

Financial Statements

Town of Northport, Maine

June 30, 2017

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Town of Northport, Maine

June 30, 2017

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Independent Auditors' Report

**To the Selectboard
Town of Northport
Northport, Maine**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Northport, Maine, as of and for the year ended June 30, 2017, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northport School Department's general fund, fiduciary fund (agency fund - student activity accounts) and other governmental funds (special revenue and capital projects funds), which represent 30%, 23%, and 59%, respectively, of the assets, fund balances/net position, and revenues of the Town of Northport, Maine. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the general fund and other governmental funds, is based solely on the report of the other auditors. 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 opinion.

Opinions

In our opinion, based on our audit and the report of other auditors, 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 Northport, Maine, as of June 30, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the Schedule of the Town's Proportionate Share of the Net Pension Liability, the Schedule of the Town's Pension Contributions, and the Notes to the Schedules, as noted in the table of contents, 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 Northport, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 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 by us and other auditors. In our opinion, based on our audit, the procedures described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Purdy Pownall & Company
Professional Association

Portland, Maine
February 1, 2018



Town of Northport

16 Beech Hill Road
(207) 338-3819

• Northport, Maine 04849
• (207) 338-3596 (Fax)

www.northportmaine.org

A community of neighbors, a tradition of caring since 1796.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Northport's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2017. Please read it in conjunction with the Town's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented next. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and the current year change in net position. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The Statement of Activities reports the current year change in net position. This statement includes all of the current year's revenues and expenses regardless of when cash is received or paid.

- Governmental activities - Most of the Town's basic services are reported here, including the fire protection, general administration, road maintenance, funding of education to RSU # 20, county tax payments, cemetery care, health and sanitation, and recreation. Property and excise taxes, state and federal grants, and miscellaneous reimbursements and fees finance most of these activities.

Reporting the Town's Most Significant Funds Fund Financial Statements

Our analysis of the Town's major funds begins with the fund financial statements on page 6 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, the Selectboard establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's funds-governmental accounting approach is as follows:

- Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation on pages 7 and 9.

THE TOWN AS A WHOLE

For the years ended June 30, 2017 and 2016, net position changed as follows:

	2017	2016
Governmental Activities		
Beginning net position	\$ 7,187,606	\$ 5,250,079
Transfer of fund balance -		
Northport School Department	-	1,174,502
Prior period adjustment -		
Northport School Department	58,682	-
Increase (decrease) in net position	<u>468,381</u>	<u>763,025</u>
Ending net position	<u>\$ 7,714,669</u>	<u>\$ 7,187,606</u>

That reflects an increase of 6% for governmental activities in 2017 (after the prior period adjustment for the Northport School Department).

Going forward, the school will play a major role in the Town as a whole. As part of the withdrawal agreement with RSU#20, the Northport Municipal School received certain assets and liabilities. As of July 1, 2017 an adjustment was made to reflect these transfers resulting in an increase in the balance.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Building permits, planning board receipts, tax interest and charges, and fines
Health and sanitation	Landfill receipts and transfer station reimbursements
Public works	Local road assistance

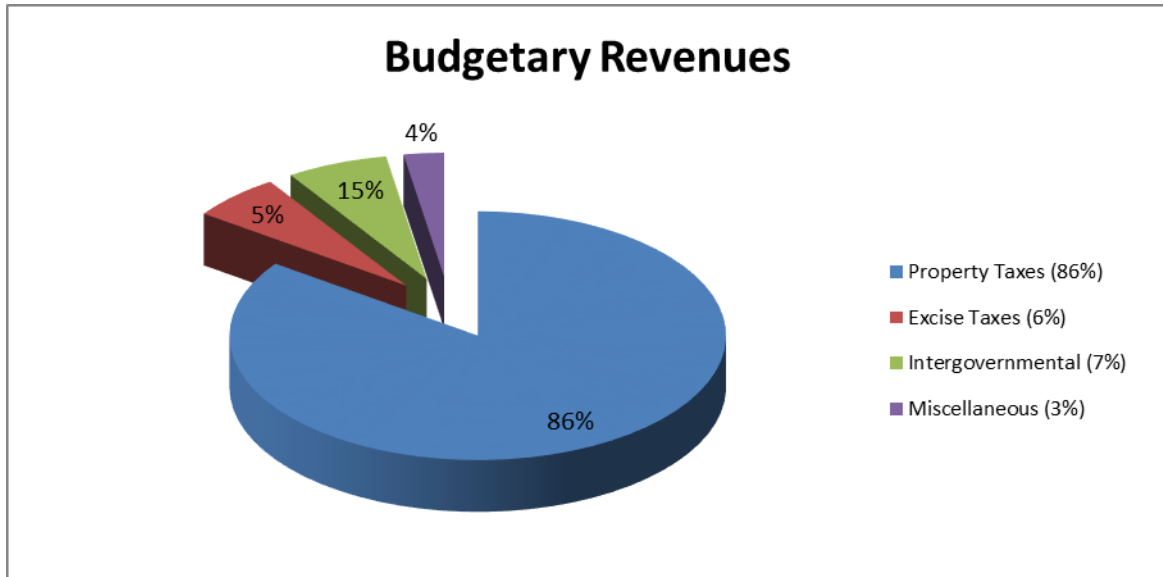
All other governmental revenues are reported as miscellaneous. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

THE TOWN'S FUNDS

The following schedule presents a summary of general fund revenues and expenditures on a budgetary basis for the fiscal years ended June 30, 2017 and 2016, and the amount and percentage of increases and decreases in relation to the prior year.

<i>Revenue</i>	<i>2017 Amount</i>	<i>2016 Amount</i>	<i>Increase (Decrease) from 2016</i>	<i>% Increase (Decrease)</i>
<i>Property taxes</i>	\$ 4,196,643	\$ 4,090,737	\$ 105,906	2.6%
<i>Excise taxes</i>	294,042	287,553	6,489	2.3%
<i>Intergovernmental</i>	327,448	828,746	(501,298)	(60.5%)
<i>Miscellaneous</i>	129,789	144,613	(14,824)	(10.3%)
Total Revenue	<u>\$ 4,947,922</u>	<u>\$ 5,351,649</u>	<u>\$ (403,727)</u>	<u>(7.5%)</u>

