

TOWN OF BOOTHBAY HARBOR
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JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Boothbay Harbor
11 Howard Street
Boothbay Harbor, Maine 04538

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Boothbay Harbor, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town of Boothbay Harbor as of June 30, 2017 and 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Boothbay Harbor's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

July 21, 2017

Bath, Maine

TOWN OF BOOTHBAY HARBOR, MAINE
Management's Discussion and Analysis
June 30, 2017

The following is a discussion and analysis of the Town of Boothbay Harbor's financial activities and performance for the fiscal year ending June 30, 2017.

FINANCIAL AND DISCUSSION HIGHLIGHTS

- The Town's net position increased by \$103,656.42 (Exhibit B).
- General fund actual expenditures exceeded revenues by \$86,649.69 (Exhibit F).
- In business-type activities (i.e. Fish Pier Enterprise Fund), revenues increased by 4.45% from the previous year from \$46,901.21 to \$48,986.61. Operating expenses, which includes depreciation, decreased by \$2,012.06 resulting in an operational gain of \$2,348.69 for the Fish Pier Enterprise Fund.
- Governmental revenues increased by \$37,510.76 from the previous year due to a decrease in general government collections.
- Mil rate of 11.2 per thousand is the same as last year. Assessed value of \$602,793,890.00 was listed as of April 1, 2016.

THIS REPORT

There are two basic financial statements: government-wide financial statements and fund financial statements. Government-wide statements present an overview of the overall government, measuring and reporting all of its assets, liabilities, expenses, and net gains and losses. It excludes fiduciary (or trust) fund types, and focuses on governmental and business-type activities. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when they are earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues and posted in the year in which they are levied. Grants are recognized as revenue as soon as the eligibility requirements have been met. Capital assets and long-term debt are recognized as assets and liabilities in the entity-wide financial statements.

Exhibits A and B (i.e. Statement of Net Position and Statement of Activities) are examples of government-wide financial statements. They report information on the change in net position of non-fiduciary activities of the Town as a whole, and demonstrate the degree to which expenses are offset by program revenues. Program revenues are derived directly from the program itself - they are charges to customers for services, and include any specific operating grant and contribution to the Town. The equity section of Exhibit A shows the amounts net invested in capital assets, as well as restricted and unrestricted. Assigned net position is restricted by creditors or imposed by law, whereas, unassigned net position is the residual amounts leftover.

Governmental fund financial statements are reported using the current financial resources measurement focus as well as the modified accrual basis of accounting. The fund financial statements start with Exhibit E. Revenues are recognized as soon as they become available and measurable. Revenues susceptible to accrual are property taxes, interest, and charges for service. They show greater financial detail than the government-wide statements, and tell us how the Town's governmental activities and services were financed during the year as well as what remains for future spending. Capital assets and long-term debt are not reported in the fund financial statements and fund balances are reported as either reserved or unreserved. The remaining statements (i.e., Exhibit G and H) provide financial information about the Town's business-type activities. The Fish Pier account is the Town's only proprietary fund.

TOWN OF BOOTHBAY HARBOR, MAINE
Management's Discussion and Analysis, Continued

THE TOWN AS A WHOLE

Analysis of the Statement of Net Position and Statement of Activities

Our analysis of the Town as a whole begins with Exhibits A and B - the Statement of Net Position and Statement of Activities. Think of the Town as being divided into two kinds of activities: governmental activities and business-type activities. Governmental activities, which include basic services such as police, fire, public works, and general administration, are funded by taxes, intergovernmental funds, and miscellaneous revenues, while business-type activities are supported largely by user charges and fees to help cover the cost of repairs and maintenances and expansion. The Town's only business-type activity is the Fish Pier.

The Town's total net position (or difference between total assets and liabilities of all governmental and business-type activities) for the period ending June 30, 2017 was \$5,246,256.01. In contrast, the total net position for the prior period was \$5,144,948.28. The difference between the two periods is \$101,307.73. Similarly, the Town's Fish Pier net position for the same period ending June 30, 2017 was \$809,105.10, while the beginning assets for the same period were \$806,756.41, an increase of \$2,348.69. In both cases, the Town's equity position (or net worth) has changed moderately from the previous year. Management will monitor for any variance in accounting to ensure continued compliance and stewardship responsibility.

The Town's total position, which includes anything that the Town owns of value, is \$6,055,361.11 compared to \$5,951,704.69 in 2016. This includes all cash, taxes receivable and liens, internal balances, and net capital assets for both governmental and business-type activities. Internal balances represent the balances owed between the governmental and business-type activities. The Town's total liabilities, which include all accounts payable, accrued expenses and interest, and long-term liabilities are \$1,140,505.34, of which \$77,175.80 of the long-term liabilities is due within one year (Exhibits A and B).

THE TOWN'S MOST SIGNIFICANT FUND: THE GENERAL FUND

Analysis of Fund Financial Statements

Our analysis of the Town's major funds begins with Exhibit F (or the Statement of Revenues, Expenditures, and Changes in Fund Balances). The fund financial statements provide detailed information on the flow and use of financial resources: they are the Town's most significant funds, with the general fund being the most important fund. It accounts for all resources not otherwise devoted to specific activities, and it finances most of our basic local government functions, such as general administration and police. The Town uses two kinds of funds - *governmental and proprietary* - with different accounting approaches.

TOWN OF BOOTHBAY HARBOR, MAINE
Management's Discussion and Analysis, Continued

Governmental funds: The general fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law are accounted for in this fund. Governmental funds use the modified accrual accounting method, and are reported separately from business-type activities, which rely on fees and charges for support. Revenues are recognized when they become available and measurable. Exhibit F provides a detailed short-term view of the Town's general government operations and the basic services it provides.

The relationship (or differences) between governmental activities and how that information is reported in the Statement of Net Position and the Statement of Activities is discussed in Exhibits A & B.

Proprietary funds: Proprietary fund financial statements include a statement of net position (or a balance sheet), a statement of revenues, expenses, and changes in net position (or fund equity) and a statement of cash flow. The balance sheet presents investments in net assets and unrestricted net position. The Fish Pier operation is reported as an enterprise fund, because it is supported largely by user fees and charges to help it cover the cost of repairs and maintenance. It runs on a fully self-supporting, independent basis, utilizing private-sector standards of accounting and financial reporting. Reporting for proprietary funds requires a cash flow statement (Exhibit H), which displays receipts and disbursements of cash. Recognition of all expenses is required for proprietary funds (Exhibit G) accounting for capital assets and their depreciation.

For the year ending 2017, governmental revenues increased by \$38,510.76 from the previous year. Governmental expenditures increased \$353,901.65 for the same period. Revenues exceeded expenditures by \$86,649.69. The fund balance of the governmental funds is \$2,600,298.13 (\$2,131,725.54 for general fund, \$459,952.54 for capital projects, and \$8,620.05 for the shellfish account). The unassigned fund balance of the general fund of \$2,100,011.53 is above the fund balance requirement established in May of 2004, which requires that the fund balance levels not be less than 8% of the general fund expenditures of that fiscal year.

The cost of all general fund expenditures for 2017 was \$7,555,787.23 compared to \$7,190,510.97 last year. The total amount that our taxpayers financed for these activities through property taxes was \$6,756,632.10 in comparison to \$6,766,695.68 in 2016. The tax collection rate of 98.615% was an increase over last year's rate of 98.53%. The amount of uncollected taxes for the year ending 2017 was \$93,475.63 compared to the previous year of \$91,089.81. The Town established the dates and installments that taxes were due and payable. The rate of interest was set at 7%, the same as last year's rate.

Business-Type Activities

The Fish Pier revenues for the year ending 2017 were \$48,986.61 (Exhibit G), with operating expenses and depreciation of \$46,637.92 for an operational gain of \$2,348.69. In contrast, revenues for the previous year were \$46,901.21 with operating expenses and depreciation of \$48,649.98 for an operational loss of \$1,748.77. Net position at the beginning of the year was \$806,756.41. Net position at the end of the year was \$809,105.10.

