% |

*Only three years of information available