

TOWN OF YARMOUTH, MAINE

Annual Financial Report

For the year ended June 30, 2017

TOWN OF YARMOUTH, MAINE
Annual Financial Report
Year ended June 30, 2017

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Independent Auditor's Report

Town Council
Town of Yarmouth, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yarmouth, Maine as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Yarmouth, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of the Town of Yarmouth, Maine as of June 30, 2017, and the respective changes in financial position, and the budgetary comparison for the General Fund 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, retiree healthcare plan schedule of funding progress, the schedule of Town's proportionate share of the net pension liability, and the schedule of Town contributions, as listed 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 Yarmouth, Maine's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Maine Department of Education, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards 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 fund financial statements and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017 on our consideration of the Town of Yarmouth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Yarmouth, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remy Kristen Ouellette". The signature is written in a cursive, flowing style.

December 22, 2017
South Portland, Maine

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

As management of the Town of Yarmouth, we offer readers of the Town of Yarmouth's financial statements this narrative overview and analysis of the financial activities of the Town of Yarmouth for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Yarmouth exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$51.8 million (net position). Of this amount, \$3.14 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The ending fund balance for the governmental funds was \$9.5 million – a 12% increase over last year.
- As of June 30, 2017, the General fund held \$6 million in fund balances – \$2.9 million of which is available to the Town as unassigned fund balance. This is approximately 7.6% of total expenditures.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Yarmouth, Maine (Town) using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Town's financial statements are comprised of a series of statements. The government-wide financial statements (statement of net position and the statement of activities on pages 15 and 16) present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting.

The fund financial statements (beginning on page 17) provide a more detailed look at the governmental funds and the fiduciary funds. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds and are used to account for resources held for the benefit of others and are not available to support the Town's own programs. Agency funds only report a balance sheet and do not have a measurement focus. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a broad overview of the Town of Yarmouth's finances, similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Yarmouth is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Town of Yarmouth's statement of net position and its statement of activities report governmental activities only. These are the Town's basic services including: general government, public safety, public works, health and welfare, public services, education, unclassified, interest on debt and capital maintenance expenses.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Property taxes, intergovernmental revenue (primarily from the State of Maine), user fees, license and permit fees and state and local grants finance these activities. The government-wide statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Yarmouth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and fiduciary.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Yarmouth maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and York Trust Fund, both of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Yarmouth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 18 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Yarmouth's own programs.

The basic fiduciary fund financial statements can be found on page 21 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-45 of this report.

Other Information – The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page 53 of this report.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Yarmouth, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51.8 million at the close of the most recent fiscal year.

Statement of Net Position

		2017	2016	Increase (decrease)
Current and other assets	\$	12,792,837	11,884,176	908,661
Capital assets		60,496,099	61,246,665	(750,566)
Total assets		73,288,936	73,130,841	158,095
Deferred outflows of resources		1,538,937	842,940	695,997
Noncurrent liabilities		19,833,830	20,722,080	(888,250)
Other liabilities		3,049,583	2,990,167	59,416
Total liabilities		22,883,413	23,712,247	(828,834)
Deferred inflows of resources		131,405	260,274	(128,869)
Net investment in capital assets		45,567,521	44,266,114	1,301,407
Restricted		3,102,721	2,628,513	474,208
Unrestricted		3,142,813	3,106,633	36,180
Total net position	\$	51,813,055	50,001,260	1,811,795

The largest portion of the Town of Yarmouth's net position (88%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Yarmouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted net position (\$3.1 million) may be used to meet the government's ongoing obligations to citizens and creditors.