TOWN OF BOOTHBAY HARBOR, MAINE
Management's Discussion and Analysis, Continued

GENERAL FUND BUDGETARY DISCUSSION

A budget is adopted for the General Fund only and not the Fish Pier, which is the Town's business-type activity. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Once adopted by the legislative body (or the Town Meeting), the level of control begins with the Town Meeting Warrant, in which expenditures may not exceed appropriations. The Town authorized the municipal officers to carry forward any unexpended account balance, provided that the account carried forward is used for the same purpose and to fund any expenditure exceeding budget from undesignated fund balance. If the undesignated fund balance of the general fund exceeds 8% for that fiscal year, the municipal officials may use the excess over 8% to reduce the tax commitment for the ensuing year. The municipal officials may also make emergency expenditures from the undesignated fund balance to meet an essential need to protect the public health, safety, or welfare. The expenditure for that essential need must be described in an agenda item that includes a precise statement of need and amount of funds required. Excluding normal professional services, contracts for purchases, supplies and capital improvements that are estimated to exceed \$5,000.00 in any fiscal year requires a formal written sealed bid process. The bid awards must be approved by municipal officers, who shall award to the lowest bidder, unless an award to another bidder is deemed by the municipal officers to be in the best interest of the Town.

For the year ending 2017, revenue exceeded expenditures by \$45,794.03 (Schedule A-1) but actual revenues fell short of budgeted revenues by \$9,156.87. The accounts exceeding their budgets are listed in Note G.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Finance Officer maintains a schedule of assets for GASB Statement No. 34. New property, buildings, or improvements other than furniture and equipment are maintained on this capital asset report. The Town uses the depreciation schedule as defined by GASB Statement No. 34 for its reporting.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. As of June 30, 2017 the Town had \$6,942,396.43 in governmental capital assets.

Debt

The Town's long-term liability for the year ended June 30, 2017 was \$512,563.20 in governmental activities and \$113,063.07 in business-type activities. Long-term debt in governmental activities included notes on the Fire Truck, and a Refinance Note (Note H). The total notes payable for both governmental and business-type activities were \$625,626.27 of which \$77,175.80 was due within one year.

The State limits the amount of general obligation debt that towns can issue to 3% of the assessed value of all taxable property. The Town's outstanding general obligation debt is significantly below this \$21.945 million state imposed limit.

Other obligations include \$37,315.53 of accrued compensated absences (i.e. unused vacation pay and sick leave) reported on Exhibit A.

TOWN OF BOOTHBAY HARBOR, MAINE
Management's Discussion and Analysis, Continued

CONCLUSION TO MD&A REPORT

The Boothbay Harbor tax rate did not increase. It remained the same as last year. Municipal investment accounts performed above expectations. The town audit continues to be solid as we continue to accomplish capital improvements and increase reserve accounts for future purchases. The future basketball court and improvements to the Sherman field facility was permitted by the Department of Environmental Protection and construction is planned for fall 2017. Temporary repairs took place on the footbridge. Other improvements are in the planning stages. The Joint Economic Development Committee continues to make recommendations to the Boothbay and Boothbay Harbor Boards of Selectmen regarding wayfinding and future planning for the region. Planning and execution of the Festival of Lights went well and was a huge success. Thank you to the Budget Committee and Board of Selectmen for their continuing efforts in reviewing and presenting a well thought out and practical budget at our town meeting again this year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Julia Latter, Finance Officer, at The Town of Boothbay Harbor, 11 Howard Street, Boothbay Harbor, Maine 04538.

TOWN OF BOOTHBAY HARBOR
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2017 TOTALS	2016 TOTALS
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash (Note B)	\$ 2,211,876.69	\$ -	\$ 2,211,876.69	\$ 2,128,837.89
Accounts Receivable	14,299.77		14,299.77	9,909.63
Taxes Receivable (Schedule A-8)	12,021.91		12,021.91	10,639.04
Tax Liens (Schedule A-9)	115,027.98		115,027.98	125,220.42
Due From Other Funds		112,311.40	112,311.40	86,473.56
Prepaid Expenses	20,924.00		20,924.00	18,914.00
Investments (Note F)	436,547.52		436,547.52	407,943.16
Total Current Assets	<u>\$ 2,810,697.87</u>	<u>\$ 112,311.40</u>	<u>\$ 2,923,009.27</u>	<u>\$ 2,787,937.70</u>
PROPERTY, PLANT, AND EQUIPMENT (NOTE G):				
Land	\$ 1,531,401.00	\$ 249,832.00	\$ 1,781,233.00	\$ 1,776,233.00
Buildings	2,129,983.00	402,453.00	2,532,436.00	2,490,636.00
Improvements	1,084,640.48	559,576.00	1,644,216.48	1,594,344.48
Vehicles	1,363,405.95		1,363,405.95	1,458,257.95
Equipment	832,963.00		832,963.00	801,484.00
Total Property, Plant, and Equipment	<u>\$ 6,942,393.43</u>	<u>\$ 1,211,861.00</u>	<u>\$ 8,154,254.43</u>	<u>\$ 8,120,955.43</u>
Less: Accumulated Depreciation	<u>(3,505,612.00)</u>	<u>(400,847.00)</u>	<u>(3,906,459.00)</u>	<u>(3,782,586.00)</u>
Net Property, Plant, and Equipment	<u>\$ 3,436,781.43</u>	<u>\$ 811,014.00</u>	<u>\$ 4,247,795.43</u>	<u>\$ 4,338,369.43</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pension	\$ 195,163.75	\$ -	\$ 195,163.75	\$ 149,342.68
Total Assets and Deferred Outflows	<u>\$ 6,442,643.05</u>	<u>\$ 923,325.40</u>	<u>\$ 7,365,968.45</u>	<u>\$ 7,275,649.81</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES:				
Notes Payable (Note I)	\$ 67,525.52	\$ 9,650.28	\$ 77,175.80	\$ 71,600.92
Accounts Payable - Trade	3,114.16		3,114.16	68.18
Accrued Wages (Note J)	37,315.53		37,315.53	37,072.60
Deferred Tax Revenue (Note O)	7,383.37		7,383.37	10,214.70
Accrued Interest	4,970.38	1,157.23	6,127.61	8,048.54
Due To Other Funds	112,311.40		112,311.40	86,473.56
Total Current Liabilities	<u>\$ 232,620.36</u>	<u>\$ 10,807.51</u>	<u>\$ 243,427.87</u>	<u>\$ 213,478.50</u>
LONG-TERM LIABILITIES:				
Pension Liability	\$ 348,627.00	\$ -	\$ 348,627.00	\$ 271,049.00
Notes Payable - Net of Current Portion (Note I)	445,037.68	103,412.79	548,450.47	624,743.62
Total Long-Term Liabilities	<u>\$ 793,664.68</u>	<u>\$ 103,412.79</u>	<u>\$ 897,077.47</u>	<u>\$ 895,792.62</u>
Total Liabilities	<u>\$ 1,026,285.04</u>	<u>\$ 114,220.30</u>	<u>\$ 1,140,505.34</u>	<u>\$ 1,109,271.12</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to Pension	\$ 170,102.00	\$ -	\$ 170,102.00	\$ 214,674.00
NET POSITION:				
Net Invested in Capital Assets	\$ 2,924,218.23	\$ 697,950.93	\$ 3,622,169.16	\$ 3,642,024.89
Restricted for:				
Capital Projects	459,952.54		459,952.54	424,018.41
Other Purposes	40,334.06		40,334.06	15,289.02
Unrestricted	1,821,751.18	111,154.17	1,932,905.35	1,870,372.37
Total Net Position	<u>\$ 5,246,256.01</u>	<u>\$ 809,105.10</u>	<u>\$ 6,055,361.11</u>	<u>\$ 5,951,704.69</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 6,442,643.05</u>	<u>\$ 923,325.40</u>	<u>\$ 7,365,968.45</u>	<u>\$ 7,275,649.81</u>