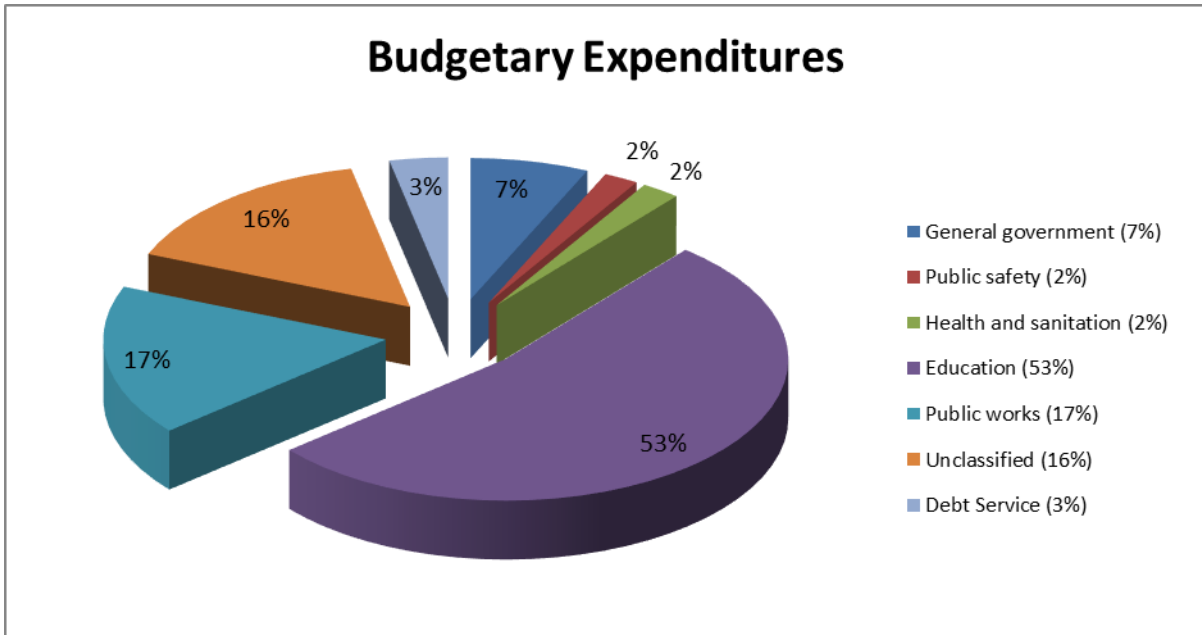
The Town's general fund operating fund revenues on a budgetary basis were as follows:



The biggest change in revenues is in intergovernmental. This includes decreases in State funding as well as subsidies to the School.

<u>Expenditures</u>	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2016</u>	<u>% Increase</u> <u>(Decrease)</u>
General government	\$ 348,213	\$ 359,629	\$ (11,416)	(3.2%)
Public safety	101,678	92,243	9,435	10.2%
Health and sanitation	113,421	118,776	(5,355)	(4.5%)
Education	2,712,942	2,503,578	209,364	8.4%
Public works	883,053	796,313	86,740	10.9%
Unclassified	797,549	604,348	193,201	32.0%
Debt Service	171,889	155,888	16,001	10.3%
Total Expenditures	<u>\$ 5,128,745</u>	<u>\$ 4,630,775</u>	<u>\$ 497,970</u>	<u>10.8%</u>

The Town's general fund operating fund expenditures on a budgetary basis were as follows:



Unclassified Expenses saw the biggest change when compared to last year. This would be within the Harbor Fund where monies were spent on the Saturday Cove Improvement Project replacing the pier, adding two floats and stabilizing the shore line.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget to actual comparison is shown on page 10.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2017, the Town had \$10 million invested in capital assets including fire trucks, equipment, buildings, and town owned roads. (See table below.)

	Governmental Activities	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Land	\$ 924,851	\$ 924,851
Construction in Progress	-	1,224,930
Buildings	4,530,735	1,490,561
Equipment	116,298	101,177
Vehicles	681,179	681,179
Infrastructure	<u>4,086,826</u>	<u>3,351,293</u>
Totals	<u>\$ 10,339,889</u>	<u>\$ 7,773,991</u>

The Town's assets increased with the completion of the addition at the school as well as the purchase of a greenhouse. The Town replaced the Shaw Brook Bridge and made significant improvements at Saturday Cove replacing the pier, adding new floats and pilings, a new boat launch and shore land stabilization.

Debt

At year end, the Town had \$3,679,826 in long-term debt outstanding. The long-term debt is made up of four General Obligation Bonds outstanding for the Northport School Department as discussed in Note F.

The Town paid off its Sand and Salt Garage loan in the fall of 2016. General Obligation Bonds for the school covered the construction of the addition and others are debts negotiated during withdrawal that Northport is liable for.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Potential changes from the State in regards to property taxes and Homestead Exemption is not known at this time, or what, if any, impact it may have on the Town budget or mil rate.

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 the Town Office.

Town of Northport
Barbara Ashe, Administrator
16 Beech Hill Road
Northport, ME 04849
Phone: (207)338-3819

Statement of Net Position

Town of Northport, Maine

As of June 30, 2017

	<u>Governmental Activities</u>
Assets	
Cash	\$ 2,786,900
Investments	8,933
Accounts receivable	32,076
Taxes receivable	145,346
Tax liens receivable	62,949
Inventory	540
Tax acquired property	240
Capital assets, net of accumulated depreciation	8,631,846
Total Assets	<u>11,668,830</u>
Deferred Outflows	
Deferred outflows related to pension	40,606
Total Deferred Outflows	<u>40,606</u>
Liabilities	
Accounts payable	120,743
Accrued expenses	150,588
Taxes paid in advance	9,242
Accrued interest	10,184
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	239,694
Accrued compensated absences	5,172
Portion due or payable after one year:	
Bond payable	3,440,132
Net pension liability	16,412
Total Liabilities	<u>3,992,167</u>
Deferred Inflows	
Deferred inflows related to pension	2,600
Total Deferred Inflows	<u>2,600</u>
Net Position	
Net investment in capital assets	4,952,020
Restricted:	
Nonexpendable	13,120
Expendable	88,394
Unrestricted	2,661,135
Net Position	<u>\$ 7,714,669</u>

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

Statement of Activities

Town of Northport, Maine

For the Year Ended June 30, 2017

Function/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
General government	\$ 364,459	\$ 42,063	\$ -	\$ -	\$ (322,396)
Public safety	145,174	-	1,025	-	(144,149)
Health and sanitation	113,421	56,368	-	-	(57,053)
Education	2,903,260	14,462	227,772	-	(2,661,026)
Public works	389,835	-	35,120	-	(354,715)
Unclassified	798,053	-	915	105,805	(691,333)
Maine PERS on-behalf payment	59,909	-	-	-	(59,909)
Interest on long term debt	19,650	-	-	-	(19,650)
Capital outlays	-	-	-	-	-
Total Governmental Activities	\$ 4,793,761	\$ 112,893	\$ 264,832	\$ 105,805	(4,310,231)
General revenues:					
Taxes:					
					4,182,643
					294,042
					11,448
					161,219
					129,260
					<u>4,778,612</u>
					Change in Net Position 468,381
					Net position at beginning of year, as reported 7,187,606
					Prior period adjustment <u>58,682</u>
					Net position at beginning of year, as restated <u>7,246,288</u>
					Net Position at End of Year <u>\$ 7,714,669</u>

