

Audited Financial Statements and
Other Financial Information

Town of Ogunquit, Maine

June 30, 2018



Proven Expertise and Integrity

TOWN OF OGUNQUIT, MAINE

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JUNE 30, 2018

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FEDERAL COMPLIANCE

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
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, 2018, 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

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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, 2018, 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 and OPEB and pension information on pages 4 through 10 and 60 through 65 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 12, 2019, 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 12, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

(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, 2018. 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 activities. 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 and a Schedule of Contributions - Pension.

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 \$641,402 from a balance of \$10,897,068 to \$11,538,470.

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 \$3,122,243 at the end of this year.

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

	Governmental Activities	
	2018	2017 (Restated)
Assets		
Current Assets	\$ 6,028,751	\$ 5,614,454
Capital Assets	14,748,834	14,869,480
Total Assets	<u>20,777,585</u>	<u>20,483,934</u>
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB	22,861	-
Deferred Outflows Related to Pensions	1,113,462	1,411,832
Total Deferred Outflows of Resources	<u>1,136,323</u>	<u>1,411,832</u>
Liabilities		
Current Liabilities	914,823	1,297,710
Long-term Debt Outstanding	8,596,893	9,030,208
Total Liabilities	<u>9,511,716</u>	<u>10,327,918</u>
Deferred Inflows of Resources		
Deferred Inflows Related to OPEB	12,236	-
Deferred Inflows Related to Pensions	851,486	670,780
Total Deferred Inflows of Resources	<u>863,722</u>	<u>670,780</u>
Net Position		
Net Investment in Capital Assets	7,933,870	7,804,959
Restricted for:		
Permanent Funds	482,357	483,162
Unrestricted	3,122,243	2,608,947
Total Net Position	<u>\$ 11,538,470</u>	<u>\$ 10,897,068</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 0.56%, while total expenses decreased by 4.26%. The decrease in governmental revenues was primarily due to operating grants and contributions, while the decrease in expenditures was primarily due to unclassified and unallocated depreciation.

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

	Governmental Activities	
	2018	2017
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 2,853,877	\$ 2,783,973
Operating grants and contributions	95,348	528,896
<i>General Revenues:</i>		
Taxes	11,396,332	11,226,489
Grants and contributions not restricted to specific programs	41,478	37,712
Miscellaneous	278,530	170,602
Total revenues	<u>14,665,565</u>	<u>14,747,672</u>
Expenses		
General government	1,306,897	1,922,362
Public safety	2,950,259	2,739,225
Public works and sanitation	1,401,630	1,062,533
Recreation and culture	633,506	656,992
Health and welfare	1,792	130
Social services	6,500	7,160
Education	5,371,395	5,333,952
County tax	799,982	782,362
Unclassified	203,465	590,630
Interest on long-term debt	196,671	166,267
Unallocated depreciation (Note 4)	1,152,066	1,386,331
Total expenses	<u>14,024,163</u>	<u>14,647,944</u>
Change in net position	641,402	99,728
Net position - July 1, Restated	<u>10,897,068</u>	<u>10,797,340</u>
Net position - June 30	<u>\$ 11,538,470</u>	<u>\$ 10,897,068</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,

	<u>2018</u>	<u>2017</u>
General Fund:		
Nonspendable	\$ 103,467	\$ 162,898
Committed	116,669	218,454
Assigned	754,300	29,060
Unassigned	3,199,840	3,660,461
Total General Fund	<u>\$ 4,174,276</u>	<u>\$ 4,070,873</u>
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 292,868	\$ 291,213
Unassigned	-	(133,754)
Capital Projects Funds:		
Committed	705,594	434,510
Unassigned	(4,151)	(15,931)
Permanent Funds:		
Nonspendable	456,559	456,559
Restricted	25,798	26,603
Total Nonmajor Funds	<u>\$ 1,476,668</u>	<u>\$ 1,059,200</u>

The general fund total fund balance increased by \$103,403 from the prior fiscal year primarily due to revenues being received in excess of expected amounts. The nonmajor fund balances increased by \$416,663 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 unassigned fund balance.

The general fund actual revenues were exceeded budgeted revenues by \$665,977. This was mainly due to charges for services being receipted in excess of the budgeted amount.

The general fund actual expenditures were under budget by \$301,009. All expenditure categories were under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2018, the net book value of capital assets recorded by the Town decreased by \$120,646. This decrease is the result of capital additions of \$1,268,794, less net disposals of \$237,374 and current year depreciation of \$1,152,066.

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

	<u>2018</u>	<u>(Restated)</u> <u>2017</u>
Land and non-depreciable assets	\$ 4,967,460	\$ 4,967,460
Buildings and building improvements	2,624,883	2,598,194
Machinery and equipment	441,526	130,928
Vehicles	1,758,531	1,630,420
Infrastructure	4,956,434	5,542,478
Total	<u>\$ 14,748,834</u>	<u>\$ 14,869,480</u>

Debt

At June 30, 2018, the Town had \$6,688,590 in bonds outstanding versus \$6,924,642 last year. Other obligations include a mortgage payable, a capital lease payable, accrued compensated absences, net OPEB liability and net pension liability. 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 two months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and 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, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,092,019
Investments	456,559
Accounts receivable (net of allowance for uncollectibles):	
Taxes	235,622
Liens	66,731
Other	66,853
Due from other governments	7,500
Prepaid items	103,467
Total current assets	6,028,751
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	4,967,460
Buildings and equipment, net of accumulated depreciation	9,781,374
Total noncurrent assets	14,748,834
TOTAL ASSETS	20,777,585
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	22,861
Deferred outflows related to pensions	1,113,462
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,136,323
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 21,913,908
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 123,284
Accrued expenses	87,523
Current portion of long-term obligations	704,016
Total current liabilities	914,823
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	6,014,358
Mortgage payable	110,000
Capital lease payable	5,374
Accrued compensated absences	356,887
Net OPEB liability	217,410
Net pension liability	1,892,864
Total noncurrent liabilities	8,596,893
TOTAL LIABILITIES	9,511,716
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	-
Deferred inflows related to OPEB	12,236
Deferred inflows related to pensions	851,486
TOTAL DEFERRED INFLOWS OF RESOURCES	863,722
NET POSITION	
Net investment in capital assets	7,933,870
Restricted for: Permanent funds	482,357
Unrestricted	3,122,243
TOTAL NET POSITION	11,538,470
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 21,913,908

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 1,306,897	\$ 246,592	\$ -	\$ -	\$ (1,060,305)
Public safety	2,950,259	195,195	-	-	(2,755,064)
Public works and sanitation	1,401,630	104,497	15,688	-	(1,281,445)
Recreation and culture	633,506	2,307,593	-	-	1,674,087
Health and welfare	1,792	-	-	-	(1,792)
Social services	6,500	-	-	-	(6,500)
Education	5,371,395	-	-	-	(5,371,395)
County tax	799,982	-	-	-	(799,982)
Unclassified	203,465	-	79,660	-	(123,805)
Interest on long-term debt	196,671	-	-	-	(196,671)
Unallocated depreciation (Note 4)*	1,152,066	-	-	-	(1,152,066)
Total governmental activities	<u>\$ 14,024,163</u>	<u>\$ 2,853,877</u>	<u>\$ 95,348</u>	<u>\$ -</u>	<u>(11,074,938)</u>

