

*TOWN OF LINCOLN, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2018*

**TOWN OF LINCOLN, MAINE**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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# James W. Wadman

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**CERTIFIED PUBLIC ACCOUNTANT**

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Amy E. Atherton, C.P.A.

## *INDEPENDENT AUDITOR'S REPORT*

Members of the Town Council  
Town of Lincoln  
29 Main Street  
Lincoln, ME 04457

### *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 Lincoln, Maine (the Town) as of and for the fiscal year ended June 30, 2018, including the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Lincoln, Maine as of June 30, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of historical pension and other post-employment benefit information on pages 3 through 6 and 27 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lincoln, Maine's financial statements. The combining and individual nonmajor fund financial statements and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

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

Respectfully Submitted,

***James W. Wadman, C.P.A.***

James W. Wadman, C.P.A.  
August 24, 2020

**TOWN OF LINCOLN, MAINE**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

The management of the Town of Lincoln, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2018 by \$16,582,824 (presented as “net position”). Of this amount, \$866,985 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

*Changes in Net Position* – The Town's total net position decreased by \$591,596 (a 3.4% decrease) for the fiscal year ended June 30, 2018.

**Fund Highlights:**

*Governmental Funds* – Fund Balances – As of the close of the fiscal year ended June 30, 2018; the Town's governmental funds reported a combined ending fund balance of \$11,308,492, a decrease of \$110,888 in comparison with the prior year. Of this total fund balance, \$2,459,329 represents general unassigned fund balance. This unassigned fund balance represents approximately 24.5% of the total general fund expenditures for the fiscal year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased \$129,855 (7.2%) during the current fiscal year. The town entered into additional long-term debt obligation in the amount of \$18,000 for new photocopiers. Existing debt obligations were retired according to schedule.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

**Government-wide Financial Statements**

The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The statement of net position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7-8 of this report.

**Fund Financial Statements**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 11-26 of this report.

**Required Supplementary Information**

This section includes a budgetary comparison schedule (page 27), which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). This section also includes schedules of historical pension information (pages 28-30) as required by GASB Statement #68 and schedules of historical other post-employment benefit (OPEB) information (pages 31-33) as required by GASB #75.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

One portion of the Town’s net position (31.1%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<i>Governmental Activities 2018</i>	<i>Governmental Activities 2017 (Restated)</i>
Current Assets	\$ 12,070,650	\$ 12,846,069
Capital Assets	\$ 6,822,823	\$ 6,841,922
Deferred Outflows	\$ 201,236	\$ 232,704
<i>Total Assets and Deferred Outflows</i>	\$ 19,094,709	\$ 19,920,695
Other Liabilities	\$ 183,179	\$ 199,848
Long-Term Liabilities	\$ 2,154,884	\$ 2,322,838
Deferred Inflows	\$ 173,822	\$ 223,588
Net Position;		
Invested in Capital Assets	\$ 5,160,823	\$ 5,050,067
Restricted	\$ 10,555,016	\$ 8,319,961
Unrestricted	\$ 866,985	\$ 3,804,393
<i>Total Liabilities and Net Position</i>	\$ 19,094,709	\$ 19,920,695

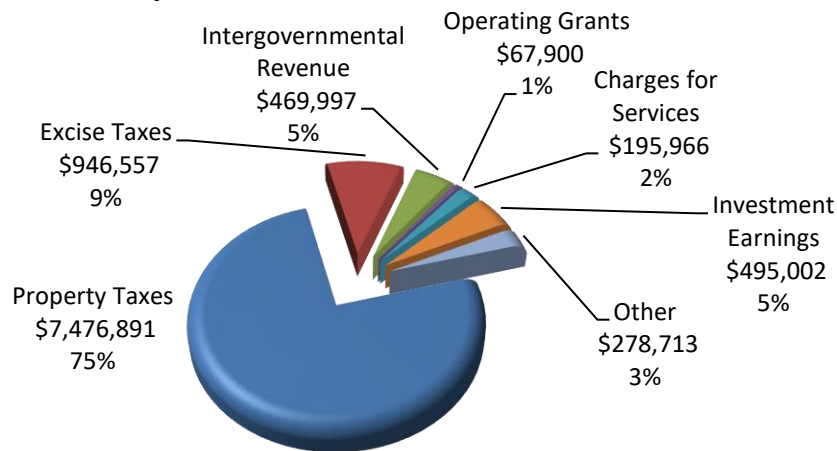
An additional portion of the Town’s net position (63.7%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (5.2%) may be used to meet the government’s ongoing obligations to citizens and creditors.

**Changes in Net Position**

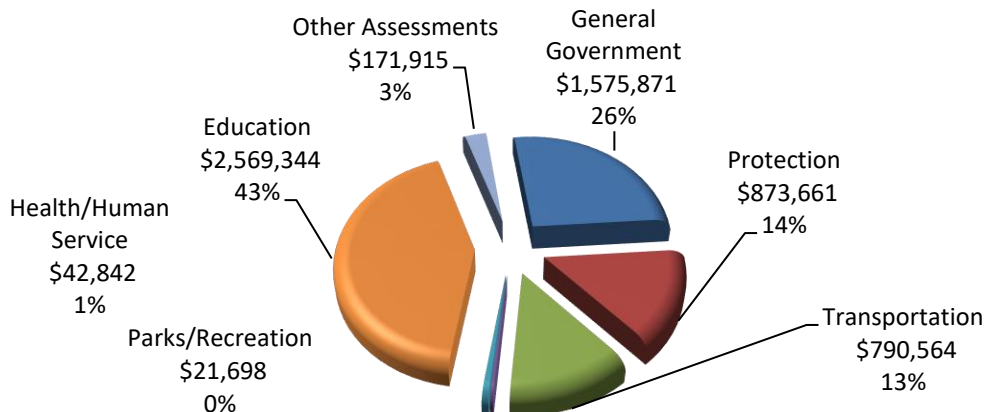
Governmental activities decreased the Town’s net position by \$591,596. This decrease was primarily due to depreciation as well as budgeted usage of the unassigned fund balance.

	<i>Governmental Activities 2018</i>	<i>Governmental Activities 2017</i>
<i>Revenues;</i>		
Tax Revenues	\$ 8,423,448	\$ 8,468,488
Program Revenues	\$ 263,866	\$ 217,870
Investments	\$ 495,002	\$ 727,425
Intergovernmental Revenue	\$ 469,997	\$ 459,343
Other	\$ 278,713	\$ 231,209
<i>Total Revenues</i>	\$ 9,931,026	\$ 10,104,335
<i>Expenses;</i>		
General Government	\$ 1,575,871	\$ 1,321,468
Protection	\$ 873,661	\$ 865,675
Transportation	\$ 790,564	\$ 833,797
Health & Sanitation	\$ 448,761	\$ 456,825
Unclassified	\$ 632,944	\$ 738,371
Education	\$ 4,099,140	\$ 3,938,712
TIF Financing Plan	\$ 1,687,504	\$ 880,225
Assessments & Debt Service	\$ 414,177	\$ 373,550
<i>Total Expenses</i>	\$ 10,522,622	\$ 9,408,623
Changes in Net Position	\$ (591,596)	\$ 695,712

### Revenues by Source - Governmental Activities



### Expenditures by Source - Governmental Activities



## **FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS**

### **Governmental Funds**

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$11,308,492, a decrease of \$110,888 in comparison with the prior fiscal year. Approximately 21.7 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$584,589 positive variance in property tax revenues. This is due to significant improvement in unavailable tax revenue due to improved collections from the prior year.
- \$86,557 positive variance in excise taxes. This is due to conservative budgeting.
- \$50,590 positive variance in all other revenues. This mainly due higher than anticipated transfer station revenues as well as conservative budgeting for investment interest.
- \$564,608 negative variance in TIF financing plan expenditures. This is due to accounting for an extra Rollins payment due to timing. Additionally, there was an increase in legal expenditures for Lincoln Pulp & Tissue.
- \$33,200 positive variance in all other expenditures. This is mainly due to under budget expenditures in the Public Works Department as well as the Airport.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The Town's investment in capital assets for its governmental activities amounts to \$12,419,453; net of accumulated depreciation of \$5,596,630, leaving a net book value of \$6,822,823. There were current year additions of \$49,527 for the Airport Easement, \$67,126 for the "Carve-out Parcel" of land, \$75,310 for the Mattanawcook Dam Parcel, \$35,887 for a new top patcher, \$6,799 for an X-Mark mower, \$31,696 for a lift for the library, \$18,000 for new photocopiers, \$39,000 for two new police cruisers, \$21,795 for a new truck, \$27,995 for plow rigging and \$47,899 for paving. There were no current year retirements, however several items were removed from the capital asset listing as these items were previously disposed of or donated. There were no current year impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on page 17 of this report.

#### **Debt**

The Town has total bonds payable outstanding of \$1,644,000 and \$18,000 of total outstanding capital leases that are backed by the full faith and credit of the Town. The Town entered into a new lease agreement for new photocopiers for \$18,000. The outstanding debt decreased \$147,855 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on page 18 of this report.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Lincoln, 29 Main Street, Lincoln, ME 04457.



**TOWN OF LINCOLN, MAINE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

(Exhibit I)

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows</u>	
<u>Assets</u>	
Cash and Cash Equivalents	\$2,809,724
Investments, at Fair Market Value	\$8,226,054
Accounts Receivable	\$103,501
Taxes Receivable	\$916,024
Other Receivables	\$15,347
<u>Capital Assets</u>	
Land	\$2,307,877
Other Capital Assets, net of Accumulated Depreciation	\$4,514,947
Total Capital Assets	<u>\$6,822,823</u>
<u>Total Assets</u>	<u>\$18,893,473</u>
<u>Deferred Outflows of Resources</u>	
Related to Pensions	\$179,963
Related to Other Post-Employment Benefits	<u>\$21,273</u>
<u>Total Deferred Outflows of Resources</u>	<u>\$201,236</u>
<u>Total Assets &amp; Deferred Outflows</u>	<u>\$19,094,709</u>
<u>Liabilities, Deferred Inflows and Net Position</u>	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$20,937
Other Payables	\$35,809
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	\$113,359
Net Pension Liability	\$311,975
Net Other Post-employment Benefits Liability	\$193,983
<u>Capital Leases Payable</u>	
Due within one year	\$3,766
Due in more than one year	\$14,234
<u>Bonds Payable</u>	
Due within one year	\$122,667
Due in more than one year	<u>\$1,521,333</u>
<u>Total Liabilities</u>	<u>\$2,338,063</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes Received in Advance	\$37,760
Related to Pension	<u>\$136,062</u>
<u>Total Deferred Inflows of Resources</u>	<u>\$173,822</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$5,160,823
Restricted	\$10,555,016
Unrestricted	<u>\$866,985</u>
<u>Total Net Position</u>	<u>\$16,582,824</u>
<u>Total Liabilities, Deferred Inflows and Net Position</u>	<u>\$19,094,709</u>