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

Balance Sheet - Governmental Funds

Town of Northport, Maine

As of June 30, 2017

	General	Other Governmental Funds	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	\$ 2,723,686	\$ 18,195	\$ 45,019	\$ 2,786,900
Investments	-	8,933	-	8,933
Accounts receivable	18,727	13,349	-	32,076
Taxes receivable	145,346	-	-	145,346
Tax liens	62,949	-	-	62,949
Inventory	-	540	-	540
Due from other funds	59,360	54,440	8,541	122,341
Tax acquired property	240	-	-	240
	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>
Total Assets	<u>\$ 3,010,308</u>	<u>\$ 95,457</u>	<u>\$ 53,560</u>	<u>\$ 3,159,325</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 113,933	\$ -	\$ 6,810	\$ 120,743
Accrued expenses	147,174	3,414	-	150,588
Taxes paid in advance	9,242	-	-	9,242
Due to other funds	62,981	59,360	-	122,341
	<u>62,981</u>	<u>59,360</u>	<u>-</u>	<u>122,341</u>
Total Liabilities	333,330	62,774	6,810	402,914
Deferred Inflows of Resources				
Unavailable revenue - property taxes	142,000	-	-	142,000
	<u>142,000</u>	<u>-</u>	<u>-</u>	<u>142,000</u>
Total Deferred Inflows of Resources	142,000	-	-	142,000
Fund Balances				
Nonspendable:				
Special revenue funds	-	540	-	540
Permanent funds	-	12,580	-	12,580
Restricted:				
Special revenue funds	-	27,096	-	27,096
Capital projects fund	-	-	46,750	46,750
Permanent funds	-	14,548	-	14,548
Committed:				
General fund	442,784	-	-	442,784
Assigned:				
Special revenue funds	-	5,945	-	5,945
General fund	1,195,710	-	-	1,195,710
Unassigned:				
Special revenue funds	-	(28,026)	-	(28,026)
General fund	896,484	-	-	896,484
	<u>896,484</u>	<u>-</u>	<u>-</u>	<u>896,484</u>
Total Fund Balances	<u>2,534,978</u>	<u>32,683</u>	<u>46,750</u>	<u>2,614,411</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,010,308</u>	<u>\$ 95,457</u>	<u>\$ 53,560</u>	<u>\$ 3,159,325</u>

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

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position**

Town of Northport, Maine

As of June 30, 2017

Total Fund Balances - Governmental Funds \$ 2,614,411

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of capital assets, net of accumulated depreciation is: 8,631,846

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The balance in unavailable revenue - property taxes in the governmental funds as a deferred inflow is: 142,000

The following deferred outflows below are not current assets or financial resources and the following deferred inflows are not current liabilities due and payable in the current period and therefore are not reported in the Balance Sheet:

Deferred outflows related to pension	\$	40,606	
Deferred inflows related to pension		<u>(2,600)</u>	
			38,006

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and related liabilities at year-end consist of:

Bond payable	\$	(3,679,826)	
Accrued compensated absences		(5,172)	
Net pension liability		(16,412)	
Accrued interest payable		<u>(10,184)</u>	
			<u>(3,711,594)</u>

Net Position - Governmental Activities \$ 7,714,669

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

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

Town of Northport, Maine

For the Year Ended June 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 4,196,643	\$ -	\$ -	\$ 4,196,643
Excise taxes	294,042	-	-	294,042
Intergovernmental	327,448	144,499	-	471,947
Miscellaneous	139,108	113,794	699	253,601
Total Revenues	<u>4,957,241</u>	<u>258,293</u>	<u>699</u>	<u>5,216,233</u>
Expenditures				
Current				
General government	348,213	-	-	348,213
Public safety	101,678	-	-	101,678
Health and sanitation	113,421	-	-	113,421
Education	2,712,942	256,702	-	2,969,644
Public works	949,253	-	-	949,253
Unclassified	798,053	-	-	798,053
Debt service - principal	122,809	-	2,348,681	2,471,490
- interest	49,080	-	6,045	55,125
Capital outlays	-	-	1,808,405	1,808,405
Total Expenditures	<u>5,195,449</u>	<u>256,702</u>	<u>4,163,131</u>	<u>9,615,282</u>
Revenues Over (Under) Expenditures	(238,208)	1,591	(4,162,432)	(4,399,049)
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	4,209,161	4,209,161
Operating transfers in	25	25,000	-	25,025
Operating transfers out	(25,000)	(25)	-	(25,025)
Total Other Financing Sources (Uses)	<u>(24,975)</u>	<u>24,975</u>	<u>4,209,161</u>	<u>4,209,161</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(263,183)	26,566	46,729	(189,888)
Fund balances at beginning of year, as reported	2,739,479	6,117	21	2,745,617
Prior period adjustment	58,682	-	-	58,682
Fund balances at beginning of year, as restated	<u>2,798,161</u>	<u>6,117</u>	<u>21</u>	<u>2,804,299</u>
Fund Balances at End of Year	<u>\$ 2,534,978</u>	<u>\$ 32,683</u>	<u>\$ 46,750</u>	<u>\$ 2,614,411</u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Town of Northport, Maine

As of June 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (189,888)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differed from capital asset additions in the current period:

Additions to capital assets	\$ 2,565,898	
Depreciation expense	<u>(191,756)</u>	2,374,142

Debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments in the current period:

Proceeds from borrowing	(4,209,161)	
Principal portion of debt service payments	<u>2,471,490</u>	(1,737,671)

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 the governmental funds.

Change in accrued compensated absences	(3,841)	
Change in accrued interest payable	35,475	
Adjustment to pension expense	<u>4,164</u>	35,798

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in unavailable revenue - property tax revenue reported in the governmental funds and not in the Statement of Activities is:

(14,000)

Change in Net Position of Governmental Activities **\$ 468,381**

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

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund**

Town of Northport, Maine

For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
Revenues				
Taxes				
Property taxes	\$ 4,174,459	\$ 4,174,459	\$ 4,196,643	\$ 22,184
Excise taxes	-	294,042	294,042	-
Intergovernmental revenues				
State revenue sharing	67,276	67,276	66,858	(418)
State road assistance	-	35,120	35,120	-
Homestead exemption	38,952	38,952	38,740	(212)
Other	80,108	81,215	186,730	105,515
Miscellaneous revenues	-	202,600	129,789	(72,811)
Total Revenues	<u>4,360,795</u>	<u>4,893,664</u>	<u>4,947,922</u>	<u>54,258</u>
Expenditures				
Current				
General government	382,268	411,152	348,213	62,939
Public safety	109,228	113,536	101,678	11,858
Health and sanitation	110,358	167,160	113,421	53,739
Education	3,204,662	3,206,618	2,712,942	493,676
Public works	905,174	1,231,960	883,053	348,907
Unclassified	696,870	811,003	797,549	13,454
Debt service - principal	122,809	122,809	122,809	-
- interest	49,857	49,857	49,080	777
Total Expenditures	<u>5,581,226</u>	<u>6,114,095</u>	<u>5,128,745</u>	<u>985,350</u>
Revenues Over (Under) Expenditures	<u>(1,220,431)</u>	<u>(1,220,431)</u>	<u>(180,823)</u>	<u>1,039,608</u>
Other Financing Sources (Uses)				
Utilization of assigned fund balance	1,006,605	1,006,605	-	(1,006,605)
Utilization of unassigned fund balance	150,000	150,000	-	(150,000)
Operating transfers in	109,803	109,803	109,828	25
Operating transfers out	(98,372)	(98,372)	(98,372)	-
Total Other Financing Sources (Uses)	<u>1,168,036</u>	<u>1,168,036</u>	<u>11,456</u>	<u>(1,156,580)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (52,395)</u>	<u>\$ (52,395)</u>	<u>(169,367)</u>	<u>\$ (116,972)</u>
Budgetary fund balance at beginning of year, as reported			2,398,997	
Prior period adjustment			58,682	
Budgetary fund balance at beginning of year, as restated			<u>2,457,679</u>	
Budgetary Fund Balance at End of Year			<u>\$ 2,288,312</u>	