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

TOWN OF OGUNQUIT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(11,074,938)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	10,981,835
Excise taxes	414,497
Grants and contributions not restricted to specific programs	41,478
Miscellaneous	<u>278,530</u>
Total general revenues	<u>11,716,340</u>
Change in net position	641,402
NET POSITION - JULY 1, RESTATED	<u>10,897,068</u>
NET POSITION - JUNE 30	<u>\$ 11,538,470</u>

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

TOWN OF OGUNQUIT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,656,104	\$ 435,915	\$ 5,092,019
Investments	-	456,559	456,559
Accounts receivable (net of allowance for uncollectibles):			
Taxes	235,622	-	235,622
Liens	66,731	-	66,731
Other	66,567	286	66,853
Due from other governments	7,500	-	7,500
Prepaid items	103,467	-	103,467
Due from other funds	15,382	633,353	648,735
TOTAL ASSETS	<u>\$ 5,151,373</u>	<u>\$ 1,526,113</u>	<u>\$ 6,677,486</u>
LIABILITIES			
Accounts payable	\$ 89,221	\$ 34,063	\$ 123,284
Accrued expenses	87,523	-	87,523
Due to other funds	633,353	15,382	648,735
TOTAL LIABILITIES	<u>810,097</u>	<u>49,445</u>	<u>859,542</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	-	-
Deferred tax revenue	167,000	-	167,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>167,000</u>	<u>-</u>	<u>167,000</u>
FUND BALANCES			
Nonspendable	103,467	456,559	560,026
Restricted	-	25,798	25,798
Committed	116,669	705,594	822,263
Assigned	754,300	292,868	1,047,168
Unassigned	3,199,840	(4,151)	3,195,689
TOTAL FUND BALANCES	<u>4,174,276</u>	<u>1,476,668</u>	<u>5,650,944</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,151,373</u>	<u>\$ 1,526,113</u>	<u>\$ 6,677,486</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, 2018

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 5,650,944
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	14,748,834
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	167,000
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	22,861
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,113,462
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(6,688,590)
Mortgage payable	(121,000)
Capital lease payable	(5,374)
Accrued compensated absences	(375,671)
Net OPEB liability	(217,410)
Net pension liability	(1,892,864)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(12,236)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(851,486)</u>
Net position of governmental activities	<u><u>\$ 11,538,470</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, 2018

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 10,981,835	\$ -	\$ 10,981,835
Excise taxes	414,497	-	414,497
Intergovernmental revenues	57,166	79,660	136,826
Charges for services	2,853,877	-	2,853,877
Miscellaneous revenues	177,231	101,299	278,530
TOTAL REVENUES	<u>14,484,606</u>	<u>180,959</u>	<u>14,665,565</u>
EXPENDITURES			
Current:			
General government	1,319,796	-	1,319,796
Public safety	2,934,429	-	2,934,429
Public works and sanitation	1,555,187	-	1,555,187
Recreation and culture	631,492	-	631,492
Health and welfare	1,792	-	1,792
Social services	6,500	-	6,500
Education	5,371,395	-	5,371,395
County tax	799,982	-	799,982
Unclassified	60,639	142,826	203,465
Debt service:			
Principal	629,657	-	629,657
Interest	196,671	-	196,671
Capital outlay	-	874,428	874,428
TOTAL EXPENDITURES	<u>13,507,540</u>	<u>1,017,254</u>	<u>14,524,794</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>977,066</u>	<u>(836,295)</u>	<u>140,771</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	380,100	380,100
Transfers in	1,500	996,361	997,861
Transfers (out)	(875,163)	(122,698)	(997,861)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(873,663)</u>	<u>1,253,763</u>	<u>380,100</u>
NET CHANGE IN FUND BALANCES	103,403	417,468	520,871
FUND BALANCES - JULY 1	<u>4,070,873</u>	<u>1,059,200</u>	<u>5,130,073</u>
FUND BALANCES - JUNE 30	<u>\$ 4,174,276</u>	<u>\$ 1,476,668</u>	<u>\$ 5,650,944</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, 2018

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 520,871</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset acquisitions	1,268,794
Capital assets disposed	(237,374)
Depreciation expense	<u>(1,152,066)</u>
	<u>(120,646)</u>
<p>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</p>	
	<u>(275,509)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>	
	<u>629,657</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position</p>	
	<u>(380,100)</u>
<p>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</p>	
	<u>(192,942)</u>
<p>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:</p>	
Accrued compensated absences	(24,802)
Net OPEB liability	(32,071)
Net pension liability	<u>516,944</u>
	<u>460,071</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 641,402</u></u>

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 selectmen-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, 2018, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*" The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 81, "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

agreements in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 85, "Omnibus 2017." The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 86, "Certain Debt Extinguishment Issues." The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. 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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.). 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 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 & 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:

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$74,353 for the year ended June 30, 2018. The allowance for uncollectible accounts is estimated to be \$21,106 as of June 30, 2018.

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 governmental-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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 debt 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 debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists of bonds payable, a mortgage payable, a capital lease 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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

proprietary funds is the same in the fund statements as it is in the government-wide statements.

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 is recorded as long-term debt 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, 2018, the Town's liability for compensated absences is \$375,671.

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 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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Board of Selectmen.

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of resources (revenue) until that time. The Town has deferred revenue and deferred tax revenues, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, these items are 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 13, 2017 on the assessed value listed as of April 1, 2017, for all real and personal property located in the Town. Taxes were due in two installments on November 1, 2017 and May 1, 2018. Interest on unpaid taxes commenced on November 2, 2017 for the first installment and May 2, 2018 for the second installment, at 7% 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 \$126,925 for the year ended June 30, 2018.

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.

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, the Town's deposits amounting to \$5,092,019, which include any petty cash, outstanding checks and deposits in transit, were comprised of bank deposits of \$5,231,245. Of these bank deposits, \$260,939 were fully covered by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining deposits of \$4,720,306 were collateralized with an irrevocable stand-by letter of credit or a third-party pledge.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 4,892,103
Money market accounts	339,142
	<u>\$ 5,231,245</u>

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 \$456,559 in certificates of deposit, \$250,000 was fully covered by federal depository insurance and consequently was not exposed to custodial credit risk and \$206,559 were collateralized with an irrevocable stand-by letter of credit.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2018, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1-5 Years
Certificates of deposit	\$ 456,559	\$ -	\$ 456,559	\$ -
	\$ 456,559	\$ -	\$ 456,559	\$ -

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.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2018 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 15,382	\$ 633,353
Nonmajor special revenue funds	55,364	-
Nonmajor capital projects funds	577,959	15,382
Nonmajor permanent funds	30	-
Totals	\$ 648,735	\$ 648,735

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance 7/1/17 (Restated)	Additions	Disposals	Balance 6/30/18
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 4,967,460	\$ -	\$ -	\$ 4,967,460
	<u>4,967,460</u>	<u>-</u>	<u>-</u>	<u>4,967,460</u>
Depreciated assets:				
Buildings and improvements	5,644,356	283,289	(20,839)	5,906,806
Machinery and equipment	1,212,348	80,436	(282,632)	1,010,152
Vehicles	3,247,610	732,473	(431,786)	3,548,297
Infrastructure	7,526,983	172,596	(279,010)	7,420,569
	<u>17,631,297</u>	<u>1,268,794</u>	<u>(1,014,267)</u>	<u>17,885,824</u>
Less: accumulated depreciation	<u>(7,729,277)</u>	<u>(1,152,066)</u>	<u>776,893</u>	<u>(8,104,450)</u>
	<u>9,902,020</u>	<u>116,728</u>	<u>(237,374)</u>	<u>9,781,374</u>
Net capital assets	<u>\$ 14,869,480</u>	<u>\$ 116,728</u>	<u>\$ (237,374)</u>	<u>\$ 14,748,834</u>

