

Audited Financial Statements and
Other Financial Information

Town of Ogunquit, Maine

June 30, 2019



Proven Expertise & Integrity

TOWN OF OGUNQUIT, MAINE

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JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

Select Board
Town of Ogunquit
Ogunquit, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ogunquit, Maine as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Ogunquit, Maine'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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

3 Old Orchard Road, Buxton, Maine 04093

Tel: (800) 300-7708

(207) 929-4606

Fax: (207) 929-4609

www.rhrsmith.com

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ogunquit, Maine as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year 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, budgetary comparison information, OPEB and pension information on pages 4 through 11 and 57 through 63 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 Ogunquit, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related 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 Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the Town of Ogunquit, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ogunquit, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
April 30, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

(UNAUDITED)

The following management's discussion and analysis of the Town of Ogunquit, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Ogunquit, Maine's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, OPEB and pension schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have one column for the Town's activity. The type of activity presented for the Town of Ogunquit is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works and sanitation, recreation and culture, health and welfare, social services, education and unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Ogunquit, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Ogunquit can be classified as governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Ogunquit presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in

fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Select Board and Budget Review Committee review proposed budgets for on a line item basis. The Select Board and the Budget Review Committee recommend departmental budget totals to the annual Town Meeting for approval and adoption. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Changes in Net OPEB Liability, a Schedule of Changes in Net OPEB Liability and Related Ratios, a Schedule of Contributions - OPEB, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$942,375 from a balance of \$13,828,557 to \$14,770,932.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for governmental activities to a balance of \$4,339,693 at the end of this year.

Table 1
Town of Ogunquit, Maine
Net Position
June 30,

	Governmental Activities	
	2019	2018 (Restated)
Assets		
Current Assets	\$ 7,028,632	\$ 6,028,751
Noncurrent Assets	17,114,618	17,038,921
Total Assets	<u>24,143,250</u>	<u>23,067,672</u>
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB	20,810	22,861
Deferred Outflows Related to Pensions	579,607	1,113,462
Total Deferred Outflows of Resources	<u>600,417</u>	<u>1,136,323</u>
Liabilities		
Current Liabilities	1,201,979	914,823
Noncurrent Liabilities	8,373,381	8,596,893
Total Liabilities	<u>9,575,360</u>	<u>9,511,716</u>
Deferred Inflows of Resources		
Deferred Inflows Related to OPEB	32,743	12,236
Deferred Inflows Related to Pensions	364,632	851,486
Total Deferred Inflows of Resources	<u>397,375</u>	<u>863,722</u>
Net Position		
Net Investment in Capital Assets	9,945,710	10,223,957
Restricted for:		
Permanent Funds	485,529	482,357
Unrestricted	4,339,693	3,122,243
Total Net Position	<u>\$ 14,770,932</u>	<u>\$ 13,828,557</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 5.15%, while total expenses increased by 3.24%. The increase in governmental revenues was primarily due to taxes, while the increase in expenditures was primarily due to public works and sanitation, which was partially offset by a decrease in general government.

Table 2
Town of Ogunquit, Maine
Change in Net Position
For the Years Ended June 30,

	Governmental Activities	
	2019	2018
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 2,978,932	\$ 2,853,877
Operating grants and contributions	140,796	95,348
<i>General Revenues:</i>		
Taxes	11,914,765	11,396,332
Grants and contributions not restricted to specific programs	61,448	41,478
Miscellaneous	324,878	278,530
Total revenues	<u>15,420,819</u>	<u>14,665,565</u>
Expenses		
General government	1,018,622	1,306,897
Public safety	3,067,678	2,950,259
Public works and sanitation	2,026,279	1,401,630
Recreation and culture	722,510	633,506
Health and welfare	-	1,792
Social services	8,000	6,500
Education	5,401,454	5,371,395
County tax	716,034	799,982
Unclassified	205,727	203,465
Capital outlay	55,533	-
Interest on long-term debt	189,578	196,671
Unallocated depreciation (Note 4)	1,067,029	1,152,066
Total expenses	<u>14,478,444</u>	<u>14,024,163</u>
Change in net position	942,375	641,402
Net position - July 1, Restated	<u>13,828,557</u>	<u>13,187,155</u>
Net position - June 30	<u>\$ 14,770,932</u>	<u>\$ 13,828,557</u>

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Ogunquit, Maine
Fund Balances - Governmental Funds
June 30,

	2019	2018
General Fund:		
Nonspendable	\$ 103,189	\$ 103,467
Committed	-	116,669
Assigned	635,000	754,300
Unassigned	3,327,909	3,199,840
Total General Fund	\$ 4,066,098	\$ 4,174,276
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 186,290	\$ 292,868
Unassigned	(13,150)	-
Capital Projects Funds:		
Committed	1,737,903	705,594
Unassigned	(86,588)	(4,151)
Permanent Funds:		
Nonspendable	456,559	456,559
Restricted	28,970	25,798
Total Nonmajor Funds	\$ 2,309,984	\$ 1,476,668

The general fund total fund balance decreased by \$108,178 from the prior fiscal year primarily due to expenditures and net transfers exceeding revenues. The nonmajor fund balances increased by \$833,316 from the prior fiscal year primarily due to bond proceeds.

Budgetary Highlights

There were significant differences between the original and final budget for the general fund. These differences were budget adjustments done by the Town for special town meetings or adjustments between departments as well as use of assigned and unassigned fund balances and use of applied receipts.

The general fund actual revenues exceeded budgeted revenues by \$540,391. This was mainly due to all revenue categories being received in excess of budgeted amounts with the exception of intergovernmental - homestead reimbursement and miscellaneous revenues.

The general fund actual expenditures were under budget by \$290,812. All expenditure categories were within or under budget except general government.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2019, the net book value of capital assets recorded by the Town increased by \$75,697. This increase was the result of capital additions of \$1,142,726, less current year depreciation expense of \$1,067,029.

**Table 4
Town of Ogunquit, Maine
Capital Assets (Net of Depreciation)
June 30,**

	2019	2018 (Restated)
Land and non-depreciable assets	\$ 5,489,456	\$ 5,368,675
Buildings and building improvements	2,593,721	2,760,124
Machinery and equipment	395,653	360,454
Vehicles	1,758,519	1,843,020
Infrastructure	6,877,269	6,706,648
Total	\$ 17,114,618	\$ 17,038,921

Debt

At June 30, 2019, the Town had \$7,168,908 in bonds, a mortgage payable and a note from direct borrowings payable outstanding versus \$6,814,964 last year. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately three months, while also maintaining reserve accounts for capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors 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 Treasurer's Office at 23 School Street, P.O. Box 875, Ogunquit, Maine 03907.