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

**TOWN OF LINCOLN, MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit II)

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>		<b><u>Net (Expense)</u></b>
		<b><u>Charges for</u></b> <b><u>Services</u></b>	<b><u>Operating</u></b> <b><u>Grants</u></b>	<b><u>Revenue and Changes</u></b> <b><u>in Net Position</u></b>
<b><u>Primary Government</u></b>				<b><u>Governmental</u></b> <b><u>Activities</u></b>
<b><u>Governmental Activities</u></b>				
General Government	\$1,575,871	\$38,582		(\$1,537,289)
Protection	\$873,661	\$93,107		(\$780,554)
Health & Sanitation	\$448,761			(\$448,761)
Transportation	\$790,564	\$46,259	\$67,900	(\$676,406)
Education	\$4,099,140			(\$4,099,140)
Unclassified	\$632,944	\$18,018		(\$614,927)
TIF Financing Plan	\$1,687,504			(\$1,687,504)
Assessments and Debt Service	\$414,177			(\$414,177)
<b><u>Total Governmental Activities</u></b>	<b><u>\$10,522,621</u></b>	<b><u>\$195,966</u></b>	<b><u>\$67,900</u></b>	<b><u>(\$10,258,756)</u></b>
<b><u>Total Primary Government</u></b>	<b><u>\$10,522,621</u></b>	<b><u>\$195,966</u></b>	<b><u>\$67,900</u></b>	<b><u>(\$10,258,756)</u></b>
<b><u>General Revenues:</u></b>				
Tax Revenues, Including Homestead Exemption				\$7,476,891
Excise Taxes				\$946,557
Intergovernmental Revenue				\$469,997
Investment Earnings				\$495,002
Interest on Delinquent Taxes				\$47,143
Transfer Station				\$110,478
Permits & Fees				\$31,718
Other Revenues				\$89,374
<b><u>Total Revenues</u></b>				<b><u>\$9,667,160</u></b>
<b><u>Changes in Net Position</u></b>				<b><u>(\$591,596)</u></b>
<b><u>Net Position - Beginning, as restated</u></b>				<b><u>\$17,174,420</u></b>
<b><u>Net Position - Ending</u></b>				<b><u>\$16,582,824</u></b>

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

**TOWN OF LINCOLN, MAINE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

(Exhibit III)

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
<i>Assets</i>					
Cash	\$2,627,386	\$177,674	\$4,664		\$2,809,724
Investments, at Fair Market Value		\$1,086,099		\$7,139,956	\$8,226,054
Accounts Receivable	\$75,379		\$28,122		\$103,501
Taxes Receivable	\$916,024				\$916,024
Other Receivables	\$15,347				\$15,347
Due from Other Funds	\$452,525		\$3,978		\$456,503
<b><u>Total Assets</u></b>	<b><u>\$4,086,661</u></b>	<b><u>\$1,263,773</u></b>	<b><u>\$36,763</u></b>	<b><u>\$7,139,956</u></b>	<b><u>\$12,527,153</u></b>
<i>Liabilities, Deferred Inflows &amp; Fund Balances</i>					
<i>Liabilities:</i>					
Accounts Payable	\$20,937				\$20,937
Other Payables	\$35,809				\$35,809
Due to Other Funds	\$3,978	\$383,239		\$69,286	\$456,503
<b><u>Total Liabilities</u></b>	<b><u>\$60,724</u></b>	<b><u>\$383,239</u></b>	<b><u>\$0</u></b>	<b><u>\$69,286</u></b>	<b><u>\$513,249</u></b>
<i>Deferred Inflows of Resources</i>					
Property Taxes Received in Advance	\$37,760				\$37,760
Unavailable Property Tax Revenue	\$667,652				\$667,652
<b><u>Total Deferred Inflows of Resources</u></b>	<b><u>\$705,412</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$705,412</u></b>
<i>Fund Balances:</i>					
Restricted	\$843,288	\$880,351	\$36,763	\$8,794,614	\$10,555,016
Assigned	\$18,091			(\$1,723,944)	(\$1,705,854)
Unassigned	\$2,459,146	\$183			\$2,459,329
<b><u>Total Fund Balances</u></b>	<b><u>\$3,320,525</u></b>	<b><u>\$880,534</u></b>	<b><u>\$36,763</u></b>	<b><u>\$7,070,669</u></b>	<b><u>\$11,308,492</u></b>
<b><u>Total Liabilities, Deferred Inflows &amp; Fund Balances</u></b>	<b><u>\$4,086,661</u></b>	<b><u>\$1,263,773</u></b>	<b><u>\$36,763</u></b>	<b><u>\$7,139,956</u></b>	<b><u>\$12,527,153</u></b>
<b><u>Total Fund Balance - Governmental Funds</u></b>					<b><u>\$11,308,492</u></b>
<i>Net position reported for governmental activities in the statement of net position is different because:</i>					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					\$6,822,823
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds					\$667,652
Deferred outflows of resources related to pension plans					\$179,963
Deferred inflows of resources related to pension plans					(\$136,062)
Deferred outflows of resources related to other post-employment benefit plans					\$21,273
Accrued Compensated Absences					(\$113,359)
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including:					
Net Pension Liability					(\$311,975)
Net Other Post-Employment Benefits Liability					(\$193,983)
Capital Leases Payable					(\$18,000)
Bonds Payable					(\$1,644,000)
<b><u>Net Position of Governmental Activities</u></b>					<b><u>\$16,582,824</u></b>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGESIN FUND BALANCES - GOVERNMENTAL FUNDSFOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
<i>Revenues:</i>					
Property Taxes, Including Homestead Exemption	\$8,060,129				\$8,060,129
Excise Taxes	\$946,557				\$946,557
State Road Assistance	\$67,900				\$67,900
Intergovernmental Revenue	\$469,997				\$469,997
Investment Earnings	\$20,159	\$13,472	\$12	\$461,359	\$495,002
Interest and Lien Fees	\$46,304		\$839		\$47,143
Transfer Station	\$110,478				\$110,478
Permits & Fees	\$53,288				\$53,288
Other Revenues	\$10,151	\$41,373	\$24,377	\$13,474	\$89,374
<u>Total Revenues</u>	<u>\$9,784,963</u>	<u>\$54,845</u>	<u>\$25,228</u>	<u>\$474,833</u>	<u>\$10,339,868</u>
<i>Expenditures (Net of Departmental Revenues):</i>					
<i>Current</i>					
General Government	\$1,540,285				\$1,540,285
Protection	\$731,051				\$731,051
Health & Sanitation	\$415,474				\$415,474
Public Transportation	\$425,516				\$425,516
Education	\$4,099,140				\$4,099,140
Unclassified	\$270,866	\$184,934	\$21,296	\$109,623	\$586,719
TIF Financing Plan	\$1,767,504				\$1,767,504
Assessments and Debt Service	\$482,032				\$482,032
<i>Capital Outlay</i>	\$287,218	\$133,818			\$421,036
<u>Total Expenditures</u>	<u>\$10,019,086</u>	<u>\$318,752</u>	<u>\$21,296</u>	<u>\$109,623</u>	<u>\$10,468,756</u>
<u>Excess Revenues Over Expenditures</u>	(\$234,123)	(\$263,908)	\$3,932	\$365,210	(\$128,888)
<i>Other Financing Sources (Uses):</i>					
Capital Lease Proceeds	\$18,000				\$18,000
Operating Transfers In	\$458,200	\$387,998			\$846,198
Operating Transfers Out	(\$387,998)			(\$458,200)	(\$846,198)
<u>Total Other Financing Sources (Uses)</u>	<u>\$88,202</u>	<u>\$387,998</u>	<u>\$0</u>	<u>(\$458,200)</u>	<u>\$18,000</u>
<u>Excess Revenues and Other Sources Over Expenditures and Other Uses</u>	(\$145,921)	\$124,090.22	\$3,931.92	(\$92,989.58)	(\$110,888)
<u>Beginning Fund Balances, as restated</u>	<u>\$3,466,446</u>	<u>\$756,444</u>	<u>\$32,832</u>	<u>\$7,163,659</u>	<u>\$11,419,380</u>
<u>Ending Fund Balances</u>	<u>\$3,320,525</u>	<u>\$880,534</u>	<u>\$36,763</u>	<u>\$7,070,669</u>	<u>\$11,308,492</u>
<i>Reconciliation to Statement of Activities, change in Net Position:</i>					
Net Change in Fund Balances - Above					(\$110,888)
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:					
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)					\$7,359
Other Post-Employment Benefit Plans (Deferred Outflows, Net OPEB Liability, Deferred Inflows)					(\$13,471)
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable revenue (a deferred inflow) in governmental funds					(\$583,238)
Change in long-term accrued compensated absences as reported on in the Government-Wide Statement of Net Position					(\$2,114)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position					
This amount represents long-term debt proceeds					(\$18,000)
This amount represents long-term debt payments					\$147,855
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.					
This amount represents capital expenditures					\$421,036
This amount represents capital disposals (net of accumulated depreciation)					(\$16,006)
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position but they do not require the use of current financial resources. Therefore, depreciation expense is not, reported as expenditures in the Governmental funds					(\$424,129)
<u>Changes in Net Position of Governmental Activities</u>					<u>(\$591,596)</u>

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

**TOWN OF LINCOLN, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1 - Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

The accompanying financial statements present the government of the Town of Lincoln, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*. The Town operates under a town council - town manager form of government and is incorporated under the laws of the State of Maine. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing council.

**B. Government-wide and Fund Financial Statements**

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

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

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

The Town reports the following major governmental funds:

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

The capital projects fund is used to account for financial resources to be used for the acquisition of construction of major capital assets or facilities. A capital projects fund is usually established when the acquisition or construction of the capital project extends beyond a single fiscal year and the capital asset is financed by specifically designated resources, such as general obligation bonds and grants.

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

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

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

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

##### Deposits and Investments

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

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

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

##### Accounts Receivable and Accounts Payable

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

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

##### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Infrastructure	15-20
Equipment	5-100

Interfund Activity

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

Deferred Inflows/Outflows of Resources

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

Pensions

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

Compensated Absences

Vacation, sick and comp pay benefits are awarded to full-time permanent employees of the Town. Benefits can be carried forward if not used by the end of the year. The amount of accrued compensated absences for the year ended June 30, 2018 was \$113,359.

Long-Term Obligations

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

Governmental Fund Balances

The Town has identified June 30, 2018 fund balances on the balance sheet as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
<u>Restricted</u>					
TIF - LP&T	\$40,287				\$40,287
TIF - Rollins Wind	\$652,786				\$652,786
TIF - Bangor Gas	\$25,831				\$25,831
TIF - Rollins Wind - Dam	\$90,800				\$90,800
Fire Equipment	\$31,271				\$31,271
River Coalition Trails Grant	\$1,899				\$1,899
Bailey Recreation Grants	\$415				\$415

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
<u>Restricted (Continued)</u>					
Capital Project Fund - Reserves		\$769,362			\$769,362
Capital Projects		\$110,989			\$110,989
Grants			\$3,978		\$3,978
CDBG Microloan			\$32,786		\$32,786
Cobb Trust				\$5,292,429	\$5,292,429
MainePERS				\$2,996,770	\$2,996,770
Other Permanent Funds (Pages 41-42)				\$505,415	\$505,415
<u>Assigned</u>					
LP&T Confined Space Training	\$17,161				\$17,161
Farmers & Artisans Reserve	\$930				\$930
Cobb Trust				(\$2,453,935)	(\$2,453,935)
Macgregor Trust				\$95,115	\$95,115
MainePERS				\$505,972	\$505,972
Other Permanent Funds (Pages 41-42)				\$128,904	\$128,904
<u>Unassigned</u>	<u>\$2,459,146</u>	<u>\$183</u>			<u>\$2,459,329</u>
<u>Total Fund Balances</u>	<u>\$3,320,525</u>	<u>\$880,534</u>	<u>\$36,763</u>	<u>\$7,070,669</u>	<u>\$11,308,492</u>

In accordance with GASB Statement 54, the Town classifies governmental fund balances as follows:

*Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

*Assigned* - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted or Committed.