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

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2018:

	Balance, 7/1/17 (Restated)	Additions	Deletions	Balance, 6/30/18	Current Portion
<u>Governmental Activities:</u>					
Bonds payable	\$ 6,924,642	\$ 380,100	\$ (616,152)	\$ 6,688,590	\$ 674,232
Mortgage payable	132,000	-	(11,000)	121,000	11,000
Capital lease payable	7,879	-	(2,505)	5,374	-
Accrued compensated absences	350,869	24,802	-	375,671	18,784
Net OPEB liability	185,339	47,082	(15,011)	217,410	-
Net pension liability	2,409,808	244,604	(761,548)	1,892,864	-
	<u>\$ 10,010,537</u>	<u>\$ 696,588</u>	<u>\$ (1,406,216)</u>	<u>\$ 9,300,909</u>	<u>\$ 704,016</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and the mortgage payable:

\$330,000, 2004 General Obligation Bond due in annual principal installments of \$16,500 through November of 2024. Interest varies from 1.946% to 9.000% per annum.	\$ 115,500
\$495,000, 2004 General Obligation Bond due in annual principal installments of \$24,750 through November of 2024. Interest varies from 1.012% to 9.000% per annum.	173,250
\$400,000, 2005 General Obligation Bond due in annual principal installments of \$20,000 through November of 2025. Interest varies from 3.050% to 9.000% per annum.	160,000
\$2,400,000, 2006 General Obligation Bond due in annual principal installments of \$120,000 through November of 2026. Interest varies from 3.000% to 6.000% per annum.	1,080,000
\$2,345,704, 2008 General Obligation Bond due in annual principal installments of \$145,285 through November of 2028. Interest varies from 2.000% to 5.500% per annum.	1,038,140
\$2,227,000, 2010 General Obligation Bond due in annual principal installments of \$111,350 through November of 2030. Interest varies from 0.831% to 5.094% per annum.	1,447,550
\$1,205,000, 2012 General Obligation Bond due in annual principal installments of \$70,000 through November of 2032. Interest varies from 1.480% to 3.706% per annum.	855,000
\$443,000, 2013 General Obligation Bond due in annual principal installments of \$39,800 through November of 2033. Interest varies from 0.450% to 4.570% per annum.	283,800
\$439,000, 2014 General Obligation Bond due in annual principal installments vary from \$24,667 to \$38,467 through November of 2029. Interest varies from 0.430% to 3.599% per annum.	323,600
\$150,000, 2016 General Obligation Bond due in annual principal installments of \$30,000 through November of 2021. Interest varies from 0.910% to 1.510% per annum.	120,000
\$711,650, 2017 General Obligation Bond due in annual principal installments of \$71,080 through November of 2037. Interest varies from 1.260% to 3.910% per annum.	711,650
\$380,100, 2018 General Obligation Bond due in annual principal installments varying from \$17,000 to \$59,020 through November of 2038. Interest varies from 1.920% to 4.042% per annum.	<u>380,100</u>
Total bonds payable	<u>6,688,590</u>
\$275,000, 2004 Mortgage Payable due in annual principal installments of \$11,000 through December of 2028. Interest is charged at a rate of 3.000% per annum.	<u>121,000</u>
Total mortgage payable	<u>121,000</u>
Total bonds and mortgage payable	<u><u>\$ 6,809,590</u></u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$ 685,232	\$ 189,012	\$ 874,244
2020	688,252	168,081	856,333
2021	674,452	139,852	814,304
2022	674,452	127,531	801,983
2023	644,452	111,467	755,919
2024-2028	2,492,581	303,545	2,796,126
2029-2033	876,919	64,744	941,663
2034-2038	73,250	6,767	80,017
	<u>\$ 6,809,590</u>	<u>\$ 1,110,999</u>	<u>\$ 7,920,589</u>

The following is a summary of the outstanding capital lease payable:

Capital Lease payable to U.S. Bank for a copier, due in monthly installments of \$218 through September of 2020. Interest is charged at a rate of 4.515% per annum.

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

2019	\$ 2,398
2020	2,616
2021	637
2022	-
2023	-
Total minimum lease payments	<u>5,651</u>
Less: Amount representing interest	<u>(277)</u>
Present value of future minimum lease payments	<u>\$ 5,374</u>

All bonds payable and capital leases 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2018, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 103,467
Nonmajor permanent funds (Schedule H)	456,559
	<u>\$ 560,026</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2018, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u>\$ 25,798</u>
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NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2018, the Town had the following committed fund balances:

General fund:	
Ecomaine closeout reserve	\$ 60,000
Ambulance reserve	30,985
Land conservation reserve	25,684
Nonmajor capital projects funds (Schedule F)	705,594
	<u>\$ 822,263</u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2018, the Town had the following assigned fund balances:

General fund:	
FY 2019 tax reduction	\$ 754,300
Nonmajor special revenue funds (Schedule D)	292,868
	<u>\$ 1,047,168</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - DEFICIT FUND BALANCE

The following funds had deficit fund balance at June 30, 2018:

2018 FD Kitchen Rehabilitation	<u>\$ 4,151</u>
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NOTE 11 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of the County and School District's debt. As of June 30, 2018, the Town's share of debt was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 3,900,000	4.23%	\$ 165,043
Wells-Ogunquit CSD	26,485,000	21.33%	5,649,251
			<u>\$ 5,814,294</u>

NOTE 12 - 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.

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, 2018. 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 13 - 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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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. 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 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, 2018, 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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	\$2,076
<u>Medicare</u>		
Medicare-Eligible Retirees	\$528	\$1,055

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

At June 30, 2018, the Town reported a liability of \$217,410 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2018 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.

For the year ended June 30, 2018, the Town recognized OPEB expense of \$10,625. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 12,236
Changes of assumptions	22,861	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ 22,861</u>	<u>\$ 12,236</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MMEHT</u>
Plan year ended June 30:	
2018	\$ 1,329
2019	1,329
2020	1,329
2021	1,329
2022	1,329
Thereafter	3,980

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as 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 3.44% per annum for December 31, 2018 was based upon a measurement date of December 31, 2017. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.44%	3.44%	4.44%
Total OPEB liability	\$ 259,842	\$ 217,410	\$ 183,543
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 259,842</u>	<u>\$ 217,410</u>	<u>\$ 183,543</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 181,185	\$ 217,410	\$ 264,230
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 181,185</u>	<u>\$ 217,410</u>	<u>\$ 264,230</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:

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 - 3.44% per annum.

Trend Assumptions:

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

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.