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

**Statement of Net Position
Fiduciary Funds - Agency Fund**

Town of Northport, Maine

As of June 30, 2017

	<u>Student Activity Accounts</u>
Assets	
Cash and cash equivalents	\$ 8,749
Total Assets	<u>8,749</u>
 Liabilities	
Held for student activities and other purposes	<u>8,749</u>
Total Liabilities	<u>8,749</u>
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>

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

Notes to Financial Statement

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies

The Town of Northport, Maine operates under a Selectboard form of government. The accounting policies of the Town of Northport, Maine conform to United States generally accepted accounting principles (GAAP). The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Northport has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support. Currently, the Town has no business-type activities.

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. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges 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 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.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred outflows and inflows of resources, fund equity, revenues, and expenditures.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

Fiduciary Funds (not included in Government-wide statements)

The Town's fiduciary funds are presented in the fiduciary fund statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the Government-wide statements.

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and/or other government units.

Basis of Accounting

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

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

Accrual

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

Modified Accrual

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 is recognized when due.

Cash and Cash Equivalents

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

Investments

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

Inventories

Inventories consisting of food and supplies are accounted for at the lower of cost or market on a first-in, first-out (FIFO) basis. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Accounts Receivable

Accounts receivable are stated at the amount the Town expects to collect from outstanding balances. Town management closely monitors outstanding balances and records an allowance for doubtful accounts as necessary based upon historical trends of bad debts as well as a detailed review of current year receivables and their aging.

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Capital Assets - Continued

Estimated useful lives are as follows: buildings and improvements, 20 to 40 years; infrastructure, 5 to 40 years; and vehicles and equipment, 3 to 25 years.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Accrued Compensated Absences

Under the terms of personnel policies, personal time off is granted in varying amounts. The Town accrues unpaid personal time off when earned (or estimated to be earned) by the employee.

Budget

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

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

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements

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 statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until that time. The Northport School Department has one item that meets this criterion, deferred pensions, which is reported in the statement of financial position.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet 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 and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one type of item, unavailable revenue, which results from property taxes, which arises under the modified accrual basis of accounting that qualifies for reporting in this category and is reported in the governmental funds balance sheet. The Northport School Department also has one type of item, deferred pensions, which is reported in the statement of financial position.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note H and the required supplementary information following the financial statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Northport School Department recognizes a net pension liability, which represents the School Department's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Maine Public Employees Retirement System (MainePERS). The net pension liability is measured as of the School Department's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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 Teachers Pension Plan (TPP) and additions to/deductions from the TPP's fiduciary net position have been determined on the same basis as they are reported by the TPP. 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.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied August 1, 2016, on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due September 30, 2016 and March 1, 2017. Interest on unpaid taxes commenced on October 1, 2016 and March 2, 2017, at 7% per annum.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Revenue Recognition - Property Taxes - Continued

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$48,675 for the year ended June 30, 2017.

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

Government-wide Fund Net Position

Government-wide net position is divided into three components:

Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position - consist of net assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - All other net asset positions are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note A - Summary of Significant Accounting Policies - Continued

Governmental Fund Balances - Continued

Assigned - resources neither restricted nor committed for which a government has a stated intended use as established by the Selectboard or a body or official to which the Selectboard has designated the authority to assign amounts for specific purposes.

Unassigned - resources which cannot be properly classified in one of the other four categories.

Use of Restricted Resources

The Town has no formal fund balance policy. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Note B - Cash and Investments

The Town conducts all its banking and investment transactions with its depository banks and investment firm.

Custodial Credit Risk

At June 30, 2017, the carrying amount of the Town's deposits was \$2,795,649, and the bank balance was \$2,926,236. The difference between the carrying amount and the bank balance relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. As of June 30, 2017, \$1,743,918 of the Town's bank balance of \$2,926,236 was exposed to credit risk as follows:

Collateralized with securities held by the pledging financial institution	<u>\$ 1,743,918</u>
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Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks and bonds and mutual funds.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note B - Cash and Investments - Continued

Investments - Continued

Interest Rate Risk

In accordance with the Town's investment policy, to the extent possible, investment maturities will be matched with anticipated cash requirements. At June 30, 2017, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Maturity</u>		
			<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Corporate stocks	<u>\$ 8,933</u>	<u>\$ 8,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is minimized by diversifying investments held. At June 30, 2017, the Town had no investments subject to credit risk.

Concentration of Credit Risk

The Town does not have an investment policy on concentration of credit risk. At June 30, 2017, the Town held the following common stock which represented greater than 5% of the total investments held: AT&T \$7,999.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy on custodial credit risk. As of June 30, 2017, the Town had no investments subject to custodial credit risk.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note C - Capital Assets

A summary of capital asset activity for the year ended June 30, 2017 follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Retirements/ In service</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 924,851	\$ -	\$ -	\$ 924,851
Construction in Process	1,224,930	-	1,224,930	-
Depreciable Assets:				
Buildings	1,490,561	3,040,174	-	4,530,735
Equipment	101,177	15,121	-	116,298
Vehicles	681,179	-	-	681,179
Infrastructure	<u>3,351,293</u>	<u>735,533</u>	<u>-</u>	<u>4,086,826</u>
Totals at historical cost	7,773,991	3,790,828	1,224,930	10,339,889
Less Accumulated Depreciation:				
Buildings	185,730	54,115	-	239,845
Equipment	83,642	2,575	-	86,217
Vehicles	367,227	47,631	-	414,858
Infrastructure	<u>879,688</u>	<u>87,435</u>	<u>-</u>	<u>967,123</u>
Total accumulated depreciation	<u>1,516,287</u>	<u>191,756</u>	<u>-</u>	<u>1,708,043</u>
Capital Assets, Net	<u>\$ 6,257,704</u>	<u>\$ 3,599,072</u>	<u>\$ (1,224,930)</u>	<u>\$ 8,631,846</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note C - Capital Assets - Continued

Depreciation expense was charged to the following functions:

General government	\$ 11,074
Public safety	43,496
Education	50,426
Public works	<u>86,760</u>
Total governmental activities depreciation expense	<u>\$ 191,756</u>

Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2017 consisted of the following individual fund receivables and payables:

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
Governmental Activities			
General Fund:			
<i>Special Revenue Funds:</i>			
School Lunch	\$ 25,814	\$ -	
Title IA	2,606	(2,606)	
IDEA	13,113	(7,288)	
IDEA Preschool	10,200	(10,200)	
Title VI REAP	3,980	-	
Title IIA	2,606	(264)	
Fresh Fruit and Vegetables	1,041	(1,077)	
Insurance Fund	-	(7,559)	
Maine Community Foundation	-	(32)	
Whole Kids	-	(200)	
Withdrawal Grants	-	(5,945)	
Lowe's Greenhouse	-	(5,000)	
Private Library Grant	-	(10,000)	
Oral Health	-	(53)	
Proficiency Based Education	<u>-</u>	<u>(4,216)</u>	
	59,360	(54,440)	
<i>Capital Projects Fund:</i>	<u>-</u>	<u>(8,541)</u>	
	<u>59,360</u>	<u>(62,981)</u>	\$ (3,621)