TOWN OF OGUNQUIT, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,793,121
Investments	463,631
Accounts receivable (net of allowance for uncollectibles):	
Taxes	384,689
Liens	50,612
Other	233,390
Prepaid items	103,189
Total current assets	<u>7,028,632</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	5,489,456
Buildings and equipment, net of accumulated depreciation	<u>11,625,162</u>
Total noncurrent assets	<u>17,114,618</u>
TOTAL ASSETS	<u>24,143,250</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	20,810
Deferred outflows related to pensions	<u>579,607</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>600,417</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 24,743,667</u>

STATEMENT A (CONTINUED)
TOWN OF OGUNQUIT, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 325,909
Accrued expenses	169,711
Current portion of long-term obligations	706,359
Total current liabilities	1,201,979
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	6,378,705
Mortgage payable	99,000
Note from direct borrowings payable	2,951
Accrued compensated absences	344,041
Net OPEB liability	215,511
Net pension liability	1,333,173
Total noncurrent liabilities	8,373,381
TOTAL LIABILITIES	9,575,360
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	32,743
Deferred inflows related to pensions	364,632
TOTAL DEFERRED INFLOWS OF RESOURCES	397,375
NET POSITION	
Net investment in capital assets	9,945,710
Restricted for: Permanent funds	485,529
Unrestricted	4,339,693
TOTAL NET POSITION	14,770,932
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 24,743,667

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

TOWN OF OGUNQUIT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 1,018,622	\$ 312,800	\$ -	\$ -	\$ (705,822)
Public safety	3,067,678	269,654	-	-	(2,798,024)
Public works and sanitation	2,026,279	188,746	15,520	-	(1,822,013)
Recreation and culture	722,510	2,207,732	-	-	1,485,222
Social services	8,000	-	-	-	(8,000)
Education	5,401,454	-	-	-	(5,401,454)
County tax	716,034	-	-	-	(716,034)
Unclassified	205,727	-	125,276	-	(80,451)
Capital outlay	55,533	-	-	-	(55,533)
Interest on long-term debt	189,578	-	-	-	(189,578)
Unallocated depreciation (Note 4)*	1,067,029	-	-	-	(1,067,029)
Total governmental activities	<u>\$ 14,478,444</u>	<u>\$ 2,978,932</u>	<u>\$ 140,796</u>	<u>\$ -</u>	<u>(11,358,716)</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)

TOWN OF OGUNQUIT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(11,358,716)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	11,477,998
Excise taxes	436,767
Grants and contributions not restricted to specific programs	61,448
Miscellaneous	324,878
Total general revenues	12,301,091
Change in net position	942,375
NET POSITION - JULY 1, RESTATED	13,828,557
NET POSITION - JUNE 30	\$ 14,770,932

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,387,606	\$ 1,405,515	\$ 5,793,121
Investments	-	463,631	463,631
Accounts receivable (net of allowance for uncollectibles):			
Taxes	384,689	-	384,689
Liens	50,612	-	50,612
Other	233,390	-	233,390
Prepaid items	103,189	-	103,189
Due from other funds	701,865	1,265,789	1,967,654
TOTAL ASSETS	<u>\$ 5,861,351</u>	<u>\$ 3,134,935</u>	<u>\$ 8,996,286</u>
LIABILITIES			
Accounts payable	\$ 202,823	\$ 123,086	\$ 325,909
Accrued expenses	169,711	-	169,711
Due to other funds	1,265,789	701,865	1,967,654
TOTAL LIABILITIES	<u>1,638,323</u>	<u>824,951</u>	<u>2,463,274</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	156,930	-	156,930
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>156,930</u>	<u>-</u>	<u>156,930</u>
FUND BALANCES			
Nonspendable - prepaid items and principal	103,189	456,559	559,748
Restricted	-	28,970	28,970
Committed	-	1,737,903	1,737,903
Assigned	635,000	186,290	821,290
Unassigned	3,327,909	(99,738)	3,228,171
TOTAL FUND BALANCES	<u>4,066,098</u>	<u>2,309,984</u>	<u>6,376,082</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,861,351</u>	<u>\$ 3,134,935</u>	<u>\$ 8,996,286</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 6,376,082
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	17,114,618
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	156,930
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	20,810
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	579,607
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(7,055,957)
Mortgage payable	(110,000)
Note from direct borrowings payable	(2,951)
Accrued compensated absences	(362,148)
Net OPEB liability	(215,511)
Net pension liability	(1,333,173)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(32,743)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(364,632)</u>
Net position of governmental activities	<u><u>\$ 14,770,932</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 11,488,068	\$ -	\$ 11,488,068
Excise taxes	436,767	-	436,767
Intergovernmental revenues	76,968	125,276	202,244
Charges for services	2,978,932	-	2,978,932
Miscellaneous revenues	253,585	71,293	324,878
TOTAL REVENUES	<u>15,234,320</u>	<u>196,569</u>	<u>15,430,889</u>
EXPENDITURES			
Current:			
General government	1,526,601	-	1,526,601
Public safety	3,067,678	-	3,067,678
Public works and sanitation	2,026,279	-	2,026,279
Recreation and culture	722,510	-	722,510
Social services	8,000	-	8,000
Education	5,401,454	-	5,401,454
County tax	716,034	-	716,034
Unclassified	21,214	184,513	205,727
Debt service:			
Principal	685,231	-	685,231
Interest	189,578	-	189,578
Capital outlay	-	1,198,259	1,198,259
TOTAL EXPENDITURES	<u>14,364,579</u>	<u>1,382,772</u>	<u>15,747,351</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>869,741</u>	<u>(1,186,203)</u>	<u>(316,462)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	1,041,600	1,041,600
Transfers in	1,450	1,162,111	1,163,561
Transfers (out)	(979,369)	(184,192)	(1,163,561)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(977,919)</u>	<u>2,019,519</u>	<u>1,041,600</u>
NET CHANGE IN FUND BALANCES	(108,178)	833,316	725,138
FUND BALANCES - JULY 1	<u>4,174,276</u>	<u>1,476,668</u>	<u>5,650,944</u>
FUND BALANCES - JUNE 30	<u>\$ 4,066,098</u>	<u>\$ 2,309,984</u>	<u>\$ 6,376,082</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 725,138</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,142,726
Depreciation expense	<u>(1,067,029)</u>
	<u>75,697</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>(10,070)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	(2,051)
Pension	<u>(533,855)</u>
	<u>(535,906)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>687,656</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(1,041,600)</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	(20,507)
Pension	<u>486,854</u>
	<u>466,347</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	13,523
Net OPEB liability	1,899
Net pension liability	<u>559,691</u>
	<u>575,113</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 942,375</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Ogunquit was incorporated under the laws of the State of Maine. The Town operates under the selectboard-manager form of government and provides the following services: general government, public safety, public works and sanitation, recreation and culture, health and welfare, social services, education and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations". This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial 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 or business-type. All activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources 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 investment in capital assets; restricted net position and unrestricted net position. 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 (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The 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.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, 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:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of 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:

Major Fund

- a. The 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.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

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 Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. 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.

2. Modified Accrual

The governmental fund 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 soon enough thereafter to be used to pay liabilities of the current period. 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

Receivables

Receivables include amounts due from governmental agencies and ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$233,404

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for the year ended June 30, 2019. The allowance for uncollectible accounts is estimated to be \$24,131 as of June 30, 2019.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 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. Infrastructure such as streets, traffic signals and signs 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 estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, a mortgage payable, a note from direct borrowings payable, accrued compensated absences, net OPEB liability and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Select Board.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

As part of the Town of Ogunquit's Financial Policies, adopted in October 2013 and revised in November 2013, the Town is to maintain a minimum general fund balance of at least 10% of the current year tax commitment plus one month's expenditures, as established through the budget process and committed in the fall of each fiscal year. The level is to be reviewed annually and voted on by the Select Board at its first meeting after the current year tax commitment is established and prior to the onset of the next fiscal budget process. Any amounts in excess of the minimum requirement may be used to offset the tax commitment, fund capital projects and reserve accounts or meet emergency funding needs as established through the Special Town Meeting process prior to the next tax commitment.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times 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/expenditure) until then. The Town has deferred outflows related to OPEB and deferred outflows related to pensions. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources (revenue) until that time. The Town has deferred tax revenues, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Deferred inflows related to OPEB and deferred inflows related to pensions qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 18, 2018 on the assessed value listed as of April 1, 2018, for all real and personal property located in the Town. Taxes were due in two installments on November 15, 2018 and May 15, 2019. Interest on unpaid taxes commenced on November 16, 2018 for the first installment and May 16, 2019 for the second installment, at 8% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 \$45,945 for the year ended June 30, 2019.