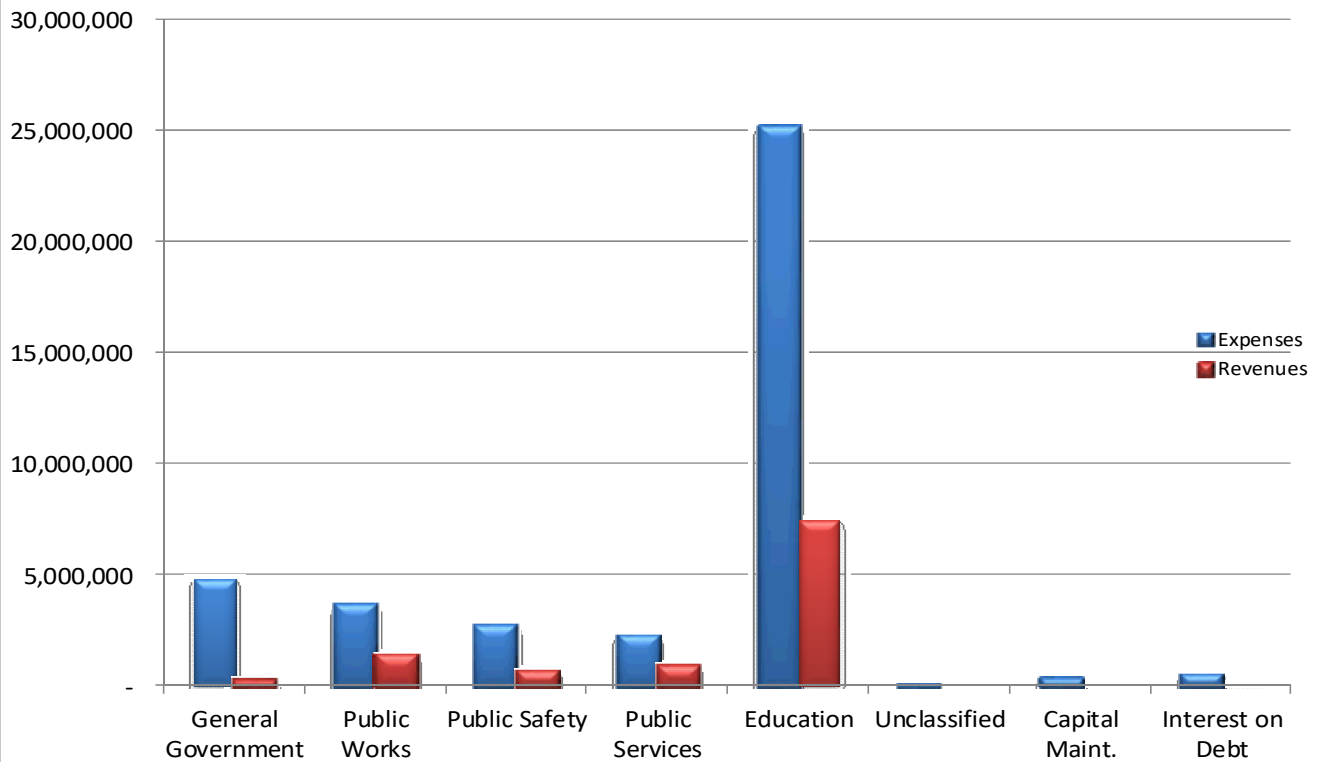
TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Change in Net Position			
	2017	2016	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 3,552,895	\$ 3,552,876	19
Operating Grants & Contributions	7,073,061	6,428,891	644,170
Capital Grants & Contributions	247,338	101,002	146,336
General Revenues			
Property Taxes	27,719,797	27,090,095	629,702
Motor Vehicle Excise Tax	1,906,523	1,800,617	105,906
Interest and Costs on Taxes	47,076	38,104	8,972
State Revenue Sharing	458,199	524,385	(66,186)
Homestead Exemption	224,721	157,449	67,272
Other State Aid	102,775	83,989	18,786
Unrestricted Investment Earnings	14,191	5,445	8,746
Miscellaneous Revenues	192,913	222,066	(29,153)
TOTAL REVENUES	41,539,489	40,004,919	1,534,570
Program Expenses:			
General Government	4,846,797	4,780,791	66,006
Public Works	3,683,067	4,479,110	(796,043)
Public Safety	2,728,117	2,744,354	(16,237)
Health & Welfare	49,997	57,853	(7,856)
Public Services	2,230,742	2,229,773	969
Education (excluding debt service)	25,214,961	23,080,666	2,134,295
Unclassified	16,051	83,128	(67,077)
Capital Maintenance Expenses	370,645	58,007	312,638
Interest on Debt	587,317	651,925	(64,608)
TOTAL EXPENSES	39,727,694	38,165,607	1,562,087
Increase in net position	1,811,795	1,839,312	(27,517)
Net position – beginning of year	50,001,260	48,161,948	1,839,312
Net position – end of year	\$ 51,813,055	\$ 50,001,260	1,811,795

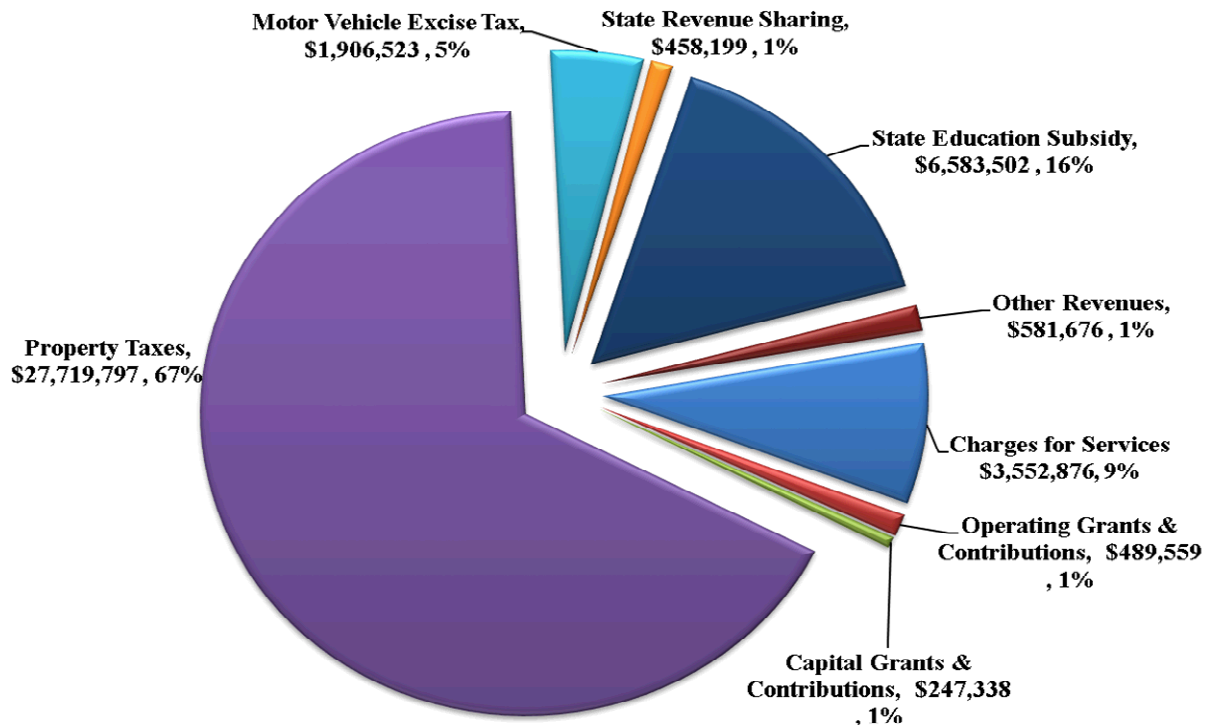
Governmental activities resulted in an increase in the Town of Yarmouth's net position of \$1.8 million with the majority of revenues (67%) coming from property taxes. Principal payments on bonds and lease payments totaled approximately \$2.1 million. These amounts are not considered expenses for purposes of full accrual financial statements. Governmental activities also included approximately \$2.55 million in depreciation expense.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Program Expenses & Revenues - Governmental Activities