Notes to Financial Statement - Continued

Town of Northport, Maine

Note D - Interfund Receivables and Payables - Continued

Special Revenue Funds:

General Fund:

School Lunch	-	(25,814)	
Title IA	2,606	(2,606)	
IDEA	7,288	(13,113)	
IDEA Preschool	10,200	(10,200)	
Title VI REAP	-	(3,980)	
Title IIA	264	(2,606)	
Fresh Fruit and Vegetables	1,077	(1,041)	
Insurance Fund	7,559	-	
Maine Community Foundation	32	-	
Whole Kids	200	-	
Withdrawal Grants	5,945	-	
Lowe's Greenhouse	5,000	-	
Private Library Grant	10,000	-	
Oral Health	53	-	
Proficiency Based Education	4,216	-	
	<u>54,440</u>	<u>(59,360)</u>	(4,920)

Capital Projects Fund:

General Fund:

	<u>8,541</u>	<u>-</u>	<u>8,541</u>
Net Governmental Activities	<u>\$ 122,341</u>	<u>\$ (122,341)</u>	<u>\$ -</u>

Interfund balances resulted from (1) the Town pooling cash in the General Fund for other funds disclosed above, for greater efficiency and physical control, (2) the time lag between the dates that interfund goods or reimbursable expenditures occur, or (3) the time lag between the dates payments between funds are made.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note E - Interfund Transfers

Interfund transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year consisted of the following amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
General Fund:			
<i>Special Revenue Fund:</i>			
School Lunch	\$ -	\$ (25,000)	
<i>Trust Fund:</i>			
Wyman Needy	<u>25</u>	<u>-</u>	
	25	(25,000)	\$ (24,075)
Special Revenue Funds:			
<i>General Fund:</i>			
School Lunch	25,000	-	
<i>Trust Fund:</i>			
Wyman Needy	<u>-</u>	<u>(25)</u>	
	<u>25,000</u>	<u>(25)</u>	<u>24,075</u>
Total Interfund Transfers	<u>\$ 25,025</u>	<u>\$ (25,025)</u>	<u>\$ -</u>

Note F - Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due within One Year</u>
Governmental Activities:					
General obligation debt	\$ 1,942,155	\$ 4,209,161	\$ 2,471,490	\$ 3,679,826	\$ 239,694
Net pension liability	-	16,412	-	16,412	-
Compensated absences	<u>1,331</u>	<u>8,567</u>	<u>4,726</u>	<u>5,172</u>	<u>5,172</u>
	<u>\$ 1,943,486</u>	<u>\$ 4,234,140</u>	<u>\$ 2,476,216</u>	<u>\$ 3,701,410</u>	<u>\$ 244,866</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note F - Long-Term Liabilities - Continued

Long-Term Debt

At June 30, 2017 long-term debt consisted of the following:

Northport School Department 2016 General Obligation Bond, interest rates varying from 1.16% to 3.42% with annual principal payments of \$150,000. The bond matures in 2037.	\$ 3,000,000
Northport School Department 1998 General Obligation Bond, interest rate at 4.827% with annual principal payments of \$10,700. The bond matures in 2018.	21,400
Northport School Department 2004 General Obligation Bond, interest rates varying from 3.557% to 7.497% with annual principal payments of \$52,511. The bond matures in 2024.	420,084
Northport School Department 2005 General Obligation Bond, interest rate at 4.000% with annual principal payments of \$26,483. The bond matures in 2025.	238,342
	<u>\$ 3,679,826</u>

The annual requirements to amortize long-term debt are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 239,694	\$ 59,183	\$ 298,877
2019	239,694	55,804	295,498
2020	228,994	52,424	281,418
2021	228,994	49,428	278,422
2022	228,994	47,690	276,684
2023-2027	1,013,456	192,467	1,205,923
2028-2032	750,000	180,393	930,393
2033-2037	750,000	162,733	912,733
	<u>\$ 3,679,826</u>	<u>\$ 800,122</u>	<u>\$ 4,479,948</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note G - Landfill Closure and Post Closure Costs

The Town stopped accepting solid waste at its landfill site. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Any amounts for future post-closure landfill costs are uncertain. There were no costs associated with post closure maintenance and monitoring for the year ended June 30, 2017.

Note H - Pension - Northport School Department

The Northport School Department provides retirement pension plan for its employees through a defined benefit pension plan.

Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

Plan Description

Qualifying personnel of the School Department participate in the Maine Public Employees Retirement System. The plan is a multiple employer, cost-sharing pension plan with a special funding situation. The State of Maine is a non-employer contributing entity in that the state pays the unfunded actuarial liability (UAL) on behalf of the teachers, while the School Department contributes the normal cost, which is actuarially calculated. The School Department has been enrolled in the MEPERS system since July 1, 2016. MEPERS is established under Maine law found in 5 MRSA Part 20. The authority to establish and amend benefit provisions rests with the State legislature.

Funding Policy

The School Department makes available to all full time employees the option to make a one-time irrevocable election to participate in the Maine Public Employees Retirement System (MEPERS), State Employees and Teachers Plan. The employee shall pay, through payroll deduction(s), his/her required contribution determined by MEPERS, 7.65%. The School shall pay its required contribution determined by MEPERS. This benefit shall be offered to eligible employees on the date of hire.

Pension Benefits

Benefit terms are established in Maine Statute. 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 of benefits upon reaching qualification) occurs upon the earning of 25 years of service credit for School Department employees.

Normal retirement age of State Employees and Teachers members is age 60 to 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note H - Pension - Continued

Pension Benefits - Continued

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 statute for State employee and teacher members.

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 member's accounts is set by the System's Board of Trustees.

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 contributions rates are determined through actuarial valuations. For the year ended June 30, 2017, the member contribution rate was 7.65%, the School Department's contribution rate was 3.36% (normal cost), and the State of Maine contributed 10.02% (UAL).

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.

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

At June 30, 2017, the School Department reported a net pension liability of \$16,412. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At the June 30, 2016 measurement date, the School Department proportion was 0.000929%.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note H - Pension - Continued

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

At June 30, 2017, the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 317	\$ 31
Changes in assumptions	-	422
Net difference between projected and actual earnings on pension plan investments	5,240	2,147
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,567	-
School Department contributions subsequent to the measurement date	26,482	-
Total	<u>\$ 40,606</u>	<u>\$ 2,600</u>

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

For the Year Ended June 30,		
2018		\$ 31,085
2019		4,634
2020		1,476
2021		811
Total		<u>\$ 38,006</u>

At June 30, 2017, the School Department's reported net pension liability was a portion of the total proportionate share of the collective net pension liability associated with the School Department's participation in the Teacher plan, as follows:

School Department's proportionate share of net pension liability	\$ 16,412
State of Maine's proportionate share of net pension liability	<u>608,460</u>
Total	<u>\$ 624,872</u>

For the fiscal year ended June 30, 2017, the School Department recognized pension expense of \$82,227 and State support of \$59,909.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note H - Pension - Continued

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:

Inflation	2.75%
Salary Increases	2.75% to 14.50%
Investment Rate of Return	6.875%
Cost of Living Benefit Increases	2.20%

For the School Department employees, the mortality rate is based on the RP2014 Combined Mortality Tables for males and females.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates or 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, 2016 are summarized in the following table:

	<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 Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Hard Assets	5%	5.0%
Fixed Income	<u>25%</u>	2.9%
	<u>100%</u>	

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 contribution 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.