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.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's formal investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2019, the Town's deposits amounting to \$5,793,121, which include any petty cash, outstanding checks and deposits in transit, were comprised of bank deposits of \$5,987,604. Of these bank deposits, \$714,623 were fully covered by federal depository insurance and consequently were not exposed to custodial credit risk and \$4,287,438 were collateralized with an irrevocable stand-by letter of credit or a third-party pledge. The remaining balance of \$985,543 was uninsured and uncollateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 4,675,724
Money market accounts	1,311,880
	<u>\$ 5,987,604</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. Of the Town's investments of \$463,631 in certificates of deposit, \$250,000 was fully covered by federal depository insurance and consequently was not exposed to custodial credit risk and \$213,631 were collateralized with an irrevocable stand-by letter of credit.

At June 30, 2019, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1-5 Years
Certificates of deposit	\$ 463,631	\$ -	\$ 463,631	\$ -
	\$ 463,631	\$ -	\$ 463,631	\$ -

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various insured certificates of deposit.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 701,865	\$ 1,265,789
Nonmajor special revenue funds	36,370	62,068
Nonmajor capital projects funds	1,229,419	630,635
Nonmajor permanent funds	-	9,162
Totals	<u>\$ 1,967,654</u>	<u>\$ 1,967,654</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2019:

	Balance 7/1/18 (Restated)	Additions	Disposals	Balance 6/30/19
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 5,368,675	\$ -	\$ -	\$ 5,368,675
Construction in progress	-	120,781	-	120,781
	<u>5,368,675</u>	<u>120,781</u>	<u>-</u>	<u>5,489,456</u>
Depreciated assets:				
Buildings and improvements	6,056,795	48,620	-	6,105,415
Machinery and equipment	1,010,151	119,256	-	1,129,407
Vehicles	3,548,297	177,411	-	3,725,708
Infrastructure	9,341,463	676,658	-	10,018,121
	<u>19,956,706</u>	<u>1,021,945</u>	<u>-</u>	<u>20,978,651</u>
Less: accumulated depreciation	<u>(8,286,460)</u>	<u>(1,067,029)</u>	<u>-</u>	<u>(9,353,489)</u>
	<u>11,670,246</u>	<u>(45,084)</u>	<u>-</u>	<u>11,625,162</u>
Net capital assets	<u>\$ 17,038,921</u>	<u>\$ 75,697</u>	<u>\$ -</u>	<u>\$ 17,114,618</u>

Depreciation expense has not been charged as a direct expense to any of the Town's departments.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2019:

	Balance, 7/1/18	Additions	Deletions	Balance, 6/30/19	Current Portion
<u>Governmental Activities:</u>					
Bonds payable	\$ 6,688,590	\$ 1,041,600	\$ (674,233)	\$ 7,055,957	\$ 677,252
Mortgage payable	121,000	-	(11,000)	110,000	11,000
Note from direct borrowings payable	5,374	-	(2,423)	2,951	-
	<u>\$ 6,814,964</u>	<u>\$ 1,041,600</u>	<u>\$ (687,656)</u>	<u>\$ 7,168,908</u>	<u>\$ 688,252</u>

The following is a summary of outstanding bonds, mortgage payable and note from direct borrowings payable:

\$330,000, 2004 General Obligation Bond due in annual principal installments of \$16,500 through November of 2024. Fixed interest rate varies from 1.946% to 9.000% per annum.	\$ 99,000
\$495,000, 2004 General Obligation Bond due in annual principal installments of \$24,750 through November of 2024. Fixed interest rate varies from 1.012% to 9.000% per annum.	148,500
\$400,000, 2005 General Obligation Bond due in annual principal installments of \$20,000 through November of 2025. Fixed interest rate varies from 3.050% to 9.000% per annum.	140,000
\$2,400,000, 2006 General Obligation Bond due in annual principal installments of \$120,000 through November of 2026. Fixed interest rate varies from 3.000% to 6.000% per annum.	960,000
\$2,345,704, 2008 General Obligation Bond due in annual principal installments of \$145,285 through November of 2028. Fixed interest rate varies from 2.000% to 5.500% per annum.	892,854
\$2,227,000, 2010 General Obligation Bond due in annual principal installments of \$111,350 through November of 2030. Fixed interest rate varies from 0.831% to 5.094% per annum.	1,336,200
\$1,205,000, 2012 General Obligation Bond due in annual principal installments of \$70,000 through November of 2032. Fixed interest rate varies from 1.480% to 3.706% per annum.	798,000
\$443,000, 2013 General Obligation Bond due in annual principal installments of \$39,800 through November of 2033. Fixed interest rate varies from 0.450% to 4.570% per annum.	244,000
\$439,000, 2014 General Obligation Bond due in annual principal installments vary from \$24,667 to \$38,467 through November of 2029. Fixed interest rate varies from 0.430% to 3.599% per annum.	285,133

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

\$150,000, 2016 General Obligation Bond due in annual principal installments of \$30,000 through November of 2021. Fixed interest rate varies from 0.910% to 1.510% per annum.	90,000
\$711,650, 2017 General Obligation Bond due in annual principal installments of \$71,080 through November of 2037. Fixed Interest rate varies from 1.260% to 3.910% per annum.	640,570
\$380,100, 2018 General Obligation Bond due in annual principal installments varying from \$17,000 to \$59,020 through November of 2038. Fixed interest rate varies from 1.920% to 4.042% per annum.	380,100
\$1,041,600, 2019 General Obligation Bond due in annual principal installments varying from \$90,000 to \$118,320 through November of 2029. Fixed interest rate varies from 1.720% to 2.390% per annum.	<u>1,041,600</u>
Total bonds payable	<u>7,055,957</u>
\$275,000, 2004 Mortgage payable due in annual principal installments of \$11,000 through December of 2028. Interest is charged at a fixed rate of 3.000% per annum.	<u>110,000</u>
Total mortgage payable	<u>110,000</u>
Capital lease payable to U.S. Bank for a copier, due in montly installments of \$218 thorough September of 2020. Interest is charged at a fixed rate of 4.515% per annum.	<u>2,951</u>
Total note from direct borrowings payable	<u>2,951</u>
Total bonds, mortgage and note from direct borrowings payable	<u><u>\$ 7,168,908</u></u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bond, mortgage and note from direct borrowings principal and interest requirements for the following fiscal years ending June 30:

	<u>Bonds and Mortgage</u>		<u>Note from direct borrowings</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 688,252	\$ 188,022	\$ 2,535	\$ 81	\$ 878,890
2021	792,772	160,014	416	2	953,204
2022	792,772	145,522	-	-	938,294
2023	762,772	127,245	-	-	890,017
2024	735,442	107,424	-	-	842,866
2025-2029	2,682,330	270,050	-	-	2,952,380
2030-2034	656,617	43,649	-	-	700,266
2035-2039	55,000	4,280	-	-	59,280
	<u>\$ 7,165,957</u>	<u>\$ 1,046,206</u>	<u>\$ 2,951</u>	<u>\$ 83</u>	<u>\$ 8,215,197</u>

All bonds payable, mortgage payable and note from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2019 is as follows:

	<u>Balance, 7/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 6/30/19</u>	<u>Current Portion</u>
Accrued compensated absences	\$ 375,671	\$ -	\$ (13,523)	\$ 362,148	\$ 18,107
Net OPEB liability	217,410	23,698	(25,597)	215,511	-
Net pension liability	1,892,864	-	(559,691)	1,333,173	-
	<u>\$ 2,485,945</u>	<u>\$ 23,698</u>	<u>\$ (598,811)</u>	<u>\$ 1,910,832</u>	<u>\$ 18,107</u>

Please see Notes 7, 16 and 17 for detailed information on each of the other long-term obligations.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences are recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2019, the Town's liability for compensated absences is \$362,148.