*Unassigned* - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The Town considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The Town Council is authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of referendum votes as determined in the budgeting process.

Net Position

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

*Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted* - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$10,555,016 of restricted net position, of which enabling legislation restricts \$0.

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

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the department level. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Town Council or required by law.



F. Endowments

In the permanent funds, there are established endowment funds of \$5,292,429 for the Cobb Trust Fund, \$2,996,770 for the MainePERS Fund and \$506,294 for other permanent funds. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is (\$2,453,935) from the Cobb Trust Fund, \$505,972 from the MainePERS Fund, \$128,904 from the other permanent funds and \$95,115 from the Macgregor Trust Fund, which is reported as unrestricted net position in the statements of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

G. Estimates

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

Note 2 - Deposits and Investments

Deposits

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

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. For time and savings deposit accounts, the Town's savings accounts, including certificates of deposit, are insured up to \$250,000 by the FDIC. Separately, for demand deposit accounts, the Town's cash account, including checking and money market accounts are insured up to \$250,000 by the FDIC. Any cash deposits in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account and thus no custodial credit risk exists. Additionally, the Town deposits excess funds into ICS accounts, which the bank uses the funds to deposit into certificates of deposit in various banks. These certificates of deposit are at an amount under the \$250,000 level.

At year end, the carrying value of the Town's deposits was \$2,808,824 and the bank balance was \$3,291,180. The Town has no uninsured and uncollateralized deposits as of June 30, 2018.

Investments

Investments are separated into short-term and long-term categories. All short-term investments are held in an investment account containing money market mutual funds. Long-term investments are held in an investment account that is invested in equity stocks, bond funds, government securities and mutual funds. All short-term and long-term investments are recorded based on level 1 inputs and measured on a recurring basis.

	<u>Capital Project Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
Short-term investments			
Cash and money market funds	\$228,816	\$454,104	\$682,920
Deposits in transit	\$281,803	\$13,249	\$295,051
Fixed income	\$123,759	\$353,083	\$476,842
Total short-term investments	<u>\$634,377</u>	<u>\$820,436</u>	<u>\$1,454,813</u>
Long-term investments			
Equity securities		\$3,739,365	\$3,739,365
Fixed income	\$451,721	\$2,580,154	\$3,031,876
Total long-term investments	<u>\$451,721</u>	<u>\$6,319,520</u>	<u>\$6,771,241</u>

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities of 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. These investment policies apply to all Town funds.

The investments are managed by a broker to maximize long-term gain while minimizing volatility. These investments are maintained as a funding source for certain reserve and capital project funds. Additionally, a portion is maintained as private purpose trust funds to be used for the operation of the respective program.

Investment returns were as follows:	<i>Capital Project Fund</i>	<i>Permanent Fund</i>	<i>Total</i>
Investment income (loss)	<u>\$0</u>	<u>(\$21,991)</u>	<u>(\$21,991)</u>

Return Objectives

Assets are to be invested to provide sufficient growth in the form of total return from dividends, income, earnings and price appreciation to meet the Town's requirements and to maintain a balance within the investment account for future availability as directed by each fund.

Risk Parameters

To meet the stated objectives, the Town's portfolio is divided between a fixed income and an equity position in order to provide a steady and consistent level of income as well as produce long-term appreciation of principal. The allocation of holdings should reasonably attempt to reduce overall portfolio volatility.

Fair Value

Certain assets are recorded at fair value to provide additional insight into the Town's financial position. These certain assets are measured on a recurring basis. Assets are grouped in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine value. A brief description of each follows:

- Level 1* - Valuation is based on quoted prices for identical instruments in active markets
- Level 2* - Valuation is based on quoted prices for similar instruments or on prices determined from inactive markets or on model-based techniques.
- Level 3* - Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market.

Fair values of assets at June 30, 2018 measured on a recurring basis are as follows:

	<i>Capital Project Fund</i>	<i>Permanent Fund</i>	<i>Total</i>
<u><b>Quoted prices in active markets (Level 1)</b></u>			
Cash and money market funds	<u>\$510,618</u>	<u>\$467,353</u>	<u>\$977,971</u>
Equity securities			
Common stocks		<u>\$3,739,365</u>	<u>\$3,739,365</u>
Fixed income funds			
Short-term corporate bonds & notes		\$29,207	\$29,207
Long-term corporate bonds & notes		\$483,623	\$483,623
Long-term mutual funds		\$433,123	\$433,123
Government securities	\$575,480	\$1,974,870	\$2,550,350
Accrued interest		\$12,414	\$12,414
Total fixed income mutual funds	<u>\$575,480</u>	<u>\$2,933,237</u>	<u>\$3,508,718</u>
Total investments	<u>\$1,086,099</u>	<u>\$7,139,956</u>	<u>\$8,226,054</u>

**Note 3 - Property Taxes**

Property taxes were assessed on April 1, 2017 and committed on October 2, 2017. Interest of 3.5% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$667,652 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital assets not being depreciated</u></b>				
Land & Improvements	\$2,128,313	\$191,964	\$12,400	\$2,307,877
<b><u>Capital assets being depreciated</u></b>				
Buildings & Improvements	\$1,480,445		\$75,900	\$1,404,545
Equipment	\$2,225,724	\$92,383	\$119,057	\$2,199,050
Vehicles	\$2,156,681	\$88,790		\$2,245,471
Infrastructure	\$4,214,612	\$47,899		\$4,262,512
<b>Total capital assets being depreciated</b>	<b>\$10,077,461</b>	<b>\$229,072</b>	<b>\$194,957</b>	<b>\$10,111,576</b>
<b><u>Less accumulated depreciation for</u></b>				
Buildings & Improvements	\$535,808	\$45,018	\$75,900	\$504,925
Equipment	\$1,432,602	\$104,079	\$115,451	\$1,421,229
Vehicles	\$1,604,906	\$95,726		\$1,700,632
Infrastructure	\$1,790,538	\$179,306		\$1,969,843
<b>Total accumulated depreciation</b>	<b>\$5,363,853</b>	<b>\$424,129</b>	<b>\$191,352</b>	<b>\$5,596,630</b>
<b>Net capital assets being depreciated</b>	<b>\$4,713,609</b>	<b>(\$195,057)</b>	<b>\$3,606</b>	<b>\$4,514,947</b>
<b><u>Governmental Activities, Capital Assets, net</u></b>	<b><u>\$6,841,922</u></b>	<b><u>(\$3,093)</u></b>	<b><u>\$16,006</u></b>	<b><u>\$6,822,823</u></b>

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

**Governmental Activities**

General Government	\$6,742
Protection	\$49,503
Health and Sanitation	\$33,287
Public Works	\$308,099
Airport	\$10,690
Cemetery, Parks & Recreation	\$12,560
Library	\$3,248
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$424,129</u></b>

**Note 5 - Interfund Activity**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. The payables are classified as Due to Other Funds with offsetting receivables classified as Due from Other Funds. The change in the balance of the accounts during the current fiscal year represents cash activity for the capital project and permanent funds that flowed through the general fund for ease of receipts and disbursements. The funds have sufficient liquid assets to retire the interfund balances at any given time.

Individual fund interfund receivable and payable balances at June 30, 2018 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$448,547	
Special Revenue Fund	\$3,978	
Capital Project Fund		\$383,239
Permanent Fund		\$69,286
Totals	<u>\$452,525</u>	<u>\$452,525</u>

**Note 6 - Long-Term Debt**

The following is a summary of long-term debt transactions of the Town for the fiscal year ended June 30, 2018:

<u>Long-Term Debt payable at July 1:</u>	\$1,791,855
<u>Long-Term Debt Issued</u>	\$18,000
<u>Long-Term Debt Retired</u>	(\$147,855)
<u>Long-Term Debt payable June 30:</u>	<u>\$1,662,000</u>

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Lincoln. Outstanding notes and bonds at June 30, 2018 are as follows:

In January 2010, the Town entered into a financing agreement with Gorham Leasing for a fire truck. The debt was issued for \$176,000 for nine years with interest at 4.60%. The annual payment was \$23,280.65, including interest. The balance at June 30, 2018 was \$0. This lease was accounted for as a capital lease and was repaid through local allocations and the TIF financing plan.

In May 2011, the Town issued a general obligation bond with Maine Municipal Bond Bank for the purpose of financing the public works building project. The bond was issued for \$940,000. Interest only payments are due May 1 of each year and principal and interest payments are due November 1 of each year with interest payable at rates varying from 2.12% to 5.62%. The balance due at June 30, 2018 was \$564,000. Repayment of this bond is to be made through local allocations.

In December 2012, the Town entered into a financing agreement with Gorham Leasing for the purpose of upgrading the Town Office photocopiers. The debt was issued for \$13,816 for five years with interest at 4.00%. The annual payment is \$3,050, including interest. The balance at June 30, 2018 was \$0. This lease was accounted for as a capital lease and was repaid through local allocations.

In October 2015, the Town issued a general obligation bond with Maine Municipal Bond Bank for the purpose of financing road improvements. The bond was issued for \$1,200,000. Interest only payments are due May 1 of each year and principal and interest payments are due November 1 of each year with interest payable at rates varying from 0.65% to 3.96%. The balance due at June 30, 2018 was \$1,080,000. Repayment of this bond has been made through the TIF financing plan.

In April 2018, the Town entered into a financing agreement with Gorham Leasing for the purpose of upgrading the Town Office photocopiers. The debt was issued for \$18,000 for five years with interest at 4.29%. The annual payment is \$3,948, including interest. The balance at June 30, 2018 was \$18,000. This lease is accounted for as a capital lease and is to be repaid through local allocations.

Presented below is a summary of debt service requirements along with estimated interest:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$126,433	\$52,326	\$178,759
2020	\$126,004	\$48,318	\$174,322
2021	\$126,147	\$43,582	\$169,729
2022	\$126,297	\$38,684	\$164,980
2023	\$126,452	\$34,147	\$160,599
2024-2028	\$550,667	\$123,631	\$674,298
2029-2033	\$300,000	\$63,369	\$363,369
2034-2036	\$180,000	\$10,617	\$190,617
	<u>\$1,662,000</u>	<u>\$414,674</u>	<u>\$2,076,674</u>

Note 7 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the Town participate in the Maine Public Employees Retirement System (System) Participating Local Local Districts (PLD) Consolidated Retirement Plan. The Plan is a multiple-employer, cost-sharing pension plan.