Notes to Financial Statement - Continued

Town of Northport, Maine

Note H - Pension - Continued

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the School Department 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%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Proportionate Share of the Net Pension Liability	\$ 26,280	\$ 16,412	\$ 8,187

Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS 2016 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207)512-3100.

Note I - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance or is effectively self-insured. Currently, the Town carries commercial insurance for any risks of loss to which it may be exposed.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2017.

Note J - Commitments

The Town has entered into separate agreements with unrelated third parties for certain services. Future required payments under the five agreements (two are for plowing and sanding) are as follows:

	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>Total</u>
Cemetery mowing	\$ 9,450	\$ 5,670	\$ -	\$ 15,120
Septage removal	4,000	4,000	4,000	12,000
Winter cleanup and mowing	3,310	3,310	-	6,620
Plowing and sanding	<u>131,300</u>	<u>131,300</u>	<u>131,300</u>	<u>393,900</u>
	<u>\$ 148,060</u>	<u>\$ 144,280</u>	<u>\$ 135,300</u>	<u>\$ 427,640</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note L - Assigned Fund Balance

At June 30, 2017 the assigned general fund balance consisted of the following:

	Balance at <u>7/1/2016</u>	Transfers/ <u>Appropriations</u>	<u>Revenues</u>	<u>Expenditures</u>	Balance at <u>6/30/2017</u>
Personal time	\$ -	\$ 3,713	\$ -	\$ -	\$ 3,713
Planning Board	3,499	2,000	200	397	5,302
AED	-	-	1,200	1,080	120
Animal Control	8,478	2,000	1,122	7,609	3,991
Roads and Bridges	405,174	300,000	326,786	683,516	348,444
Cemetery	1,430	10,000	-	9,450	1,980
Cemetery Development	10,914	-	-	6,300	4,614
General Assistance	4,680	-	915	895	4,700
Snowmobile Reimbursement	331	-	192	331	192
Northport Harbor Fund	7,573	103,565	110,207	219,198	2,147
Northport Needy Families	747	-	327	-	1,074
Northport Warm Neighbors Fund	6,137	-	2,467	513	8,091
Transfer Station	31,358	75,000	56,802	109,421	53,739
Shaw Brook Bridge Reserve	66,200	-	-	66,200	-
Children's Community Christmas	388	-	1,183	504	1,067
Records Preservation Reserve	-	2,500	1,775	-	4,275
Digital Mapping Fund	9,682	-	3,159	-	12,841
Cemetery Capital Reserve Fund	1,755	-	302	-	2,057
Wyman Park	3,685	-	2	-	3,687
Fire Watch	802	(802)	-	-	-
Fire Truck Replacement	78,508	32,410	166	-	111,084
Town Wharf	2,436	(2,436)	-	-	-
Sand/Salt Shed	15,844	-	14	-	15,858
Marine Reserve Fund	126,420	(81,129)	5,839	-	51,130
First Responders Equip. Reserve	34,761	9,870	35	-	44,666
Education	45,304	2,741,574	60,638	2,737,942	109,574
Education - MainePERS	500,000	(101,070)	-	-	398,930
Nature Conservancy	325	(325)	-	-	-
Tree Growth Reimbursement	1,560	-	1,271	1,560	1,271
Veterans Exemption Reimb.	1,390	-	1,163	1,390	1,163
	<u>\$ 1,369,381</u>	<u>\$ 3,096,870</u>	<u>\$ 575,765</u>	<u>\$ 3,846,306</u>	<u>\$ 1,195,710</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note M - Fund Balance

Fund balance consisted of the following as of June 30, 2017:

	General <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Fund Balances:			
Nonspendable fund balance:			
School Lunch	\$ -	\$ 540	\$ 540
Cemetery Trust	-	5,080	5,080
Wyman Needy Trust	-	5,000	5,000
Christmas Charity	-	2,500	2,500
Total Nonspendable fund balance	<u>-</u>	<u>13,120</u>	<u>13,120</u>
Restricted fund balance:			
Insurance Fund	-	7,559	7,559
Lowe's Greenhouse	-	5,000	5,000
Private Library	-	10,000	10,000
Maine Community Foundation	-	32	32
Whole Kids	-	200	200
Oral Health	-	53	53
Proficiency Based Education	-	4,216	4,216
Fresh Fruits and Vegetables Program	-	36	36
Capital Projects Fund	-	46,750	46,750
Cemetery Trust	-	14,478	14,478
Wyman Needy Trust	-	8	8
Christmas Charity	-	62	62
Total Restricted fund balance	<u>-</u>	<u>88,394</u>	<u>88,394</u>
Committed fund balance:			
General Fund - School appropriations	<u>442,784</u>	<u>-</u>	<u>442,784</u>
Total Committed fund balance	<u>442,784</u>	<u>-</u>	<u>442,784</u>
Assigned fund balance:			
Withdrawal Grants	-	5,945	5,945
General Fund (See Note L)	<u>1,195,710</u>	<u>-</u>	<u>1,195,710</u>
Total Assigned fund balance	<u>1,195,710</u>	<u>5,945</u>	<u>1,195,710</u>
Unassigned fund balance (deficit):			
IDEA	-	(4,479)	(4,479)
Title VI	-	(60)	(60)
School Lunch	-	(23,487)	(23,487)
General fund	<u>896,484</u>	<u>-</u>	<u>896,484</u>
Total Unassigned fund balance (deficit)	<u>896,484</u>	<u>(28,026)</u>	<u>868,458</u>
Total Fund Balances	<u>\$ 2,534,978</u>	<u>\$ 79,433</u>	<u>\$ 2,614,411</u>

Notes to Financial Statement - Continued

Town of Northport, Maine

Note N - Prior Period Adjustment

The School Department was created on June 30, 2016 pursuant to an agreement by which the Town withdrew from RSU No. 20. In accordance with that agreement, certain assets and liabilities previously owned or owed by RSU No. 20 were transferred to and accepted by the School Department as of that date. During the current year, a prior period adjustment was recorded to properly reflect such transfers, resulting in an increase in beginning of year net position and fund balance in the amount of \$58,682.