Revenue Source - Governmental Activities



TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Financial Analysis of the Government's Funds

The Town of Yarmouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the Town of Yarmouth's governmental funds reported combined ending fund balances of \$9.5 million. Approximately 9% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed, or assigned to indicate that it is not available for new spending. It has been committed or assigned 1) to liquidate contracts and purchase orders of the prior period, 2) to fund future capital purchases, 3) to generate income for various charitable purposes and 4) for a variety of other unrestricted purposes.

The General Fund is the chief operating fund of the Town of Yarmouth. At the end of the current fiscal year, unassigned fund balance of the general fund was \$0.9 million, while total fund balance reached \$6 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 2% of total General Fund expenditures, while total fund balance represents approximately 16% of that same amount.

The Town has one other major fund - the York Trust Fund. The York Trust Fund has a fund balance of \$1.96 million and accounts for funds left to the Town of Yarmouth for various charitable purposes.

General Fund Budgetary Highlights

During the current fiscal year, revenues for the Town of Yarmouth exceeded expenditures by \$2.2 million, of which \$2 million were allocated for other uses such as capital expenditures. This was \$0.9 million more than budgeted. Actual revenues to budget had a surplus of \$326,423.

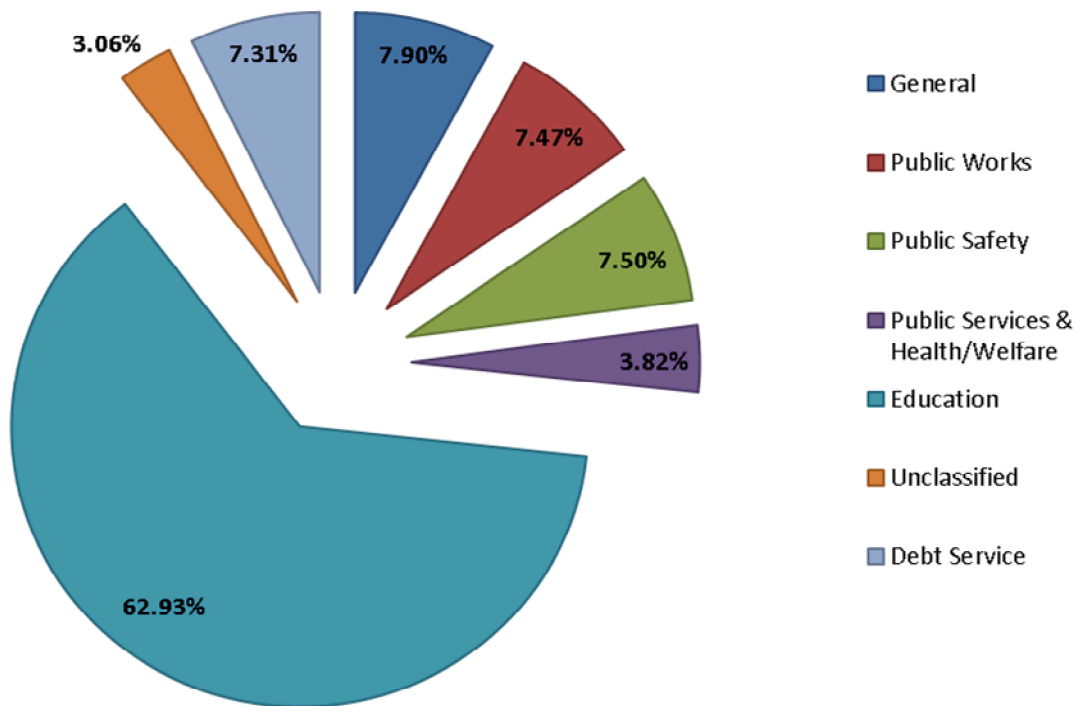
Variances on the expenditure side totaled \$862,298 under budget. School expenditures were \$100,302 less than budgeted along with a net savings in most all Town departments.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

General Fund Budget and Actual

	Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 29,128,911	\$ 29,290,264	161,353
Intergovernmental	5,135,188	5,032,490	(102,698)
Other	1,541,300	1,809,068	267,768
Total revenues	\$ 35,805,399	\$ 36,131,822	326,423
Expenditures:			
General	\$ 2,747,990	\$ 2,679,820	68,170
Public Works	2,705,585	2,533,018	172,567
Public Safety	2,579,060	2,543,230	35,830
Health and Welfare	31,650	32,811	(1,161)
Public Services	1,296,297	1,263,191	33,106
Education	21,434,268	21,333,966	100,302
Unclassified	1,479,911	1,037,987	441,924
Debt Service	2,488,773	2,477,213	11,560
Total expenditures	\$ 34,763,534	\$ 33,901,236	862,298
Excess Revenues	\$ 1,041,865	\$ 2,230,586	1,188,721

Expenditures - General Fund



TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Capital Assets and Debt Administration

Capital Assets

The Town of Yarmouth's investment in capital assets (net of accumulated depreciation) as of June 30, 2017, was \$60 million. This investment in capital assets includes land, buildings and building improvements, furniture and equipment, vehicles, library collections and infrastructure assets such as roads, sidewalks, storm drains, traffic signals, sewer lines, and bridges.