B. Pension Benefits

The PLD Consolidated Plan has an advisory group, established by statute, who reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

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

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2018, the PLD Regular AC Plan member contribution rate was 8.0%, the PLD Special AN Plan member contribution rate was 9.5% and the employer contribution rate for the Regular AC Plan and the Special AN Plan was 5.8% and 3.4%, respectively, of applicable member compensation.

The required contributions paid into the System for the year ended June 30, 2018 and the previous two years are as follows:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>Applicable Member Compensation</i>
2018	\$42,002	\$23,849	\$461,213
2017	\$49,390	\$26,941	\$554,080
2016	\$47,066	\$26,995	\$561,757

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred.

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

At June 30, 2018, the Town reported a net pension liability of \$311,975. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2017, the Town's proportion was 0.076196%, which was a decrease of 0.000659% from its proportion measured at June 30, 2016.

For the fiscal year ended June 30, 2018, the Town recognized pension expense of \$55,545. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$0	\$14,989
Changes in Assumptions	\$26,547	\$0
Net Difference between projected between projected and actual earnings on pension plan investments	\$107,515	\$116,094
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$22,052	\$4,979
Employer Contributions made subsequent to measurement date	\$23,849	\$0
	<u>\$179,963</u>	<u>\$136,062</u>

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

<u>Year ended June 30,</u>	
2018	\$24,747
2019	\$38,303
2020	\$2,093
2021	(\$21,240)

#### F. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.875%, net of both administrative and investment expense
Salary Increases	2.75% - 9.00% per year depending on years of service interval
Cost of Living Benefit:	2.20%
Inflation	2.75%

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 20, 2015. There were no changes in assumptions for the fiscal year ended June 30, 2017.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing

the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
U.S. Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
	<u>100%</u>	

G. Discount Rate

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

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

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

	<u>1% Decrease (5.875%)</u>	<u>Current Discount Rate (6.875%)</u>	<u>1% Increase (7.875%)</u>
Proportionate Share of the Net Pension Liability	\$625,917	\$311,975	\$75,625

I. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the System's 2017 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

Note 8 - Other Post-Employment Benefits

A. Plan Description

Qualifying personnel of the Town can participate in the Maine Municipal Employees Health Trust postretirement benefit plan. The plan is a single employer OPEB plan.

B. Benefits Provided

*Medical/Prescription Drug:* The non-Medicare retirees are offered the same plans that are available to the active employees, as described in the benefits summaries. Medicare retirees are assumed to be enrolled in Medicare Part A and Part B which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage.

*Medicare:* Medicare benefits will be taken into account for any member or dependent while they are eligible to apply for Medicare. The Fund will determine a family member's benefit allowance, if any, based upon the applicable Medicare statutes and regulations. The Fund does not participate in the Medicare Retiree Drug Subsidy program.

*Duration of Coverage:* Medical benefits are provided for the life of retiree and surviving spouses.

*Life Insurance:* The \$2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$2,000 life insurance benefit as well.

*Dental:* Current retirees do not have access to dental benefits. Future new retirees who retire on and after January 1, 2017 will have access to purchase dental coverage at the Plan COBRA rates. Since retirees pay for the coverage and rates are set to mirror plan experience costs, no additional obligation is anticipated. Program experience will be monitored with future valuations and updated as with all benefit provisions and assumptions.

C. Employees covered by benefit terms:

At June 30, 2018, the following employees were covered under the benefit terms:

Active employees	26
Average age	47.04
Average service	9.47

D. Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<i>Discount Rate</i>	3.44% per annum.
<i>Salary Increase Rate</i>	2.75% per year.
<i>Administration and claims expense</i>	3.00% per annum.
<i>Healthcare cost trend rates:</i>	

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

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

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

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

E. Actuarial Assumptions

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2017 were used by the Actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary



distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

The Actuary report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 related legislation and regulations.

F. Discount Rate

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of December 31, 2017 is based upon an earlier measurement date, as of December 29, 2016 and is 3.78% per annum. The discount rate as of December 31, 2018 is based upon an earlier measurement date, as of December 28, 2017 and is 3.44% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

G. Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<u>Balances at 1/1/2017</u>	\$159,239	\$0	\$159,239
<u>Changes:</u>			
Service Cost	\$8,685		\$8,685
Interest	\$6,263		\$6,263
Differences between expected and actual experience	\$9,876		\$9,876
Changes of assumptions	\$14,437		\$14,437
Contributions - employer	\$0	\$4,517	\$4,517
Benefit payments	(\$4,517)	(\$4,517)	(\$9,034)
<u>Net changes</u>	<u>\$34,744</u>	<u>\$0</u>	<u>\$34,744</u>
<u>Balances at 1/1/18</u>	<u>\$193,983</u>	<u>\$0</u>	<u>\$193,983</u>

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	<u>1.0% Decrease (2.44%)</u>	<u>Discount Rate (3.44%)</u>	<u>1.0% Increase (4.44%)</u>
<i>Net OPEB Liability (Asset)</i>	\$225,388	\$193,983	\$168,587

I. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.2% decreasing to 3%) or 1 percentage point higher (9.2% decreasing to 5%) than the current healthcare cost trend rates:

	<u>1.0% Decrease</u>	<u>Healthcare Trend Rate</u>	<u>1.0% Increase</u>
<i>Net OPEB Liability (Asset)</i>	\$166,451	\$193,983	\$229,171

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The impact of experience gains or losses and assumption changes on the Total OPEB Liability are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 8 years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with

with the net recognition over the next five years, and thereafter.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$8,641	\$0
Changes in Assumptions	\$12,632	\$0
Net Difference between projected between projected and actual earnings on OPEB plan investments	\$0	\$0
	<u>\$21,273</u>	<u>\$0</u>

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

<u>Year ended</u>	
2019	\$3,040
2020	\$3,040
2021	\$3,040
2022	\$3,040
2023	\$3,040
Thereafter	\$6,073

**Note 9 - Deferred Compensation Plan**

The Town offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. As of June 30, 2018, nineteen employees were enrolled in the plan. The deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

The Town has amended its plan in accordance with Internal Revenue Section 457(g); therefore, the Town no longer owns the deferred amounts and they are not included on the Town's financial statements.

Investments are managed by the plan's trustee under one of two investment options or a combination thereof. The choice of investment options is made by the participants.

The Town's policy states the Town shall match 6%. Total Town contributions for the year ended June 30, 2018 were \$46,293. Employee contributions through payroll deduction for the year were \$48,733.

**Note 10 - Restricted Net Position**

The Town reports restricted net position totaling \$10,555,016 on its statements of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

**Note 11 - Risk Management**

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

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2018.

**Note 12 - Pending Litigation**

According to legal counsel, there are no matters that would result in material adverse losses, claims or assessments against the Town of Lincoln, Maine through the date of the audit report.

### Note 13 - Contingencies

The Town participates in various intergovernmental grant programs, which may be subject to future compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirements 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.

There are known future issues that can work to the benefit of the Town or could cause some difficulties. First, the property that is the former Lincoln Pulp and Tissue mill rests in bankruptcy, however the town is making strides toward turning this potential problem into an asset for the town.

Once the largest employer in the town and the region around Lincoln the mill is completely shut down and much of it is in a condition whereby it is substantially damaged both by a couple of fires and a boiler explosion. That was followed by a bankruptcy application that was granted by the court. Then, in an attempt to get funds to the various creditors the court put a Bankruptcy Trustee in place and that Trustee began selling assets. Among the assets sold were multiple rounds of removal of saleable metals. Thus, much of the machinery that was once the mill is gone. A number of folks thought that the mill site was so contaminated that it would likely become a Super Fund site. However, the Town's attorney called a Super Fund process a twenty-year science experiment. Another way to clean the site and possibly get it back into activity is to clean via a federal Brownfields grant. That was applied for and received; so the cleaning is slowly beginning.

The mill property has been divided into pieces in agreement with the Bankruptcy Trustee. The town has taken a purchase option on all the pieces, which can be acted upon one at a time. The risk in this to the town is that if we take title to a piece before we fully understand the possible environmental liability on that piece we could become legally liable to clean it without benefit of the Brownfields grants. So we must go slowly and learn all the facts about the pieces before we acquire them. For the town the mill site has both big future positive possibilities and large possible future complications. Managing and balancing these two extremes will prove to be a serious undertaking.

The second major possible liability in front of the town are the various dams that impound the waters of Lincoln's 13 lakes and ponds. Most of the lakes and ponds are left here from the industrial past. There are effectively three water flow groups. One was to the benefit of Lincoln Pulp and Tissue, one to the benefit of Haskell Lumber and the third more simply to support a couple of the ponds. As the owners of the dams have no more use for them the simplest thing for them to do is simply let the dams waste away. Obviously, this will not work well for the lake-front land owners.

In an attempt to secure the water levels in the ponds and lakes the town wants to take ownership of all the dams. However, there are multiple legal complications to doing this. We must make deals with various owner entities to gain full legal ownership and even when we do not pay to buy a dam, there are legal costs to the transaction. Then, as the town becomes the owner of the dams, Maine DEP demands that we maintain the dam and the stream that drains it in a certain set of conditions. To accomplish that maintenance we must meet DEP standards. The first of those is to put in place a DEP approved Lakes and Ponds Water Level Ordinance, which the Town Council has done. Then we must complete that ordinance by setting target water levels which should happen soon.

After that, before we can alter any of the dams, even if that alteration is simply to maintain the dam largely as is, we must provide a long-term maintenance plan to the DEP and they must approve that before any work can begin. To do this we must have engineered plans and standards in place. We do not yet have that. We do know that the conditions of the various dams are not all good or all bad. The cost to bring all the dams into good condition is not yet at all known. As a result, we cannot, with any great assurance, quantify the potential liability related to the dams. We do know that going forward for all time the dams will have some substantial costs but we are also applying for grants to do this work.

### Note 14 - PERC Joint Ventures

As of June 30, 2018, the Town owned a minority interest in a joint venture managed by the Municipal Review Committee, Inc. (MRC). The assets of the joint venture include cash and future interests relating to the PERC plant in Orrington, Maine. The value of the Town's interest in the joint venture as of June 30, 2018, cannot be determined. As of the date of this audit report, the Town has withdrawn its interest in MRC, which occurred in 2019.

