

Audited Financial Statements and  
Other Financial Information

Town of Ogunquit, Maine

June 30, 2017



*Proven Expertise and Integrity*

TOWN OF OGUNQUIT, MAINE

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JUNE 30, 2017

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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, 2017, 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 statements.

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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, 2017, 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 pension information on pages 4 through 10 and 48 through 51 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 January 8, 2018, 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  
January 8, 2018

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**(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, 2017. 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 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 Proportionate Share of the Net Pension Liability, a Schedule of Contributions and Notes to Required Supplementary Information.

### **Other Supplementary Information**

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

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$99,728 from \$11,154,937 to \$11,254,665.

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 \$2,794,286 at the end of this year.

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

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016 (Restated)</b>
<b>Assets</b>		
Current Assets	\$ 5,614,454	\$ 5,335,246
Capital Assets	15,041,738	14,967,623
Total Assets	<u>20,656,192</u>	<u>20,302,869</u>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	1,411,832	910,133
Total Deferred Outflows of Resources	<u>1,411,832</u>	<u>910,133</u>
<b>Liabilities</b>		
Current Liabilities	1,297,710	910,831
Long-term Debt Outstanding	8,844,869	8,231,485
Total Liabilities	<u>10,142,579</u>	<u>9,142,316</u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	670,780	915,749
Total Deferred Inflows of Resources	<u>670,780</u>	<u>915,749</u>
<b>Net Position</b>		
Net Investment in Capital Assets	7,977,217	8,013,913
Restricted for:		
Permanent Funds	483,162	456,559
Unrestricted	2,794,286	2,684,465
Total Net Position	<u>\$ 11,254,665</u>	<u>\$ 11,154,937</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.75%, while total expenses increased by 7.28%. The increase in governmental revenues was primarily due to operating grants and contributions, while the increase 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,**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 2,783,973	\$ 2,839,635
Operating grants and contributions	528,896	191,418
<i>General Revenues:</i>		
Taxes	11,226,489	11,142,167
Grants and contributions not restricted to specific programs	37,712	33,394
Miscellaneous	170,602	7,869
Total revenues	<u>14,747,672</u>	<u>14,214,483</u>
<b>Expenses</b>		
General government	1,807,935	1,653,542
Public safety	2,739,225	2,683,970
Public works and sanitation	1,062,533	1,325,592
Recreation and culture	656,992	1,019,340
Health and welfare	130	983
Social services	7,160	7,500
Education	5,333,952	5,198,383
County tax	782,362	718,800
Unclassified	590,630	100,013
Interest on long-term debt	166,267	217,570
Unallocated pension	114,427	131,580
Unallocated depreciation (Note 4)*	1,386,331	597,064
Total expenses	<u>14,647,944</u>	<u>13,654,337</u>
Change in net position	99,728	560,146
Net position - July 1, Restated	<u>11,154,937</u>	<u>10,594,791</u>
Net position - June 30	<u><u>\$ 11,254,665</u></u>	<u><u>\$ 11,154,937</u></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>2017</u>	<u>2016</u> <u>(Restated)</u>
General Fund:		
Nonspendable	\$ 162,898	\$ 95,443
Committed	218,454	159,364
Assigned	29,060	354,439
Unassigned	3,660,461	3,434,210
Total General Fund	<u>\$ 4,070,873</u>	<u>\$ 4,043,456</u>
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 291,213	\$ 300,592
Unassigned	(133,754)	(96,108)
Capital Projects Funds:		
Committed	434,510	247,814
Unassigned	(15,931)	(78,000)
Permanent Funds:		
Nonspendable	456,559	456,559
Restricted	26,603	21,234
Total Nonmajor Funds	<u>\$ 1,059,200</u>	<u>\$ 852,091</u>

The general fund total fund balance increased by \$27,417 from the prior fiscal year. The nonmajor fund balances increased by \$207,109 from the prior fiscal year.

### **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 over budgeted revenues by \$689,633. 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 \$92,935. All expenditure categories were under budget with the exception of general government.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2017, the net book value of capital assets recorded by the Town increased by \$74,115. This increase is the result of capital additions of \$1,460,446 less current year depreciation of \$1,386,331.

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

	<u>2017</u>	<u>2016</u> <u>(Restated)</u>
Land and non-depreciable assets	\$ 4,967,460	\$ 4,967,460
Buildings and building improvements	2,732,262	2,704,338
Machinery and equipment	373,577	287,582
Vehicles	1,630,420	1,732,726
Infrastructure	<u>5,338,019</u>	<u>5,275,517</u>
Total	<u>\$ 15,041,738</u>	<u>\$ 14,967,623</u>

### Debt

At June 30, 2017, the Town had \$6,924,642 in bonds outstanding versus \$6,799,144 last year. Other obligations include mortgage payable, capital leases payable, accrued vacation and sick time 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 three 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, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 4,570,421
Investments	456,559
Accounts receivable (net of allowance for uncollectibles):	
Taxes	167,755
Liens	52,351
Other	66,240
Due from other governments	138,230
Prepaid items	162,898
Total current assets	<u>5,614,454</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	4,967,460
Buildings and equipment, net of accumulated depreciation	10,074,278
Total noncurrent assets	<u>15,041,738</u>
<b>TOTAL ASSETS</b>	<u>20,656,192</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	1,411,832
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,411,832</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 22,068,024</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 199,381
Due to other governments	488
Accrued expenses	117,512
Current portion of long-term obligations	980,329
Total current liabilities	<u>1,297,710</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	6,308,490
Mortgage payable	121,000
Capital leases payable	5,571
Net pension liability	2,409,808
Total noncurrent liabilities	<u>8,844,869</u>
<b>TOTAL LIABILITIES</b>	<u>10,142,579</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	670,780
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>670,780</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,977,217
Restricted for: Permanent funds	483,162
Unrestricted	2,794,286
<b>TOTAL NET POSITION</b>	<u>11,254,665</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 22,068,024</u>