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

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2017 TOTALS	2016 TOTALS
Primary Government:							
Governmental Activities:							
General Government	\$ 746,359.15	\$ 272,976.35	\$ -	\$ (473,382.80)	\$ -	\$ (473,382.80)	\$ (602,856.25)
Health, Welfare, and Recreation	738,509.48	45,973.71		(692,535.77)		(692,535.77)	(608,162.33)
Public Works	729,463.83	1,175.00	25,620.00	(702,668.83)		(702,668.83)	(567,945.64)
Community School District	2,647,882.00			(2,647,882.00)		(2,647,882.00)	(2,583,672.00)
Special Assessments	1,105,650.31	9,710.00		(1,095,940.31)		(1,095,940.31)	(1,070,920.76)
Public Safety	1,453,499.42	4,256.49		(1,449,242.93)		(1,449,242.93)	(1,451,528.57)
Interest Expense	26,344.84			(26,344.84)		(26,344.84)	(30,376.62)
Capital Budget	127,588.25			(127,588.25)		(127,588.25)	(13,971.37)
Total Governmental Activities	<u>\$ 7,575,297.28</u>	<u>\$ 334,091.55</u>	<u>\$ 25,620.00</u>	<u>\$ (7,215,585.73)</u>	<u>\$ -</u>	<u>\$ (7,215,585.73)</u>	<u>\$ (6,929,433.54)</u>
Business-Type Activities:							
Fish Pier	46,637.92	48,986.61			2,348.69	2,348.69	(1,748.77)
Total Primary Government	<u>\$ 7,621,935.20</u>	<u>\$ 383,078.16</u>	<u>\$ 25,620.00</u>	<u>\$ (7,215,585.73)</u>	<u>\$ 2,348.69</u>	<u>\$ (7,213,237.04)</u>	<u>\$ (6,931,182.31)</u>
General Revenues:							
Taxes:							
Property Taxes				\$ 6,753,163.65	\$ -	\$ 6,753,163.65	\$ 6,723,090.52
Homestead and BETE Reimbursement				32,178.00		32,178.00	19,837.00
Excise Taxes				431,895.08		431,895.08	418,828.26
Intergovernmental				42,697.23		42,697.23	46,477.53
Cable Franchise Fees							30,248.88
Gain on Sale of Assets				2,749.00		2,749.00	
Interest and Investment Earnings				54,210.50		54,210.50	50,164.76
Total General Revenues				<u>\$ 7,316,893.46</u>	<u>\$ -</u>	<u>\$ 7,316,893.46</u>	<u>\$ 7,288,646.95</u>
Changes in Net Position				<u>\$ 101,307.73</u>	<u>\$ 2,348.69</u>	<u>\$ 103,656.42</u>	<u>\$ 357,464.64</u>
Net Position, July 1				<u>5,144,948.28</u>	<u>806,756.41</u>	<u>5,951,704.69</u>	<u>5,594,240.05</u>
Net Position, June 30				<u>\$ 5,246,256.01</u>	<u>\$ 809,105.10</u>	<u>\$ 6,055,361.11</u>	<u>\$ 5,951,704.69</u>

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

	2017	2016
GOVERNMENTAL FUND BALANCES:		
Restricted for:		
Capital Projects	\$ 459,952.54	\$ 424,018.41
Other Purposes (Schedule A-4)	31,714.01	11,590.50
Unrestricted (Schedule A-3)	2,100,011.53	2,074,341.01
Special Revenue	8,620.05	3,698.52
	\$ 2,600,298.13	\$ 2,513,648.44
Amounts reported for governmental activities in the Statements of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,436,781.43	3,495,153.43
Deferred outflows are deferred as expense in the fund financial statements and in the government-wide financial statements as expense in the year following the year paid.	195,163.75	149,342.68
Notes and leases payable are not due and payable in the current period and therefore are not reported in the funds.	(512,563.20)	(574,859.00)
Compensated absences are accrued when earned, not when paid and are reported in the funds.	(37,315.53)	(37,072.60)
Accrued interest expense for notes payable are not reported in the funds.	(4,970.38)	(6,600.93)
Pension liability is not due and payable in the current period and therefore is not reported in the funds.	(348,627.00)	(271,049.00)
Property taxes not collected within sixty days after year end are deferred as revenue in the fund financial statements. In the government-wide financial statements the revenue is income in the year assessed.	87,590.81	91,059.26
Deferred inflows are deferred revenues related to pension expenses that are amortized in the government-wide financial statements.	(170,102.00)	(214,674.00)
Net Position of Governmental Activities (Exhibit A)	\$ 5,246,256.01	\$ 5,144,948.28

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

	2017	2016
Net Changes in Fund Balances - Total Governmental Funds (Exhibit F)	\$ 86,649.69	\$ 402,040.58
Amounts reported for governmental activities in the Statements of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation (depreciation exceeds capital outlays).	(58,372.00)	(53,908.55)
Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statements of Net Position.	62,295.80	60,932.01
The sale of assets is recorded as revenue in the governmental funds, but in the Statements of Activities it is reduced by the net book value of the assets sold.		
The change in accrual for compensated absences is not recorded in the governmental fund statements.	(242.93)	3,342.54
The change in accrual for interest is not recorded in the governmental fund statements.	1,630.55	879.31
Pension expense is adjusted for changes in earnings contributions and contribution subsequent to the measurement date.	12,815.07	(10,467.32)
Property taxes are deferred in the fund financial statements, but in the government-wide financial statements they are recorded as income the year they are assessed.	(3,468.45)	(43,605.16)
Changes in Net Position of Governmental Activities	\$ 101,307.73	\$ 359,213.41

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

	GOVERNMENTAL FUND TYPES			2017 TOTALS	2016 TOTALS
	GENERAL	CAPITAL PROJECTS	SPECIAL REVENUE SHELLFISH		
ASSETS:					
Cash (Note B)	\$ 2,188,471.67	\$ 23,405.02	\$ -	\$ 2,211,876.69	\$ 2,128,837.89
Taxes Receivable (Schedule A-8)	12,021.91			12,021.91	10,639.04
Tax Liens (Schedule A-9)	115,027.98			115,027.98	125,220.42
Accounts Receivable	14,299.77			14,299.77	9,909.63
Investments		436,547.52		436,547.52	407,943.16
Due From Other Funds			8,620.05	8,620.05	3,698.52
Prepaid Expenses	20,924.00			20,924.00	18,914.00
Total Assets	<u>\$ 2,350,745.33</u>	<u>\$ 459,952.54</u>	<u>\$ 8,620.05</u>	<u>\$ 2,819,317.92</u>	<u>\$ 2,705,162.66</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE:					
Liabilities:					
Accounts Payable	\$ 3,114.16	\$ -	\$ -	\$ 3,114.16	\$ 68.18
Due To Other Funds	120,931.45			120,931.45	90,172.08
Total Liabilities	<u>\$ 124,045.61</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,045.61</u>	<u>\$ 90,240.26</u>
Deferred Inflows:					
Deferred Tax Revenue (Note D)	\$ 94,974.18	\$ -	\$ -	\$ 94,974.18	\$ 101,273.96
Fund Balance:					
Committed for Capital Projects	\$ -	\$ 459,952.54	\$ -	\$ 459,952.54	\$ 424,018.41
Assigned for Other Purposes	31,714.01			31,714.01	11,590.50
Unassigned	2,100,011.53		8,620.05	2,108,631.58	2,078,039.53
Total Fund Balance	<u>\$ 2,131,725.54</u>	<u>\$ 459,952.54</u>	<u>\$ 8,620.05</u>	<u>\$ 2,600,298.13</u>	<u>\$ 2,513,648.44</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 2,350,745.33</u>	<u>\$ 459,952.54</u>	<u>\$ 8,620.05</u>	<u>\$ 2,819,317.92</u>	<u>\$ 2,705,162.66</u>