**Note 15 - Adjustment to Beginning Fund Balance and Net Position**

The following adjustments were made at July 1, 2017 to restate fund balance and net position:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project &amp; Permanent Funds</u>	<u>Total</u>
Airport fuel expenditures previously held as a receivable	(\$25,377)			(\$25,377)
Reclassification of liability accounts to fund balance - reserves:				
Fire Equipment Fund	\$32,196			\$32,196
LP&T Confined Space Training Reserve	\$17,210			\$17,210
River Coalition Trails Grant Reserve	\$1,939			\$1,939
Bailey Recreation Grants Reserve	\$415			\$415
Farmers & Artisans Reserve	\$455			\$455
Reclassification of due to other governments		\$897		\$897
Correct cash transferred before 6/30/2017, DIT	\$150,031			\$150,031
Fund Balance, as previously stated	<u>\$3,289,577</u>	<u>\$31,935</u>	<u>\$7,920,103</u>	<u>\$11,241,615</u>
Fund Balance, restated	<u>\$3,466,446</u>	<u>\$32,832</u>	<u>\$7,920,103</u>	<u>\$11,419,380</u>
Correction of capital assets beginning balance				\$13,131
Correct prior year excess accumulated depreciation				\$26,690
Net Other Post-Employment Benefits Liability				(\$159,239)
Net Position, as previously stated				<u>\$17,116,073</u>
Net Position, restated				<u>\$17,174,420</u>

**TOWN OF LINCOLN, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit V)

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b><u>Revenues:</u></b>				
Property Taxes, Including Homestead Exemption	\$7,475,541	\$7,475,541	\$8,060,129	\$584,589
Excise Taxes	\$860,000	\$860,000	\$946,557	\$86,557
State Road Assistance	\$65,000	\$65,000	\$67,900	\$2,900
Intergovernmental Revenue	\$468,037	\$468,037	\$469,997	\$1,961
Investment Earnings	\$4,500	\$4,500	\$20,159	\$15,659
Interest and Lien Fees	\$47,000	\$47,000	\$46,304	(\$696)
Transfer Station	\$87,450	\$87,450	\$110,478	\$23,028
Permits & Fees	\$43,700	\$43,700	\$53,288	\$9,588
Other Revenues	\$12,000	\$12,000	\$10,151	(\$1,849)
<b><u>Total Revenues</u></b>	<b><u>\$9,063,227</u></b>	<b><u>\$9,063,227</u></b>	<b><u>\$9,784,963</u></b>	<b><u>\$721,736</u></b>
<b><u>Expenditures (Net of Departmental Revenues):</u></b>				
General Government	\$1,542,827	\$1,560,827	\$1,558,285	(\$15,458)
Protection	\$744,990	\$744,990	\$746,051	(\$1,061)
Health & Sanitation	\$427,099	\$427,099	\$415,474	\$11,625
Public Transportation	\$564,225	\$564,225	\$537,298	\$26,927
Education	\$4,099,140	\$4,099,140	\$4,099,140	\$0
Unclassified	\$282,032	\$282,032	\$270,866	\$11,166
TIF Financing Plan	\$1,345,331	\$1,345,331	\$1,909,939	(\$564,608)
Assessments and Debt Service	\$482,033	\$482,033	\$482,032	\$1
<b><u>Total Expenditures</u></b>	<b><u>\$9,487,677</u></b>	<b><u>\$9,505,677</u></b>	<b><u>\$10,019,086</u></b>	<b><u>(\$531,408)</u></b>
<b><u>Excess Revenues Over Expenditures</u></b>	<b><u>(\$424,450)</u></b>	<b><u>(\$442,450)</u></b>	<b><u>(\$234,123)</u></b>	<b><u>\$208,327</u></b>
<b><u>Other Financing Sources (Uses):</u></b>				
Capital Lease Proceeds	\$0	\$18,000	\$18,000	(\$18,000)
Operating Transfers In	\$458,200	\$458,200	\$458,200	\$0
Operating Transfers Out	(\$383,750)	(\$383,750)	(\$387,998)	\$4,248
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>\$74,450</u></b>	<b><u>\$92,450</u></b>	<b><u>\$88,202</u></b>	<b><u>(\$13,752)</u></b>
<b><u>Excess of Revenue &amp; Other Sources over Expenditures and Other Uses</u></b>	<b><u>(\$350,000)</u></b>	<b><u>(\$350,000)</u></b>	<b><u>(\$145,921)</u></b>	<b><u>\$194,575</u></b>
<b><u>Beginning Fund Balances</u></b>	<b><u>\$3,466,446</u></b>	<b><u>\$3,466,446</u></b>	<b><u>\$3,466,446</u></b>	<b><u>\$0</u></b>
<b><u>Ending Fund Balances</u></b>	<b><u>\$3,116,446</u></b>	<b><u>\$3,116,446</u></b>	<b><u>\$3,320,525</u></b>	<b><u>\$194,575</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - PARTICIPATING LOCAL DISTRICTS PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Last 10 Fiscal Years	For the Fiscal year ended June 30,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of Net Pension Liability	0.076196%	0.076855%	0.063997%
Proportionate Share of the Net Pension Liability (Asset)	\$311,975	\$408,354	\$204,184
Covered Employee Payroll	\$461,213	\$554,080	\$561,757
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	67.642%	73.70%	36.35%
Plan Total Pension Liability	\$3,016,660,721	\$2,927,787,619	\$2,759,454,749
Plan Fiduciary Net Position	<u>\$2,607,223,644</u>	<u>\$2,392,060,440</u>	<u>\$2,437,369,789</u>
Plan Net Pension Liability	<u>\$409,437,077</u>	<u>\$535,727,179</u>	<u>\$322,084,960</u>
Plan Fiduciary Net Position as a % Of the Total Pension Liability	86.43%	81.70%	88.33%
Plan Covered Employee Payroll	\$542,572,528	\$521,870,235	\$497,616,846
Plan Net Pension Liability as a % Of the Covered Employee Payroll	75.46%	102.66%	64.73%

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

**TOWN OF LINCOLN, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit VII)

Last 10 Fiscal Years	For the Fiscal year ended June 30,		
	2018	2017	2016
Contractually required contribution	\$23,849	\$26,941	\$26,995
Actual Contribution	\$23,849	\$26,941	\$26,995
Contribution Deficiency	\$0	\$0	\$0
Covered Employee Payroll	\$461,213	\$554,080	\$561,757
Contributions as a % of Covered Employee Payroll	5.171%	4.86%	4.81%

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

**TOWN OF LINCOLN, MAINE**  
**NOTES TO HISTORICAL PENSION INFORMATION**  
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1 - Actuarial Methods and Assumptions**

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2017, is as follows:

**A. Actuarial Cost Method**

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

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

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

**B. Asset Valuation Method**

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

**C. Amortization**

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

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

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

For members, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015. 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. There were no changes in assumptions for the fiscal year ended June 30, 2017.



**TOWN OF LINCOLN, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**MAINE MUNICIPAL EMPLOYEES HEALTH TRUST**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit VIII)

<i>Last 10 Fiscal Years</i>	<i>For the Fiscal Year Ended June 30, 2018</i>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$8,685
Interest (includes interest on service cost)	\$6,263
Changes of benefit terms	
Differences between expected and actual experience	\$9,876
Changes in assumptions	\$14,437
Benefit payments, including refunds of member contributions	(\$4,517)
<i>Net Change in total OPEB liability</i>	<b><u>\$34,744</u></b>
<b><i>Total OPEB liability - beginning</i></b>	<b><u>\$159,239</u></b>
<b><i>Total OPEB liability - ending</i></b>	<b><u>\$193,983</u></b>
<b><u>Plan fiduciary net position</u></b>	
Contributions - employer	\$4,517
Contributions - member	
Net investment income	
Benefit payments, including refunds of member contributions	(\$4,517)
Administrative expense	
<i>Net change in plan fiduciary net position</i>	<b><u>\$0</u></b>
<b><i>Plan fiduciary net position - beginning</i></b>	<b><u>\$0</u></b>
<b><i>Plan fiduciary net position - ending</i></b>	<b><u>\$0</u></b>
<b><i>Net OPEB liability - ending</i></b>	<b><u>\$193,983</u></b>
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.0%
Covered Employee Payroll	\$1,035,630
<b><i>Net OPEB Liability as a % Of the Covered Employee Payroll</i></b>	<b>18.7%</b>

\* Amounts presented for each fiscal year were determined as of January 1 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

**TOWN OF LINCOLN, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**MAINE MUNICIPAL EMPLOYEES HEALTH TRUST**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit IX)

<i>Last 10 Fiscal Years</i>	<i>For the Fiscal Year Ended June 30, 2018</i>
Contractually required contribution	\$4,517
Actual Contribution	<u>\$4,517</u>
Contribution Deficiency	<u><u>\$0</u></u>

\* *Amounts presented for each fiscal year were determined as of January 1 of the previous year. Retroactive information is required to be presented. A full 10 year schedule will be displayed as it becomes available.*

**TOWN OF LINCOLN, MAINE**  
**NOTES TO OPEB LIABILITY AND CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1 – Actuarial Methods and Assumptions**

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

***Benefit Changes***

Claims costs and retiree contributions were updated to reflect current healthcare costs.

***Changes of Assumptions***

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method

***Net OPEB Liability***

The Town’s net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	3.44% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.
Retirement Age	65
Healthcare cost trend rates:	

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

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

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

*Medicare Drug:* Initial trend of 9.60% applied FYE 2017 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

**TOWN OF LINCOLN, MAINE**  
**SCHEDULE OF DEPARTMENTAL OPERATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Department</u>	<u>Beginning Balance (Restated)</u>	<u>Net Appropriations</u>	<u>Departmental Revenues</u>
<b><u>General Government:</u></b>			
Town Manager	\$0	\$52,788	\$17,012
Town Clerk/Office Manager	\$0	\$118,204	\$0
Finance	\$0	\$213,879	\$0
Assessing	\$0	\$13,896	\$0
Utilities & Municipal Services	\$0	\$389,184	\$0
Personnel	\$0	\$754,876	\$0
	<u>\$0</u>	<u>\$1,542,827</u>	<u>\$17,012</u>
<b><u>Protection:</u></b>			
Code Enforcement	\$0	\$24,706	\$21,502
Police Department	\$0	\$386,491	\$4,997
Fire & EMA Department	\$0	\$330,963	\$90,567
Public Safety Building	\$0	\$2,830	\$0
Fire Equipment	\$32,196	\$0	\$36,364
	<u>\$32,196</u>	<u>\$744,990</u>	<u>\$153,430</u>
<b><u>Health &amp; Sanitation:</u></b>			
Transfer Station	\$0	\$339,149	\$110,478
Landfill	\$0	\$500	\$0
	<u>\$0</u>	<u>\$339,649</u>	<u>\$110,478</u>
<b><u>Public Transportation:</u></b>			
Public Works	\$0	\$559,475	\$0
Airport	\$0	(\$90,250)	\$0
Airport Development	\$0	\$95,000	\$0
	<u>\$0</u>	<u>\$564,225</u>	<u>\$0</u>
<b><u>Education:</u></b>			
RSU #67 Assessment	\$0	\$4,099,140	\$0
	<u>\$0</u>	<u>\$4,099,140</u>	<u>\$0</u>
<b><u>Assessments:</u></b>			
County Tax	\$0	\$390,288	\$0
Debt Service	\$0	\$91,745	\$0
Overlay	\$0	\$25,644	\$0
	<u>\$0</u>	<u>\$507,677</u>	<u>\$0</u>
<b><u>Unclassified:</u></b>			
General Assistance	\$0	\$15,423	\$0
Cemetery, Parks & Recreation	\$0	\$149,638	\$21,405
Bailey Recreation Grants	\$415	\$0	\$0
Library	\$0	\$112,471	\$3,438
Record Restoration	\$0	\$3,000	\$0
Voting Booths	\$0	\$1,500	\$0
LP&T Confined Space Training Reserve	\$17,210	\$0	\$0
River Coalition Trails Grant	\$1,939	\$0	\$340
Farmers & Artisans Reserve	\$455	\$0	\$475
TIF - Bangor Gas Reserve	\$16,914	\$8,917	\$0
TIF - Bangor Gas Payments	\$0	\$80,250	\$0
TIF - Rollins Wind	\$0	\$445,482	\$0
TIF - Rollins Wind Payments	\$0	\$738,670	\$0
TIF - Rollins Wind - Dam Reserve	\$65,800	\$25,000	\$0
TIF - Rollins Wind Reserve	\$530,145	\$21,983	\$2,617
TIF - LP&T	\$0	\$0	\$0
TIF - LP&T Reserve	\$476,061	\$0	\$0
TIF - Lakeside Plaza Senior Housing	\$0	\$25,029	\$0
	<u>\$1,108,939</u>	<u>\$1,627,363</u>	<u>\$28,275</u>
<b><u>TOTALS</u></b>	<u>\$1,141,135</u>	<u>\$9,425,871</u>	<u>\$309,194</u>