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

## TOWN OF OGUNQUIT, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 1,807,935	\$ 272,161	\$ -	\$ -	\$ (1,535,774)
Public safety	2,739,225	208,090	-	-	(2,531,135)
Public works and sanitation	1,062,533	93,872	16,684	-	(951,977)
Recreation and culture	656,992	2,209,850	-	-	1,552,858
Health and welfare	130	-	-	-	(130)
Social services	7,160	-	-	-	(7,160)
Education	5,333,952	-	-	-	(5,333,952)
County tax	782,362	-	-	-	(782,362)
Unclassified	590,630	-	512,212	-	(78,418)
Interest on long-term debt	166,267	-	-	-	(166,267)
Unallocated pension	114,427	-	-	-	(114,427)
Unallocated depreciation (Note 4)*	1,386,331	-	-	-	(1,386,331)
Total governmental activities	<u>\$ 14,647,944</u>	<u>\$ 2,783,973</u>	<u>\$ 528,896</u>	<u>\$ -</u>	<u>(11,335,075)</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, 2017

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(11,335,075)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	10,835,426
Excise taxes	391,063
Grants and contributions not restricted to specific programs	37,712
Miscellaneous	<u>170,602</u>
Total general revenues	<u>11,434,803</u>
Change in net position	99,728
NET POSITION - JULY 1, RESTATED	<u>11,154,937</u>
NET POSITION - JUNE 30	<u><u>\$ 11,254,665</u></u>

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

## TOWN OF OGUNQUIT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,327,049	\$ 243,372	\$ 4,570,421
Investments	-	456,559	456,559
Accounts receivable (net of allowance for uncollectibles):			
Taxes	167,755	-	167,755
Liens	52,351	-	52,351
Other	66,240	-	66,240
Due from other governments	-	138,230	138,230
Prepaid items	162,898	-	162,898
Due from other funds	237,738	569,569	807,307
<b>TOTAL ASSETS</b>	<b>\$ 5,014,031</b>	<b>\$ 1,407,730</b>	<b>\$ 6,421,761</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 88,589	\$ 110,792	\$ 199,381
Due to other governments	488	-	488
Accrued expenses	117,512	-	117,512
Due to other funds	569,569	237,738	807,307
<b>TOTAL LIABILITIES</b>	<b>776,158</b>	<b>348,530</b>	<b>1,124,688</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred tax revenue	167,000	-	167,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>167,000</b>	<b>-</b>	<b>167,000</b>
<b>FUND BALANCES</b>			
Nonspendable	162,898	456,559	619,457
Restricted	-	26,603	26,603
Committed	218,454	434,510	652,964
Assigned	29,060	291,213	320,273
Unassigned	3,660,461	(149,685)	3,510,776
<b>TOTAL FUND BALANCES</b>	<b>4,070,873</b>	<b>1,059,200</b>	<b>5,130,073</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 5,014,031</b>	<b>\$ 1,407,730</b>	<b>\$ 6,421,761</b>

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, 2017

	Total Governmental Funds
Total Fund Balances	\$ 5,130,073
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	15,041,738
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 pensions are not financial resources and therefore are not reported in the funds	1,411,832
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	(6,924,642)
Mortgage payable	(132,000)
Capital leases payable	(7,879)
Accrued compensated absences	(350,869)
Net pension liability	(2,409,808)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(670,780)
Net position of governmental activities	\$ 11,254,665

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, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 10,835,426	\$ -	\$ 10,835,426
Excise taxes	391,063	-	391,063
Intergovernmental revenues	54,396	512,212	566,608
Charges for services	2,783,973	-	2,783,973
Miscellaneous revenues	121,890	48,712	170,602
<b>TOTAL REVENUES</b>	<b>14,186,748</b>	<b>560,924</b>	<b>14,747,672</b>
<b>EXPENDITURES</b>			
Current:			
General government	1,806,436	-	1,806,436
Public safety	2,764,916	-	2,764,916
Public works and sanitation	1,202,295	-	1,202,295
Recreation and culture	658,526	-	658,526
Health and welfare	130	-	130
Social services	7,160	-	7,160
Education	5,333,952	-	5,333,952
County tax	782,362	-	782,362
Unclassified	57,676	532,954	590,630
Debt service:			
Principal	597,152	-	597,152
Interest	203,569	-	203,569
Capital outlay	-	1,277,668	1,277,668
<b>TOTAL EXPENDITURES</b>	<b>13,414,174</b>	<b>1,810,622</b>	<b>15,224,796</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>772,574</b>	<b>(1,249,698)</b>	<b>(477,124)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	-	711,650	711,650
Transfers in	694	745,851	746,545
Transfers (out)	(745,851)	(694)	(746,545)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(745,157)</b>	<b>1,456,807</b>	<b>711,650</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>27,417</b>	<b>207,109</b>	<b>234,526</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>4,043,456</b>	<b>852,091</b>	<b>4,895,547</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 4,070,873</b>	<b>\$ 1,059,200</b>	<b>\$ 5,130,073</b>

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, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 234,526</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,460,446
Depreciation expense	<u>(1,386,331)</u>
	<u>74,115</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>501,699</u>
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	
	<u>600,839</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(711,650)</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>244,969</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(20,977)
Accrued interest	37,302
Net pension liability	<u>(861,095)</u>
	<u>(844,770)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 99,728</u>

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 77, "*Tax Abatement Disclosures*". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 80, "*Blending Requirements for Certain Component Units*". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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 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. 82, "*Pension Issues*". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental or business-type. All activities of the Town are categorized as governmental.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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:

Major Funds

- 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**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:

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
4. The Town does not adopt budgets for Special Revenue Funds.

**Deposits and Investments**

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

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

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

**Receivables**

Receivables include amounts due from governmental agencies and ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$204,470 for the year ended June 30, 2017. The allowance for uncollectible accounts is estimated to be \$38,199 as of June 30, 2017.

**Prepaid Items**

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

TOWN OF OGUNQUIT, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, mortgage payable, capital leases payable, accrued compensated absences and net pension liability.

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

**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, 2017, the Town's liability for compensated absences is \$350,869.

**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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

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

**Fund Balances**

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

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

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

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

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**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 only one type of item, deferred outflows related to pensions. This item is 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 only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied September 12, 2016 on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due in two installments on November 1, 2016 and May 1, 2017. Interest on unpaid taxes commenced on November 2, 2016 for the first installment and May 2, 2017 for the second installment, at 7% per annum.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$20,556 for the year ended June 30, 2017.