Medical and drug trends were blended to develop non-Medicare and Medicare trends based on experience weight as listed below.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

FYE	Non-Medicare		Medicare		Non-Medicare	Medicare
	Medical	Drug	Medical	Drug	Blended	Blended
2018	8.20%	9.60%	4.93%	9.60%	8.46%	8.27%
2019	7.90%	9.20%	4.87%	9.20%	8.15%	8.00%
2020	7.60%	8.80%	4.80%	8.80%	7.83%	7.72%
2021	7.30%	8.40%	4.73%	8.40%	7.51%	7.44%
2022	7.00%	8.00%	4.67%	8.00%	7.20%	7.15%
2023	6.70%	7.60%	4.60%	7.60%	6.88%	6.85%
2024	6.40%	7.20%	4.53%	7.20%	6.56%	6.55%
2025	6.10%	6.80%	4.47%	6.80%	6.24%	6.24%
2026	5.80%	6.40%	4.40%	6.40%	5.92%	5.93%
2027	5.50%	6.00%	4.33%	6.00%	5.60%	5.61%
2028	5.20%	5.60%	4.27%	5.60%	5.28%	5.29%
2029	4.90%	5.20%	4.20%	5.20%	4.96%	4.97%
2030	4.60%	4.80%	4.13%	4.80%	4.64%	4.65%
2031	4.30%	4.40%	4.07%	4.40%	4.32%	4.33%
2032	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Age	Tier 1 (Those hired before 7/1/14)		Tier 2 (Those hired on or after 7/1/14)	
	No Additional Employer Payment	With Additional Employer Payment	No Additional Employer Payment	With Additional Employer Payment
55	5%	5%	5%	5.5%
56	5%	5%	5%	5.5%
57	5%	5%	5%	5.5%
58	5%	5%	5%	5.5%
59	20%	20%	5%	5.5%
60	20%	25%	5%	5.5%
61	20%	25%	5%	5.5%
62	20%	25%	5%	5.5%
63	20%	25%	5%	5.5%
64	20%	25%	20%	25%
65	25%	45%	20%	40%
66	25%	30%	20%	25%
67	25%	30%	20%	25%
68	25%	30%	20%	25%
69	25%	30%	20%	25%
70	100%	100%	100%	100%

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.

Rates of Turnover - Termination rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Years of Service	Revised
0	25.0%
1	20.0%
2	15.0%
3	12.0%
4	10.0%
5	9.0%
6	6.0%
7+	4.0%

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.

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Participation Rates -

Age	No Additional Employer Payment	With Additional Employer Payment
55	5%	80%
56	8%	80%
57	11%	80%
58	14%	80%
59	17%	80%
60	20%	80%
61	22%	90%
62	24%	90%
63	26%	90%
64	29%	90%
65	32%	90%
66	34%	90%
67	36%	90%
68	38%	90%
69	40%	90%
70	50%	90%

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

Significant actuarial assumptions employed by the actuary for Claim and Expense Assumptions as of January 1, 2018 are as follows

Monthly Per Capita Claims and Expense Cost - For all medical and prescription drug benefits for the year 2018 is expressed per adult covered beneficiary.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Age	POS A				POS 200			
	Medical		Rx		Medical		Rx	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$311	\$565	\$99	\$122	\$296	\$538	\$95	\$118
45	\$411	\$585	\$128	\$146	\$391	\$557	\$123	\$141
50	\$539	\$674	\$163	\$173	\$513	\$641	\$157	\$166
55	\$694	\$824	\$203	\$202	\$660	\$784	\$195	\$195
60	\$878	\$971	\$248	\$234	\$835	\$923	\$239	\$226
64	\$1,045	\$986	\$288	\$262	\$993	\$938	\$278	\$253
65	\$120	\$110	\$457	\$446	\$120	\$110	\$457	\$446
70	\$144	\$124	\$514	\$467	\$144	\$124	\$514	\$467
75	\$176	\$148	\$502	\$458	\$176	\$148	\$502	\$458
80	\$209	\$174	\$454	\$432	\$209	\$174	\$454	\$432

Age	POS C				PPO 500			
	Medical		Rx		Medical		Rx	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$306	\$556	\$99	\$122	\$289	\$524	\$95	\$118
45	\$404	\$575	\$128	\$146	\$381	\$542	\$123	\$141
50	\$530	\$662	\$163	\$173	\$499	\$624	\$157	\$166
55	\$683	\$811	\$203	\$202	\$643	\$764	\$195	\$195
60	\$863	\$955	\$248	\$234	\$813	\$899	\$239	\$226
64	\$1,027	\$969	\$288	\$262	\$968	\$913	\$278	\$253
65	\$120	\$110	\$457	\$446	\$120	\$110	\$457	\$446
70	\$144	\$124	\$514	\$467	\$144	\$124	\$514	\$467
75	\$176	\$148	\$502	\$458	\$176	\$148	\$502	\$458
80	\$209	\$174	\$454	\$432	\$209	\$174	\$454	\$432

Age	PPO 1000				PPO 1500			
	Medical		Rx		Medical		Rx	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$281	\$510	\$95	\$118	\$273	\$495	\$95	\$118
45	\$371	\$528	\$123	\$141	\$360	\$512	\$123	\$141
50	\$486	\$608	\$157	\$166	\$472	\$589	\$157	\$166
55	\$627	\$744	\$195	\$195	\$608	\$722	\$195	\$195
60	\$792	\$876	\$239	\$226	\$768	\$850	\$239	\$226
64	\$943	\$890	\$278	\$253	\$914	\$863	\$278	\$253
65	\$120	\$110	\$457	\$446	\$120	\$110	\$457	\$446
70	\$144	\$124	\$514	\$467	\$144	\$124	\$514	\$467
75	\$176	\$148	\$502	\$458	\$176	\$148	\$502	\$458
80	\$209	\$174	\$454	\$432	\$209	\$174	\$454	\$432

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Age	PPO 2500			
	Medical		Rx	
	Male	Female	Male	Female
40	\$261	\$474	\$95	\$118
45	\$345	\$491	\$123	\$141
50	\$452	\$565	\$157	\$166
55	\$583	\$692	\$195	\$195
60	\$737	\$815	\$239	\$226
64	\$877	\$828	\$278	\$253
65	\$120	\$110	\$457	\$446
70	\$144	\$124	\$514	\$467
75	\$176	\$148	\$502	\$458
80	\$209	\$174	\$454	\$432

Claims reflect all medical and prescription plans offered based on completed incurred experience through June 30, 2017 and projected to 2018 and associate enrollment in the various programs options offered.

Annual administrative and claims adjudication expenses are assumed to be \$430 per period for the year 2018.

Claims below age 65 have been loaded 4.3% for medical and 2.8% for drugs for the cost of children enrolled as dependent of eligible retirees. This figure is based on the expected cost for children of the current retirees. This assumption implicitly assumes that future retirees will have the same child distribution as current retirees.

No covered persons under 65 are assumed to be on Medicare and participants age 65 or older are assumed to be enrolled in Medicare.

Affordable Care Act (ACA) and Healthcare Marketplace - A 2.5% load has been built in to reflect the potential impact of changes from the ACA and its impact on the marketplace and program costs. Some key items are PCORI fees, the extra government subsidies for Medicare Part D that can be enrolled in through an Employer Group Waiver Program, minimum loss ratio requirements that impacted some fully insured programs, federal premium taxes, taxes and requirements on providers in the healthcare system, dynamics of the marketplace with Exchanges, Accountable Care Organizations, etc, and the potential impact of the Excise Tax associated with high-costs employer sponsored health plans.

Medical Plan Election - employees will continue in their current medical plan for their entire career.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Second-to-Die Spousal Life Insurance - not explicitly valued and was estimated to impact roughly 0.2% of the Plan's total liability.

Dependent Children - no liability assumed for dependent children's benefits.

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB 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 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, 2018 was \$12,236.

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 remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2018 and January 1, 2017 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 14 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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 Town (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 (800) 451-9800.

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. 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 2.45%.

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 non-public safety plan members are part of the PLD's regular plan "AC" and are required to contribute 8.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.5% 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, 2018 was \$47,594.