NOTE 8 - NONSPENDABLE FUND BALANCES

At June 30, 2019, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 103,189
Nonmajor permanent funds (Schedule H)	<u>456,559</u>
	<u>\$ 559,748</u>

NOTE 9 - RESTRICTED FUND BALANCES

At June 30, 2019, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u>\$ 28,970</u>
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NOTE 10 - COMMITTED FUND BALANCES

At June 30, 2019, the Town had the following committed fund balances:

Nonmajor capital projects funds (Schedule F)	<u>\$ 1,737,903</u>
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NOTE 11 - ASSIGNED FUND BALANCES

At June 30, 2019, the Town had the following assigned fund balances:

General fund:	
For use in FY 2020 budget	\$ 635,000
Nonmajor special revenue funds (Schedule D)	<u>186,290</u>
	<u>\$ 821,290</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFICIT FUND BALANCE

The following funds had deficit fund balance at June 30, 2019:

Employee contingency	\$ 13,150
2010 MDOT projects	1
2018 Fire department kitchen rehab	624
2018 PW Agamenticus Road drainage study	7,178
2019 Capt. Thomas Road culvert	17,086
2019 Harbor boat repairs	220
2019 Dune ramps	55,505
2019 Fire department training	5,974
	<u>\$ 99,738</u>

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2019:

General government (Article 15)	\$ 69,609
Land use department (Article 20)	21,782
Utilities (Article 26)	15,389
Lifeguard services (Article 25)	3,784
Bicycle - Pedestrian committee (Article 17)	420
Plover management (Article 37)	895
	<u>\$ 111,879</u>

The Town's Charter (section 504.1) authorizes the Board to transfer between departments (up to \$25,000 for any one department) to satisfy over expenditures. The General Government amount went to Town Meeting to approve use of fund balance to cover the over expenditure. Therefore, all overspent appropriations lapsed to fund balance at June 30, 2019.

NOTE 14 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of the County and School District's debt. As of June 30, 2019, the Town's share of debt was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 2,900,000	4.23%	\$ 122,724
Wells-Ogunquit CSD	2,972,392	21.41%	636,242
			<u>\$ 758,966</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - 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; and natural disasters for which the Town carries commercial insurance sponsored by Sevigney Lyons Insurance and MEMIC.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2019. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2019, the following employees were covered by the benefit terms:

Active members	33
Retirees and spouses	<u>0</u>
Total	<u><u>33</u></u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT’s Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
PPO 500	\$925.31	\$2,075.59
<u>Medicare</u>		
Medicare-Eligible Retirees	\$527.65	\$1,055.29

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Town reported a liability of \$215,511 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date. The Town’s total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2019, the Town recognized OPEB expense of \$20,659. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,707
Changes of assumptions	20,003	22,036
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	807	-
Total	<u>\$ 20,810</u>	<u>\$ 32,743</u>

\$807 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended June 30:	
2020	\$ (1,425)
2021	(1,425)
2022	(1,425)
2023	(1,425)
2024	(1,425)
Thereafter	(5,615)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 4.10% per annum for June 30, 2019 was based upon a

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 254,559	\$ 215,511	\$ 184,113
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 254,559</u>	<u>\$ 215,511</u>	<u>\$ 184,113</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 180,719	\$ 215,511	\$ 260,179
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 180,719</u>	<u>\$ 215,511</u>	<u>\$ 260,179</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2018, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2017. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2018 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

Discount Rate - 4.10% per annum.

Trend Assumptions:

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2019 was \$10,707.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town of Ogunquit, P.O. Box 875, Ogunquit, Maine 03907.

NOTE 17 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs 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 (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2018, there were 304 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.4%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's IC plan members are required to contribute 8.0% of their annual covered salary and the Town's AC plan members are also required to contribute 8.0% of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 16.10% for the IC plan and 10.0% for the AC plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2019 was \$284,214.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities

PLD Consolidated Plan

At June 30, 2019, the Town reported a liability of \$1,333,173 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2018 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2018, the Town's proportion was 0.487133%, which was an increase of 0.024824% from its proportion measured as of June 30, 2017.

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

For the year ended June 30, 2019, the Town recognized total pension revenue of \$512,690 for the PLD plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,174	\$ 14,643
Changes of assumptions	212,784	-
Net difference between projected and actual earnings on pension plan investments	-	321,908
Changes in proportion and differences between contributions and proportionate share of contributions	78,435	28,081
Contributions subsequent to the measurement date	284,214	-
Total	<u>\$ 579,607</u>	<u>\$ 364,632</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

\$284,214 for the PLD plan was reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Plan year ended June 30:	
2019	\$ 191,720
2020	41,233
2021	(218,993)
2022	(83,199)
2023	-
Thereafter	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

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

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

Investment Rate of Return - 6.75% per annum for the year ended June 30, 2018; the rate was 6.875% in 2017, compounded annually.

Salary Increases, Merit and Inflation - 2.75% to 9.00% per year

Mortality Rates - For active members and non-disabled retirees of the PLD Consolidated and State Employee and Teacher Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - 1.91%; in 2017 the rate was 2.20%

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting 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 June 30, 2018 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2018 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2018 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 3,142,111	\$ 1,333,173	\$ (357,688)

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2018 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2018, this was three years; prior to 2018, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2018 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

NOTE 18 - DEFINED CONTRIBUTION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION -
RETIREMENT CORPORATION

A. Plan Description

The Town offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time Town employees unless the employee is actively participating in the Maine Public Employees Retirement System defined benefit pension plan, permits them to defer a portion of their salary until retirement. The deferred amount and the vested portion of the employer match is not available to the employee until retirement or death, or in case of other life events as allowed by law. The plan is administered by the International City Management Association - Retirement Corporation.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 18 - DEFINED CONTRIBUTION PLAN (CONTINUED)

B. Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Select Board. Eligible employees may elect to be enrolled in either the 401 plan or Maine Public Employees Retirement System, but not both. Under the 401 plan, the Town is required to contribute 8% of the employee's annual compensation. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. Employees are immediately vested in their own contributions as well as Town contributions. For the year ended June 30, 2019, employee contributions totaled \$0 and the Town recognized pension expense of \$73,972.

NOTE 19 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION -
RETIREMENT CORPORATION

A. Plan Description

The Town offers its employees a deferred compensation plan through International City Management Association - Retirement Corporation, created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employee to defer a portion of salary until future years. Department heads and the police lieutenant are granted a Town match of up to 3.00% of the employees' earnings. Other employees are not eligible for the Town match, although any employee may participate in the plan with their own contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

Under the deferred compensation plan, employees may elect to participate. Participating members may contribute up to the maximum allowed by federal limitations of their annual covered salary and the Town contributes a matching 3% of the

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 19 - DEFERRED COMPENSATION PLAN (CONTINUED)

employees' annual compensation for department heads and the police lieutenant, whether the employee is enrolled in the deferred compensation plan or the defined benefit plan. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. The Town's and employee's contribution vests 100% with the employee when contributed. The Town's contributions for the plan for the year ended June 30, 2019 was \$16,013 and employee contributions were \$60,239.

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 21 - JOINT VENTURES

The Town is a former member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties called ecomaine. As a former member, the Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its prior participation in ecomaine.

As of June 30, 2019, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$365,734. ecomaine announced that it will update estimated closure costs at up to 5-year intervals. The Town established a reserve account for the closeout costs and is funding that account at \$20,000 per year. As of June 30, 2019, the balance in the reserve account is \$80,000.