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

	GOVERNMENTAL FUNDS				
	GENERAL	CAPITAL PROJECTS	SPECIAL REVENUE SHELLFISH	2017 TOTALS	2016 TOTALS
REVENUES:					
State Revenue Sharing	\$ 42,697.23	\$ -	\$ -	\$ 42,697.23	\$ 46,477.53
Homestead Reimbursement	30,762.00			30,762.00	19,837.00
BETE Reimbursement	1,416.00			1,416.00	
Property Taxes	6,756,632.10			6,756,632.10	6,766,695.68
Excise Tax (Auto and Boat)	431,895.08			431,895.08	418,828.26
General Government	300,883.35			300,883.35	312,534.59
Health, Welfare, and Recreation	13,674.79	22,723.92	9,575.00	45,973.71	19,372.35
Interest and Debt Service	32,620.00	21,590.50		54,210.50	50,164.76
Special Assessments	2,640.00	7,070.00		9,710.00	2,640.00
Public Safety	5,893.49			5,893.49	5,012.53
Total Revenues	<u>\$ 7,619,114.04</u>	<u>\$ 51,384.42</u>	<u>\$ 9,575.00</u>	<u>\$ 7,680,073.46</u>	<u>\$ 7,641,562.70</u>
EXPENDITURES:					
Education	\$ 2,647,882.00	\$ -	\$ -	\$ 2,647,882.00	\$ 2,583,672.00
General Government	722,015.14			722,015.14	705,669.65
Public Works	740,332.72	2,545.55		742,878.27	635,280.18
Public Safety	1,425,215.12	10,500.56		1,435,715.68	1,392,193.48
Health, Welfare, and Recreation	698,463.05	19,936.96	4,653.47	723,053.48	715,957.05
Bayville/Isle of Springs Assessments	88,696.84			88,696.84	88,026.13
Special Assessments - County Tax	966,491.69			966,491.69	935,937.65
Special Assessments - Other	50,461.78			50,461.78	49,596.98
Debt Service	88,640.64			88,640.64	91,308.63
Capital Budget	127,588.25			127,588.25	41,880.37
Total Expenditures	<u>\$ 7,555,787.23</u>	<u>\$ 32,983.07</u>	<u>\$ 4,653.47</u>	<u>\$ 7,593,423.77</u>	<u>\$ 7,239,522.12</u>
Excess of Revenues Over Expenditures	<u>\$ 63,326.81</u>	<u>\$ 18,401.35</u>	<u>\$ 4,921.53</u>	<u>\$ 86,649.69</u>	<u>\$ 402,040.58</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	\$ 32,467.22	\$ 50,000.00	\$ -	\$ 82,467.22	\$ 65,000.00
Operating Transfers - Out	(50,000.00)	(32,467.22)		(82,467.22)	(65,000.00)
Total Other Financing Sources (Uses)	<u>\$ (17,532.78)</u>	<u>\$ 17,532.78</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 45,794.03</u>	<u>\$ 35,934.13</u>	<u>\$ 4,921.53</u>	<u>\$ 86,649.69</u>	<u>\$ 402,040.58</u>
Fund Balance, July 1	2,085,931.51	424,018.41	3,698.52	2,513,648.44	2,111,607.86
Fund Balance, June 30	<u><u>\$ 2,131,725.54</u></u>	<u><u>\$ 459,952.54</u></u>	<u><u>\$ 8,620.05</u></u>	<u><u>\$ 2,600,298.13</u></u>	<u><u>\$ 2,513,648.44</u></u>

TOWN OF BOOTHBAY HARBOR
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND - FISH PIER
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
REVENUES:		
Rental Income	\$ 48,986.61	\$ 46,901.21
EXPENDITURES:		
Interest Expense	\$ 5,609.16	\$ 6,598.38
Depreciation Expense	32,202.00	31,854.00
Licenses and Service Agreements	1,800.74	1,800.74
Repairs and Maintenance	5,157.33	6,245.90
Miscellaneous	1,868.69	2,150.96
Total Expenditures	\$ 46,637.92	\$ 48,649.98
Excess of Revenues Over (Under) Expenditures	\$ 2,348.69	\$ (1,748.77)
Net Position, July 1	806,756.41	808,505.18
Net Position, June 30	\$ 809,105.10	\$ 806,756.41

Exhibit H

STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND - FISH PIER
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 48,986.61	\$ 46,901.21
Payments to Suppliers	(8,826.76)	(10,197.60)
Cash Flows Provided by Operating Activities	\$ 40,159.85	\$ 36,703.61
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest Payments on Long-Term Debt	\$ (5,899.54)	\$ (6,689.01)
Principal Payments on Long-Term Debt	(8,422.47)	(8,100.08)
Funds Held in General Fund	(25,837.84)	19,885.48
Capital Improvements		(41,800.00)
Cash Flows Used in Capital and Related Financing Activities	\$ (40,159.85)	\$ (36,703.61)
Change in Cash	\$ -	\$ -
Cash Balance, July 1	-	-
Cash Balance, June 30	\$ -	\$ -

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

1. Financial Reporting Entity

The Town of Boothbay Harbor was incorporated in 1764. The Town operates under a town meeting form of government. Major services provided by the Town are public safety, public works, administrative services, and code enforcement.

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

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

2. Basic Financial Statements - Government-Wide Statements

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

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

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

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

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

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

3. Basic Financial Statements - Fund Financial Statements

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

The following fund types are used by the Town:

a. Governmental Funds:

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

1. General Fund:

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

2. Capital Projects Funds:

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

3. Proprietary Funds:

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

4. Basis of Accounting

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

a. Accrual:

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

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

4. Basis of Accounting (Cont'd)

b. Modified Accrual:

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

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

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

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

c. Revenues:

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

d. Expenditures:

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

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

5. Financial Statement Amounts (Cont'd)

e. Compensated Absences:

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

f. Deferred Inflows and Outflows of Resources:

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

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

g. 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 Consolidated Plan for Participating Local Districts (PLD Plan) additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

h. Use of Estimates:

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

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

5. Financial Statement Amounts (Cont'd)

i. Fund Balance:

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

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

Restricted fund balances represent those portions of fund equity that have externally enforceable legal restrictions.

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. The fund balances in the Capital Projects Fund are in this category.

Assigned fund balances are amounts that the Town intends to use for specific purposes. The Board of Selectmen approved carryovers are included in assigned fund balances.

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

NOTE B - CASH AND CASH EQUIVALENTS:

At year-end the carrying amount of the Town's deposits (checking, certificates of deposit, and savings accounts) was \$2,211,276.69 and the bank balance was \$2,292,243.89. Of the bank balance, \$250,000.00 was covered by federal depository insurance, and \$2,042,243.89 was collateralized. There were no uninsured bank balances.

NOTE C - GENERAL FUND BUDGET:

The Town operates on a net budget as compared with a gross budget. All revenues are not estimated, but are credited to the particular operating account. Certain revenues are dedicated for particular purposes by vote of the townspeople at the annual town meeting or at special town meetings.

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

NOTE D - REVENUE RECOGNITION - PROPERTY TAXES:

The Town's property tax for the current year was levied August 2, 2016 on the assessed value listed as of April 1, 2016 for all real and personal property located in the Town. One half of the total tax was due September 8, 2016 with the balance due March 10, 2017. Interest of 7.0% was charged on delinquent taxes on the unpaid portion of one-half of the tax bill not paid on or before September 9, 2016, and on the entire portion not paid on or before March 10, 2017.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE D - REVENUE RECOGNITION - PROPERTY TAXES (CONT'D):

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

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

NOTE E - PENSION PLAN - DEFINED BENEFITS:

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

NOTE F - INVESTMENTS:

The Town's investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the Statements of Net Position. Realized and unrealized gains and losses are included in the change in net assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Town uses various methods including market, income, and cost approaches.

Based on these approaches, the Town often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumption about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Town utilizes valuation on the observability of the inputs used in the valuation techniques. The Town is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1- Pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs are observable for the assets or liabilities, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is derived principally from observable market data or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity. The inputs into the determination of fair value require significant judgment or estimation.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F - INVESTMENTS (CONT'D):

The following table summarizes the levels in the ASC 820-10 fair value hierarchy into which the Town's financial instruments fall as of June 30, 2017:

Investments at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 25,169.49	\$	\$	\$ 25,169.49
Mutual Funds	411,378.03			411,378.03
Total	<u>\$ 436,547.52</u>	<u>\$</u>	<u>\$</u>	<u>\$ 436,547.52</u>

NOTE G - PROPERTY, PLANT, AND EQUIPMENT:

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

	BALANCE JULY 1, 2016	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2017
General Government:				
Land	\$ 1,526,401.00	\$ 5,000.00	\$	\$ 1,531,401.00
Buildings	2,129,983.00			2,129,983.00
Improvements	992,968.48	91,672.00		1,084,640.48
Vehicles	1,458,257.95	27,127.00	(121,979.00)	1,363,405.95
Equipment	801,484.00	31,479.00		832,963.00
Total Property, Plant, and Equipment	<u>\$ 6,909,094.43</u>	<u>\$ 155,278.00</u>	<u>\$ (121,979.00)</u>	<u>\$ 6,942,393.43</u>
Accumulated Depreciation	(3,413,941.00)	(213,650.00)	121,979.00	(3,505,612.00)
Net Property, Plant, and Equipment	<u>\$ 3,495,153.43</u>	<u>\$ (58,372.00)</u>	<u>\$</u>	<u>\$ 3,436,781.43</u>
	BALANCE JULY 1, 2016	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2017
Business-Type Activities:				
Land	\$ 249,832.00	\$	\$	\$ 249,832.00
Buildings	402,453.00			402,453.00
Improvements	559,576.00			559,576.00
Total Property, Plant, and Equipment	<u>\$ 1,211,861.00</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,211,861.00</u>
Accumulated Depreciation	(368,645.00)	(32,202.00)		(400,847.00)
Net Property, Plant, and Equipment	<u>\$ 843,216.00</u>	<u>\$ (32,202.00)</u>	<u>\$</u>	<u>\$ 811,014.00</u>