During fiscal year 2017, the Town spent more than \$2.76 million on various capital assets - \$200,319 was spent on buildings & building improvements, \$1,720,391 was spent on infrastructure (road improvements and wastewater improvements) and \$845,585 was spent to purchase equipment and vehicles for the Town's public works, police, and school departments.

Town of Yarmouth's Capital Assets (Net of Depreciation)

	2017	2016
Books and collections	\$ 870,302	\$ 870,302
Land	8,946,826	8,893,326
Construction in progress	127,128	1,029,704
Land Improvements	1,634,411	1,904,061
Buildings and building improvements	29,206,308	30,045,715
Furniture and equipment	992,193	1,184,865
Vehicles	2,027,326	1,646,182
Infrastructure	16,691,605	15,672,510
	\$ 60,496,099	\$ 61,246,665

Long-term Debt

The Town of Yarmouth's bond ratings is Aa2 from Moody's Investor Service and AA+ from Standard and Poor.

State statutes limit the amount of general obligation debt a municipality may issue to 15.0% of its total state assessed valuation. The current debt limitation for the Town of Yarmouth is in excess of \$200 million, considerably more than the Town's outstanding general obligation debt. Additional information on the Town of Yarmouth's long-term debt may be found in the Notes to the Financial Statements.

Town of Yarmouth's Outstanding Debt

	2017	2016
General obligation bonds	\$ 13,440,066	\$ 15,317,218
Accrued Compensated Balances	945,280	876,444
Capital leases	1,383,202	1,551,918
Landfill post-closure costs	603,968	592,125
	\$ 16,372,516	\$ 18,337,705

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Economic Factors and Next Year's Budget and Rates

Yarmouth's economy continues to be strong with an unemployment rate below both the State of Maine and the national average. Estimated household income was \$73,234 (2010) with a population of 8,349 in 3,819 housing units. Yarmouth's residential/commercial tax base was fairly consistent. Next Era's Wyman Station real estate value decreased by \$2 million in FY17. There was no value decrease for FY18.

The 2017-2018 budget increases expenditures by 3.09% with a projected increase in revenues of approximately 4.6%. The Town performed a reassessment of all real properties for tax year 2016-2017. The last implemented reassessment was in tax year 2005. The tax rate for 2017-2018 is \$17.16 per thousand - a 0.59% increase or \$0.10 cents per thousand.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors, 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 any questions about this report or need additional financial information, contact the *Finance Director, 200 Main Street, Yarmouth, ME 04096, phone 207-846-9036 or e-mail at dmadden@yarmouth.me.us*.

BASIC FINANCIAL STATEMENTS

TOWN OF YARMOUTH, MAINE
Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 9,570,102
Investments	2,261,756
Receivables:	
Accounts, net of allowance of \$70,996	272,065
Taxes - current year	474,228
Taxes - prior years	37,903
Tax liens	82,180
Sewer	53,246
Prepaid expenses	5,017
Inventories	36,340
Capital assets not being depreciated	9,944,256
Capital assets, net of accumulated depreciation	50,551,843
Total assets	73,288,936
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,538,937
Total deferred outflows of resources	1,538,937
LIABILITIES	
Accounts payable and other current liabilities	868,987
Accrued payroll	2,116,648
Accrued interest	63,948
Noncurrent liabilities:	
Due within one year	2,089,732
Due in more than one year	17,744,098
Total liabilities	22,883,413
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	131,405
Total deferred inflows of resources	131,405
NET POSITION	
Net investment in capital assets	45,567,521
Restricted for:	
Permanent funds, nonexpendable	2,550,537
Permanent funds, expendable	127,515
Grants and other purposes	133,623
Tax increment financing districts	291,046
Unrestricted	3,142,813
Total net position	\$ 51,813,055

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Activities
For the year ended June 30, 2017

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 4,846,797	211,181	4,763	53,500	(4,577,353)
Public works	3,683,067	1,171,571	111,982	168,401	(2,231,113)
Public safety	2,728,117	649,562	32,241	25,437	(2,020,877)
Health and welfare	49,997	-	90,234	-	40,237
Public services	2,230,742	595,009	250,339	-	(1,385,394)
Education	25,214,961	925,572	6,583,502	-	(17,705,887)
Unclassified	16,051	-	-	-	(16,051)
Capital maintenance expenses	370,645	-	-	-	(370,645)
Interest on debt	587,317	-	-	-	(587,317)
Total governmental activities	39,727,694	3,552,895	7,073,061	247,338	(28,854,400)
Total primary government	\$ 39,727,694	3,552,895	7,073,061	247,338	(28,854,400)

General revenues:

Property taxes, levied for general purposes	27,719,797
Motor vehicle excise taxes	1,906,523
Interest and costs on taxes	47,076
Grants and contributions not restricted to specific programs:	
State Revenue Sharing	458,199
Homestead exemption	224,721
Other State aid	102,775
Unrestricted investment earnings	14,191
Miscellaneous revenues	192,913
Total general revenues	30,666,195

Change in net position 1,811,795

Net position - beginning 50,001,260

Net position - ending \$ 51,813,055

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Balance Sheet
Governmental Funds
June 30, 2017