NOTE 22 - COLLATERALIZATION

At June 30, 2019, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at Camden National Bank. This letter of credit, which expires at the close of business on November 1, 2019, authorizes one draw only up to the amount of \$4,000,000. There were no draws for the year ended June 30, 2019.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 22 - COLLATERALIZATION (CONTINUED)

At June 30, 2019, the Town has a third-party securities pledge issued by the Federal Reserve Bank of Boston serving as collateral for its deposits held at Kennebunk Savings Bank. This pledge, which expires at the close of business on October 27, 2025, authorizes securities to be held up to the amount of \$1,500,000. There were no draws for the year ended June 30, 2019.

NOTE 23 - RESTATEMENTS

In fiscal year 2019, the Town determined that certain transactions in prior years had been recorded incorrectly. Therefore, a restatement to the 2018 government-wide financial statements was required for the governmental activities. The beginning net position for governmental activities was restated by \$2,290,087 to correct errors in accumulated depreciation and recorded prior year capital assets. The resulting restatement increased beginning net position from \$11,538,470 to \$13,828,557.

NOTE 24 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Notes to Required Supplementary Information

TOWN OF OGUNQUIT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,174,276	\$ 4,174,276	\$ 4,174,276	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	11,474,537	11,474,537	11,488,068	13,531
Excise Taxes	-	-	436,767	436,767
Intergovernmental Revenues:				
State Revenue Sharing	16,911	16,911	17,652	741
Homestead Reimbursement	30,948	30,948	27,084	(3,864)
Local Road Assistance	-	-	15,520	15,520
Other	373	373	16,712	16,339
Interest Income	-	-	93,564	93,564
Interest on Taxes/Lien Costs	-	-	23,871	23,871
Charges for Services	1,839,370	1,887,370	2,978,932	1,091,562
Miscellaneous Revenues	1,285,240	1,285,240	136,150	(1,149,090)
Transfers from Other Funds	-	-	1,450	1,450
Amounts Available for Appropriation	18,821,655	18,869,655	19,410,046	540,391
Charges to Appropriations (Outflows):				
General Government	1,387,639	1,446,280	1,526,601	(80,321)
Public Safety	3,152,930	3,170,661	3,067,678	102,983
Public Works and Sanitation	2,121,508	2,121,508	2,026,279	95,229
Recreation and Culture	837,442	837,282	722,510	114,772
Health and Welfare	2,000	2,000	-	2,000
Social Services	9,000	9,000	8,000	1,000
Education	5,401,454	5,401,454	5,401,454	-
County Tax	716,034	716,034	716,034	-
Debt Service:				
Principal	685,232	685,232	685,231	1
Interest	189,995	189,995	189,578	417
Unclassified	85,945	75,945	21,214	54,731
Transfers to Other Funds	812,300	979,369	979,369	-
Total Charges to Appropriations	15,401,479	15,634,760	15,343,948	290,812
Budgetary Fund Balance, June 30	\$ 3,420,176	\$ 3,234,895	\$ 4,066,098	\$ 831,203
Utilization of Assigned Fund Balance	\$ -	\$ 117,569	\$ -	\$ (117,569)
Utilization of Unassigned Fund Balance	754,300	822,012	-	(822,012)
	\$ 754,300	\$ 939,581	\$ -	\$ (939,581)

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	Increase (Decrease)		
	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 1/1/18 (Reporting December 31, 2018)	\$ 217,410	\$ -	\$ 217,410
Changes for the year:			
Service cost	15,693	-	15,693
Interest	8,005	-	8,005
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(24,790)	-	(24,790)
Contributions - employer	-	807	(807)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(807)	(807)	-
Administrative expense	-	-	-
Net changes	<u>(1,899)</u>	<u>-</u>	<u>(1,899)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	<u>\$ 215,511</u>	<u>\$ -</u>	<u>\$ 215,511</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>		
Service cost (BOY)	15,693	13,857
Interest (includes interest on service cost)	8,005	7,506
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(13,765)
Changes of assumptions	(24,790)	25,719
Benefit payments, including refunds of member contributions	(807)	(1,246)
Net change in total OPEB liability	<u>\$ (1,899)</u>	<u>\$ 32,071</u>
Total OPEB liability - beginning	\$ 217,410	\$ 185,339
Total OPEB liability - ending	\$ 215,511	\$ 217,410
<u>Plan fiduciary net position</u>		
Contributions - employer	807	1,246
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(807)	(1,246)
Administrative expense	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 215,511</u>	<u>\$ 217,410</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 2,096,309	\$ 2,096,309
Net OPEB liability as a percentage of covered payroll	10.3%	10.4%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>		
Employer contributions	\$ 807	\$ 1,246
Benefit payments	(807)	(1,246)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,096,309	\$ 2,096,309
Contributions as a percentage of covered payroll	0.04%	0.06%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>					
Proportion of the net pension liability	0.49%	0.46%	0.45%	0.49%	0.48%
Proportionate share of the net pension liability	\$ 1,333,173	\$ 1,892,864	\$ 2,409,808	\$ 1,548,713	\$ 743,069
Covered payroll	\$ 1,905,781	\$ 1,774,614	\$ 1,746,281	\$ 1,676,391	\$ 1,572,667
Proportionate share of the net pension liability as a percentage of its covered payroll	69.95%	106.66%	138.00%	92.38%	47.25%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	86.40%	81.61%	88.30%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>					
Contractually required contribution	\$ 284,214	\$ 270,787	\$ 230,003	\$ 212,823	\$ 198,422
Contributions in relation to the contractually required contribution	<u>(284,214)</u>	<u>(270,787)</u>	<u>(230,003)</u>	<u>(212,823)</u>	<u>(198,422)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 1,895,659	\$ 1,905,781	\$ 1,774,614	\$ 1,746,281	\$ 1,676,391
Contributions as a percentage of covered payroll	14.99%	14.21%	12.96%	12.19%	11.84%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Changes of Assumptions

Maine Municipal Health Trust:

There was a change in the discount rate from 3.44% to 4.10% per GASB 75 discount rate selection.

MEPERS Pension Plan:

For the PLD Consolidated Plan, the discount rate was reduced from 6.875% to 6.75%. In addition, the cost of living benefit increases for the PLD Plan decreased from 2.20% to 1.91%.

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
General government	\$ 848,066	\$ 57,826	\$ 905,892	\$ 975,501	\$ (69,609)
Insurance and benefits	178,600	-	178,600	167,530	11,070
Land use department	360,973	815	361,788	383,570	(21,782)
	<u>1,387,639</u>	<u>58,641</u>	<u>1,446,280</u>	<u>1,526,601</u>	<u>(80,321)</u>
Public Safety -					
Police department	1,755,797	17,731	1,773,528	1,767,016	6,512
Fire-rescue department	1,397,133	-	1,397,133	1,300,662	96,471
	<u>3,152,930</u>	<u>17,731</u>	<u>3,170,661</u>	<u>3,067,678</u>	<u>102,983</u>
Public Works and Sanitation -					
Highway department	904,767	-	904,767	903,594	1,173
Facilities and parks	684,926	-	684,926	581,519	103,407
Transfer station	351,915	-	351,915	345,877	6,038
Utilities	179,900	-	179,900	195,289	(15,389)
	<u>2,121,508</u>	<u>-</u>	<u>2,121,508</u>	<u>2,026,279</u>	<u>95,229</u>
Recreation and Culture -					
Recreation department	17,300	-	17,300	9,009	8,291
Ogunquit Heritage Museum	26,397	-	26,397	25,482	915
Ogunquit performing arts	6,500	(6,500)	-	-	-
Visitor services	302,269	-	302,269	245,003	57,266
Lifeguard services	200,100	-	200,100	203,884	(3,784)
Harbormaster department	145,306	600	145,906	125,823	20,083
Conservation department	19,335	-	19,335	11,076	8,259
Information services department	84,252	-	84,252	75,773	8,479
Shellfish conservation	6,750	-	6,750	2,685	4,065
Marginal Way committee	22,150	5,740	27,890	15,377	12,513
Bicycle - Pedestrian committee	1,500	-	1,500	1,920	(420)
Plover management	5,583	-	5,583	6,478	(895)
	<u>837,442</u>	<u>(160)</u>	<u>837,282</u>	<u>722,510</u>	<u>114,772</u>