**Combining Balance Sheet
Nonmajor Governmental Funds - Other Governmental Funds**

Town of Northport, Maine

As of June 30, 2017

	Special Revenue	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ -	\$ 18,195	\$ 18,195
Investments	-	8,933	8,933
Accounts receivable	13,349	-	13,349
Inventory	540	-	540
Due from other funds	54,440	-	54,440
Total Assets	<u>\$ 68,329</u>	<u>\$ 27,128</u>	<u>\$ 95,457</u>
 Liabilities and Fund Balances			
Liabilities			
Accrued expenses	\$ 3,414	\$ -	\$ 3,414
Due to other funds	59,360	-	59,360
Total Liabilities	<u>62,774</u>	<u>-</u>	<u>62,774</u>
 Fund Balances (Deficits)			
Nonspendable	540	12,580	13,120
Restricted	27,096	14,548	41,644
Assigned	5,945	-	5,945
Unassigned	(28,026)	-	(28,026)
Total Fund Balances (Deficits)	<u>5,555</u>	<u>27,128</u>	<u>32,683</u>
Total Liabilities and Fund Balances	<u>\$ 68,329</u>	<u>\$ 27,128</u>	<u>\$ 95,457</u>

See accompanying independent auditors' report.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - Other Governmental Funds**

Town of Northport, Maine

For the Year Ended June 30, 2017

	<u>Special Revenue</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Intergovernmental	\$ 144,499	\$ -	\$ 144,499
Interest income	-	12	12
Net investment return	-	(585)	(585)
Contributions	-	300	300
Miscellaneous	<u>114,067</u>	<u>-</u>	<u>114,067</u>
Net Revenues	258,566	(273)	258,293
Expenditures			
Current	256,702	-	256,702
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>256,702</u>	<u>-</u>	<u>256,702</u>
Revenues Over (Under) Expenditures	1,864	(273)	1,591
Other Financing Sources (Uses)			
Operating transfers - in	25,000	-	25,000
Operating transfers - out	<u>-</u>	<u>(25)</u>	<u>(25)</u>
Total Other Financing Sources (Uses)	25,000	(25)	24,975
Revenues and Other Sources Over (Under) Expenses and Other Uses	26,864	(298)	26,566
Fund balances (deficit) at beginning of year	<u>(21,309)</u>	<u>27,426</u>	<u>6,117</u>
Fund Balances (Deficits) at End of Year	<u>\$ 5,555</u>	<u>\$ 27,128</u>	<u>\$ 32,683</u>

See accompanying independent auditors' report.

**Combining Balance Sheet
Permanent Funds - Trust Funds**

Town of Northport, Maine

As of June 30, 2017

	<u>Cemetery</u>	<u>Wyman Needy</u>	<u>Christmas Charity</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 10,625	\$ 5,008	\$ 2,562	\$ 18,195
Investments	<u>8,933</u>	<u>-</u>	<u>-</u>	<u>8,933</u>
Total Assets	<u>\$ 19,558</u>	<u>\$ 5,008</u>	<u>\$ 2,562</u>	<u>\$ 27,128</u>
 Liabilities and Fund Balances				
Liabilities				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Fund Balances				
Nonspendable	5,080	5,000	2,500	12,580
Restricted	<u>14,478</u>	<u>8</u>	<u>62</u>	<u>14,548</u>
Total Fund Balances	<u>19,558</u>	<u>5,008</u>	<u>2,562</u>	<u>27,128</u>
Total Liabilities and Fund Balances	<u>\$ 19,558</u>	<u>\$ 5,008</u>	<u>\$ 2,562</u>	<u>\$ 27,128</u>

See accompanying independent auditors' report.

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Permanent Funds - Trust Funds**

Town of Northport, Maine

For the Year Ended June 30, 2017

	<u>Cemetery</u>	<u>Wyman Needy</u>	<u>Christmas Charity</u>	<u>Total</u>
Revenues				
Interest income	\$ 6	\$ 5	\$ 1	\$ 12
Net investment return	(585)	-	-	(585)
Contributions	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Net Revenues	(279)	5	1	(273)
Expenditures				
Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	(279)	5	1	(273)
Other Financing Sources (Uses)				
Operating transfers - out	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>(25)</u>
Total Other Financing Sources (Uses)	-	(25)	-	(25)
Revenues and Other Sources Over (Under) Expenses and Other Uses	(279)	(20)	1	(298)
Fund balances at beginning of year	<u>19,837</u>	<u>5,028</u>	<u>2,561</u>	<u>27,426</u>
Fund Balances at End of Year	<u>\$ 19,558</u>	<u>\$ 5,008</u>	<u>\$ 2,562</u>	<u>\$ 27,128</u>

See accompanying independent auditors' report.

Schedule of Valuation, Assessment and Collection of Taxes

Town of Northport, Maine

For the Year Ended June 30, 2017

Valuation

Real estate	\$ 292,493,700
Personal property	<u>2,521,100</u>

Total Valuation \$ 295,014,800

Assessment

Valuation x Rate - \$295,014,800 x .01415	\$ 4,174,459
Supplemental taxes	<u>8,180</u>

Total Assessment Charged to Tax Collector \$ 4,182,639

Collection and Credits

Cash collections	\$ 4,024,449
Tax abatements	<u>12,844</u>

Total Collection and Credits 4,037,293

2017 Taxes Receivable - June 30, 2017 \$ 145,346

See accompanying independent auditors' report.

Schedule of Departmental Operations (1 of 3)

Town of Northport, Maine

For the Year Ended June 30, 2017

	Beginning	Appropriations	Budget	Other	Total	Expended	Balances	
	Balance		Transfer	Credits	Available		Lapsed	Carried
General Government								
Office operations	\$ -	\$ 32,999	\$ -	\$ 24,373	\$ 57,372	45,381	\$ 11,991	\$ -
Assessing	-	20,000	-	-	20,000	20,000	-	-
Administration	-	165,640	-	-	165,640	164,787	853	-
Payroll taxes	-	25,000	-	-	25,000	20,826	4,174	-
Employee benefits	-	24,000	-	-	24,000	18,679	5,321	-
Personal time	-	2,786	-	-	2,786	(927)	-	3,713
Contingency	-	10,000	-	-	10,000	-	10,000	-
Town Hall operations	-	25,000	-	-	25,000	16,145	8,855	-
Legal	-	25,000	-	-	25,000	12,270	12,730	-
Planning Board	3,499	2,000	-	200	5,699	397	-	5,302
Code Enforcement office	-	22,500	(6,156)	4,311	20,655	20,655	-	-
Northport Village Corp.	-	25,000	-	-	25,000	25,000	-	-
Digital mapping	-	2,000	3,000	-	5,000	5,000	-	-
	<u>3,499</u>	<u>381,925</u>	<u>(3,156)</u>	<u>28,884</u>	<u>411,152</u>	<u>348,213</u>	<u>53,924</u>	<u>9,015</u>
Public Safety								
Fire department	-	54,450	(11,608)	841	43,683	43,683	-	-
Fire department chief's salary	-	12,000	-	-	12,000	7,686	4,314	-
Emergency management	-	2,100	-	-	2,100	2,048	52	-
AED	-	-	-	1,200	1,200	1,080	-	120
Ambulance	-	13,578	-	-	13,578	13,578	-	-
First response medical team	-	14,500	(9,870)	1,025	5,655	5,655	-	-
Insurance	-	22,000	-	-	22,000	19,015	2,985	-
Street lights	-	1,600	-	-	1,600	1,257	343	-
E911 Signs	-	-	-	120	120	67	53	-
Animal control	8,478	2,000	-	1,122	11,600	7,609	-	3,991
	<u>8,478</u>	<u>122,228</u>	<u>(21,478)</u>	<u>4,308</u>	<u>113,536</u>	<u>101,678</u>	<u>7,747</u>	<u>4,111</u>

See accompanying independent auditors' report.