	General	York Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,210,597	-	359,505	9,570,102
Investments	-	1,955,311	306,445	2,261,756
Receivables:				
Taxes - current year	474,228	-	-	474,228
Taxes - prior years	37,903	-	-	37,903
Tax liens	82,180	-	-	82,180
Accounts, net of allowance of \$70,996	152,799	-	36,810	189,609
Sewer	53,246	-	-	53,246
Due from other governments	47,442	-	35,014	82,456
Prepaid expenditures	4,597	-	420	5,017
Inventory	17,539	-	18,801	36,340
Interfund loans receivable	-	-	870,895	870,895
Total assets	\$ 10,080,531	1,955,311	1,627,890	13,663,732
LIABILITIES				
Accounts payable and payroll withholding	819,176	-	39,788	858,964
Accrued wages - Town	163,212	-	33,728	196,940
Accrued wages - School	1,919,708	-	-	1,919,708
Taxes paid in advance	10,023	-	-	10,023
Interfund loans payable	870,895	-	-	870,895
Total liabilities	3,783,014	-	73,516	3,856,530
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	336,822	-	-	336,822
Total deferred inflows of resources	336,822	-	-	336,822
FUND BALANCES				
Nonspendable:				
Prepaid and inventory	22,136	-	19,221	41,357
Principal	-	1,903,430	647,107	2,550,537
Restricted:				
Grants and other purposes	-	-	114,822	114,822
TIF funds	-	-	291,046	291,046
Permanent funds	-	51,881	75,634	127,515
Committed:				
Reserves - Town	3,139,385	-	-	3,139,385
Reserves - School	1,115,030	-	-	1,115,030
Recreation and other programs	-	-	423,391	423,391
Assigned for Town purposes	775,081	-	-	775,081
Unassigned:				
Education (teacher summer salaries and benefits)	(2,000,814)	-	-	(2,000,814)
Education - tax stability reserve	477	-	-	477
Town	2,909,400	-	-	2,909,400
Grants and other purposes	-	-	(16,847)	(16,847)
Total fund balances	5,960,695	1,955,311	1,554,374	9,470,380
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,080,531	1,955,311	1,627,890	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,496,099
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	336,822
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds payable	(13,440,066)
Premiums on bonds	(105,310)
Capital leases	(1,383,202)
Accrued interest	(63,948)
Landfill liability	(603,968)
Accrued compensated absences	(945,280)
Net pension liability with related deferred outflows and inflows of resources	(1,310,451)
Other post employment benefits liability	(638,021)

Net position of governmental activities **\$ 51,813,055**

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017

	General	York Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 29,290,264	-	521,273	29,811,537
Licenses and permits	273,941	-	-	273,941
Intergovernmental	6,632,226	-	746,314	7,378,540
Charges for services	2,181,193	-	1,236,482	3,417,675
Investment earnings	14,191	167,342	71,903	253,436
Unclassified	406,900	-	82,101	489,001
Total revenues	38,798,715	167,342	2,658,073	41,624,130
Expenditures:				
Current:				
General government	2,918,201	-	143,598	3,061,799
Public works	2,577,846	-	9,768	2,587,614
Public safety	2,617,458	-	32,254	2,649,712
Health and welfare	45,850	4,147	-	49,997
Public services	1,329,195	62,653	709,625	2,101,473
Education (excluding debt service)	23,329,868	-	1,346,455	24,676,323
Unclassified	1,037,987	-	16,051	1,054,038
Capital outlay	2,020,972	-	17,242	2,038,214
Debt service	2,477,213	-	-	2,477,213
Total expenditures	38,354,590	66,800	2,274,993	40,696,383
Excess of revenues over expenditures	444,125	100,542	383,080	927,747
Other financing sources (uses):				
Capital lease proceeds	53,000	-	-	53,000
Transfers from other funds	55,000	-	150,000	205,000
Transfers to other funds	(150,000)	-	(55,000)	(205,000)
Total other financing sources (uses)	(42,000)	-	95,000	53,000
Net change in fund balances	402,125	100,542	478,080	980,747
Fund balances, beginning of year	5,558,570	1,854,769	1,076,294	8,489,633
Fund balances, end of year	\$ 5,960,695	1,955,311	1,554,374	9,470,380

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2017

Net change in fund balances - total governmental funds (from Statement 4)	\$ 980,747
Amounts reported for governmental activities in the Statement of Activities (Statement 2) 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 (\$2,546,007) and the loss on disposal of assets (\$68,279) exceeded capital outlay (\$1,863,720) in the current period.	(750,566)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue - property taxes.	(138,141)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These are the changes in other liabilities:	
Other post employment benefits	(10,031)
Accrued compensated absences	(68,836)
Net pension liability	(1,073,013)
Deferred inflows and outflows of resources related to the net pension liability	824,866
Landfill post closure care costs	(11,843)
Accrued interest payable	6,639
Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and lease 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 principal repayments (\$2,098,868) and the amortization of bond premium (\$6,105) exceeded lease proceeds (\$53,000).	2,051,973
Change in net position of governmental activities (see Statement 2)	\$ 1,811,795