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Health and Welfare -					
General assistance	2,000	-	2,000	-	2,000
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Social Services -					
Civic organizations	9,000	-	9,000	8,000	1,000
	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>8,000</u>	<u>1,000</u>
Education	5,401,454	-	5,401,454	5,401,454	-
County Tax	716,034	-	716,034	716,034	-
Debt Service -					
Principal	685,232	-	685,232	685,231	1
Interest	189,995	-	189,995	189,578	417
	<u>875,227</u>	<u>-</u>	<u>875,227</u>	<u>874,809</u>	<u>418</u>
Unclassified -					
Contract adjustments	30,000	-	30,000	-	30,000
Contingency	10,000	(10,000)	-	-	-
Overlay	45,945	-	45,945	21,214	24,731
	<u>85,945</u>	<u>(10,000)</u>	<u>75,945</u>	<u>21,214</u>	<u>54,731</u>
Transfers to Other Funds -					
Special revenue funds	43,000	-	43,000	43,000	-
Capital projects funds	769,300	160,569	929,869	929,869	-
Permanent funds	-	6,500	6,500	6,500	-
	<u>812,300</u>	<u>167,069</u>	<u>979,369</u>	<u>979,369</u>	<u>-</u>
Total Departmental Operations	<u>\$ 15,401,479</u>	<u>\$ 233,281</u>	<u>\$ 15,634,760</u>	<u>\$ 15,343,948</u>	<u>\$ 290,812</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 198,838	\$ 1,175,617	\$ 31,060	\$ 1,405,515
Investments	-	-	463,631	463,631
Due from other funds	36,370	1,229,419	-	1,265,789
TOTAL ASSETS	<u>\$ 235,208</u>	<u>\$ 2,405,036</u>	<u>\$ 494,691</u>	<u>\$ 3,134,935</u>
LIABILITIES				
Accounts payable	\$ -	\$ 123,086	\$ -	\$ 123,086
Due to other funds	62,068	630,635	9,162	701,865
TOTAL LIABILITIES	<u>62,068</u>	<u>753,721</u>	<u>9,162</u>	<u>824,951</u>
FUND BALANCES				
Nonspendable - principal	-	-	456,559	456,559
Restricted	-	-	28,970	28,970
Committed	-	1,737,903	-	1,737,903
Assigned	186,290	-	-	186,290
Unassigned	(13,150)	(86,588)	-	(99,738)
TOTAL FUND BALANCES	<u>173,140</u>	<u>1,651,315</u>	<u>485,529</u>	<u>2,309,984</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 235,208</u>	<u>\$ 2,405,036</u>	<u>\$ 494,691</u>	<u>\$ 3,134,935</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ 125,276	\$ -	\$ 125,276
Investment income, net of unrealized gains/(losses)	223	3,638	9,808	13,669
Other	52,045	-	5,579	57,624
TOTAL REVENUES	<u>52,268</u>	<u>128,914</u>	<u>15,387</u>	<u>196,569</u>
EXPENDITURES				
Capital outlay	-	1,198,259	-	1,198,259
Other	165,798	-	18,715	184,513
TOTAL EXPENDITURES	<u>165,798</u>	<u>1,198,259</u>	<u>18,715</u>	<u>1,382,772</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(113,530)</u>	<u>(1,069,345)</u>	<u>(3,328)</u>	<u>(1,186,203)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	1,041,600	-	1,041,600
Transfers in	43,000	1,112,611	6,500	1,162,111
Transfers (out)	(49,198)	(134,994)	-	(184,192)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,198)</u>	<u>2,019,217</u>	<u>6,500</u>	<u>2,019,519</u>
NET CHANGE IN FUND BALANCES	(119,728)	949,872	3,172	833,316
FUND BALANCES - JULY 1	<u>292,868</u>	<u>701,443</u>	<u>482,357</u>	<u>1,476,668</u>
FUND BALANCES - JUNE 30	<u>\$ 173,140</u>	<u>\$ 1,651,315</u>	<u>\$ 485,529</u>	<u>\$ 2,309,984</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Community Cupboard	Employee Contingency	Dog Park	Firefighter Training	Jay Parrott Scholarships
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,532	-	2,583	-	924
TOTAL ASSETS	<u>\$ 1,532</u>	<u>\$ -</u>	<u>\$ 2,583</u>	<u>\$ -</u>	<u>\$ 924</u>
LIABILITIES					
Due to other funds	\$ -	\$ 13,150	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>13,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,532	-	2,583	-	924
Unassigned	-	(13,150)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,532</u>	<u>(13,150)</u>	<u>2,583</u>	<u>-</u>	<u>924</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 1,532</u>	<u>\$ -</u>	<u>\$ 2,583</u>	<u>\$ -</u>	<u>\$ 924</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police	Information Services
ASSETS					
Cash and cash equivalents	\$ 84,008	\$ 86,534	\$ 27,853	\$ 443	\$ -
Due from other funds	903	-	-	-	3,787
TOTAL ASSETS	<u>\$ 84,911</u>	<u>\$ 86,534</u>	<u>\$ 27,853</u>	<u>\$ 443</u>	<u>\$ 3,787</u>
LIABILITIES					
Due to other funds	\$ -	\$ 48,918	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>48,918</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	84,911	37,616	27,853	443	3,787
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>84,911</u>	<u>37,616</u>	<u>27,853</u>	<u>443</u>	<u>3,787</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 84,911</u>	<u>\$ 86,534</u>	<u>\$ 27,853</u>	<u>\$ 443</u>	<u>\$ 3,787</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Summer Programs	Unemployment Reserve	Conservation Commission	Shellfish Commission	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 198,838
Due from other funds	15,139	9,699	993	810	36,370
TOTAL ASSETS	<u>\$ 15,139</u>	<u>\$ 9,699</u>	<u>\$ 993</u>	<u>\$ 810</u>	<u>\$ 235,208</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 62,068
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,068</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	15,139	9,699	993	810	186,290
Unassigned	-	-	-	-	(13,150)
TOTAL FUND BALANCES (DEFICITS)	<u>15,139</u>	<u>9,699</u>	<u>993</u>	<u>810</u>	<u>173,140</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 15,139</u>	<u>\$ 9,699</u>	<u>\$ 993</u>	<u>\$ 810</u>	<u>\$ 235,208</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Community Cupboard</u>	<u>Employee Contingency</u>	<u>Dog Park</u>	<u>Firefighter Training</u>	<u>Jay Parrott Scholarships</u>
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	1,549	1,484	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,549</u>	<u>1,484</u>	<u>-</u>
EXPENDITURES					
Other	326	72,290	1,646	-	-
TOTAL EXPENDITURES	<u>326</u>	<u>72,290</u>	<u>1,646</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(326)</u>	<u>(72,290)</u>	<u>(97)</u>	<u>1,484</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	40,000	-	-	-
Transfers (out)	-	-	-	(3,746)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>(3,746)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(326)	(32,290)	(97)	(2,262)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>1,858</u>	<u>19,140</u>	<u>2,680</u>	<u>2,262</u>	<u>924</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,532</u>	<u>\$ (13,150)</u>	<u>\$ 2,583</u>	<u>\$ -</u>	<u>\$ 924</u>