Depreciation expense for the period totaled \$245,852.00. Of that amount, \$37,863.00 was administration, \$83,605.00 was public works, \$71,727.00 was public safety, \$20,455.00 was health, welfare, and recreation, and \$32,202.00 was for the fish pier.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - EXPENDITURES AND REVENUES IN EXCESS OF APPROPRIATIONS:

During the year expenditures and revenues exceeded total appropriations in the following general fund categories:

FUNCTION	APPROPRIATION AND REVENUE	EXPENDITURES AND REVENUES	VARIANCE
Expenditures:			
Administration	\$ 135,682.00	\$ 154,953.76	\$ (19,271.76)
Assessors	\$ 43,915.00	\$ 45,178.24	\$ (1,263.24)
Town Manager	\$ 106,094.00	\$ 108,243.61	\$ (2,149.61)
Pump Out Boats	\$ 5,936.36	\$ 6,781.00	\$ (844.64)
Paving and Construction	\$ 200,000.00	\$ 219,110.00	\$ (19,110.00)
Community School District	\$ 2,647,881.00	\$ 2,647,882.00	\$ (1.00)
Support Organizations	\$ 34,516.00	\$ 36,461.78	\$ (1,945.78)
Hydrant Rental	\$ 437,640.00	\$ 445,027.36	\$ (7,387.36)
Improvements	\$ 6,400.00	\$ 53,793.72	\$ (47,393.72)
Revenues:			
State Revenue Sharing	\$ 84,424.00	\$ 42,697.23	\$ (41,726.77)
Code Enforcement	\$ 31,000.00	\$ 26,014.12	\$ (4,985.88)
Interest	\$ 33,000.00	\$ 32,620.00	\$ (380.00)
Parking Fines	\$ 10,000.00	\$ 5,998.00	\$ (4,002.00)
Parks and Recreation	\$ 800.00	\$ 650.00	\$ (150.00)
Homestead Reimbursement/BETE Reimbursement	\$ 51,552.34	\$ 32,178.00	\$ (19,374.34)

The overdrafts are the result of expenditures exceeding budgeted amounts and revenues not meeting budgeted figures.

NOTE I - NOTE AND LOANS PAYABLE:

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

	BALANCE JULY 1, 2016	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017
The First:				
Fire Truck Loan	\$ 53,371.29	\$	\$ 26,667.67	\$ 26,703.62
Refinance Loan	642,973.25		44,050.60	598,922.65
	<u>\$ 696,344.54</u>	<u>\$</u>	<u>\$ 70,718.27</u>	<u>\$ 625,626.27</u>

Fire Truck Loan:

This loan is an installment note with principal and interest payments due annually. Interest is fixed at 2.56% with annual principal payments of \$26,666.67 for a term of fifteen years.

Refinance Loan:

This loan is an installment note with forty semi-annual principal and interest payments of \$36,231.50. Interest is fixed at 3.75% for the life of the loan. The proceeds from this loan refinanced existing debt for the Parking Facility, The Fish Pier, and the Public Works Garage.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - NOTE AND LOANS PAYABLE (CONT'D):

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	\$ 77,175.80	\$ 22,674.43	\$ 99,850.23
2019	52,382.63	20,080.37	72,463.00
2020	54,365.40	18,097.60	72,463.00
2021	56,423.21	16,039.79	72,463.00
2022	58,558.92	13,904.08	72,463.00
2023-2027	326,720.31	34,545.84	361,266.15
	<u>\$ 625,626.27</u>	<u>\$ 125,342.11</u>	<u>\$ 750,968.38</u>

NOTE J - COMPENSATED ABSENCES:

As of June 30, 2017, the accrued salaries due for hours worked in the 2017 fiscal year was \$35,096.43. The accrued sick time was \$37,315.53. The amount expected to be paid from current resources is not significant.

NOTE K - RISK MANAGEMENT:

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

NOTE L - OVERLAPPING DEBT:

The Town of Boothbay Harbor is situated in Lincoln County and is therefore subject to annual assessment of its proportional share of county expenses. Long-term debt outstanding in Lincoln County for which the Town of Boothbay Harbor would be proportionally responsible in the event the County defaulted amounted to \$5,560,000.00 at December 31, 2016. The Town of Boothbay Harbor's share would be approximately 10.1693% of the debt, or approximately \$565,413.00.

The Town of Boothbay Harbor participates in the Boothbay-Boothbay Harbor CSD and is therefore subject to annual assessment of its proportional share of school expenses. Long-term debt outstanding in Boothbay-Boothbay Harbor CSD for which the Town of Boothbay Harbor would be proportionally responsible in the event the school defaulted amounted to \$544,603.70 at June 30, 2017. The Town of Boothbay Harbor's share would be 40% of the debt, or approximately \$217,841.00.

NOTE M - INTEREST COSTS INCURRED:

During the current year the Town incurred interest costs totaling \$32,244.38, which was charged as an expense to public safety for \$1,389.08, public works for \$24,955.77, and fish pier for \$5,899.53.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE N - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM:

General Information about the Pension Plan

Plan description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employers Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan).

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

PLD Plan - Employees are required to contribute 8.0% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2017, was 9.1% of annual payroll for the regular plan. Contributions to the pension plan from the Town were \$24,734.75 for the year ended June 30, 2017.

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

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

PLD Plan - At June 30, 2017, the Town reported a liability of \$348,627.00 for its proportionate share of the net pension liability. At June 30, 2017, the Town's proportion of the PLD Plan was 0.065614%.

TOWN OF BOOTHBAY HARBOR
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

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

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

For the year ended June 30, 2017, the Town recognized pension income of \$12,815.07 for the PLD Plan. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,226.00	\$ 22,423.00
Net difference between projected and actual earnings on pension plan investments	128,830.00	53,617.00
Changes in proportion and differences between Town contributions and proportionate share of contributions	37,373.00	94,062.00
Town contributions subsequent to the measurement date	24,734.75	
Total	\$ 195,163.75	\$ 170,102.00

\$24,734.75 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (30,732.00)
2018	\$ (15,431.00)
2019	\$ 26,397.00
2020	\$ 20,093.00

Actuarial assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>
Salary Increases, per year	2.75% to 9.00%
Investment return, per annum, compounded annually	6.875%
Cost of living benefit increases, per annum	2.20%

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equities	20%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%
Total	100%	

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

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

<u>PLD Plan</u>	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Town's proportionate share of the net pension liability	\$ 578,659.00	\$ 348,627.00	\$132,061.00

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

Payables to the pension plan - None as of June 30, 2017.

TOWN OF BOOTHBAY HARBOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE O - DEFERRED REVENUE:

Deferred Revenue at June 30, 2017 consists of Prepaid 2017 Taxes of \$7,383.37.

NOTE P - SUBSEQUENT EVENTS:

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

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

	ORIGINAL AND FINAL BUDGET	ACTUAL
REVENUES:		
State Revenue Sharing	\$ 84,424.00	\$ 42,697.23
Homestead Reimbursement	50,161.86	30,762.00
BETE Reimbursement	1,390.48	1,416.00
Property Taxes	6,751,291.57	6,756,632.10
Excise Tax	387,500.00	431,895.08
General Government	274,834.00	300,883.35
Health, Welfare, and Recreation	16,781.00	13,674.79
Interest	33,000.00	32,620.00
Special Assessments	2,640.00	2,640.00
Public Safety	16,781.00	5,893.49
Total Revenues	\$ 7,618,803.91	\$ 7,619,114.04
EXPENDITURES:		
General Government	\$ 756,032.00	\$ 722,015.14
Health, Welfare, and Recreation	709,251.00	698,463.05
Public Works	773,709.00	740,332.72
Bayville/Isle of Springs	90,000.00	88,696.84
Community School District	2,647,881.00	2,647,882.00
Special Assessments - County Tax	966,492.00	966,491.69
Special Assessments - Miscellaneous	48,516.00	50,461.78
Public Safety	1,495,380.00	1,425,215.12
Debt Service	106,000.00	88,640.64
Capital Budget	73,600.00	127,588.25
Total Expenditures	\$ 7,666,861.00	\$ 7,555,787.23
Excess of Revenues Over (Under) Expenditures	\$ (48,057.09)	\$ 63,326.81
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	\$ -	\$ 32,467.22
Operating Transfers - Out	(50,000.00)	(50,000.00)
Total Other Financing Sources (Uses)	\$ (50,000.00)	\$ (17,532.78)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (98,057.09)	\$ 45,794.03
Fund Balance, July 1, 2016	2,085,931.51	2,085,931.51
Fund Balance, June 30, 2017	\$ 1,987,874.42	\$ 2,131,725.54