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

**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, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's 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, 2017, the Town's deposits amounting to \$4,570,421, which include any petty cash, outstanding checks and deposits in transit, were comprised of bank deposits of \$4,760,223. Of these bank deposits, \$252,265 were fully covered by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining deposits of \$4,507,958 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	\$ 4,599,071
Money market accounts	161,152
	<u>\$ 4,760,223</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, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2017, 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	\$ -
	<u>\$ 456,559</u>	<u>\$ -</u>	<u>\$ 456,559</u>	<u>\$ -</u>

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, 2017 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 237,738	\$ 569,569
Nonmajor special revenue funds	75,616	136,966
Nonmajor capital projects funds	<u>493,953</u>	<u>100,772</u>
Totals	<u>\$ 807,307</u>	<u>\$ 807,307</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	Balance 7/1/16 (Restated)	Additions	Disposals	Balance 6/30/17
<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	5,424,229	220,127	-	5,644,356
Machinery and equipment	997,048	215,300	-	1,212,348
Vehicles	3,129,708	117,902	-	3,247,610
Infrastructure	6,619,866	907,117	-	7,526,983
	<u>16,170,851</u>	<u>1,460,446</u>	<u>-</u>	<u>17,631,297</u>
Less: accumulated depreciation	<u>(6,170,688)</u>	<u>(1,386,331)</u>	<u>-</u>	<u>(7,557,019)</u>
	<u>10,000,163</u>	<u>74,115</u>	<u>-</u>	<u>10,074,278</u>
Net capital assets	<u>\$ 14,967,623</u>	<u>\$ 74,115</u>	<u>\$ -</u>	<u>\$ 15,041,738</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, 2017:

	Balance, 7/1/16	Additions	Deletions	Balance, 6/30/17	Current Portion
<u>Governmental Activities:</u>					
Bonds payable	\$ 6,799,144	\$ 711,650	\$ (586,152)	\$ 6,924,642	\$ 616,152
Mortgage payable	143,000	-	(11,000)	132,000	11,000
Capital leases payable	11,566	-	(3,687)	7,879	2,308
Accrued compensated absences	329,892	20,977	-	350,869	350,869
Net pension liability	1,548,713	861,095	-	2,409,808	-
	<u>\$ 8,832,315</u>	<u>\$ 1,593,722</u>	<u>\$ (600,839)</u>	<u>\$ 9,825,198</u>	<u>\$ 980,329</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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.	\$ 132,000
\$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.	198,000
\$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.	180,000
\$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.	1,200,000
\$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.	1,183,424
\$2,227,000, 2010 General Obligation Bond due in annual principal installments of \$111,350 through November of 2030. Interest varies from .831% to 5.094% per annum.	1,558,900
\$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.	925,000
\$443,000, 2013 General Obligation Bond due in annual principal installments of \$39,800 through November of 2033. Interest varies from .450% to 4.570% per annum.	323,600
\$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 .430% to 3.599% per annum.	362,068
\$150,000, 2016 General Obligation Bond due in annual principal installments of \$30,000 through November of 2021. Interest varies from .910% to 1.510% per annum.	150,000
\$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.	<u>711,650</u>
Total Bonds Payable	<u>6,924,642</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>132,000</u>
Total Mortgage Payable	<u>132,000</u>
Total Bonds and Mortgage Payable	<u><u>\$ 7,056,642</u></u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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>
2018	\$ 627,152	\$ 198,448	\$ 825,600
2019	685,232	180,494	865,726
2020	629,232	159,581	788,813
2021	615,432	132,586	748,018
2022	615,432	121,572	737,004
2023-2027	2,609,440	368,008	2,977,448
2028-2032	1,126,222	93,654	1,219,876
2033-2037	134,750	10,760	145,510
2038-2042	13,750	269	14,019
	<u>\$ 7,056,642</u>	<u>\$ 1,265,372</u>	<u>\$ 8,322,014</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:

2018	\$ 2,616
2019	2,616
2020	2,616
2021	637
2022	-
Total minimum lease payments	<u>8,485</u>
Less: Amount representing interest	<u>(606)</u>
Present value of future minimum lease payments	<u>\$ 7,879</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, 2017

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2017, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 162,898
Nonmajor permanent funds (Schedule H)	<u>456,559</u>
	<u>\$ 619,457</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2017, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u>\$ 26,603</u>
	<u>\$ 26,603</u>

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2017, the Town had the following committed fund balances:

General fund:	
ecomaine closeout reserve	\$ 40,000
Ambulance reserve	177,760
Land conservation reserve	694
Nonmajor capital projects funds (Schedule F)	<u>434,510</u>
	<u>\$ 652,964</u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2017, the Town had the following assigned fund balances:

General fund:	
Encumbrances	\$ 29,060
Nonmajor special revenue funds (Schedule D)	<u>291,213</u>
	<u>\$ 320,273</u>

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 10 - DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2017:

Employee Contingency	\$ 39,929
DOJ DEA	93,825
2017 Perkins Cove Improvements	<u>15,931</u>
	<u>\$ 149,685</u>

NOTE 11 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2017:

	<u>Excess</u>
General Government (Article 12)	<u>\$ 19,017</u>

NOTE 12 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of the County and School District's debt. As of June 30, 2017, the Town's share of debt was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 5,053,463	4.34%	\$ 219,234
CSD No. 18	30,106,318	22.12%	<u>6,659,560</u>
			<u>\$ 6,878,794</u>

NOTE 13 - 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, 2017. 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.maineopers.org](http://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 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

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 5.0%.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**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 police and fire department employees are part of the PLDs special plan "1C" and are required to contribute 8.0% of their annual salary, while all other employees are part of regular plan "AC" and are required to contribute 8.0% of their annual salary. The Town is required to contribute the actuarially determined rates of 14.2% for special plan "1C" members' covered payroll and 9.5% for regular plan "AC" members' covered payroll during the year. 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, 2017 was \$230,003.

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

At June 30, 2017, the Town reported a liability of \$2,409,808 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2016, 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, 2016, the Town's proportion was 0.453542%, which was a decrease of 0.031877% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized net pension expense of \$114,427. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,213	\$ 154,996
Changes of assumptions	258,337	-
Net difference between projected and actual earnings on pension plan investments	890,504	370,615
Changes in proportion and differences between contributions and proportionate share of contributions	3,775	145,169
Contributions subsequent to the measurement date	<u>230,003</u>	<u>-</u>
Total	<u>\$ 1,411,832</u>	<u>\$ 670,780</u>

\$230,003 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>PLD Plan</u>
Plan year ended June 30:	
2017	\$ 35,331
2018	67,043
2019	269,785
2020	138,890
2021	-
Thereafter	-

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2016, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (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 a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

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

*Investment Rate of Return* - For the PLD Plan, 6.875% per annum, compounded annually; 7.125% was used for the period ended June 30, 2015

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

*Mortality Rates* - For participating local districts, 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Cost of Living Benefit Increases* - 2.20%; 2.55% was used for the period ended June 30, 2015.