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2017

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 28,686,987	29,128,911	29,290,264	161,353
Licenses and permits	197,200	197,200	273,941	76,741
Intergovernmental	5,135,188	5,135,188	5,032,490	(102,698)
Charges for services	1,258,300	1,258,300	1,459,648	201,348
Investment earnings	1,800	1,800	8,753	6,953
Unclassified	84,000	84,000	66,726	(17,274)
Total revenues	35,363,475	35,805,399	36,131,822	326,423
Expenditures:				
Current:				
General government	2,747,990	2,747,990	2,679,820	68,170
Public works	2,705,585	2,705,585	2,533,018	172,567
Public safety	2,579,060	2,579,060	2,543,230	35,830
Health and welfare	31,650	31,650	32,811	(1,161)
Public services	1,296,297	1,296,297	1,263,191	33,106
Education (excluding debt service)	21,434,268	21,434,268	21,333,966	100,302
Unclassified	1,037,987	1,479,911	1,037,987	441,924
Debt service	2,488,773	2,488,773	2,477,213	11,560
Total expenditures	34,321,610	34,763,534	33,901,236	862,298
Excess of revenues over expenditures	1,041,865	1,041,865	2,230,586	1,188,721
Other financing sources (uses):				
Use of prior year surplus	350,000	436,000	350,000	(86,000)
Use of stabilization reserve - school	362,275	362,275	362,275	-
Appropriations for reserves	(1,604,140)	(1,690,140)	(1,690,140)	-
Transfers to general fund reserves	-	-	(272,275)	(272,275)
Transfers to other funds	(150,000)	(150,000)	(150,000)	-
Total other financing uses	(1,041,865)	(1,041,865)	(1,400,140)	(358,275)
Net change in fund balance - budgetary basis	-	-	830,446	830,446
Reconciliation to GAAP:				
Appropriations for reserves			1,690,140	
Transfers to reserves from the General Fund			272,275	
Use of fund balance			(712,275)	
Reserves revenues			1,067,157	
Reserves expenditures			(2,651,101)	
Transfer in to reserves from other funds			55,000	
Change in teacher summer salaries			(149,517)	
Net change in fund balance - GAAP basis			402,125	
Fund balance, beginning of year			5,558,570	
Fund balance, end of year	\$		5,960,695	

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 210,987
Total assets	210,987
LIABILITIES	
Funds held on behalf of student groups	210,987
Total liabilities	\$ 210,987

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Yarmouth, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

Reporting Entity

The Town of Yarmouth, Maine was incorporated in 1849 under the laws of the State of Maine. The Town operates under a Council-Manager form of government.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there are no potential component units that should be included as part of this reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 support. The Town does not have any 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 has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

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

The *York Trust Fund* (a Permanent Fund) accounts for resources left to the Town for various charitable purposes.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Cash, Cash Equivalents, and Investments - Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less. Investments are stated at fair value.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory - Inventory consists of food, supplies, fuel, and is valued at the lower of cost (first-in, first-out basis) or market. Inventories of the school nutrition program include the value of the USDA commodities donated to the program.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances do not constitute expenditures or liabilities. At year-end, encumbrances, if any, are recorded as assigned fund balance.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years.

Deferred Outflows and Inflows of Resources - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that 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. 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.

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. Accumulated vacation and sick time have been recorded as a liability in the government-wide financial statements. Sick time is not paid unless an employee is ill, or retires in good standing. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, if material to the basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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) and the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Fund Balance - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent.

The five classifications of fund balance for the Governmental Funds are 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 which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be assigned for subsequent year expenditure and capital reserve accounts which are carried forward to the next fiscal year. The Town's fund balance policy establishes a fund balance target for unassigned fund balance of 8.3% of the annual budget, including education, contributions to capital reserves and debt service.

The voters at the Town Meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town has established certain designated accounts, which are carried forward each year and have been classified as assigned fund balance. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the School Department. All encumbrances lapse at year end except those authorized to be carried forward. These amounts are reported as assigned fund balance.

Although there is no formal policy, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures. These budgets are established by vote of the Town's citizens, after considering the manager's and council's recommendations. The Town Council may appropriate a supplemental amount up to \$100,000. The citizens of the Town must approve supplemental appropriations in excess of \$100,000. The Town Council exercises its legal level of control at the department level. Appropriations lapse at year end unless they are specifically reserved.

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for Maine Public Employees Retirement on-behalf payments, teacher summer salaries, and activity in the General Fund reserves.

Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Yarmouth School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$1,599,736. These amounts have been included as intergovernmental revenue and education expenditure/expense in the General Fund on Statement 4 (GAAP basis) and in the entity-wide Statement of Activities (Statement 2). There is no effect on fund balance or net position at the end of the year.

B. Revised Budget

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Statement 6) includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses)</u>
2016-2017 budget as originally adopted	\$ 36,075,750	36,075,750	-
Overlay not included in budget	441,924	441,924	-
Appropriations for reserves - Town	-	(1,399,940)	(1,485,940)*
Appropriations for reserves - School	-	(204,200)	(204,200)
Transfers to special revenue funds - Town	-	(65,000)	(65,000)
Transfers to special revenue funds - School	-	(85,000)	(85,000)
Utilization of prior year balance - Town	(350,000)	-	436,000*
Utilization of prior year balance - School	(362,275)	-	362,275
Total adjusted budget	\$35,805,399	34,763,534	(1,041,865)

*The final budget includes a council-approved increase in appropriations for the reserves of \$86,000, which increased the Town's utilization of prior year's balance. Therefore, there was no impact on budgeted revenues and expenditures.

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the following category:

Health and welfare	\$ 1,161
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These over-expenditures lapsed to fund balance at year-end.

D. Deficit Fund Balances

At June 30, 2017, the following funds had deficit fund balances:

Bureau of highway safety	\$ 816	Local entitlement preschool	61
Project canopy assistance	7,175	Title IV drug free	214
Title IA	106	Title IIA	5,198
Local entitlement	3,277		

These deficits will be covered by anticipated future revenues.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: 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's policy is to invest in only financial institutions that are insured by the F.D.I.C. or additional insurance. Funds will not be deposited or invested in institutions wherein the Town's deposits or investments will exceed 10% of the total reserve fund or capital of such institution. As of June 30, 2017, the Town reported deposits of \$9,781,089 with a bank balance of \$9,951,584. All of the Town's bank balances were covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

The Town's deposits have been reported as follows:

Reported in governmental funds	\$ 9,570,102
Reported in fiduciary funds	210,987
Total deposits	\$ 9,781,089

B. Investments

At June 30, 2017, the Town had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Equities/stock	\$ 927,963		N/A	
Mutual funds	197,913		N/A	
Exchange traded funds	1,135,880		N/A	
Total investments	\$ 2,261,756			

All investments have been reported in the governmental funds.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Town's investments as of June 30, 2017 were valued using quoted market prices (level 1 inputs).