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

Cash Balance, July 1, 2016		\$ 2,112,762.64
ADD: CASH RECEIPTS:		
Tax Collections:		
Current Year	\$ 6,649,569.64	
Prior Year	101,865.50	
Prepaid Taxes	<u>7,383.37</u>	
		\$ 6,758,818.51
Departmental (Schedule A-4)	781,670.35	
Revenue Sharing	42,697.23	
Homestead Reimbursement	28,763.00	
BETE Reimbursement	1,416.00	
Fish Pier Revenue	48,986.61	
Shellfish Revenue	9,575.00	
Accounts Receivable - Prior Year	4,090.01	
Payroll Withholdings	3,114.16	
Transfer from Capital Reserves	<u>32,467.22</u>	
Total Cash Receipts		<u>7,711,598.09</u>
Total Cash Available		\$ <u>9,824,360.73</u>
LESS: CASH DISBURSEMENTS:		
Departmental (Schedule A-4)	\$ 7,535,873.23	
Accounts Payable - Prior Year	68.18	
Current Year Accounts Receivables	1,221.41	
Prepaid Expenses	20,924.00	
Transfer to Capital Reserves	50,000.00	
Fish Pier Expenses	23,148.77	
Shellfish Expenses	<u>4,653.47</u>	
Total Cash Disbursements		<u>7,635,889.06</u>
Cash Balance, June 30, 2017 (Schedule A-6)		<u><u>\$ 2,188,471.67</u></u>

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

Unappropriated Surplus, July 1, 2016		\$ 2,074,341.01
INCREASE:		
Operating Account Balances Lapsed (Schedule A-4)	\$ 178,084.07	
Decrease in Deferred Tax Revenue	3,468.45	
Transfer from Capital Reserve	<u>1,777.50</u>	
		183,330.02
DECREASE:		
Appropriated at Town Meeting	\$ 150,000.00	
Economic Development Adjustment	<u>7,659.50</u>	
		<u>157,659.50</u>
Unappropriated Surplus, June 30, 2017		<u><u>\$ 2,100,011.53</u></u>

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

	BALANCE FORWARD 7/1/16	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	TOTAL	UNEXPENDED (OVERDRAFT)	BALANCE FORWARD 6/30/17
GENERAL GOVERNMENT:										
Administration	\$ -	\$ 135,682.00	\$ -	\$ -	\$ 135,682.00	\$ 154,180.76	\$ 773.00	\$ 154,953.76	\$ (19,271.76)	\$ -
Assessors		43,915.00			43,915.00	45,178.24		45,178.24	(1,263.24)	
Contracted Services		66,672.00			66,672.00	41,835.16		41,835.16	24,836.84	
Supplemental Membership/Flex Account		2,800.00			2,800.00	2,300.00		2,300.00	500.00	
Finance		100,786.00			100,786.00	98,516.86	1,864.00	100,380.86	405.14	
Insurance		94,000.00			94,000.00	87,608.73		87,608.73	6,391.27	
Meetings		12,248.00			12,248.00	11,242.73		11,242.73	1,005.27	
Municipal Buildings and Vehicles		81,837.00			81,837.00	72,940.62		72,940.62	8,896.38	
Selectmen		13,812.00			13,812.00	12,851.07		12,851.07	960.93	
Economic Development	19,250.00	25,000.00	1,340.18		45,590.18	13,876.17		13,876.17		31,714.01
Town Clerk		73,186.00			73,186.00	68,740.19	1,864.00	70,604.19	2,581.81	
Town Manager		106,094.00			106,094.00	108,243.61		108,243.61	(2,149.61)	
	\$ 19,250.00	\$ 756,032.00	\$ 1,340.18	\$ -	\$ 776,622.18	\$ 717,514.14	\$ 4,501.00	\$ 722,015.14	\$ 22,893.03	\$ 31,714.01
GOVERNMENTAL REVENUES:										
Excise Taxes	\$ -	\$ -	\$ 431,895.08	\$ -	\$ 431,895.08	\$ -	\$ 387,500.00	\$ 387,500.00	\$ 44,395.08	\$ -
State Revenue Sharing				42,697.23	42,697.23		84,424.00	84,424.00	(41,726.77)	
Miscellaneous Revenue			33,489.75		33,489.75		31,590.00	31,590.00	1,899.75	
Code Enforcement			26,014.12		26,014.12		31,000.00	31,000.00	(4,985.88)	
Interest			32,620.00		32,620.00		33,000.00	33,000.00	(380.00)	
Cable TV Fees			31,328.05		31,328.05		29,361.00	29,361.00	1,967.05	
Public Safety			2,376.25		2,376.25		1,000.00	1,000.00	1,376.25	
Parking Fees			97,505.40		97,505.40		93,800.00	93,800.00	3,705.40	
Parking Fines			5,998.00		5,998.00		10,000.00	10,000.00	(4,002.00)	
Public Works			26,795.00		26,795.00		19,000.00	19,000.00	7,795.00	
Harbor Management			53,020.00		53,020.00		46,350.00	46,350.00	6,670.00	
Licenses and Permits			22,366.60		22,366.60		21,400.00	21,400.00	966.60	
Parks and Recreation			650.00		650.00		800.00	800.00	(150.00)	
Homestead Reimbursement/BETE Reimbursement				32,178.00	32,178.00		51,552.34	51,552.34	(19,374.34)	
	\$ -	\$ -	\$ 764,058.25	\$ 74,875.23	\$ 838,933.48	\$ -	\$ 840,777.34	\$ 840,777.34	\$ (1,843.86)	\$ -
HEALTH, WELFARE, AND RECREATION:										
Ambulance Service	\$ -	\$ 191,554.00	\$ -	\$ -	\$ 191,554.00	\$ 191,554.00	\$ -	\$ 191,554.00	\$ -	\$ -
Boothbay Region Community Resource Council		1,750.00			1,750.00	1,750.00		1,750.00		
Boothbay Region Health and Wellness Foundation		1,750.00			1,750.00	1,750.00		1,750.00		
Shellfish		1,000.00			1,000.00	1,000.00		1,000.00		
District Nurse		23,120.00			23,120.00	23,120.00		23,120.00		
Fireworks		4,800.00			4,800.00	4,800.00		4,800.00		
Harbor Lights Festival		2,500.00			2,500.00	2,500.00		2,500.00		
Memorial Day		500.00			500.00	500.00		500.00		
Memorial Library		50,000.00			50,000.00	50,000.00		50,000.00		
Sanitation		412,277.00			412,277.00	412,277.00		412,277.00		
Pump Out Boats				5,936.36	5,936.36		6,781.00	6,781.00	(844.64)	
General Assistance		20,000.00	7,738.43		27,738.43	9,212.05	10,000.00	19,212.05	8,526.38	
	\$ -	\$ 709,251.00	\$ 7,738.43	\$ 5,936.36	\$ 722,925.79	\$ 698,463.05	\$ 16,781.00	\$ 715,244.05	\$ 7,681.74	\$ -