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, 2016 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.875% for 2016. 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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following table shows how the collective net pension liability/(asset) as of June 30, 2016 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	\$ 3,999,847	\$ 2,409,808	\$ 912,843

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2016 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2016 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2016, this was 4 years for the PLD Consolidated Plan.

*Differences between Projected and Actual Investment Earnings on Pension Plan Investments*

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

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

assumptions used for the year ended June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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

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

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2016 Comprehensive Annual Financial Report available online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (207) 512-3100.

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.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 15 - DEFINED CONTRIBUTION PLAN (CONTINUED)

B. Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Select Board. Eligible employees may elect to be enrolled in either the 401 plan or Maine Public Employees Retirement System, but not both. Under the 401 plan, the Town is required to contribute 8% of the employee's annual compensation. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. Employees are immediately vested in their own contributions as well as Town contributions. For the year ended June 30, 2017, employee contributions totaled \$37,321, and the Town recognized pension expense of \$73,985.

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.

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

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

B. Funding Policy

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

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 16 - DEFERRED COMPENSATION PLAN (CONTINUED)

employees' annual compensation for department heads and the police lieutenant, whether the employee is enrolled in the deferred compensation plan or the defined benefit plan. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. The Town's and employee's contribution vests 100% with the employee when contributed. The Town's contributions for the plan for the year ended June 30, 2017 was \$20,188.

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.

At June 30, 2016, the Town had a deficit of \$85,829 for a project with the U.S. Department of Justice – Drug Enforcement Agency (DEA). At June 30, 2017 that deficit grew to \$93,825, and there is no expectation that the DEA will reimburse the Town for these expenses. The Town signed an agreement with the DEA to provide an officer for the DEA's Task Force in August of 2015. The term of the contract was one-year, through September 30, 2016. The Town was to share in any seized assets for a case where the Town's assigned officer participated. The DEA did not guarantee any funds other than the direct costs of overtime but assured the Town that participating jurisdictions had received approximately \$125,000 from seized assets. In December of 2015, the DEA announced a suspension of the program to share assets with the participating jurisdictions. Although the Town was prepared to withdraw the officer, the DEA asked the Town to not withdraw the officer and in the spring of 2016, the DEA introduced a new online application program for sharing seized assets. The officer returned to the Town in August of 2016. The DEA determines which jurisdiction, where eligible, to share in the seized assets and in what amount. During fiscal year 2017, the Town received \$3,047 in overtime reimbursements and \$1,137 in seized assets. The DEA has not advised the Town that it is eligible for any other seized assets, therefore the Town does not expect to receive any additional funds from the DEA.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 17 - CONTINGENCIES (CONTINUED)

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.

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, 2017, 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, 2017, the balance in the reserve account is \$40,000.

NOTE 19 - COLLATERALIZATION

At June 30, 2017, 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 3, 2017, authorizes one draw only up to the amount of \$5,000,000. There were no draws for the year ended June 30, 2017.

At June 30, 2017, 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, 2017.

NOTE 20 - RESTATEMENTS

The beginning fund balances of two special revenue funds have been restated as of July 1, 2016. These balances were restated to correct the balances in the Land Conservation Reserve and the Marginal Way funds. The Land Conservation Reserve fund and the Marginal Way fund were restated by (\$29) and \$29, respectively. The net restatement to the governmental activities was \$0.

TOWN OF OGUNQUIT, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 20 - RESTATEMENTS (CONTINUED)

The beginning fund balance of the general fund and the net position of the governmental activities have been restated as of July 1, 2016. These balances were restated to correct various account balances in the general fund. The general fund and the governmental activities were both restated by \$626.

The beginning fund balance of the special revenue funds and the net position of the governmental activities have been restated as of July 1, 2016. These balances were restated to correct account balances in the Unemployment Reserve fund. The special revenue funds and the governmental activities were both restated by (\$214).

The beginning net position of the governmental activities has been restated as of July 1, 2016. This balance was restated to correct the capital assets and accumulated depreciation balances. The governmental activities were restated by \$188,605.

The beginning net positions for the governmental activities and business-type activities have been restated as of July 1, 2016. These balances were restated to reclassify the Unemployment Reserve as a special revenue fund, which thereby eliminated the business-type activities. The governmental activities and business-type activities were restated by \$41,781 and (\$41,781), respectively.

The net restatement to the general fund, special revenue funds, governmental activities and business-type activities was \$626, \$41,567, \$230,798 and (\$41,781), respectively.

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 Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

## TOWN OF OGUNQUIT, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated Resources (Inflows):	\$ 4,043,456	\$ 4,043,456	\$ 4,043,456	\$ -
Taxes:				
Property Taxes	10,485,911	10,835,573	10,835,426	(147)
Excise Taxes	400,500	400,500	391,063	(9,437)
Intergovernmental Revenues:				
State Revenue Sharing	15,000	15,481	15,672	191
Homestead Reimbursement	19,695	17,596	18,054	458
Local Road Assistance	18,000	18,000	16,684	(1,316)
Other	3,900	5,519	3,986	(1,533)
Interest Income	5,000	5,000	27,211	22,211
Interest on Taxes/Lien Costs	40,000	40,000	23,571	(16,429)
Charges for Services	2,088,990	2,088,990	2,783,973	694,983
Miscellaneous Revenues	71,150	71,150	71,108	(42)
Transfers from Other Funds	-	-	694	694
Amounts Available for Appropriation	<u>17,191,602</u>	<u>17,541,265</u>	<u>18,230,898</u>	<u>689,633</u>
Charges to Appropriations (Outflows):				
General Government	1,758,285	1,812,500	1,806,436	6,064
Public Safety	2,741,740	2,773,452	2,764,916	8,536
Public Works and Sanitation	1,262,271	1,248,926	1,202,295	46,631
Recreation and Culture	684,092	689,857	658,526	31,331
Health and Welfare	2,000	2,000	130	1,870
Social Services	7,300	7,160	7,160	-
Education	5,001,896	5,333,952	5,333,952	-
County Tax	781,411	782,362	782,362	-
Debt Service:				
Principal	597,152	597,152	597,152	-
Interest	209,282	203,572	203,569	3
Unclassified	28,217	56,173	57,676	(1,503)
Transfers to Other Funds	574,500	745,854	745,851	3
Total Charges to Appropriations	<u>13,648,146</u>	<u>14,252,960</u>	<u>14,160,025</u>	<u>92,935</u>
Budgetary Fund Balance, June 30	<u>\$ 3,543,456</u>	<u>\$ 3,288,305</u>	<u>\$ 4,070,873</u>	<u>\$ 782,568</u>
Utilization of Assigned Fund Balance	\$ 354,439	\$ 354,439	\$ -	\$ (354,439)
Utilization of Unassigned Fund Balance	145,561	400,712	-	(400,712)
	<u>\$ 500,000</u>	<u>\$ 755,151</u>	<u>\$ -</u>	<u>\$ (755,151)</u>