The Town's public safety plan members are part of the PLD's special plan "1C" and are required to contribute 8.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 15.7% 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, 2018 was \$227,927.

The total employee contributions for both plans was \$154,057.

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

At June 30, 2018, the Town reported a liability of \$1,892,864 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2017, 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, 2017, the Town's proportion was 0.462309%, which was an increase of 0.008767% from its proportion measured as of June 30, 2016.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2018, the Town recognized net pension expense of \$33,184. At June 30, 2018, 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	\$ -	\$ 90,939
Changes of assumptions	161,071	-
Net difference between projected and actual earnings on pension plan investments	652,335	704,384
Changes in proportion and differences between contributions and proportionate share of contributions	24,535	56,163
Contributions subsequent to the measurement date	<u>275,521</u>	<u>-</u>
Total	<u>\$ 1,113,462</u>	<u>\$ 851,486</u>

\$275,521 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 year ended June 30, 2019. 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:	
2018	\$ (52,035)
2019	154,664
2020	12,699
2021	(128,873)
2022	-
Thereafter	-

Actuarial Methods and Assumptions

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

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.

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 an open basis over a period of fifteen years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 are as follows:

Investment Rate of Return - For the PLD Plan, 6.875% per annum, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Mortality Rates - For participating local Towns, 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 – 2.20% for participating local Towns.

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, 2017 are summarized in the following table.

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%

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Discount Rate

The discount rate used to measure the collective total pension liability was 6.875% for 2017. 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(asset) as of June 30, 2017 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 6.875% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.875%	6.875%	7.875%
Town's proportionate share of the net pension liability	\$ 3,797,668	\$ 1,892,864	\$ 458,843

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2017 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. For 2017, this was three years for the PLD Consolidated Plan; prior to 2017, this was four years for the PLD Consolidated Plan.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

Differences between Projected 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.

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, 2017 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015.

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. 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.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 - 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.

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, 2018, employee contributions totaled \$0 and the Town recognized pension expense of \$71,493.

NOTE 16 - 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 16 - DEFERRED COMPENSATION PLAN (CONTINUED)

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 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, 2018 was \$17,539 and employee contributions were \$66,722.

NOTE 17 - 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.

In August of 2017, The Town officials received a notice of a claim filed by a former employee. We understand that no lawsuit has been filed relating to this claim. It is the opinion of the Town's legal counsel that the Town has significant and strong defenses to any such claims and that any claim is subject to binding arbitration. If a lawsuit is filed, the Town anticipates that it would file a motion to compel arbitration, and also file a motion to dismiss.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 18 - 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, 2018, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$372,280. 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, 2018, the balance in the reserve account is \$60,000.

NOTE 19 - COLLATERALIZATION

At June 30, 2018, 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, 2018, authorizes one draw only up to the amount of \$5,000,000. There were no draws for the year ended June 30, 2018.

At June 30, 2018, 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, 2018.

NOTE 20 - RESTATEMENTS

The net position of the governmental activities has been restated at July 1, 2017 to account for the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions - an amendment of GASB Statement No. 45, as amended (issued 06/04), and GASB Statement No. 57 (issued 12/09). The beginning net position was restated by \$185,339. The resulting restatement decreased net position from \$11,254,665 to \$11,069,326.

In fiscal year 2018, the Town determined that certain transactions in prior years had been recorded incorrectly. Therefore, a restatement to the 2017 government-wide financial statements was required for the governmental activities. The beginning net position for governmental activities was restated by \$172,258 to correct errors in accumulated depreciation. The resulting restatement decreased beginning net position from \$11,069,326 to \$10,897,068.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 21 - 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 Government 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

TOWN OF OGUNQUIT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,070,873	\$ 4,070,873	\$ 4,070,873	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	10,833,039	10,957,405	10,981,835	24,430
Excise Taxes	410,500	410,500	414,497	3,997
Intergovernmental Revenues:				
State Revenue Sharing	14,000	14,000	16,594	2,594
Homestead Reimbursement	20,000	22,437	20,666	(1,771)
Local Road Assistance	18,000	18,000	15,688	(2,312)
Other	4,010	4,132	4,218	86
Interest Income	15,000	15,000	65,915	50,915
Interest on Taxes/Lien Costs	15,000	15,000	19,081	4,081
Charges for Services	2,232,140	2,246,288	2,853,877	607,589
Miscellaneous Revenues	52,700	117,367	92,235	(25,132)
Transfers from Other Funds	-	-	1,500	1,500
Amounts Available for Appropriation	<u>17,685,262</u>	<u>17,891,002</u>	<u>18,556,979</u>	<u>665,977</u>
Charges to Appropriations (Outflows):				
General Government	1,398,968	1,420,441	1,319,796	100,645
Public Safety	2,914,747	2,952,161	2,934,429	17,732
Public Works and Sanitation	1,612,402	1,621,132	1,555,187	65,945
Recreation and Culture	665,756	682,736	631,492	51,244
Health and Welfare	2,000	1,948	1,792	156
Social Services	7,000	6,876	6,500	376
Education	5,371,395	5,371,395	5,371,395	-
County Tax	799,982	799,982	799,982	-
Debt Service:				
Principal	627,152	627,152	629,657	(2,505)
Interest	182,487	199,176	196,671	2,505
Unclassified	65,000	155,480	60,639	94,841
Transfers to Other Funds	464,500	845,233	875,163	(29,930)
Total Charges to Appropriations	<u>14,111,389</u>	<u>14,683,712</u>	<u>14,382,703</u>	<u>301,009</u>
Budgetary Fund Balance, June 30	<u>\$ 3,573,873</u>	<u>\$ 3,207,290</u>	<u>\$ 4,174,276</u>	<u>\$ 966,986</u>
Utilization of Assigned Fund Balance	\$ 347,000	\$ 685,825	\$ -	\$ (685,825)
Utilization of Unassigned Fund Balance	150,000	177,760	-	(177,760)
	<u>\$ 497,000</u>	<u>\$ 863,585</u>	<u>\$ -</u>	<u>\$ (863,585)</u>

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, 2018

	Increase (Decrease)		
	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 1/1/17 (Reporting December 31, 2017)	\$ 185,339	\$ -	\$ 185,339
Changes for the year:			
Service cost	13,857	-	13,857
Interest	7,506	-	7,506
Changes of benefits	-	-	-
Differences between expected and actual experience	(13,765)	-	(13,765)
Changes of assumptions	25,719	-	25,719
Contributions - employer	-	1,246	(1,246)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,246)	(1,246)	-
Administrative expense	-	-	-
Net changes	32,071	-	32,071
Balances at 1/1/18 (Reporting December 31, 2018)	<u>\$ 217,410</u>	<u>\$ -</u>	<u>\$ 217,410</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, 2018

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

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

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

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

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

TOWN OF OGUNQUIT, MAINE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>				
Proportion of the net pension liability	0.46%	0.45%	0.49%	0.48%
Proportionate share of the net pension liability	\$ 1,892,864	\$ 2,409,808	\$ 1,548,713	\$ 743,069
Covered-employee payroll	\$ 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-employee payroll	106.66%	138.00%	92.38%	47.25%
Plan fiduciary net position as a percentage of the total pension liability	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>				
Contractually required contribution	\$ 270,787	\$ 230,003	\$ 212,823	\$ 198,422
Contributions in relation to the contractually required contribution	<u>(270,787)</u>	<u>(230,003)</u>	<u>(212,823)</u>	<u>(198,422)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,905,781	\$ 1,774,614	\$ 1,746,281	\$ 1,676,391
Contributions as a percentage of covered-employee payroll	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.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government 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, 2018