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police	Information Services
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ 167	\$ -	\$ 55	\$ 1	\$ -
Other	4,061	41,170	-	200	-
TOTAL REVENUES	<u>4,228</u>	<u>41,170</u>	<u>55</u>	<u>201</u>	<u>-</u>
EXPENDITURES					
Other	1,440	85,723	-	-	-
TOTAL EXPENDITURES	<u>1,440</u>	<u>85,723</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,788</u>	<u>(44,553)</u>	<u>55</u>	<u>201</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	(45,452)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(45,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,788	(90,005)	55	201	-
FUND BALANCES (DEFICITS) - JULY 1	<u>82,123</u>	<u>127,621</u>	<u>27,798</u>	<u>242</u>	<u>3,787</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 84,911</u>	<u>\$ 37,616</u>	<u>\$ 27,853</u>	<u>\$ 443</u>	<u>\$ 3,787</u>

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Summer Programs	Unemployment Reserve	Conservation Commission	Shellfish Commission	Total
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ 223
Other	3,318	64	199	-	52,045
TOTAL REVENUES	3,318	64	199	-	52,268
EXPENDITURES					
Other	4,344	29	-	-	165,798
TOTAL EXPENDITURES	4,344	29	-	-	165,798
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,026)	35	199	-	(113,530)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,000	-	-	43,000
Transfers (out)	-	-	-	-	(49,198)
TOTAL OTHER FINANCING SOURCES (USES)	-	3,000	-	-	(6,198)
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,026)	3,035	199	-	(119,728)
FUND BALANCES (DEFICITS) - JULY 1	16,165	6,664	794	810	292,868
FUND BALANCES (DEFICITS) - JUNE 30	\$ 15,139	\$ 9,699	\$ 993	\$ 810	\$ 173,140

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

SCHEDULE F

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	2010 MDOT Projects	2015 Main Beach Trolley	2016 Beach Street Circle	2016 Beach Street Drainage	2017 Municipal Road Paving	2017 Dunaway Heating	Ambulance
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	45,000	19,000	4,622	52,346	29,000	78,985
TOTAL ASSETS	\$ -	\$ 45,000	\$ 19,000	\$ 4,622	\$ 52,346	\$ 29,000	\$ 78,985
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 38,698	\$ -	\$ -
Due to other funds	1	-	-	-	-	-	-
TOTAL LIABILITIES	1	-	-	-	38,698	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	45,000	19,000	4,622	13,648	29,000	78,985
Assigned	-	-	-	-	-	-	-
Unassigned	(1)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(1)	45,000	19,000	4,622	13,648	29,000	78,985
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 45,000	\$ 19,000	\$ 4,622	\$ 52,346	\$ 29,000	\$ 78,985

SCHEDULE F (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	2018 Perkins Cove Foot Bridge	2018 VS Parking Lot Improvements	2018 VS Parking Meters	2018 FD Kitchen Rehabilitation	2018 PW Tennis Court Repairs	2018 PW Main Beach Ramp Replacement
ASSETS						
Cash and cash equivalents	\$ -	\$ 14,450	\$ 65,657	\$ -	\$ -	\$ -
Due from other funds	149,945	-	-	-	240	132
TOTAL ASSETS	\$ 149,945	\$ 14,450	\$ 65,657	\$ -	\$ 240	\$ 132
LIABILITIES						
Accounts payable	\$ 15,351	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	58,546	624	-	-
TOTAL LIABILITIES	15,351	-	58,546	624	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	134,594	14,450	7,111	-	240	132
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(624)	-	-
TOTAL FUND BALANCES (DEFICITS)	134,594	14,450	7,111	(624)	240	132
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 149,945	\$ 14,450	\$ 65,657	\$ -	\$ 240	\$ 132

SCHEDULE F (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	2018 PW Mower	2018 PW Agamenticus Rd Drainage Study	2018 OVS Repurpose Use Design	2018 Engineering Restrooms Main Beach/ Footbridge	2018 Bath House Repairs	Unspent Bond Proceeds	2018 PW Cherry Lane Improve/Overlay
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 524,987	\$ -	\$ 519,663	\$ 50,000
Due from other funds	-	13,167	116,378	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 13,167</u>	<u>\$ 116,378</u>	<u>\$ 524,987</u>	<u>\$ -</u>	<u>\$ 519,663</u>	<u>\$ 50,000</u>
LIABILITIES							
Accounts payable	\$ -	\$ 20,345	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	515,739	-
TOTAL LIABILITIES	<u>-</u>	<u>20,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,739</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	116,378	524,987	-	3,924	50,000
Assigned	-	-	-	-	-	-	-
Unassigned	-	(7,178)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>(7,178)</u>	<u>116,378</u>	<u>524,987</u>	<u>-</u>	<u>3,924</u>	<u>50,000</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 13,167</u>	<u>\$ 116,378</u>	<u>\$ 524,987</u>	<u>\$ -</u>	<u>\$ 519,663</u>	<u>\$ 50,000</u>

SCHEDULE F (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	2019 Marginal Way	2019 Wharf Lane	2019 Lifeguard ATV	2019 Police Cruiser	2019 Natural Disaster	2019 Shore Road Lamp Head	FEMA/ MEMA
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	141,682	-	2,190	272	235,000	-	125,276
TOTAL ASSETS	\$ 141,682	\$ -	\$ 2,190	\$ 272	\$ 235,000	\$ -	\$ 125,276
LIABILITIES							
Accounts payable	\$ 18,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	18,777	-	-	-	-	-	2,500
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	122,905	-	2,190	272	235,000	-	122,776
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	122,905	-	2,190	272	235,000	-	122,776
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 141,682	\$ -	\$ 2,190	\$ 272	\$ 235,000	\$ -	\$ 125,276

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	2019 Remodel Pickup	2019 Trash Recepticles	2019 Fire Dept. Jaws-of-Life	2019 River Road Repairs	2019 Plow Truck Wing/Sander	2019 Lifeguard Seabob	2019 Capt. Thomas Road Culvert
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 860	\$ -	\$ -
Due from other funds	-	-	-	73,274	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,274</u>	<u>\$ 860</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,029	\$ -	\$ -	\$ 17,086
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,029</u>	<u>-</u>	<u>-</u>	<u>17,086</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	70,245	860	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(17,086)
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,245</u>	<u>860</u>	<u>-</u>	<u>(17,086)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,274</u>	<u>\$ 860</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	2019 Harbor Boat Repairs	2019 Dune Ramps	2019 Winter Reserve	2019 Land Conservation	2019 EcoMaine Closeout	2019 Fire Dept. Training	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,175,617
Due from other funds	-	-	10,000	51,584	80,000	1,326	1,229,419
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 51,584</u>	<u>\$ 80,000</u>	<u>\$ 1,326</u>	<u>\$ 2,405,036</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,300	\$ 123,086
Due to other funds	220	55,505	-	-	-	-	630,635
TOTAL LIABILITIES	<u>220</u>	<u>55,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,300</u>	<u>753,721</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	10,000	51,584	80,000	-	1,737,903
Assigned	-	-	-	-	-	-	-
Unassigned	(220)	(55,505)	-	-	-	(5,974)	(86,588)
TOTAL FUND BALANCES (DEFICITS)	<u>(220)</u>	<u>(55,505)</u>	<u>10,000</u>	<u>51,584</u>	<u>80,000</u>	<u>(5,974)</u>	<u>1,651,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 51,584</u>	<u>\$ 80,000</u>	<u>\$ 1,326</u>	<u>\$ 2,405,036</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	2010 MDOT Projects	2015 Main Beach Trolley	2016 Beach Street Circle	2016 Beach Street Drainage	2017 Municipal Road Paving	2017 Dunaway Heating	Ambulance
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	7,558	-	-	-	38,698	-	-
TOTAL EXPENDITURES	7,558	-	-	-	38,698	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,558)	-	-	-	(38,698)	-	-
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	16,000	78,985
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	16,000	78,985
NET CHANGE IN FUND BALANCES (DEFICITS)	(7,558)	-	-	-	(38,698)	16,000	78,985
FUND BALANCES (DEFICITS) - JULY 1	7,557	45,000	19,000	4,622	52,346	13,000	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ (1)	\$ 45,000	\$ 19,000	\$ 4,622	\$ 13,648	\$ 29,000	\$ 78,985