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

TOWN OF OGUNQUIT, MAINE

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>			
Proportion of the net pension liability	0.45%	0.49%	0.48%
Proportionate share of the net pension liability	\$ 2,409,808	\$ 1,548,713	\$ 743,069
Covered-employee payroll	\$ 1,746,281	\$ 1,676,391	\$ 1,572,667
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.00%	92.38%	47.25%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	88.27%	94.10%

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

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

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

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

TOWN OF OGUNQUIT, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017

**Changes of Assumptions**

There was a change in the investment rate of return assumption this year from 7.125% to 6.875%. Annual salary increases, including inflation, changed from 3.50% - 9.50% to 2.75% - 9.00%, for the PLD Consolidated Plan. There was also a change in the cost of living benefit increase from 2.55% to 2.20%. Finally, the mortality rates for active members, nondisabled retirees and recipients of disability benefits, were determined using the RP2014 Total Dataset Healthy Annuitant Mortality Table and the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, compared to the RP2000 Tables projected forward and the Revenue Ruling 96-7 Disabled Mortality Table used in the prior year.

## 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, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
General government	\$ 818,457	\$ 43,635	\$ 862,092	\$ 881,109	\$ (19,017)
Insurance and benefits	149,700	7,260	156,960	156,958	2
Administrative services	443,673	-	443,673	432,096	11,577
Land use department	346,455	3,320	349,775	336,273	13,502
	<u>1,758,285</u>	<u>54,215</u>	<u>1,812,500</u>	<u>1,806,436</u>	<u>6,064</u>
Public Safety -					
Police department	1,496,776	1,265	1,498,041	1,489,505	8,536
Fire-rescue department	1,244,964	30,447	1,275,411	1,275,411	-
	<u>2,741,740</u>	<u>31,712</u>	<u>2,773,452</u>	<u>2,764,916</u>	<u>8,536</u>
Public Works and Sanitation -					
Highway department	752,620	-	752,620	711,473	41,147
Transfer station	306,651	9,820	316,471	310,987	5,484
Utilities	203,000	(23,165)	179,835	179,835	-
	<u>1,262,271</u>	<u>(13,345)</u>	<u>1,248,926</u>	<u>1,202,295</u>	<u>46,631</u>
Recreation and Culture -					
Recreation department	8,000	-	8,000	3,135	4,865
Ogunquit Heritage Museum	12,861	345	13,206	13,204	2
Visitor services	291,791	-	291,791	278,090	13,701
Lifeguard services	168,475	975	169,450	169,448	2
Harbormaster department	119,454	5,195	124,649	124,647	2
Conservation department	18,174	-	18,174	10,526	7,648
Information services department	56,130	-	56,130	54,860	1,270
Clam warden	9,207	(750)	8,457	4,616	3,841
	<u>684,092</u>	<u>5,765</u>	<u>689,857</u>	<u>658,526</u>	<u>31,331</u>

TOWN OF OGUNQUIT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Health and Welfare -					
General assistance	2,000	-	2,000	130	1,870
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>130</u>	<u>1,870</u>
Social Services -					
Civic organizations	7,300	(140)	7,160	7,160	-
	<u>7,300</u>	<u>(140)</u>	<u>7,160</u>	<u>7,160</u>	<u>-</u>
Education	5,001,896	332,056	5,333,952	5,333,952	-
County Tax	781,411	951	782,362	782,362	-
Debt Service -					
Principal	597,152	-	597,152	597,152	-
Interest	209,282	(5,710)	203,572	203,569	3
	<u>806,434</u>	<u>(5,710)</u>	<u>800,724</u>	<u>800,721</u>	<u>3</u>
Unclassified -					
Marginal way committee	7,000	3,230	10,230	10,230	-
Plover management	1,217	4,170	5,387	5,383	4
Closeout/retirement of ecomaine	20,000	-	20,000	-	20,000
Bank/collection fees	-	-	-	33,926	(33,926)
Overlay	-	20,556	20,556	8,137	12,419
	<u>28,217</u>	<u>27,956</u>	<u>56,173</u>	<u>57,676</u>	<u>(1,503)</u>
Transfers to Other Funds -					
Special revenue funds	68,000	51,354	119,354	119,351	3
Capital projects funds	500,000	120,000	620,000	620,000	-
Permanent funds	6,500	-	6,500	6,500	-
	<u>574,500</u>	<u>171,354</u>	<u>745,854</u>	<u>745,851</u>	<u>3</u>
Total Departmental Operations	<u>\$ 13,648,146</u>	<u>\$ 604,814</u>	<u>\$ 14,252,960</u>	<u>\$ 14,160,025</u>	<u>\$ 92,935</u>

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

## TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 216,186	\$ -	\$ 27,186	\$ 243,372
Investments	-	-	456,559	456,559
Due from other governments	5,701	132,529	-	138,230
Due from other funds	75,616	493,953	-	569,569
<b>TOTAL ASSETS</b>	<u>\$ 297,503</u>	<u>\$ 626,482</u>	<u>\$ 483,745</u>	<u>\$ 1,407,730</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,078	\$ 107,131	\$ 583	\$ 110,792
Due to other funds	136,966	100,772	-	237,738
<b>TOTAL LIABILITIES</b>	<u>140,044</u>	<u>207,903</u>	<u>583</u>	<u>348,530</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	456,559	456,559
Restricted	-	-	26,603	26,603
Committed	-	434,510	-	434,510
Assigned	291,213	-	-	291,213
Unassigned	(133,754)	(15,931)	-	(149,685)
<b>TOTAL FUND BALANCES</b>	<u>157,459</u>	<u>418,579</u>	<u>483,162</u>	<u>1,059,200</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 297,503</u>	<u>\$ 626,482</u>	<u>\$ 483,745</u>	<u>\$ 1,407,730</u>