<i>Total Available</i>	<i>Expenditures</i>	<i>Audit Adjustments</i>	<i>Lapsed Unexpended (Overdraft)</i>	<i>Ending Balance</i>
\$69,800	\$69,007	(\$15,300)	(\$14,507)	\$0
\$118,204	\$116,796	\$0	\$1,408	\$0
\$213,879	\$213,394	(\$3,600)	(\$3,115)	\$0
\$13,896	\$1,762	(\$12,808)	(\$674)	\$0
\$389,184	\$383,674	(\$11,000)	(\$5,490)	\$0
\$754,876	\$739,984	\$10,030	\$24,921	\$0
<u>\$1,559,839</u>	<u>\$1,524,618</u>	<u>(\$32,679)</u>	<u>\$2,542</u>	<u>\$0</u>
\$46,208	\$39,970	\$14,018	\$20,256	\$0
\$391,488	\$380,368	(\$71)	\$11,049	\$0
\$421,530	\$412,775	(\$40,120)	(\$31,366)	\$0
\$2,830	\$2,404	(\$500)	(\$74)	\$0
\$68,560	\$37,290	\$0	\$0	\$31,271
<u>\$930,616</u>	<u>\$872,808</u>	<u>(\$26,673)</u>	<u>(\$135)</u>	<u>\$31,271</u>
\$449,627	\$423,053	\$8,078	\$34,653	\$0
\$500	\$500	\$0	\$0	\$0
<u>\$450,127</u>	<u>\$423,553</u>	<u>\$8,078</u>	<u>\$34,653</u>	<u>\$0</u>
\$559,475	\$546,902	\$0	\$12,573	\$0
(\$90,250)	\$0	\$25,998	(\$64,252)	\$0
\$95,000	\$7,822	(\$8,572)	\$78,606	\$0
<u>\$564,225</u>	<u>\$554,724</u>	<u>\$17,426</u>	<u>\$26,927</u>	<u>\$0</u>
\$4,099,140	\$4,099,140	\$0	\$0	\$0
<u>\$4,099,140</u>	<u>\$4,099,140</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$390,288	\$390,288	\$0	\$0	\$0
\$91,745	\$91,744	\$0	\$1	\$0
\$25,644	\$0	\$0	\$25,644	\$0
<u>\$507,677</u>	<u>\$482,032</u>	<u>\$0</u>	<u>\$25,645</u>	<u>\$0</u>
\$15,423	\$15,523	\$0	(\$100)	\$0
\$171,043	\$162,800	(\$2,729)	\$5,514	\$0
\$415	\$0	\$0	\$0	\$415
\$115,909	\$114,891	\$0	\$1,018	\$0
\$3,000	\$2,900	\$0	\$100	\$0
\$1,500	\$1,500	\$0	\$0	\$0
\$17,210	\$49	\$0	\$0	\$17,161
\$2,279	\$380	\$0	\$0	\$1,899
\$930	\$0	\$0	\$0	\$930
\$25,831	\$0	\$0	\$0	\$25,831
\$80,250	\$0	\$0	\$80,250	\$0
\$445,482	\$339,581	(\$105,901)	\$0	\$0
\$738,670	\$1,104,535	\$0	(\$365,864)	\$0
\$90,800	\$0	\$0	\$0	\$90,800
\$554,745	\$97,214	\$195,255	\$0	\$652,786
\$0	\$186,792	\$186,792	\$0	\$0
\$476,061	\$0	(\$435,774)	\$0	\$40,287
\$25,029	\$12,403	(\$12,403)	\$222	\$0
<u>\$2,764,577</u>	<u>\$2,038,568</u>	<u>(\$174,760)</u>	<u>(\$278,860)</u>	<u>\$830,108</u>
<u>\$10,876,200</u>	<u>\$9,995,442</u>	<u>(\$208,608)</u>	<u>(\$189,228)</u>	<u>\$861,379</u>

**TOWN OF LINCOLN, MAINE**  
**SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit A-2)

<u>Beginning Unassigned Fund Balance (Restated)</u>		\$2,325,311
<u>Additions:</u>		
Decrease in Unavailable Property Tax Revenue	\$583,238	
Supplemental Taxes	\$20,618	
Excise Taxes (Net of Appropriation)	\$86,094	
Boat and Aircraft Excise (Net of Appropriations)	\$463	
Interest and Lien Costs on Delinquent Taxes (Net of Appropriation)	\$4,304	
Interest Earned (Net of Appropriation)	\$10,430	
Other Revenues (Net of Appropriations)	\$12,838	
	<hr/>	
<u>Total Additions</u>		\$717,985
<u>Reductions:</u>		
Lapsed Accounts (Exhibit A-1)	\$189,228	
Appropriations from Unassigned Fund Balance	\$350,000	
Abatements and Tax Write-offs	\$44,921	
	<hr/>	
<u>Total Reductions</u>		<hr/> \$584,150
<u>Ending Unassigned Fund Balance</u>		<hr/> <hr/> \$2,459,146

**TOWN OF LINCOLN, MAINE**  
**SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit A-3)

<u>Valuation:</u>		
Real Property	\$270,552,400	
Personal Property	\$48,833,600	
<u>Total Valuation</u>		\$319,386,000
<u>Mill Rate</u>		<u>\$0.02255</u>
<u>Tax Commitment</u>		\$7,202,154
<u>Collections and Adjustments:</u>		
Cash Collections	\$6,506,861	
Supplemental Taxes	(\$20,550)	
Abatements Granted	\$294,595	
		<u>\$6,780,906</u>
<u>Total Collections and Adjustments</u>		<u>\$6,780,906</u>
<u>Uncollected Taxes June 30</u>		<u><u>\$421,249</u></u>

**TOWN OF LINCOLN, MAINE**  
**SCHEDULE OF APPROPRIATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit A-4)

Revenues:

Tax Commitment	\$7,202,154
Interest - Taxes/Liens	\$25,000
Lien Cost & Fees	\$17,000
Cable Franchise	\$25,000
Motor Vehicle Excise	\$850,000
Boat Excise	\$9,000
Vehicle Registration	\$10,500
State Revenue Sharing	\$353,233
Homestead Exemption	\$299,030
Tree Growth	\$60,000
BETE	\$49,804
Town Clerk/Office Manager	\$16,100
Administration	\$12,000
Fire and EMA	\$85,000
Transfer Station	\$87,450
Code Enforcement	\$17,820
Cemetery, Parks & Recreation	\$19,000
Rural Initiative Program	\$65,000
Other Revenue	\$34,200
Airport Grants	\$90,250
Trust Accounts	\$458,200
Unassigned Fund Balance	\$350,000

Total Revenues

\$10,135,741

Expenditures:

Town Manager	\$68,888
Town Clerk/Office Manager	\$118,204
Finance	\$213,879
Assessing	\$13,896
Code Enforcement	\$42,526
Police Department	\$393,991
Fire & EMA Department	\$415,963
Public Safety Building	\$2,830
Utilities & Municipal Services	\$389,184
Public Works	\$559,475
Transfer Station	\$426,599
Landfill	\$500
General Assistance	\$15,423
Cemetery, Parks & Recreation	\$168,638
Library	\$115,471
Personnel	\$754,876
Debt Service	\$91,745
Capital Improvements	\$483,250
RSU #67 Assessment	\$4,099,140
County Tax	\$390,288
TIF - Bangor Gas	\$89,167
TIF - Rollins Wind	\$1,231,135
TIF - Lakeside Plaza Senior Housing	\$25,029
Overlay	\$25,644

Total Expenditures

\$10,135,741



**TOWN OF LINCOLN, MAINE**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - CAPITAL PROJECT FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit B-1)  
 (Page 1 of 2)