Schedule of Departmental Operations (2 of 3)

Town of Northport, Maine

For the Year Ended June 30, 2017

	Beginning	Appropriations	Budget	Other	Total	Expended	Balances	
	Balance		Transfer	Credits	Available		Lapsed	Carried
Public Works								
Roads and bridges	\$ 405,174	\$ 300,000	\$ -	\$ 326,786	\$ 1,031,960	683,516	\$ -	\$ 348,444
Snow removal and sanding	-	200,000	-	-	200,000	199,537	463	-
	<u>405,174</u>	<u>500,000</u>	<u>-</u>	<u>326,786</u>	<u>1,231,960</u>	<u>883,053</u>	<u>463</u>	<u>348,444</u>
Health & Sanitation								
Septage contract	-	4,000	-	-	4,000	4,000	-	-
Transfer station	<u>31,358</u>	<u>75,000</u>	<u>-</u>	<u>56,802</u>	<u>163,160</u>	<u>109,421</u>	<u>-</u>	<u>53,739</u>
	<u>31,358</u>	<u>79,000</u>	<u>-</u>	<u>56,802</u>	<u>167,160</u>	<u>113,421</u>	<u>-</u>	<u>53,739</u>
Unclassified								
Cemetery	1,430	10,000	-	-	11,430	9,450	-	1,980
Cemetery development	10,914	-	-	-	10,914	6,300	-	4,614
Social services	-	7,500	-	-	7,500	7,500	-	-
Belfast Free Library	-	3,500	-	-	3,500	3,500	-	-
County tax	-	534,893	-	-	534,893	534,893	-	-
General assistance	4,680	-	-	915	5,595	895	-	4,700
Wyman Needy Fund	-	-	-	25	25	25	-	-
Wyman Park Maintenance Fund	-	600	-	-	600	600	-	-
Snowmobile club payment	331	-	-	192	523	331	-	192
Northport Harbor Fund	7,573	-	103,565	110,207	221,345	219,198	-	2,147
Northport needy families	747	-	-	327	1,074	-	-	1,074
Northport scholarship	-	5,000	-	-	5,000	1,500	3,500	-
Northport Warm Neighbors Fund	6,137	-	-	2,467	8,604	513	-	8,091
Abatements	-	-	-	-	-	12,844	(12,844)	-
	<u>31,812</u>	<u>561,493</u>	<u>103,565</u>	<u>114,133</u>	<u>811,003</u>	<u>797,549</u>	<u>(9,344)</u>	<u>22,798</u>

See accompanying independent auditors' report.

Schedule of Departmental Operations (3 of 3)

Town of Northport, Maine

For the Year Ended June 30, 2017

	Beginning Balance	Appropriations	Budget Transfer	Other Credits	Total Available	Expended	Other Debits	Balances	
								Lapsed	Carried
Education									
Education	\$ 526,284	\$ 2,602,308	\$ 101,070	\$ 60,638	\$ 3,290,300	\$ 2,712,942	\$ 25,000	\$ -	\$ 552,358
Debt Service	-	172,666	-	-	172,666	171,889	-	777	-
Assigned Accounts									
Education - MainePERS	500,000	-	(101,070)	-	398,930	-	-	-	398,930
Shaw Brook Bridge Reserve	66,200	-	-	-	66,200	66,200	-	-	-
Children's Community Christmas Reserve	388	-	-	1,183	1,571	504	-	-	1,067
Records Preservation Reserve	-	2,500	-	1,775	4,275	-	-	-	4,275
Digital Mapping Reserve	9,682	-	3,156	3	12,841	-	-	-	12,841
Cemetery Capital Reserve	1,755	-	-	302	2,057	-	-	-	2,057
Wyman Park	3,685	-	-	2	3,687	-	-	-	3,687
Fire Watch	802	-	(802)	-	-	-	-	-	-
Fire Truck Replacement	78,508	20,000	12,410	166	111,084	-	-	-	111,084
Town Wharf	2,436	-	(2,436)	-	-	-	-	-	-
Sand/Salt Shed	15,844	-	-	14	15,858	-	-	-	15,858
First Responders Equipment Reserve	34,761	-	9,870	35	44,666	-	-	-	44,666
Marine Reserve Fund	126,420	20,000	(101,129)	5,839	51,130	-	-	-	51,130
	840,481	42,500	(180,001)	9,319	712,299	66,704	-	-	645,595
	<u>\$ 1,847,086</u>	<u>\$ 4,462,120</u>	<u>\$ -</u>	<u>\$ 600,870</u>	<u>\$ 6,910,076</u>	<u>\$ 5,195,449</u>	<u>\$ 25,000</u>	<u>\$ 53,567</u>	<u>\$ 1,636,060</u>

See accompanying independent auditors' report.

Schedule of the Town's Proportionate Share of the Net Pension Liability

Town of Northport, Maine Northport School Department

Last ten fiscal years*

	<u>6/30/2017</u>	<u>6/30/2016</u>
Town's proportion of the net pension liability (asset)	0.000929%	0.000000%
Town's proportionate share of the net pension liability (asset)	\$ 16,412	\$ -
State's proportionate share of the net pension liability (asset) associated with the Town	<u>608,460</u>	<u>-</u>
Total	\$ 624,872	\$ -
Town's covered-employee payroll	<u>\$ 479,390</u>	<u>\$ -</u>
Town's portortionate share of the net pension liability (asset) as a percentage of its covered employee payroll	3.42%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	83.55%

*The amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year. The data above was determined by the actuarial valuation which was one year prior to the audit report date. Retroactive information is not required to be presented. A full ten year schedule will be displayed as it becomes available.

See accompanying independent auditors' report.

Schedule of the Town's Pension Contributions

Town of Northport, Maine Northport School Department

Last ten fiscal years*

	<u>6/30/2017</u>	<u>6/30/2016</u>
Contractually required contribution	\$ 26,482	\$ 17,430
Contributions in relation to the contractually required contribution	<u>26,482</u>	<u>17,430</u>
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	<u>\$ 706,262</u>	<u>\$ 479,280</u>
Contributions as a percentage of covered-employee payroll	3.75%	3.64%

*The amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year, which differs from the timeframes used in the Schedule of the Town's Proportionate Share of the Net Pension Liability. Retroactive information is not required to be presented. A full ten year schedule will be displayed as it becomes available.

See accompanying independent auditors' report.

Notes to the Required Supplemental Information

Town of Northport, Maine

Notes to the Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of Town Contributions

The information presented in the Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of Town Contributions was determined as part of the actuarial valuation at the dates indicated.

The information presented relates solely to the Town of Northport School Department and not to the System as a whole.

See accompanying independent auditors' report.