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
General government	\$ 845,775	\$ (19,860)	\$ 825,915	\$ 734,558	\$ 91,357
Insurance and benefits	140,600	26,122	166,722	166,721	1
Information services department	64,151	3,832	67,983	67,983	-
Land use department	348,442	11,379	359,821	350,534	9,287
	<u>1,398,968</u>	<u>21,473</u>	<u>1,420,441</u>	<u>1,319,796</u>	<u>100,645</u>
Public Safety -					
Police department	1,572,225	8,532	1,580,757	1,563,025	17,732
Fire-rescue department	1,342,522	28,882	1,371,404	1,371,404	-
	<u>2,914,747</u>	<u>37,414</u>	<u>2,952,161</u>	<u>2,934,429</u>	<u>17,732</u>
Public Works and Sanitation -					
Highway department	739,399	(17,100)	722,299	670,468	51,831
Facilities and parks	365,109	24,063	389,172	389,172	-
Transfer station	304,894	6,424	311,318	311,318	-
Utilities	203,000	(4,657)	198,343	184,229	14,114
	<u>1,612,402</u>	<u>8,730</u>	<u>1,621,132</u>	<u>1,555,187</u>	<u>65,945</u>
Recreation and Culture -					
Recreation department	13,000	3,726	16,726	16,725	1
Ogunquit Heritage Museum	13,310	709	14,019	14,019	-
Visitor services	271,040	12,293	283,333	283,332	1
Lifeguard services	176,781	(717)	176,064	173,891	2,173
Harbormaster department	131,007	(3,299)	127,708	117,109	10,599
Conservation department	14,935	4,485	19,420	9,563	9,857
Clam warden	7,100	(469)	6,631	5,209	1,422
Marginal way committee	33,000	-	33,000	5,809	27,191
Plover management	5,583	252	5,835	5,835	-
	<u>665,756</u>	<u>16,980</u>	<u>682,736</u>	<u>631,492</u>	<u>51,244</u>

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Health and Welfare -					
General assistance	2,000	(52)	1,948	1,792	156
	<u>2,000</u>	<u>(52)</u>	<u>1,948</u>	<u>1,792</u>	<u>156</u>
Social Services -					
Civic organizations	7,000	(124)	6,876	6,500	376
	<u>7,000</u>	<u>(124)</u>	<u>6,876</u>	<u>6,500</u>	<u>376</u>
Education	5,371,395	-	5,371,395	5,371,395	-
County Tax	799,982	-	799,982	799,982	-
Debt Service -					
Principal	627,152	-	627,152	629,657	(2,505)
Interest	182,487	16,689	199,176	196,671	2,505
	<u>809,639</u>	<u>16,689</u>	<u>826,328</u>	<u>826,328</u>	<u>-</u>
Unclassified -					
Contract adjustments	20,000	(20,000)	-	-	-
Closeout/retirement of ecomaine	20,000	-	20,000	-	20,000
Land conservation	25,000	-	25,000	-	25,000
Overlay	-	110,480	110,480	60,639	49,841
	<u>65,000</u>	<u>90,480</u>	<u>155,480</u>	<u>60,639</u>	<u>94,841</u>
Transfers to Other Funds -					
Special revenue funds	43,000	93,825	136,825	166,754	(29,929)
Capital projects funds	415,000	286,908	701,908	701,909	(1)
Permanent funds	6,500	-	6,500	6,500	-
	<u>464,500</u>	<u>380,733</u>	<u>845,233</u>	<u>875,163</u>	<u>(29,930)</u>
Total Departmental Operations	<u>\$ 14,111,389</u>	<u>\$ 572,323</u>	<u>\$ 14,683,712</u>	<u>\$ 14,382,703</u>	<u>\$ 301,009</u>

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

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 266,304	\$ 142,941	\$ 26,670	\$ 435,915
Investments	-	-	456,559	456,559
Accounts receivable (net of allowance for uncollectibles)	-	286	-	286
Due from other funds	55,364	577,959	30	633,353
TOTAL ASSETS	\$ 321,668	\$ 721,186	\$ 483,259	\$ 1,526,113
LIABILITIES				
Accounts payable	\$ 28,800	\$ 4,361	\$ 902	\$ 34,063
Due to other funds	-	15,382	-	15,382
TOTAL LIABILITIES	28,800	19,743	902	49,445
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	456,559	456,559
Restricted	-	-	25,798	25,798
Committed	-	705,594	-	705,594
Assigned	292,868	-	-	292,868
Unassigned	-	(4,151)	-	(4,151)
TOTAL FUND BALANCES	292,868	701,443	482,357	1,476,668
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 321,668	\$ 721,186	\$ 483,259	\$ 1,526,113

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, 2018

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 79,660	\$ -	\$ -	\$ 79,660
Investment income, net of unrealized gains/(losses)	-	286	4,522	4,808
Other	71,489	15,000	10,002	96,491
TOTAL REVENUES	151,149	15,286	14,524	180,959
EXPENDITURES				
Capital outlay	59,996	814,432	-	874,428
Other	120,997	-	21,829	142,826
TOTAL EXPENDITURES	180,993	814,432	21,829	1,017,254
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,844)</u>	<u>(799,146)</u>	<u>(7,305)</u>	<u>(836,295)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	380,100	-	380,100
Transfers in	216,682	773,179	6,500	996,361
Transfers (out)	(51,429)	(71,269)	-	(122,698)
TOTAL OTHER FINANCING SOURCES (USES)	165,253	1,082,010	6,500	1,253,763
NET CHANGE IN FUND BALANCES	135,409	282,864	(805)	417,468
FUND BALANCES - JULY 1	<u>157,459</u>	<u>418,579</u>	<u>483,162</u>	<u>1,059,200</u>
FUND BALANCES - JUNE 30	<u>\$ 292,868</u>	<u>\$ 701,443</u>	<u>\$ 482,357</u>	<u>\$ 1,476,668</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, 2018

	Community Cupboard	Employee Contingency	Dog Park	Firefighter Training	Jay Parrott Scholarships
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,858	19,140	2,680	2,262	924
TOTAL ASSETS	<u>\$ 1,858</u>	<u>\$ 19,140</u>	<u>\$ 2,680</u>	<u>\$ 2,262</u>	<u>\$ 924</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,858	19,140	2,680	2,262	924
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,858</u>	<u>19,140</u>	<u>2,680</u>	<u>2,262</u>	<u>924</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,858</u>	<u>\$ 19,140</u>	<u>\$ 2,680</u>	<u>\$ 2,262</u>	<u>\$ 924</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police
ASSETS				
Cash and cash equivalents	\$ 82,123	\$ 156,171	\$ 27,768	\$ 242
Due from other funds	-	-	30	-
TOTAL ASSETS	<u>\$ 82,123</u>	<u>\$ 156,171</u>	<u>\$ 27,798</u>	<u>\$ 242</u>
LIABILITIES				
Accounts payable	\$ -	\$ 28,550	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>28,550</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	82,123	127,621	27,798	242
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>82,123</u>	<u>127,621</u>	<u>27,798</u>	<u>242</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 82,123</u>	<u>\$ 156,171</u>	<u>\$ 27,798</u>	<u>\$ 242</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	Summer Programs	Unemployment Reserve	Conservation Commission	Shellfish Commission
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	16,415	6,664	794	810
TOTAL ASSETS	<u>\$ 16,415</u>	<u>\$ 6,664</u>	<u>\$ 794</u>	<u>\$ 810</u>
LIABILITIES				
Accounts payable	\$ 250	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	16,165	6,664	794	810
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>16,165</u>	<u>6,664</u>	<u>794</u>	<u>810</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,415</u>	<u>\$ 6,664</u>	<u>\$ 794</u>	<u>\$ 810</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	Chamber of Commerce	DEP SEC 319 Grant Phase II	DOJ DEA	Information Services	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 266,304
Due from other funds	-	-	-	3,787	55,364
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 3,787	\$ 321,668
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 28,800
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	28,800
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	3,787	292,868
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	3,787	292,868
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 3,787	\$ 321,668