Interest Rate Risk: It is the Town's policy that unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than one year from the date of purchase.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. In accordance with its investment policy, the Town minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimized.

Concentration of Credit Risk: It is the Town's policy that with the exception of U.S. Treasury and agency securities, no more than 60% of the Town's total investment portfolio will be invested in a single security type.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

DEPOSITS AND INVESTMENTS, CONTINUED

Custodial Credit Risk - Town's investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

PROPERTY TAX

Property taxes for the current year were committed on September 2, 2016 on the assessed value listed as of the prior April 1st for all real and personal property located in the Town. Interest was charged at 7.0% on all taxes unpaid as of November 16, 2016 and May 3, 2017. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value.

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 \$441,924 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.

Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources.

The following summarizes the periods ended June 30, 2017 and 2016 levies:

	<u>2017</u>	<u>2016</u>
Assessed valuation:		
Land and buildings	\$1,573,033,600	1,207,007,100
Personal property	57,199,900	50,965,700
Total assessed valuation	1,630,233,500	1,257,972,800
Assessed valuation	1,630,233,500	1,257,972,800
Tax rate (per \$1,000)	17.06	21.56
Commitment	27,811,784	27,121,894
Supplemental taxes assessed	45,978	137,885
Total tax levy	27,857,762	27,259,779
Less:		
Collections, abatements and other adjustments	(27,383,534)	(26,767,673)
Current year receivables at June 30	\$ 474,228	492,106
Collection rate	98.30%	98.19%

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance June 30, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2017</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 870,302	-	-	870,302
Land	8,893,326	53,500	-	8,946,826
<u>Construction in progress</u>	<u>1,029,704</u>	<u>577,847</u>	<u>1,480,423</u>	<u>127,128</u>
Total capital assets, not being depreciated	10,793,332	631,347	1,480,423	9,944,256
Capital assets, being depreciated:				
Land improvements	4,774,282	-	-	4,774,282
Buildings and building improvements	47,104,190	200,319	-	47,304,509
Furniture and equipment	3,521,710	23,264	-	3,544,974
Vehicles	5,471,154	768,822	365,594	5,874,382
<u>Infrastructure</u>	<u>26,501,032</u>	<u>1,720,391</u>	<u>-</u>	<u>28,221,423</u>
Total capital assets being depreciated	87,372,368	2,712,796	365,594	89,719,570
Less accumulated depreciation for:				
Land improvements	2,870,221	269,650	-	3,139,871
Buildings and building improvements	17,058,475	1,039,726	-	18,098,201
Furniture and equipment	2,336,845	215,936	-	2,552,781
Vehicles	3,824,972	319,399	297,315	3,847,056
<u>Infrastructure</u>	<u>10,828,522</u>	<u>701,296</u>	<u>-</u>	<u>11,529,818</u>
Total accumulated depreciation	36,919,035	2,546,007	297,315	39,167,727
<u>Total capital assets being depreciated, net</u>	<u>50,453,333</u>	<u>166,789</u>	<u>68,279</u>	<u>50,551,843</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 61,246,665</u>	<u>798,136</u>	<u>1,548,702</u>	<u>60,496,099</u>

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

Governmental activities:	
General government	\$ 351,718
Public safety	129,269
Public works, including depreciation of general infrastructure assets	1,083,610
Public services	172,784
<u>Education</u>	<u>808,626</u>
<u>Total depreciation expense – governmental activities</u>	<u>\$ 2,546,007</u>

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

INTERFUND BALANCES/TRANSFERS

Individual interfund receivables and payables and transfers at June 30, 2017 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
General Fund	\$ -	870,895	(95,000)
Other Governmental Funds:			
School Nutrition Program	72,756	-	65,000
Other Federal, State and Local Grants	152,865	-	-
Recreation Programs	270,403	-	85,000
Community Garden	12,516	-	-
Trust Funds	58,216	-	-
Capital Projects (TIF) Funds	304,139	-	(55,000)
Total Other Governmental Funds	870,895	-	95,000
Totals	\$ 870,895	870,895	-

These transfers were budgeted transfers to fund certain activities.

CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 15,317,218	-	1,877,152	13,440,066	1,857,152
Premium on bonds	111,415	-	6,105	105,310	6,105
Total bonds payable	15,428,633	-	1,883,257	13,545,376	1,863,257
Capital leases	1,551,918	53,000	221,716	1,383,202	226,475
Accrued compensated absences	876,444	68,836	-	945,280	-
Other postemployment benefits	627,990	78,051	68,020	638,021	-
Net pension liability	1,644,970	1,073,013	-	2,717,983	-
Landfill post closure care costs	592,125	11,843	-	603,968	-
Governmental activity					
long-term liabilities	\$ 20,722,080	1,284,743	2,172,993	19,833,830	2,089,732