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

## TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenues	\$ 178,924	\$ 333,288	\$ -	\$ 512,212
Investment income, net of unrealized gains/(losses)	-	22	3,935	3,957
Other	20,440	10,844	13,471	44,755
<b>TOTAL REVENUES</b>	<u>199,364</u>	<u>344,154</u>	<u>17,406</u>	<u>560,924</u>
<b>EXPENDITURES</b>				
Capital outlay	-	1,277,668	-	1,277,668
Other	365,046	149,371	18,537	532,954
<b>TOTAL EXPENDITURES</b>	<u>365,046</u>	<u>1,427,039</u>	<u>18,537</u>	<u>1,810,622</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(165,682)</u>	<u>(1,082,885)</u>	<u>(1,131)</u>	<u>(1,249,698)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	711,650	-	711,650
Transfers in	119,351	620,000	6,500	745,851
Transfers (out)	(694)	-	-	(694)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>118,657</u>	<u>1,331,650</u>	<u>6,500</u>	<u>1,456,807</u>
<b>NET CHANGE IN FUND BALANCES</b>	(47,025)	248,765	5,369	207,109
<b>FUND BALANCES - JULY 1</b>	<u>204,484</u>	<u>169,814</u>	<u>477,793</u>	<u>852,091</u>
<b>FUND BALANCES - JUNE 30</b>	<u><u>\$ 157,459</u></u>	<u><u>\$ 418,579</u></u>	<u><u>\$ 483,162</u></u>	<u><u>\$ 1,059,200</u></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, 2017

	Community Cupboard	Employee Contingency	Dog Park	Firefighter Training	Jay Parrott Scholarships
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Due from other funds	1,858	-	4,277	1,052	1,224
<b>TOTAL ASSETS</b>	<b><u>\$ 1,858</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,277</u></b>	<b><u>\$ 1,052</u></b>	<b><u>\$ 1,224</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 390	\$ -	\$ -
Due to other funds	-	39,929	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>39,929</u></b>	<b><u>390</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,858	-	3,887	1,052	1,224
Unassigned	-	(39,929)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b><u>1,858</u></b>	<b><u>(39,929)</u></b>	<b><u>3,887</u></b>	<b><u>1,052</u></b>	<b><u>1,224</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b><u>\$ 1,858</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,277</u></b>	<b><u>\$ 1,052</u></b>	<b><u>\$ 1,224</u></b>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Land Conservation Reserve	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 73,990	\$ 112,185	\$ 29,769	\$ 242
Due from other governments	-	-	-	-	-
Due from other funds	-	2,000	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 75,990</u>	<u>\$ 112,185</u>	<u>\$ 29,769</u>	<u>\$ 242</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 199	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>199</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	75,791	112,185	29,769	242
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>75,791</u>	<u>112,185</u>	<u>29,769</u>	<u>242</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ -</u>	<u>\$ 75,990</u>	<u>\$ 112,185</u>	<u>\$ 29,769</u>	<u>\$ 242</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Summer Programs	Unemployment Reserve	Conservation Commission	Shellfish Commission	2016 Shore and Harbor Grant
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Due from other funds	11,306	43,628	677	810	-
<b>TOTAL ASSETS</b>	<u>\$ 11,306</u>	<u>\$ 43,628</u>	<u>\$ 677</u>	<u>\$ 810</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	11,306	43,628	677	810	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>11,306</u>	<u>43,628</u>	<u>677</u>	<u>810</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 11,306</u>	<u>\$ 43,628</u>	<u>\$ 677</u>	<u>\$ 810</u>	<u>\$ -</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	DEP SEC 319 Grant Phase I	Coastal Communities Grant	DEP SEC 319 Grant Phase II	DOJ DEA	Information Services	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,186
Due from other governments	-	-	5,701	-	-	5,701
Due from other funds	-	-	-	-	8,784	75,616
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,701</b>	<b>\$ -</b>	<b>\$ 8,784</b>	<b>\$ 297,503</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 2,489	\$ -	\$ -	\$ 3,078
Due to other funds	-	-	3,212	93,825	-	136,966
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>5,701</b>	<b>93,825</b>	<b>-</b>	<b>140,044</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	8,784	291,213
Unassigned	-	-	-	(93,825)	-	(133,754)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(93,825)</b>	<b>8,784</b>	<b>157,459</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,701</b>	<b>\$ -</b>	<b>\$ 8,784</b>	<b>\$ 297,503</b>

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, 2017

	Community Cupboard	Employee Contingency	Dog Park	Firefighter Training	Jay Parrott Scholarships
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Other	3	28	616	863	3
TOTAL REVENUES	<u>3</u>	<u>28</u>	<u>616</u>	<u>863</u>	<u>3</u>
EXPENDITURES					
Other	-	83,225	812	272	-
TOTAL EXPENDITURES	<u>-</u>	<u>83,225</u>	<u>812</u>	<u>272</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3</u>	<u>(83,197)</u>	<u>(196)</u>	<u>591</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	40,000	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	3	(43,197)	(196)	591	3
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>1,855</u>	<u>3,268</u>	<u>4,083</u>	<u>461</u>	<u>1,221</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,858</u>	<u>\$ (39,929)</u>	<u>\$ 3,887</u>	<u>\$ 1,052</u>	<u>\$ 1,224</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, 2017

	Land Conservation Reserve	Marginal Way	Natural Disaster	Perpetual Bench Care Fund	Police
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Other	231	10,869	224	60	1,318
TOTAL REVENUES	<u>231</u>	<u>10,869</u>	<u>224</u>	<u>60</u>	<u>1,318</u>
EXPENDITURES					
Other	101	17,682	76,351	-	1,317
TOTAL EXPENDITURES	<u>101</u>	<u>17,682</u>	<u>76,351</u>	<u>-</u>	<u>1,317</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>130</u>	<u>(6,813)</u>	<u>(76,127)</u>	<u>60</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	76,351	-	-
Transfers (out)	(694)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(694)</u>	<u>-</u>	<u>76,351</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(564)	(6,813)	224	60	1
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>564</u>	<u>82,604</u>	<u>111,961</u>	<u>29,709</u>	<u>241</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 75,791</u>	<u>\$ 112,185</u>	<u>\$ 29,769</u>	<u>\$ 242</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, 2017