	Revenues			Expenditures			Other Financing Sources/(Uses)			Excess Rev. and Other Sources Over/(Under) Exp. and Other Uses	Ending Fund Balance	
	Beginning Fund Balance	Investment Income	Other Income and Donations	Total Revenues	Management Fees	Other Expenses	Total Expenses	Excess Revenues over/(under) Expenditures	Operating Transfers In			Total Other Financing Sources/(Uses)
<b><u>RESERVES</u></b>												
1102 State Drug Forfeiture Funds	\$6	\$0	\$636	\$636	\$0	\$162	\$162	\$474		\$0	\$474	\$480
1104 MCJA Training	\$2,673	\$54		\$54	\$13	\$0	\$13	\$41		\$0	\$41	\$2,714
1105 Police Drug Forfeiture	\$8,091	\$245		\$245	\$59	\$5,158	\$5,216	(\$4,971)		\$0	(\$4,971)	\$3,119
1106 Emergency Mgmt. Equipment	\$477	\$10		\$10	\$2	\$0	\$2	\$7		\$0	\$7	\$484
1107 Police Equipment Fund	\$33,569	\$431		\$431	\$106	\$39,000	\$39,106	(\$38,675)	\$15,000	\$15,000	(\$23,675)	\$9,894
1108 Fire Equipment Fund	\$202,176	\$2,858	\$1,500	\$4,358	\$698	\$10,157	\$10,855	(\$6,497)	\$75,000	\$75,000	\$68,503	\$270,679
1109 Public Works Department	\$40,962	\$829		\$829	\$198	\$28,009	\$28,207	(\$27,378)	\$42,500	\$42,500	\$15,122	\$56,084
1110 Cemetery Equipment	\$33,910	\$579		\$579	\$140	\$28,594	\$28,734	(\$28,155)		\$0	(\$28,155)	\$5,755
1111 Road Construction	\$67,880	\$1,587		\$1,587	\$382	\$47,900	\$48,282	(\$46,695)	\$166,000	\$166,000	\$119,305	\$187,185
1113 Town Clerk Equipment	\$13,262	\$269		\$269	\$64	\$589	\$653	(\$385)		\$0	(\$385)	\$12,878
1115 Assessing GIS Maps	\$2,649	\$54		\$54	\$13	\$0	\$13	\$41		\$0	\$41	\$2,690
1120 Administration - Equipment	\$11,882	\$319		\$319	\$76	\$10,131	\$10,208	(\$9,888)		\$0	(\$9,888)	\$1,994
1125 Street Light Maintenance	\$948	\$19		\$19	\$5	\$0	\$5	\$15		\$0	\$15	\$963
1126 Library Inventory/Books	\$3,555	\$107	\$3,436	\$3,543	\$26	\$2,713	\$2,738	\$804		\$0	\$804	\$4,359
1136 Homecoming	\$23,754	\$498	\$18,503	\$19,001	\$120	\$2,375	\$2,495	\$16,506		\$0	\$16,506	\$40,260
1140 M. Flanders - Development	\$5,547	\$112		\$112	\$27	\$0	\$27	\$85		\$0	\$85	\$5,632
1141 M. Flanders Recreation/Ballard Hill	\$2,795	\$57		\$57	\$14	\$0	\$14	\$43		\$0	\$43	\$2,838
1155 Winn Fire Service	\$1,038	\$21		\$21	\$5	\$0	\$5	\$16		\$0	\$16	\$1,054
1157 Lowell Fire Service	\$2,949	\$60		\$60	\$14	\$0	\$14	\$45		\$0	\$45	\$2,994
1158 Library Equipment	\$258	\$10		\$10	\$2	\$324	\$326	(\$317)		\$0	(\$317)	(\$59)
1161 Rec Sponsor A Child	\$155	\$5	\$404	\$409	\$1	\$0	\$1	\$408		\$0	\$408	\$563
1162 Taxes/Fuel Donations	\$11,911	\$249	\$7,368	\$7,617	\$60	\$1,914	\$1,973	\$5,643		\$0	\$5,643	\$17,555
1168 PWD Storm Drain Project	\$247	\$5		\$5	\$1	\$0	\$1	\$4	\$5,000	\$5,000	\$5,004	\$5,251
1169 Fire Co Equipment Fund	\$435	\$9		\$9	\$2	\$0	\$2	\$7		\$0	\$7	\$442
1175 Haunted Hill	\$9,146	\$185	\$2,141	\$2,326	\$44	\$4,206	\$4,250	(\$1,924)		\$0	(\$1,924)	\$7,222
1176 Police Bike Rodeo	\$535	\$11		\$11	\$3	\$0	\$3	\$8		\$0	\$8	\$544
1177 Airport Hangers	\$5,813	\$142	\$3,925	\$4,067	\$34	\$2,046	\$2,081	\$1,987		\$0	\$1,987	\$7,800
1179 Public Works Equipment	\$13	\$0		\$0	\$0	\$35,900	\$35,900	(\$35,900)	\$42,250	\$42,250	\$6,350	\$6,363
1180 General Assistance	(\$2,710)	\$38	\$3,460	\$3,498	\$10	\$17,254	\$17,263	(\$13,765)	\$4,248	\$4,248	(\$9,517)	(\$12,227)
1182 Clerk Publications	\$1,494	\$30		\$30	\$7	\$83	\$90	(\$60)		\$0	(\$60)	\$1,434
1183 Finance Computer Software	\$4,062	\$68		\$68	\$17	\$1,740	\$1,757	(\$1,688)		\$0	(\$1,688)	\$2,374
1185 Insurance Deductible	\$9	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$9
1186 Laboratory Testing	\$1,060	\$21		\$21	\$5	\$0	\$5	\$16		\$0	\$16	\$1,077
1187 Library Building & Grounds	\$2,628	\$83		\$83	\$20	\$889	\$908	(\$826)		\$0	(\$826)	\$1,802
1188 Transfer Station Revenue FY14	\$463	\$9		\$9	\$2	\$0	\$2	\$7		\$0	\$7	\$470
1189 West Broadway Fees	\$363	\$1,157		\$1,157	\$276	\$0	\$276	\$880		\$0	\$880	\$1,243
1190 Transfer Station Equipment	\$10,342	\$209		\$209	\$50	\$0	\$50	\$159		\$0	\$159	\$10,502
1191 Police Vehicle Maintenance	\$360	\$7		\$7	\$2	\$0	\$2	\$6		\$0	\$6	\$366
1192 Code Enforcement Travel	\$1,122	\$23		\$23	\$5	\$0	\$5	\$17		\$0	\$17	\$1,139
1193 Fire Department Travel	\$574	\$12		\$12	\$3	\$0	\$3	\$9		\$0	\$9	\$583
1194 Public Safety Equipment	\$311	\$6		\$6	\$2	\$0	\$2	\$5		\$0	\$5	\$316
1195 Library Lift	\$29,649	\$600		\$600	\$144	\$31,971	\$32,115	(\$31,515)		\$0	(\$31,515)	(\$1,866)
1196 Town Manager - Professional Development	\$2	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$2
1197 Code Enforcement - Consumables	\$4	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$4
1198 Fire Dept - Safety Compliance	(\$195)	\$13		\$13	\$3	\$0	\$3	\$10		\$0	\$10	(\$185)
1199 Utilities - Lights Maint	\$15	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$16
1200 Utilities - Heating Fuel	\$296	\$6		\$6	\$1	\$0	\$1	\$5		\$0	\$5	\$301
1201 P/W - Vehicle Fuel	\$477	\$10		\$10	\$2	\$0	\$2	\$7		\$0	\$7	\$485
1202 P/W - Vehicle Maint	\$9,290	\$188		\$188	\$45	\$0	\$45	\$143		\$0	\$143	\$9,433
1203 T/S - Professional Development	\$9	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$9
1204 T/S - Vehicle Fuel	\$38	\$1		\$1	\$0	\$0	\$0	\$1		\$0	\$1	\$39
1205 T/S - Tire Removal	\$11	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$11
1206 Recreation - Advertising	\$2	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$2
1207 Recreation - Vehicle Fuel	\$4	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$4
1208 Recreations - Communications	\$2	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$2
1209 Library Building Maint	\$23	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$23
1210 Personnel Wage Adjustment	\$3,463	\$70		\$70	\$17	\$2,222	\$2,239	(\$2,169)		\$0	(\$2,169)	\$1,294

**TOWN OF LINCOLN, MAINE**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - CAPITAL PROJECT FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit B-1)  
 (Page 2 of 2)

	<u>Revenues</u>			<u>Expenditures</u>			<u>Other Financing Sources/(Uses)</u>			<u>Excess Rev. and Other Sources Over/(Under) Exp. and Other Uses</u>	<u>Ending Fund Balance</u>	
	<u>Beginning Fund Balance</u>	<u>Investment Income</u>	<u>Other Income and Donations</u>	<u>Total Revenues</u>	<u>Management Fees</u>	<u>Other Expenses</u>	<u>Total Expenses</u>	<u>Excess Revenues over/(under) Expenditures</u>	<u>Operating Transfers In</u>			<u>Total Other Financing Sources/(Uses)</u>
<b><u>RESERVES (CONTINUED)</u></b>												
1211/1216 TS Trailers	\$22,191	\$217		\$217	\$55	\$0	\$55	\$163	\$14,000	\$14,000	\$14,163	\$36,354
1212/1217 TS Skidsteer	\$20,239	\$244		\$244	\$60	\$0	\$60	\$184	\$10,000	\$10,000	\$10,184	\$30,423
1213/1218 TS Baler	\$12,096	\$112		\$112	\$28	\$0	\$28	\$84	\$8,000	\$8,000	\$8,084	\$20,179
1214 Municipal Utilities	\$3	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$3
1215 Transfer Station Building	\$3,000	\$11		\$11	\$3	\$0	\$3	\$8	\$3,000	\$3,000	\$3,008	\$6,008
<b><u>Total Reserves</u></b>	<b><u>\$607,331</u></b>	<b><u>\$11,864</u></b>	<b><u>\$41,373</u></b>	<b><u>\$53,236</u></b>	<b><u>\$2,866</u></b>	<b><u>\$273,337</u></b>	<b><u>\$276,203</u></b>	<b><u>(\$222,967)</u></b>	<b><u>\$384,998</u></b>	<b><u>\$384,998</u></b>	<b><u>\$162,031</u></b>	<b><u>\$769,362</u></b>
<b><u>CAPITAL PROJECTS</u></b>												
2111 Municipal Building	\$13,046	\$264		\$264	\$63	\$0	\$63	\$201		\$0	\$201	\$13,247
2112 Public Works Bldg	\$4,614	\$60		\$60	\$15	\$0	\$15	\$45	\$3,000	\$3,000	\$3,045	\$7,660
2113 Public Works Garage	\$72,709	\$1,472		\$1,472	\$352	\$0	\$352	\$1,120		\$0	\$1,120	\$73,830
2116 Airport Safety Fund	\$2,478	\$50		\$50	\$12	\$0	\$12	\$38		\$0	\$38	\$2,516
2117 Airport Runway Repairs	\$13,068	\$265		\$265	\$63	\$0	\$63	\$201		\$0	\$201	\$13,270
2118 Airport Master Plan	\$42,160	(\$521)		(\$521)	(\$124)	\$41,764	\$41,640	(\$42,160)		\$0	(\$42,160)	\$0
2120 Landfill - Transfer Station	\$853	\$17		\$17	\$4	\$400	\$404	(\$387)		\$0	(\$387)	\$467
<b><u>Total Capital Projects</u></b>	<b><u>\$148,929</u></b>	<b><u>\$1,608</u></b>	<b><u>\$0</u></b>	<b><u>\$1,608</u></b>	<b><u>\$385</u></b>	<b><u>\$42,164</u></b>	<b><u>\$42,549</u></b>	<b><u>(\$40,941)</u></b>	<b><u>\$3,000</u></b>	<b><u>\$3,000</u></b>	<b><u>(\$37,941)</u></b>	<b><u>\$110,989</u></b>
<b><u>RESERVE CHECKING ACCOUNT</u></b>												
Unassigned Fund Balance	\$183			\$0			\$0	\$0		\$0	\$0	\$183
<b><u>Total Reserves and Capital Projects</u></b>	<b><u>\$756,444</u></b>	<b><u>\$13,472</u></b>	<b><u>\$41,373</u></b>	<b><u>\$54,845</u></b>	<b><u>\$3,251</u></b>	<b><u>\$315,502</u></b>	<b><u>\$318,752</u></b>	<b><u>(\$263,908)</u></b>	<b><u>\$387,998</u></b>	<b><u>\$387,998</u></b>	<b><u>\$124,090</u></b>	<b><u>\$880,534</u></b>