SCHEDULE G (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2018 Perkins Cove Foot Bridge	2018 VS Parking Lot Improvements	2018 VS Parking Meters	2018 FD Kitchen Rehabilitation	2018 PW Tennis Court Repairs	2018 PW Main Beach Ramp Replacement
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	15,351	-	58,546	26,473	26,165	6,408
TOTAL EXPENDITURES	15,351	-	58,546	26,473	26,165	6,408
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,351)	-	(58,546)	(26,473)	(26,165)	(6,408)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	30,000	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	30,000	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(15,351)	-	(58,546)	3,527	(26,165)	(6,408)
FUND BALANCES (DEFICITS) - JULY 1	149,945	14,450	65,657	(4,151)	26,405	6,540
FUND BALANCES (DEFICITS) - JUNE 30	\$ 134,594	\$ 14,450	\$ 7,111	\$ (624)	\$ 240	\$ 132

SCHEDULE G (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2018 PW Mower	2018 PW Agamenticus Rd Drainage Study	2018 OVS Repurpose Use Design	2018 Engineering Restrooms Main Beach/ Footbridge	2018 Bath House Repairs	Unspent Bond Proceeds	2018 PW Cherry Lane Improve/Overlay
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	3,638	-
TOTAL REVENUES	-	-	-	-	-	3,638	-
EXPENDITURES							
Capital outlay	864	22,178	-	493,557	-	-	-
TOTAL EXPENDITURES	864	22,178	-	493,557	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(864)	(22,178)	-	(493,557)	-	3,638	-
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	900,000	-	-	-
Transfers in	-	-	-	18,544	-	-	-
Transfers (out)	-	-	-	-	(18,544)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	918,544	(18,544)	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(864)	(22,178)	-	424,987	(18,544)	3,638	-
FUND BALANCES (DEFICITS) - JULY 1	864	15,000	116,378	100,000	18,544	286	50,000
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ (7,178)	\$ 116,378	\$ 524,987	\$ -	\$ 3,924	\$ 50,000

SCHEDULE G (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Marginal Way	2019 Wharf Lane	2019 Lifeguard ATV	2019 Police Cruiser	2019 Natural Disaster	2019 Shore Road Lamp Head	FEMA/ MEMA
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,276
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	125,276
EXPENDITURES							
Capital outlay	22,547	28,550	15,610	42,228	-	70,000	2,500
TOTAL EXPENDITURES	22,547	28,550	15,610	42,228	-	70,000	2,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,547)	(28,550)	(15,610)	(42,228)	-	(70,000)	122,776
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	145,452	30,000	17,800	42,500	350,000	70,000	-
Transfers (out)	-	(1,450)	-	-	(115,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	145,452	28,550	17,800	42,500	235,000	70,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	122,905	-	2,190	272	235,000	-	122,776
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 122,905	\$ -	\$ 2,190	\$ 272	\$ 235,000	\$ -	\$ 122,776

SCHEDULE G (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Remodel Pickup	2019 Trash Recepticles	2019 Fire Dept. Jaws-of-Life	2019 River Road Repairs	2019 Plow Truck Wing/Sander	2019 Lifeguard Seabob	2019 Capt. Thomas Road Culvert
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	15,000	25,000	13,000	44,755	74,140	16,600	17,086
TOTAL EXPENDITURES	15,000	25,000	13,000	44,755	74,140	16,600	17,086
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,000)	(25,000)	(13,000)	(44,755)	(74,140)	(16,600)	(17,086)
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	75,000	16,600	-
Transfers in	15,000	25,000	13,000	115,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	15,000	25,000	13,000	115,000	75,000	16,600	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	70,245	860	-	(17,086)
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ -	\$ 70,245	\$ 860	\$ -	\$ (17,086)

SCHEDULE G (CONTINUED)

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Harbor Boat Repairs	2019 Dune Ramps	2019 Winter Reserve	2019 Land Conservation	2019 EcoMaine Closeout	2019 Fire Dept. Training	Total
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,276
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	3,638
TOTAL REVENUES	-	-	-	-	-	-	128,914
EXPENDITURES							
Capital outlay	50,220	55,505	-	-	-	9,720	1,198,259
TOTAL EXPENDITURES	50,220	55,505	-	-	-	9,720	1,198,259
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,220)	(55,505)	-	-	-	(9,720)	(1,069,345)
OTHER FINANCING SOURCES (USES)							
Bond proceeds	50,000	-	-	-	-	-	1,041,600
Transfers in	-	-	10,000	51,584	80,000	3,746	1,112,611
Transfers (out)	-	-	-	-	-	-	(134,994)
TOTAL OTHER FINANCING SOURCES (USES)	50,000	-	10,000	51,584	80,000	3,746	2,019,217
NET CHANGE IN FUND BALANCES (DEFICITS)	(220)	(55,505)	10,000	51,584	80,000	(5,974)	949,872
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	701,443
FUND BALANCES (DEFICITS) - JUNE 30	\$ (220)	\$ (55,505)	\$ 10,000	\$ 51,584	\$ 80,000	\$ (5,974)	\$ 1,651,315

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Ogunquit, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries and scholarships.

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2019

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
ASSETS				
Cash and cash equivalents	\$ 13,587	\$ 9,172	\$ 8,301	\$ 31,060
Investments	223,939	145,729	93,963	463,631
TOTAL ASSETS	<u>\$ 237,526</u>	<u>\$ 154,901</u>	<u>\$ 102,264</u>	<u>\$ 494,691</u>
LIABILITIES				
Due to other funds	\$ 1,283	\$ 7,341	\$ 538	\$ 9,162
TOTAL LIABILITIES	<u>1,283</u>	<u>7,341</u>	<u>538</u>	<u>9,162</u>
FUND BALANCES				
Nonspendable - principal	219,259	145,300	92,000	456,559
Restricted	16,984	2,260	9,726	28,970
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>236,243</u>	<u>147,560</u>	<u>101,726</u>	<u>485,529</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 237,526</u>	<u>\$ 154,901</u>	<u>\$ 102,264</u>	<u>\$ 494,691</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 4,706	\$ 3,122	\$ 1,980	\$ 9,808
Other income	300	5,279	-	5,579
TOTAL REVENUES	<u>5,006</u>	<u>8,401</u>	<u>1,980</u>	<u>15,387</u>
EXPENDITURES				
Other	-	18,715	-	18,715
TOTAL EXPENDITURES	<u>-</u>	<u>18,715</u>	<u>-</u>	<u>18,715</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,006</u>	<u>(10,314)</u>	<u>1,980</u>	<u>(3,328)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,500	-	6,500
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
NET CHANGE IN FUND BALANCES	5,006	(3,814)	1,980	3,172
FUND BALANCES - JULY 1	<u>231,237</u>	<u>151,374</u>	<u>99,746</u>	<u>482,357</u>
FUND BALANCES - JUNE 30	<u>\$ 236,243</u>	<u>\$ 147,560</u>	<u>\$ 101,726</u>	<u>\$ 485,529</u>

See accompanying independent auditors' report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Select Board
Town of Ogunquit
Ogunquit, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ogunquit, Maine as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Ogunquit, Maine's basic financial statements, and have issued our report thereon dated April 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ogunquit, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ogunquit, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ogunquit, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ogunquit Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Ogunquit, Maine in a separate letter dated April 30, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
April 30, 2020