	Summer Programs	Unemployment Reserve	Conservation Commission	Shellfish Commission	2016 Shore and Harbor Grant
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Other	5,269	81	65	810	-
TOTAL REVENUES	<u>5,269</u>	<u>81</u>	<u>65</u>	<u>810</u>	<u>-</u>
EXPENDITURES					
Other	-	1,020	-	-	6,944
TOTAL EXPENDITURES	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>-</u>	<u>6,944</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,269</u>	<u>(939)</u>	<u>65</u>	<u>810</u>	<u>(6,944)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,000	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	5,269	2,061	65	810	(6,944)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>6,037</u>	<u>41,567</u>	<u>612</u>	<u>-</u>	<u>6,944</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 11,306</u>	<u>\$ 43,628</u>	<u>\$ 677</u>	<u>\$ 810</u>	<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, 2017

	DEP SEC 319 Grant Phase I	Coastal Communities Grant	DEP SEC 319 Grant Phase II	DOJ DEA	Information Services	Total
REVENUES						
Intergovernmental revenues	\$ 116,861	\$ 28,517	\$ 29,181	\$ 4,365	\$ -	\$ 178,924
Other	-	-	-	-	-	20,440
TOTAL REVENUES	<u>116,861</u>	<u>28,517</u>	<u>29,181</u>	<u>4,365</u>	<u>-</u>	<u>199,364</u>
EXPENDITURES						
Other	112,869	23,691	27,720	12,361	681	365,046
TOTAL EXPENDITURES	<u>112,869</u>	<u>23,691</u>	<u>27,720</u>	<u>12,361</u>	<u>681</u>	<u>365,046</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,992</u>	<u>4,826</u>	<u>1,461</u>	<u>(7,996)</u>	<u>(681)</u>	<u>(165,682)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	119,351
Transfers (out)	-	-	-	-	-	(694)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,657</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,992	4,826	1,461	(7,996)	(681)	(47,025)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>(3,992)</u>	<u>(4,826)</u>	<u>(1,461)</u>	<u>(85,829)</u>	<u>9,465</u>	<u>204,484</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,825)</u>	<u>\$ 8,784</u>	<u>\$ 157,459</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, 2017

	2010 MDOT Projects	2016 Lower Lot Paving	2015 Main Beach Trolley	2016 Paving Municipal Roads	2016 Beach Street Circle
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	97,665	-	-	-	-
Due from other funds	-	-	45,000	25,802	19,000
<b>TOTAL ASSETS</b>	<b>\$ 97,665</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 25,802</b>	<b>\$ 19,000</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	87,891	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>87,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	9,774	-	45,000	25,802	19,000
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>9,774</b>	<b>-</b>	<b>45,000</b>	<b>25,802</b>	<b>19,000</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 97,665</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 25,802</b>	<b>\$ 19,000</b>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	2016 Underground Tank Removal	2011 Sidewalks	2013 Agamenticus Park	2016 Air Paks	2016 Beach Street Drainage
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Due from other funds	15,000	-	1,405	-	24,450
<b>TOTAL ASSETS</b>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 1,405</u>	<u>\$ -</u>	<u>\$ 24,450</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 15,000	\$ -	\$ -	\$ -	\$ 4,715
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,715</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	1,405	-	19,735
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>-</u>	<u>1,405</u>	<u>-</u>	<u>19,735</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 1,405</u>	<u>\$ -</u>	<u>\$ 24,450</u>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	2017 Municipal Road Paving	2017 FD Airkaks	2017 DPW Trailer	2017 Revaluation	2017 Perkins Cove Improvements
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Due from other funds	145,000	758	55	98,181	-
<b>TOTAL ASSETS</b>	<b><u>\$ 145,000</u></b>	<b><u>\$ 758</u></b>	<b><u>\$ 55</u></b>	<b><u>\$ 98,181</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 12,508	\$ 3,050
Due to other funds	-	-	-	-	12,881
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>12,508</u></b>	<b><u>15,931</u></b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	145,000	758	55	85,673	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(15,931)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b><u>145,000</u></b>	<b><u>758</u></b>	<b><u>55</u></b>	<b><u>85,673</u></b>	<b><u>(15,931)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b><u>\$ 145,000</u></b>	<b><u>\$ 758</u></b>	<b><u>\$ 55</u></b>	<b><u>\$ 98,181</u></b>	<b><u>\$ -</u></b>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	2016 Footbridge Revitalization	2017 FD OH Door Remotes	2017 FD Resurface Station Floor	2017 DPW Pickup w/Plow-Sander	2017 Police Cruiser
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	34,864	-	-	-	-
Due from other funds	36,584	4,556	-	963	968
<b>TOTAL ASSETS</b>	<b>\$ 71,448</b>	<b>\$ 4,556</b>	<b>\$ -</b>	<b>\$ 963</b>	<b>\$ 968</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 71,448	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>71,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	4,556	-	963	968
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>4,556</b>	<b>-</b>	<b>963</b>	<b>968</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 71,448</b>	<b>\$ 4,556</b>	<b>\$ -</b>	<b>\$ 963</b>	<b>\$ 968</b>

TOWN OF OGUNQUIT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	2017 Beach Surf Rake	2017 Dunaway Repairs	2017 Dunaway Heating	2017 Jacob's Lot Replacement	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	132,529
Due from other funds	3,075	45,223	13,000	14,933	493,953
<b>TOTAL ASSETS</b>	<u>\$ 3,075</u>	<u>\$ 45,223</u>	<u>\$ 13,000</u>	<u>\$ 14,933</u>	<u>\$ 626,482</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 410	\$ -	\$ -	\$ 107,131
Due to other funds	-	-	-	-	100,772
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>410</u>	<u>-</u>	<u>-</u>	<u>207,903</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	3,075	44,813	13,000	14,933	434,510
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(15,931)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>3,075</u>	<u>44,813</u>	<u>13,000</u>	<u>14,933</u>	<u>418,579</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 3,075</u>	<u>\$ 45,223</u>	<u>\$ 13,000</u>	<u>\$ 14,933</u>	<u>\$ 626,482</u>