**TOWN OF LINCOLN, MAINE**  
**SCHEDULE OF SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(Exhibit C-1)

	<i>Balance</i>			<i>Balance</i>
	<i>July 1, 2017</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>June 30, 2018</i>
<i>Grants</i>				
0031 RBEG - Planning	(\$3,500)			(\$3,500)
0032 70/30 Snowmobile Grant	(\$5,920)	\$18,283	\$18,336	(\$5,973)
0033 CDBG-Lakeside	\$89			\$89
0034 EDI-Lake Mall	(\$458)			(\$458)
0035 Byrne Jag Grant	\$1,238	\$834	\$997	\$1,075
0036 DOJ Drug Enforcement/OUI Grant	\$209			\$209
0037 Herb & Ellie Bailey Grant	\$60			\$60
0038 Wellness Grant - Sprint for Life	\$935			\$935
0040 Bailey Trust	\$90	\$5,260	\$1,384	\$3,966
0041 Maine Nutrition Network	\$266			\$266
0042 Underage Drinking	(\$8)			(\$8)
0046 DOT Air/Seaplane	(\$1,736)			(\$1,736)
0048 PVH-Sprint-Pollard Brook	\$196			\$196
0049 Childrens Pond	\$4,902			\$4,902
0051 Stephen & Tabitha King	\$379			\$379
0052 Septic System	\$3,129			\$3,129
0054 Tobacco Grant PVH-Library	\$214			\$214
0055 Main St. Fire	\$1,066			\$1,066
0060 Walmart CO2	\$500			\$500
0061 Wellness Program	(\$254)		\$579	(\$832)
0063 Project Canopy Grant	(\$1,053)			(\$1,053)
0064 Bailey Trust-Lego Club	\$79			\$79
0065 Samuel Rudman Library Grant	\$20			\$20
0066 United Way Grant - Library	\$39			\$39
0067 Recreation-Drug Free	\$415			\$415
<i>Total Grants</i>	<u>\$897</u>	<u>\$24,377</u>	<u>\$21,296</u>	<u>\$3,978</u>
<i>CDBG Microloan</i>				
CDBG Microloan	<u>\$31,935</u>	<u>\$851</u>		<u>\$32,786</u>
<i>Total CDBG Microloan</i>	<u>\$31,935</u>	<u>\$851</u>	<u>\$0</u>	<u>\$32,786</u>
<i>Total Special Revenue Funds</i>	<u><u>\$32,832</u></u>	<u><u>\$25,228</u></u>	<u><u>\$21,296</u></u>	<u><u>\$36,763</u></u>

**TOWN OF LINCOLN, MAINE**  
**COMBINED BALANCE SHEET - PERMANENT FUNDS**  
**JUNE 30, 2018**

	<u>Cobb Trust Trust</u>	<u>Macgregor Library Trust Fund</u>	<u>MainePERS UBS</u>	<u>MainePERS BSB</u>	<u>Memorial Library Fund</u>	<u>Public Library Fund</u>	<u>House Scholarship Fund</u>
<i>Assets</i>							
Cash and Money Markets	\$151,146	\$3,218	\$205,955				
Investments, at Fair Market Value	\$2,687,348	\$91,896	\$3,256,907	\$91,418	\$13,458	\$1,966	\$3,035
<b><u>Total Assets</u></b>	<b><u>\$2,838,494</u></b>	<b><u>\$95,115</u></b>	<b><u>\$3,462,862</u></b>	<b><u>\$91,418</u></b>	<b><u>\$13,458</u></b>	<b><u>\$1,966</u></b>	<b><u>\$3,035</u></b>
<i>Liabilities &amp; Fund Balances</i>							
Due to Other Funds				\$51,538	\$702		\$500
<b><u>Total Liabilities</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$51,538</u></b>	<b><u>\$702</u></b>	<b><u>\$0</u></b>	<b><u>\$500</u></b>
Restricted Assigned	\$5,292,429 (\$2,453,935)	\$95,115	\$2,961,136 \$501,726	\$35,634 \$4,246	\$9,028 \$3,728	\$1,218 \$748	\$1,531 \$1,005
<b><u>Total Fund Balances</u></b>	<b><u>\$2,838,494</u></b>	<b><u>\$95,115</u></b>	<b><u>\$3,462,862</u></b>	<b><u>\$39,880</u></b>	<b><u>\$12,757</u></b>	<b><u>\$1,966</u></b>	<b><u>\$2,535</u></b>
<b><u>Total Liabilities &amp; Fund Balances</u></b>	<b><u>\$2,838,494</u></b>	<b><u>\$95,115</u></b>	<b><u>\$3,462,862</u></b>	<b><u>\$91,418</u></b>	<b><u>\$13,458</u></b>	<b><u>\$1,966</u></b>	<b><u>\$3,035</u></b>

**TOWN OF LINCOLN, MAINE**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - PERMANENT FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Cobb Trust Trust</u>	<u>Macgregor Library Trust Fund</u>	<u>MainePERS UBS</u>	<u>MainePERS BSB</u>	<u>Memorial Library Fund</u>	<u>Public Library Fund</u>	<u>House Scholarship Fund</u>
<i>Revenues</i>							
Unrealized Gain/(Loss) on Investments	(\$75,286)	(\$5,065)	\$18,510				
Realized Gain/(Loss) on Investments	\$226,700	\$8,822	\$168,294				
Interest and Dividends	\$59,360	\$2,222	\$67,042	\$1,823	\$260	\$39	\$61
Principal Additions					\$415		
<b><u>Total Revenues</u></b>	<b><u>\$210,773</u></b>	<b><u>\$5,979</u></b>	<b><u>\$253,845</u></b>	<b><u>\$1,823</u></b>	<b><u>\$675</u></b>	<b><u>\$39</u></b>	<b><u>\$61</u></b>
<i>Expenditures</i>							
Management Fees	\$36,837	\$1,306	\$38,708	\$436	\$62	\$9	\$14
Other Expenses	\$1,822	\$87	\$4,804	\$8,461	\$702		\$500
<b><u>Total Expenditures</u></b>	<b><u>\$38,659</u></b>	<b><u>\$1,393</u></b>	<b><u>\$43,512</u></b>	<b><u>\$8,897</u></b>	<b><u>\$764</u></b>	<b><u>\$9</u></b>	<b><u>\$514</u></b>
<b><u>Excess Revenues Over Expenditures</u></b>	<b><u>\$172,114</u></b>	<b><u>\$4,586</u></b>	<b><u>\$210,334</u></b>	<b><u>(\$7,074)</u></b>	<b><u>(\$89)</u></b>	<b><u>\$30</u></b>	<b><u>(\$454)</u></b>
<i>Other Financing Sources (Uses):</i>							
Operating Transfers Out	(\$265,000)	(\$8,000)	(\$185,200)				
<b><u>Excess Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</u></b>	<b><u>(\$92,886)</u></b>	<b><u>(\$3,414)</u></b>	<b><u>\$25,134</u></b>	<b><u>(\$7,074)</u></b>	<b><u>(\$89)</u></b>	<b><u>\$30</u></b>	<b><u>(\$454)</u></b>
<b><u>Beginning Fund Balances</u></b>	<b><u>\$2,931,380</u></b>	<b><u>\$98,529</u></b>	<b><u>\$3,437,728</u></b>	<b><u>\$46,954</u></b>	<b><u>\$12,845</u></b>	<b><u>\$1,936</u></b>	<b><u>\$2,989</u></b>
<b><u>Ending Fund Balances</u></b>	<b><u>\$2,838,494</u></b>	<b><u>\$95,115</u></b>	<b><u>\$3,462,862</u></b>	<b><u>\$39,880</u></b>	<b><u>\$12,757</u></b>	<b><u>\$1,966</u></b>	<b><u>\$2,535</u></b>

(Exhibit D-1)

<i>Haskell Scholarship Fund</i>	<i>Foster Scholarship Fund</i>	<i>Mattanawcook Academy Fund</i>	<i>Ministerial School Fund</i>	<i>Cemetery Fund</i>	<i>Community Rec. Center</i>	<i>Community Rec. Center Fundraising</i>	<i>Community Rec. Center Grindel</i>	<i>Cost to Market Value Adjustment</i>	<i>Total</i>
									\$360,320
\$1,810	\$3,009	\$22,851	\$18,435	\$118,561	\$55,226	\$75,792	\$358,177	(\$20,252)	\$6,779,636
<u>\$1,810</u>	<u>\$3,009</u>	<u>\$22,851</u>	<u>\$18,435</u>	<u>\$118,561</u>	<u>\$55,226</u>	<u>\$75,792</u>	<u>\$358,177</u>	<u>(\$20,252)</u>	<u>\$7,139,956</u>
				\$8,356		\$8,192			\$69,286
\$0	\$0	\$0	\$0	\$8,356	\$0	\$8,192	\$0	\$0	\$69,286
\$4,402 (\$2,592)	\$508 \$2,500	\$2,234 \$20,617	\$3,452 \$14,983	\$107,517 \$2,688	\$47,623 \$7,603	\$59,835 \$7,765	\$288,320 \$69,858	(\$20,252)	\$8,794,614 (\$1,723,944)
\$1,810	\$3,009	\$22,851	\$18,435	\$110,205	\$55,226	\$67,600	\$358,177	(\$20,252)	\$7,070,669
<u>\$1,810</u>	<u>\$3,009</u>	<u>\$22,851</u>	<u>\$18,435</u>	<u>\$118,561</u>	<u>\$55,226</u>	<u>\$75,792</u>	<u>\$358,177</u>	<u>(\$20,252)</u>	<u>\$7,139,956</u>

(Exhibit D-2)

<i>Haskell Scholarship Fund</i>	<i>Foster Scholarship Fund</i>	<i>Mattanawcook Academy Fund</i>	<i>Ministerial School Fund</i>	<i>Cemetery Fund</i>	<i>Community Rec. Center</i>	<i>Community Rec. Center Fundraising</i>	<i>Community Rec. Center Grindel</i>	<i>Cost to Market Value Adjustment</i>	<i>Total</i>
								(\$21,991)	(\$83,832)
\$36	\$60	\$456	\$368	\$2,346 \$975	\$1,101	\$1,271 \$12,084	\$306 \$4,627		\$404,121 \$141,070 \$13,474
<u>\$36</u>	<u>\$60</u>	<u>\$456</u>	<u>\$368</u>	<u>\$3,321</u>	<u>\$1,101</u>	<u>\$13,354</u>	<u>\$4,933</u>	<u>(\$21,991)</u>	<u>\$474,833</u>
\$9	\$14	\$109	\$88	\$561 \$4,550	\$263	\$304 \$8,192	\$1,786		\$80,506 \$29,117
<u>\$9</u>	<u>\$14</u>	<u>\$109</u>	<u>\$88</u>	<u>\$5,111</u>	<u>\$263</u>	<u>\$8,495</u>	<u>\$1,786</u>	<u>\$0</u>	<u>\$109,623</u>
\$27	\$46	\$347	\$280	(\$1,790)	\$838	\$4,859	\$3,147	(\$21,991)	\$365,210
									(\$458,200)
\$27	\$46	\$347	\$280	(\$1,790)	\$838	\$4,859	\$3,147	(\$21,991)	(\$92,990)
<u>\$1,782</u>	<u>\$2,963</u>	<u>\$22,504</u>	<u>\$18,155</u>	<u>\$111,995</u>	<u>\$54,388</u>	<u>\$62,741</u>	<u>\$355,031</u>	<u>\$1,738</u>	<u>\$7,163,659</u>
<u>\$1,810</u>	<u>\$3,009</u>	<u>\$22,851</u>	<u>\$18,435</u>	<u>\$110,205</u>	<u>\$55,226</u>	<u>\$67,600</u>	<u>\$358,177</u>	<u>(\$20,252)</u>	<u>\$7,070,669</u>