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

	BALANCE FORWARD 7/1/16	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	TOTAL	UNEXPENDED (OVERDRAFT)	BALANCE FORWARD 6/30/17
PUBLIC WORKS:										
Paving and Construction	\$ -	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00	\$ 219,110.00	\$ -	\$ 219,110.00	\$ (19,110.00)	\$ -
Public Works Department		444,374.00			444,374.00	399,603.93	4,946.00	404,549.93	39,824.07	
Restrooms		24,235.00			24,235.00	22,468.05		22,468.05	1,766.95	
Winter Operations		105,100.00			105,100.00	94,204.74		94,204.74	10,895.26	
	<u>\$ -</u>	<u>\$ 773,709.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,709.00</u>	<u>\$ 735,386.72</u>	<u>\$ 4,946.00</u>	<u>\$ 740,332.72</u>	<u>\$ 33,376.28</u>	<u>\$ -</u>
SPECIAL ASSESSMENTS AND ORGANIZATIONS:										
Community School District	\$ -	\$ 2,647,881.00	\$ -	\$ -	\$ 2,647,881.00	\$ 2,647,882.00	\$ -	\$ 2,647,882.00	\$ (1.00)	\$ -
County Tax Assessment		966,492.00			966,492.00	966,491.69		966,491.69	0.31	
Overlay, Abatements, and Supplementals		51,942.91		39,170.32	91,113.23		37,298.24	37,298.24	53,814.99	
Bayville/Isle of Springs		90,000.00	2,640.00		92,640.00	88,696.84	2,640.00	91,336.84	1,303.16	
Cemetery		14,000.00			14,000.00	14,000.00		14,000.00		
Support Organizations		34,516.00			34,516.00	36,461.78		36,461.78	(1,945.78)	
	<u>\$ -</u>	<u>\$ 3,804,831.91</u>	<u>\$ 2,640.00</u>	<u>\$ 39,170.32</u>	<u>\$ 3,846,642.23</u>	<u>\$ 3,753,532.31</u>	<u>\$ 39,938.24</u>	<u>\$ 3,793,470.55</u>	<u>\$ 53,171.68</u>	<u>\$ -</u>
PUBLIC SAFETY:										
Animal Control	\$ -	\$ 7,013.00	\$ -	\$ -	\$ 7,013.00	\$ 6,232.74	\$ -	\$ 6,232.74	\$ 780.26	\$ -
Parking Facilities		36,443.00			36,443.00	31,193.99		31,193.99	5,249.01	
Code Enforcement		81,362.00			81,362.00	71,222.48		71,222.48	10,139.52	
Emergency Management		7,821.00	4,603.49		12,424.49	6,457.62	5,214.00	11,671.62	752.87	
Fire Department		79,429.00	300.00		79,729.00	75,690.07		75,690.07	4,038.93	
Harbor Management		36,705.00			36,705.00	35,593.11		35,593.11	1,111.89	
Police Department		754,967.00	990.00		755,957.00	693,058.84	11,567.00	704,625.84	51,331.16	
Street Lights		54,000.00			54,000.00	51,271.91		51,271.91	2,728.09	
Hydrant Rental		437,640.00			437,640.00	445,027.36		445,027.36	(7,387.36)	
	<u>\$ -</u>	<u>\$ 1,495,380.00</u>	<u>\$ 5,893.49</u>	<u>\$ -</u>	<u>\$ 1,501,273.49</u>	<u>\$ 1,415,748.12</u>	<u>\$ 16,781.00</u>	<u>\$ 1,432,529.12</u>	<u>\$ 68,744.37</u>	<u>\$ -</u>
DEBT SERVICE	\$ -	\$ 106,000.00	\$ -	\$ -	\$ 106,000.00	\$ 88,640.64	\$ -	\$ 88,640.64	\$ 17,359.36	\$ -
CAPITAL BUDGET:										
Equipment	\$ -	\$ 37,200.00	\$ -	\$ -	\$ 37,200.00	\$ 33,288.80	\$ -	\$ 33,288.80	\$ 3,911.20	\$ -
Improvements		6,400.00			6,400.00	53,793.72		53,793.72	(47,393.72)	
Reserve Account		80,000.00		30,689.72	110,689.72	40,505.73	50,000.00	90,505.73	20,183.99	
	<u>\$ -</u>	<u>\$ 123,600.00</u>	<u>\$ -</u>	<u>\$ 30,689.72</u>	<u>\$ 154,289.72</u>	<u>\$ 127,588.25</u>	<u>\$ 50,000.00</u>	<u>\$ 177,588.25</u>	<u>\$ (23,298.53)</u>	<u>\$ -</u>
	<u>\$ 19,250.00</u>	<u>\$ 7,768,803.91</u>	<u>\$ 781,670.35</u>	<u>\$ 150,671.63</u>	<u>\$ 8,720,395.89</u>	<u>\$ 7,536,873.23</u>	<u>\$ 973,724.58</u>	<u>\$ 8,510,597.81</u>	<u>\$ 178,084.07</u>	<u>\$ 31,714.01</u>

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

VALUATION:		
Real Estate	\$ 593,748,590.00	
Personal Property	9,045,300.00	
	<hr/>	
Total		<u>\$ 602,793,890.00</u>
 ASSESSMENT:		
Valuation x Rate (\$602,793,890.00 x .0112)	\$ 6,751,291.57	
Supplemental Taxes	39,170.32	
	<hr/>	
		\$ 6,790,461.89
 COLLECTIONS AND CREDITS:		
Cash Collections (97.93% of Assessment)	\$ 6,649,569.64	
Abatements	37,201.92	
Prepaid Taxes	10,214.70	
Taxes to Lien	89,481.48	
	<hr/>	
Total Collections and Credits		<u>6,786,467.74</u>
2016-17 Taxes Receivable, June 30, 2017		<u>\$ 3,994.15</u>

COMPUTATION OF ASSESSMENT

Tax Commitment	\$ 6,751,291.57	
Excise Tax	387,500.00	
State Revenue Sharing	84,424.00	
Miscellaneous Revenue	27,604.00	
Code Enforcement	31,000.00	
Interest	25,000.00	
Cable TV	29,361.00	
Bayville Trash	2,640.00	
Parking Fees	93,800.00	
Parking Fines	10,000.00	
DOT Urban/Rural PGM	19,000.00	
BETE Reimbursement	1,390.48	
Harbor Management	53,131.00	
Licenses and Permits	21,400.00	
Parks and Recreation	800.00	
Homestead Reimbursement	50,161.86	
Fuel Reimbursement	3,300.00	
Municipal/Agent Fees	9,000.00	
General Assistance	10,000.00	
Liens and Notices	8,000.00	
Surplus/Undesignated Fund Balance	150,000.00	
	<hr/>	
		\$ 7,768,803.91
 REQUIREMENTS:		
Appropriations	\$ 6,750,369.00	
County Tax	966,492.00	
	<hr/>	
		<u>7,716,861.00</u>
OVERLAY		<u>\$ 51,942.91</u>

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

Cash on Hand		\$ 600.00
GENERAL FUND CHECKING ACCOUNT:		
The First		
Balance Per Bank Statement	\$ 2,268,838.87	
Deduct: Outstanding Checks	<u>80,967.20</u>	
		<u>2,187,871.67</u>
Cash Balance, June 30, 2017		<u><u>\$ 2,188,471.67</u></u>

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

2016-2017		\$ 3,994.15
2015-2016		2,727.20
2014-2015		2,451.41
2013-2014		1,413.66
2012-2013		912.45
2011-2012		224.70
2010-2011		140.22
2009-2010		158.12
		<u>\$ 12,021.91</u>

TOWN OF BOOTHBAY HARBOR
TAXES RECEIVABLE
JUNE 30, 2017

Personal Property2016-2017

Adams, Gabriel	\$ 85.12	
AT&T Mobility LLC	364.00	
BBH Embroidery, Inc.	341.60	
Begley, Donna	2.24	
Boothbay Harbor Shipyard LLC	1,042.72	
BPUMO Enterprises LTD	216.16	
Court Street Ventures, Inc.	127.68	
Feldmann, Michael F. & Susan Hodder	348.32	
Gimbles of Maine, Inc.	4.48	
Gudroe, Sarah	78.40	
Harbour Towne Inn, Inc.	7.51	
Hawke Motors	259.84	
Heads of the Harbor, Inc.	71.68	
Hodgdon, Sarah	13.44	
JE & Company LLC	161.28	
Mainely Scooters LLC	4.48	
McLellan, Stacy	96.32	
Mels Place LLC	234.08	
MR Caterer, Inc.	109.76	
Pizer, Richard C.	304.64	
Timberlake, Leah	43.68	
Tri Rowe, Inc.	70.00	
Wiley, Pamela, LMT	6.72	
	<hr/>	\$ 3,994.15

2015-2016

Adams, Gabriel	\$ 84.00	
Andrews, Heather, LMT	19.04	
AT&T Mobility LLC	316.96	
Boothbay Harbor Shipyard LLC	965.44	
Bosio, Richard A. & Laura A.	434.56	
Bournakel, Christina E.	30.24	
Harbor Optical LLC	263.20	
Heads of the Harbor, Inc.	78.40	
Hodgdon, Sarah	13.44	
Mr. Caterer, Inc.	99.68	
Pizer, Richard C.	281.12	
Timberlake, Leah	141.12	
	<hr/>	2,727.20