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

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	2010 MDOT Projects	2016 Lower Lot Paving	2015 Main Beach Trolley	2016 Paving Municipal Roads	2016 Beach Street Circle
<b>REVENUES</b>					
Intergovernmental revenues	\$ 97,665	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	22	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>97,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>					
Capital outlay	125,538	97,180	-	-	-
Other	5,231	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>130,769</b>	<b>97,180</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(33,082)</b>	<b>(97,180)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>(33,082)</b>	<b>(97,180)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS) - JULY 1</b>	<b>42,856</b>	<b>97,180</b>	<b>45,000</b>	<b>25,802</b>	<b>19,000</b>
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ 9,774</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 25,802</b>	<b>\$ 19,000</b>

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	2016 Underground Tank Removal	2011 Sidewalks	2013 Agamenticus Park	2016 Air Paks	2016 Beach Street Drainage
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital outlay	15,000	-	-	-	20,265
Other	-	1,571	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>15,000</u>	<u>1,571</u>	<u>-</u>	<u>-</u>	<u>20,265</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,000)</u>	<u>(1,571)</u>	<u>-</u>	<u>-</u>	<u>(20,265)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	78,000	40,000
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>40,000</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	(15,000)	(1,571)	-	78,000	19,735
<b>FUND BALANCES (DEFICITS) - JULY 1</b>	<u>15,000</u>	<u>1,571</u>	<u>1,405</u>	<u>(78,000)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,405</u>	<u>\$ -</u>	<u>\$ 19,735</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, 2017

	2017 Municipal Road Paving	2017 FD Airkaks	2017 DPW Trailer	2017 Revaluation	2017 Perkins Cove Improvements
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXPENDITURES					
Capital outlay	-	-	7,945	-	135,931
Other	-	3,242	-	139,327	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>3,242</b>	<b>7,945</b>	<b>139,327</b>	<b>135,931</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,242)	(7,945)	(139,327)	(135,931)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Transfers in	145,000	4,000	8,000	225,000	120,000
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>145,000</b>	<b>4,000</b>	<b>8,000</b>	<b>225,000</b>	<b>120,000</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	145,000	758	55	85,673	(15,931)
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 145,000</u>	<u>\$ 758</u>	<u>\$ 55</u>	<u>\$ 85,673</u>	<u>\$ (15,931)</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, 2017

	2016 Footbridge Revitalization	2017 FD OH Door Remotes	2017 FD Resurface Station Floor	2017 DPW Pickup w/Plow-Sander	2017 Police Cruiser
REVENUES					
Intergovernmental revenues	\$ 235,623	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-
Other	10,844	-	-	-	-
<b>TOTAL REVENUES</b>	<b>246,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXPENDITURES					
Capital outlay	521,467	7,444	30,000	64,037	42,682
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>521,467</b>	<b>7,444</b>	<b>30,000</b>	<b>64,037</b>	<b>42,682</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(275,000)	(7,444)	(30,000)	(64,037)	(42,682)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	275,000	12,000	30,000	65,000	43,650
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>275,000</b>	<b>12,000</b>	<b>30,000</b>	<b>65,000</b>	<b>43,650</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	4,556	-	963	968
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	<b>\$ -</b>	<b>\$ 4,556</b>	<b>\$ -</b>	<b>\$ 963</b>	<b>\$ 968</b>

TOWN OF OGUNQUIT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017 Beach Surf Rake	2017 Dunaway Repairs	2017 Dunaway Heating	2017 Jacob's Lot Replacement	Total
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 333,288
Investment income, net of unrealized gains/(losses)	-	-	-	-	22
Other	-	-	-	-	10,844
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344,154</b>
EXPENDITURES					
Capital outlay	51,925	23,187	-	135,067	1,277,668
Other	-	-	-	-	149,371
<b>TOTAL EXPENDITURES</b>	<b>51,925</b>	<b>23,187</b>	<b>-</b>	<b>135,067</b>	<b>1,427,039</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,925)	(23,187)	-	(135,067)	(1,082,885)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	55,000	68,000	13,000	150,000	711,650
Transfers in	-	-	-	-	620,000
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>55,000</b>	<b>68,000</b>	<b>13,000</b>	<b>150,000</b>	<b>1,331,650</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,075	44,813	13,000	14,933	248,765
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	169,814
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 3,075</u>	<u>\$ 44,813</u>	<u>\$ 13,000</u>	<u>\$ 14,933</u>	<u>\$ 418,579</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, 2017

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,380	\$ 7,988	\$ 6,818	\$ 27,186
Investments	219,259	145,300	92,000	456,559
Due from other funds	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 231,639</u>	<u>\$ 153,288</u>	<u>\$ 98,818</u>	<u>\$ 483,745</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 583	\$ -	\$ 583
Due to other funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>583</u>	<u>-</u>	<u>583</u>
<b>FUND BALANCES</b>				
Nonspendable	219,259	145,300	92,000	456,559
Restricted	12,380	7,405	6,818	26,603
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>231,639</u>	<u>152,705</u>	<u>98,818</u>	<u>483,162</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 231,639</u>	<u>\$ 153,288</u>	<u>\$ 98,818</u>	<u>\$ 483,745</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, 2017

	Dorothea Jacobs Grant Fund	Performing Arts	Music Center Escrow	Total
<b>REVENUES</b>				
Investment income, net of unrealized gains/(losses)	\$ 1,882	\$ 1,258	\$ 795	\$ 3,935
Other income	5,300	8,171	-	13,471
<b>TOTAL REVENUES</b>	<u>7,182</u>	<u>9,429</u>	<u>795</u>	<u>17,406</u>
<b>EXPENDITURES</b>				
Other	264	18,273	-	18,537
<b>TOTAL EXPENDITURES</b>	<u>264</u>	<u>18,273</u>	<u>-</u>	<u>18,537</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,918</u>	<u>(8,844)</u>	<u>795</u>	<u>(1,131)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	6,500	-	6,500
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,918	(2,344)	795	5,369
<b>FUND BALANCES - JULY 1</b>	<u>224,721</u>	<u>155,049</u>	<u>98,023</u>	<u>477,793</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 231,639</u>	<u>\$ 152,705</u>	<u>\$ 98,818</u>	<u>\$ 483,162</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, 2017, 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 January 8, 2018.

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  
January 8, 2018