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, 2018

	Community Cupboard	Employee Contingency	Dog Park	Firefighter Training	Jay Parrott Scholarships
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	810	1,210	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>810</u>	<u>1,210</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	20,859	2,017	-	300
TOTAL EXPENDITURES	<u>-</u>	<u>20,859</u>	<u>2,017</u>	<u>-</u>	<u>300</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(20,859)</u>	<u>(1,207)</u>	<u>1,210</u>	<u>(300)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	79,928	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>79,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	59,069	(1,207)	1,210	(300)
FUND BALANCES (DEFICITS) - JULY 1	<u>1,858</u>	<u>(39,929)</u>	<u>3,887</u>	<u>1,052</u>	<u>1,224</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,858</u>	<u>\$ 19,140</u>	<u>\$ 2,680</u>	<u>\$ 2,262</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, 2018

	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Other	7,090	40,235	10,060	-
TOTAL REVENUES	<u>7,090</u>	<u>40,235</u>	<u>10,060</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	54,999	-	-
Other	758	-	2,031	-
TOTAL EXPENDITURES	<u>758</u>	<u>54,999</u>	<u>2,031</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,332</u>	<u>(14,764)</u>	<u>8,029</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	30,200	-	-
Transfers (out)	-	-	(10,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>30,200</u>	<u>(10,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	6,332	15,436	(1,971)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>75,791</u>	<u>112,185</u>	<u>29,769</u>	<u>242</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u><u>\$ 82,123</u></u>	<u><u>\$ 127,621</u></u>	<u><u>\$ 27,798</u></u>	<u><u>\$ 242</u></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, 2018

	<u>Summer Programs</u>	<u>Unemployment Reserve</u>	<u>Conservation Commission</u>	<u>Shellfish Commission</u>
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Other	11,967	-	117	-
TOTAL REVENUES	<u>11,967</u>	<u>-</u>	<u>117</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	5,608	35	-	-
TOTAL EXPENDITURES	<u>5,608</u>	<u>35</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,359</u>	<u>(35)</u>	<u>117</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000	-	-
Transfers (out)	(1,500)	(39,929)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,500)</u>	<u>(36,929)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	4,859	(36,964)	117	-
FUND BALANCES (DEFICITS) - JULY 1	<u>11,306</u>	<u>43,628</u>	<u>677</u>	<u>810</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 16,165</u>	<u>\$ 6,664</u>	<u>\$ 794</u>	<u>\$ 810</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, 2018

	Chamber of Commerce	DEP SEC 319 Grant Phase II	DOJ DEA	Information Services	Total
REVENUES					
Intergovernmental revenues	\$ 9,904	\$ 69,756	\$ -	\$ -	\$ 79,660
Other	-	-	-	-	71,489
TOTAL REVENUES	<u>9,904</u>	<u>69,756</u>	<u>-</u>	<u>-</u>	<u>151,149</u>
EXPENDITURES					
Capital outlay	-	-	-	4,997	59,996
Other	9,904	79,485	-	-	120,997
TOTAL EXPENDITURES	<u>9,904</u>	<u>79,485</u>	<u>-</u>	<u>4,997</u>	<u>180,993</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(9,729)</u>	<u>-</u>	<u>(4,997)</u>	<u>(29,844)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	9,729	93,825	-	216,682
Transfers (out)	-	-	-	-	(51,429)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>9,729</u>	<u>93,825</u>	<u>-</u>	<u>165,253</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	93,825	(4,997)	135,409
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>(93,825)</u>	<u>8,784</u>	<u>157,459</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,787</u>	<u>\$ 292,868</u>

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.

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	2010 MDOT Projects	2013 Agamenticus Park	2015 Main Beach Trolley	2016 Paving Municipal Roads	2016 Beach Street Circle	2016 Beach Street Drainage
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	7,557	-	45,000	-	19,000	4,622
TOTAL ASSETS	\$ 7,557	\$ -	\$ 45,000	\$ -	\$ 19,000	\$ 4,622
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	7,557	-	45,000	-	19,000	4,622
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	7,557	-	45,000	-	19,000	4,622
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 7,557	\$ -	\$ 45,000	\$ -	\$ 19,000	\$ 4,622

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	2017 Municipal Road Paving	2017 FD Airpaks	2017 DPW Trailer	2017 Revaluation	2017 Perkins Cove Improvements	2017 FD OH Door Remotes
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	52,346	-	-	-	-	-
TOTAL ASSETS	\$ 52,346	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	52,346	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	52,346	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 52,346	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	2017 Beach Surf Rake	2017 Dunaway Repairs	2017 Dunaway Heating	2017 Jacob's Lot Replacement	2017 DPW Pickup w/Plow-Sander	2017 Police Cruiser
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	-	-	13,000	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	13,000	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	-	13,000	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	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	\$ 65,673	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	149,945	-	-	-	26,405	6,540
TOTAL ASSETS	\$ 149,945	\$ 14,450	\$ 65,673	\$ -	\$ 26,405	\$ 6,540
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 739	\$ -	\$ -
Due to other funds	-	-	16	3,412	-	-
TOTAL LIABILITIES	-	-	16	4,151	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	149,945	14,450	65,657	-	26,405	6,540
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(4,151)	-	-
TOTAL FUND BALANCES (DEFICITS)	149,945	14,450	65,657	(4,151)	26,405	6,540
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 149,945	\$ 14,450	\$ 65,673	\$ -	\$ 26,405	\$ 6,540

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	2018 PW Mower	2018 PW Agamenticus Rd Drainage Study	2018 OVS Repurpose Use Design	2018 Engineer/ Restrooms Main Beach/Footbridge	2018 Bath House Repairs	2018 FD Ambulance
ASSETS						
Cash and cash equivalents	\$ 864	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	-	15,000	120,000	100,000	18,544	-
TOTAL ASSETS	<u>\$ 864</u>	<u>\$ 15,000</u>	<u>\$ 120,000</u>	<u>\$ 100,000</u>	<u>\$ 18,544</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 3,622	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>3,622</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	864	15,000	116,378	100,000	18,544	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>864</u>	<u>15,000</u>	<u>116,378</u>	<u>100,000</u>	<u>18,544</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 864</u>	<u>\$ 15,000</u>	<u>\$ 120,000</u>	<u>\$ 100,000</u>	<u>\$ 18,544</u>	<u>\$ -</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	2018 PW Plow Truck w/ Wing & Sander	2018 Harbor Perkins Cove Boatways	2018 Overhead Heaters	2018 Bond Proceeds	2018 PW Cherry Lane Improve/Overlay	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 11,954	\$ -	\$ -	\$ 50,000	\$ 142,941
Accounts receivable (net of allowance for uncollectibles)	-	-	-	286	-	286
Due from other funds	-	-	-	-	-	577,959
TOTAL ASSETS	\$ -	\$ 11,954	\$ -	\$ 286	\$ 50,000	\$ 721,186
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361
Due to other funds	-	11,954	-	-	-	15,382
TOTAL LIABILITIES	-	11,954	-	-	-	19,743
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	286	50,000	705,594
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(4,151)
TOTAL FUND BALANCES (DEFICITS)	-	-	-	286	50,000	701,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 11,954	\$ -	\$ 286	\$ 50,000	\$ 721,186