2014-2015

Battistini, Sharon	\$ 10.90	
Boothbay Harbor Shipyard LLC	930.86	
Bosio, Richard A. & Laura A.	408.75	
Dugay, Thomas	34.88	
Harbor Optical LLC	130.80	
Heads of the Harbor, Inc.	81.75	
Pizer, Richard C.	264.87	
Timberlake, Leah	137.34	
Village Market & Deli, Inc.	451.26	
	<hr/>	2,451.41

TOWN OF BOOTHBAY HARBOR
TAXES RECEIVABLE
JUNE 30, 2017

Personal Property (Cont'd)2013-2014

Battistini, Sharon	\$ 10.95	
Boothbay Harbor Shipyard LLC	481.80	
Bosio, Richard A. & Laura A.	416.10	
Hagerthy, Cama	14.24	
Heads of the Harbor, Inc.	89.79	
Pizer, Richard C.	261.71	
Timberlake, Leah	139.07	
	139.07	1,413.66

2012-2013

Battistini, Sharon	\$ 10.50	
Bosio, Richard A. & Laura A.	392.70	
Hagerthy, Cama	13.65	
Heads of the Harbor, Inc.	94.50	
Knowlton, Laurie	10.50	
Pizer, Richard C.	250.95	
Rubel, Patricia	7.35	
Timberlake, Leah	132.30	
	132.30	912.45

2011-2012

Heads of the Harbor, Inc.	\$ 100.80	
Timberlake, Leah	123.90	
	123.90	224.70

2010-2011

Timberlake, Leah		140.22
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2009-2010

Timberlake, Leah		158.12
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\$ 12,021.91

TOWN OF BOOTHBAY HARBOR
TAX LIENS
JUNE 30, 2017

2016

120 Commercial Street Realty LLC	\$ 13,186.88
120 Commercial Street Realty LLC	1,813.28
29 McKnown Street LLC	1,451.52
29 McKnown Street LLC	1,352.96
29 McKnown Street LLC	1,155.84
Abbott, Donald B.	304.08
Alexander Development LLC	271.04
Alexander Development LLC	271.04
Alexander Development LLC	271.04
Alexander Development LLC	271.04
Alexander Development LLC	273.28
Alexander Development LLC	271.04
Alexander Development LLC	268.80
Barter, Mary	645.12
Begley, James E. & Donna E.	610.96
Brewer, Marc A.	740.04
Carousel Realty LLC	89.05
Clark, Andrew D. & Katrina C.	1,072.96
Clark, Andrew D. & Katrina C.	366.24
Colette & Michael LLC	2,217.60
Colette & Michael LLC	683.20
Court Street Ventures, Inc.	1,901.20
Crocker, Allan R.	2,429.28
Curtis, Osborn Marcus, IV	2,308.88
Domench-Cifuentes, Cindy E., Trustee	1,778.56
Durfee, Joyce	795.10
Engert, Bruce C. & Mary-Ellen	3,984.40
Farrin, Stephanie, PR	735.29
Garrett, Susan M. & Andrew R. Maxfield Trust	1,491.84
Gleason, Martha W. & Dennis J.	3,335.76
Greenleaf, Albert L. & Cleo R.	1,802.64
Harbour Towne Inn, Inc.	2,962.96
Hutchings, Fred H. & Jeri K.	689.08
JLB Realty Trust	2,133.04
James F. Burns, III, Trustee of	2,858.24
James F. Burns, III, Trustee of	1,677.76
Levin, Joel A., Trustee	1,092.56
Lewis, Korey A.	74.87
Murray Hill Properties, Inc.	7,489.44
Norton, Joseph M.	53.76
Panaro, Glenn A. & Michelle L.	275.40
Paquette, Susan M.	1,311.52
Pinkham, Lynn A.	1,660.96
Pinkham, Lynn A.	48.16
Pitcher, Stephen L. & Martha	245.36
Pitcher, Stephen L. & Martha	574.58
Pitcher, Stephen L. & Martha	1,273.54
Russell, Kim & Joni	1,727.04
Russell, Kim & Joni	393.12

TOWN OF BOOTHBAY HARBOR
TAX LIENS
JUNE 30, 2017

2016 (Cont'd)

Schicchi, Ludmila Louise	\$ 2,377.20	
Shields, Suzanne L.	1,807.68	
Tibbetts, Marilyn, Life Estate	735.00	
Timberlake, Travis & Leah	1,820.00	
Tupper, Claire	1,912.96	
Vincent, Valerie Ann Snow; Anne F. Durand	3,587.36	
Wilcox, Paula B.	480.64	
Williams, Charles T., Heirs	1,895.04	
Williams, Charles T., Heirs	117.60	
Yentsch, Colin C.	56.65	
	<hr/>	\$ 89,481.48

2015

Barter, Mary	\$ 645.12	
Clark, Andrew D. & Katrina C.	536.48	
Clark, Andrew D. & Katrina C.	183.12	
Colette & Michael LLC	2,217.60	
Colette & Michael LLC	683.20	
Crocker, Allan R.	2,429.28	
Curtis, Osborn Marcus, IV	2,365.44	
Domenech-Cifuentes, Cindy E., Trustee	1,778.56	
Garrett, Susan M. & Andrew R. Maxfield Trust	668.79	
James F. Burns, III, Trustee of	2,858.24	
James F. Burns, III, Trustee of	1,677.76	
Murray Hill Properties, Inc.	4,434.21	
Paquette, Susan M.	149.66	
Russell, Kim & Joni	1,727.04	
Russell, Kim & Joni	393.12	
Shields, Suzanne L.	903.84	
Williams, Charles T., Heirs	1,895.04	
	<hr/>	25,546.50
		<hr/> <hr/>
		\$ 115,027.98

TOWN OF BOOTHBAY HARBOR
CAPITAL PROJECTS
JUNE 30, 2017

REVALUATION:		
Balance, July 1, 2016	\$ 125,185.47	
Add: Interest	6,428.94	
Balance, June 30, 2017	<u>131,614.41</u>	\$ 131,614.41
MATCHING FUNDS FOR FUTURE GRANTS:		
Balance, July 1, 2016	\$ 330.93	
Add: Interest	0.50	
Balance, June 30, 2017	<u>331.43</u>	331.43
CAPITAL RESERVE:		
Balance, July 1, 2016	\$ 282,764.59	
Add: Interest	15,143.22	
Transfer - In	50,000.00	
Less: Capital Expenditures	(10,500.56)	
Transfers	(32,467.22)	
Balance, June 30, 2017	<u>304,940.03</u>	304,940.03
ESCROW RESERVE:		
Balance, July 1, 2016	\$ 117.03	
Add: Interest	0.18	
Balance, June 30, 2017	<u>117.21</u>	117.21
FOOTBRIDGE ENHANCEMENT:		
Balance, July 1, 2016	\$ 5,161.37	
Add: Interest	13.16	
Contributions	7,070.00	
Less: Withdrawal	(2,545.55)	
Balance, June 30, 2017	<u>9,698.98</u>	9,698.98
FULLER ESCROW RESERVE:		
Balance, July 1, 2016	\$ 3,014.98	
Add: Interest	4.50	
Balance, June 30, 2017	<u>3,019.48</u>	3,019.48
COMMUNITY FIREWORKS FUND:		
Balance, July 1, 2016	\$ 7,444.04	
Add: Contributions	22,723.92	
Less: Withdrawals	(19,936.96)	
Balance, June 30, 2017	<u>10,231.00</u>	10,231.00
Balance, June 30, 2017		<u><u>\$ 459,952.54</u></u>

TOWN OF BOOTHBAY HARBOR
 SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN
 LAST 10 FISCAL YEARS (STARTING IN 2015)*

	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
Town's Proportion of the Net Pension Liability	.065614	.101366	.084956%
Town's Proportionate Share of the Net Pension Liability	\$ 348,627.00	\$ 271,049.00	\$ 155,983.00
Town's Covered-Employee Payroll	\$ 271,810.15	\$ 345,940.22	\$ 418,521.28
Town's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	128.26%	78.35%	37.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	(92.81%)	(92.12%)	(69.56%)

*Only three years of information available

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

SCHEDULE OF TOWN CONTRIBUTIONS
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN
 LAST 10 FISCAL YEARS (STARTING IN 2015)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 24,734.75	\$ 30,788.68	\$ 34,726.91
Contributions in Relation to the Contractually Required Contribution	(24,734.75)	(30,788.68)	(34,726.91)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	\$ 271,810.15	\$ 345,940.22	\$ 418,521.28
Contributions as a Percentage of Covered-Employee Payroll	9.10%	8.90%	8.30%

* Only three years of information available