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, 2018

	2010 MDOT Projects	2013 Agamenticus Park	2015 Main Beach Trolley	2016 Paving Municipal Roads	2016 Beach Street Circle	2016 Beach Street Drainage
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	2,217	-	-	25,802	-	15,113
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	2,217	-	-	25,802	-	15,113
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,217)	-	-	(25,802)	-	(15,113)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(1,405)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,405)	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,217)	(1,405)	-	(25,802)	-	(15,113)
FUND BALANCES (DEFICITS) - JULY 1	9,774	1,405	45,000	25,802	19,000	19,735
FUND BALANCES (DEFICITS) - JUNE 30	\$ 7,557	\$ -	\$ 45,000	\$ -	\$ 19,000	\$ 4,622

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	2017 Municipal Road Paving	2017 FD Airpaks	2017 DPW Trailer	2017 Revaluation	2017 Perkins Cove Improvements	2017 FD OH Door Remotes
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	92,654	-	-	51,823	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	92,654	-	-	51,823	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(92,654)	-	-	(51,823)	-	-
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	15,931	-
Transfers (out)	-	(758)	(55)	(33,850)	-	(4,556)
TOTAL OTHER FINANCING SOURCES (USES)	-	(758)	(55)	(33,850)	15,931	(4,556)
NET CHANGE IN FUND BALANCES (DEFICITS)	(92,654)	(758)	(55)	(85,673)	15,931	(4,556)
FUND BALANCES (DEFICITS) - JULY 1	145,000	758	55	85,673	(15,931)	4,556
FUND BALANCES (DEFICITS) - JUNE 30	\$ 52,346	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	2017 Beach Surf Rake	2017 Dunaway Repairs	2017 Dunaway Heating	2017 Jacob's Lot Replacement	2017 DPW Pickup w/Plow-Sander	2017 Police Cruiser
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	44,813	-	280	-	968
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>44,813</u>	<u>-</u>	<u>280</u>	<u>-</u>	<u>968</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(44,813)</u>	<u>-</u>	<u>(280)</u>	<u>-</u>	<u>(968)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	(3,075)	-	-	(14,653)	(963)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,075)</u>	<u>-</u>	<u>-</u>	<u>(14,653)</u>	<u>(963)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(3,075)	(44,813)	-	(14,933)	(963)	(968)
FUND BALANCES (DEFICITS) - JULY 1	<u>3,075</u>	<u>44,813</u>	<u>13,000</u>	<u>14,933</u>	<u>963</u>	<u>968</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	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)	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	55	550	4,343	34,151	-	3,460
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	55	550	4,343	34,151	-	3,460
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55)	(550)	(4,343)	(34,151)	-	(3,460)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	15,000	70,000	-	-	-
Transfers in	150,000	-	-	30,000	26,405	10,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	150,000	15,000	70,000	30,000	26,405	10,000
NET CHANGE IN FUND BALANCES (DEFICITS)	149,945	14,450	65,657	(4,151)	26,405	6,540
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 149,945	\$ 14,450	\$ 65,657	\$ (4,151)	\$ 26,405	\$ 6,540

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	2018 PW Mower	2018 PW Agamenticus Rd Drainage Study	2018 OVS Repurpose Use Design	2018 Engineer/ Restrooms Main Beach/Footbridge	2018 Bath House Repairs	2018 FD Ambulance
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	-	15,000
TOTAL REVENUES	-	-	-	-	-	15,000
EXPENDITURES						
Capital outlay	24,236	-	3,622	-	27,260	256,465
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	24,236	-	3,622	-	27,260	256,465
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,236)	-	(3,622)	-	(27,260)	(241,465)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	25,100	-	-	-	-	-
Transfers in	-	15,000	120,000	100,000	45,804	241,465
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	25,100	15,000	120,000	100,000	45,804	241,465
NET CHANGE IN FUND BALANCES (DEFICITS)	864	15,000	116,378	100,000	18,544	-
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 864	\$ 15,000	\$ 116,378	\$ 100,000	\$ 18,544	\$ -

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	2018 PW Plow Truck w/ Wing & Sander	2018 Harbor Perkins Cove Boatways	2018 Overhead Heaters	2018 Bond Proceeds	2018 PW Cherry Lane Improve/Overlay	Total
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	286	-	286
Other	-	-	-	-	-	15,000
TOTAL REVENUES	-	-	-	286	-	15,286
EXPENDITURES						
Capital outlay	173,574	38,046	15,000	-	-	814,432
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	173,574	38,046	15,000	-	-	814,432
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(173,574)</u>	<u>(38,046)</u>	<u>(15,000)</u>	<u>286</u>	<u>-</u>	<u>(799,146)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	170,000	50,000	-	-	50,000	380,100
Transfers in	3,574	-	15,000	-	-	773,179
Transfers (out)	-	(11,954)	-	-	-	(71,269)
TOTAL OTHER FINANCING SOURCES (USES)	173,574	38,046	15,000	-	50,000	1,082,010
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	286	50,000	282,864
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	418,579
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286</u>	<u>\$ 50,000</u>	<u>\$ 701,443</u>

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, 2018

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
ASSETS				
Cash and cash equivalents	\$ 11,978	\$ 6,946	\$ 7,746	\$ 26,670
Investments	219,259	145,300	92,000	456,559
Due from other funds	-	30	-	30
TOTAL ASSETS	<u>\$ 231,237</u>	<u>\$ 152,276</u>	<u>\$ 99,746</u>	<u>\$ 483,259</u>
LIABILITIES				
Accounts payable	\$ -	\$ 902	\$ -	\$ 902
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>902</u>	<u>-</u>	<u>902</u>
FUND BALANCES				
Nonspendable	219,259	145,300	92,000	456,559
Restricted	11,978	6,074	7,746	25,798
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>231,237</u>	<u>151,374</u>	<u>99,746</u>	<u>482,357</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 231,237</u>	<u>\$ 152,276</u>	<u>\$ 99,746</u>	<u>\$ 483,259</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, 2018

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 2,198	\$ 1,396	\$ 928	\$ 4,522
Other income	600	9,402	-	10,002
TOTAL REVENUES	<u>2,798</u>	<u>10,798</u>	<u>928</u>	<u>14,524</u>
EXPENDITURES				
Other	3,200	18,629	-	21,829
TOTAL EXPENDITURES	<u>3,200</u>	<u>18,629</u>	<u>-</u>	<u>21,829</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(402)</u>	<u>(7,831)</u>	<u>928</u>	<u>(7,305)</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	(402)	(1,331)	928	(805)
FUND BALANCES - JULY 1	<u>231,639</u>	<u>152,705</u>	<u>98,818</u>	<u>483,162</u>
FUND BALANCES - JUNE 30	<u>\$ 231,237</u>	<u>\$ 151,374</u>	<u>\$ 99,746</u>	<u>\$ 482,357</u>

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



Proven Expertise and 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

Board of Selectmen
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, 2018, 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 12, 2019.

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.

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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*.

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 12, 2019