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

BONDS PAYABLE

Bonds payable at June 30, 2017 is comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2017</u>
General obligation bonds:					
2008 Road bonds	5/15/08	\$ 2,400,000	11/01/2019	2.3-5.5%	750,000
2009 CWSRLF	1/04/09	1,532,282	4/1/2023	1.415%	785,066
2009 General obligation	11/01/09	817,718	11/1/2019	2.0-5.5%	225,000
2011 Refunding bonds	6/1/11	13,155,000	11/15/2021	3.0-5.0%	5,950,000
2013 Series A GOB	10/1/13	5,493,000	11/15/2033	2.0-4.0%	5,343,000
2013 Series B GOB	10/1/13	387,000	11/15/2018	3.0%	387,000
Total					\$ 13,440,066

The annual requirements to amortize all outstanding bonds at June 30, 2017 are as follows. Such amounts exclude overlapping debt requirements, but include school debt requirements to be reimbursed by the State of Maine.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,857,152	457,548	2,314,700
2019	2,342,152	384,763	2,726,915
2020	1,882,152	308,379	2,190,531
2021	1,587,152	238,292	1,825,444
2022	1,512,152	174,055	1,686,207
2023 - 2027	1,919,306	578,543	2,497,849
2028 - 2032	1,635,000	307,950	1,942,950
2033 - 2034	705,000	28,300	733,300
Totals	\$ 13,440,066	2,477,830	15,917,896

The State of Maine currently reimburses the Town for a portion of financing costs of school building and bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the state legislature.

SHORT-TERM DEBT

The Town issues tax anticipation notes to cover cash shortfalls during the year. The maturity date of the tax anticipation note was June 30, 2017. Tax anticipation note activity for the year ended June 30, 2017 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation note	\$ -	3,000,000	3,000,000	-

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the purchases of an ambulance, a boat, buses, musical instruments, and energy upgrades. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2017:

2018	\$ 263,703
2019	199,874
2020	149,231
2021	149,231
2022	149,231
2023-2027	566,060
<u>2028-2031</u>	<u>94,272</u>
Total minimum lease payments	
Less amounts representing interest	(188,400)
Present value of future minimum	
<u>lease payments</u>	<u>\$ 1,383,202</u>

LANDFILL LIABILITY

Under State law, Maine communities had until December 31, 1994 to close existing landfills under a DEP approved plan. The Town currently has one landfill. The \$603,968 reported as landfill closure and post closure care liability at June 30, 2017 represents the estimated cost of closing the Town's landfill, and the monitoring tests at the site for thirty years after closure. The liability has been recognized in the government-wide financial statements only. The actual cost may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in laws and regulations. The Town estimates that 93% of the capacity of the landfill has been used to date and that the remaining life of the landfill is twenty to thirty years.

OVERLAPPING DEBT

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. At June 30, 2017, the Town's share is \$1,399,153 (3.74%) of Cumberland County's outstanding debt of \$37,435,000.

CONDUIT DEBT OBLIGATIONS

From time to time, the Town has issued revenue bonds to provide financial assistance to North Yarmouth Academy for capital improvements and to restructure existing debt. Upon repayment of the bonds, ownership of the acquired assets transfers to the Academy. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2015, the most recent information available, the principal amount of the revenue bonds payable was \$1,446,109.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2017, the Town was in compliance with these limitations.

JOINTLY GOVERNED ORGANIZATION

The Town of Yarmouth participates in a jointly governed organization, which is not part of the Town's reporting entity.

ecomaine - ecomaine is a solid waste management corporation servicing 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and operates an extensive recycling program. The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore; has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2017 includes total assets of \$64,040,233 total liabilities of \$17,454,918 and unrestricted net position of \$18,547,554. The liabilities include an accrual for landfill closure and postclosure care amounting to \$14,564,514. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

BUDGETARY VS GAAP BASIS OF ACCOUNTING

The Town currently budgets for all summer salaries and benefits on the cash basis. Since teachers and certain other positions have provided all of the required services under their contracts at June 30, 2017, accounting principles generally accepted in the United States of America require that the cost associated with those services be recorded during that period. In order to be in conformance with generally accepted accounting principles (GAAP), the accompanying statements have been adjusted to reflect these liabilities. If these liabilities had not been recorded, unassigned fund balance would be as follows:

School Department unassigned fund balance per Schedule 1 (GAAP basis)	\$ (885,307)
Items not included on a budgetary basis:	
Accrued wages and benefits	2,000,814
<u>Unassigned fund balance at June 30, 2017, budgetary accounting basis</u>	<u>\$ 1,115,507</u>

As required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and expenditure/expense for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under generally accepted accounting principles of \$1,599,736. These amounts have been included as an intergovernmental revenue and an education expenditure in the General Fund on Statement 4 (GAAP basis) and an educational expense on the Statement of Activities. There is no effect on fund balance or net position at the end of the year.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

FUND BALANCES

The General Fund unassigned fund balance total of \$909,063 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Of the General Fund unassigned fund balance, the amounts available for future use by the Town and School Department are \$2,909,400 and (\$2,000,337), respectively.

As of June 30, 2017, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory and prepaid expenditures	\$ 22,136	-	-	-
Reserves	-	-	4,254,415	-
Carryforward accounts	-	-	-	775,081
York Trust	1,903,430	51,881	-	-
Other Governmental Funds:				
Inventory and prepaid expenditures	19,221	-	-	-
Grants and other purposes	-	114,822	-	-
Tax increment financing districts	-	291,046	-	-
Recreation and other programs	-	-	423,391	-
Trusts	647,107	75,634	-	-
Totals	\$ 2,591,894	533,383	4,677,806	775,081

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

FUND BALANCES, CONTINUED

At June 30, 2017 and 2016, portions of the General Fund fund balance were assigned to future periods as follows:

	<u>2017</u>	<u>2016</u>
Budgeted use of surplus	\$550,000	350,000
Beth Condon memorial garden	3,387	2,337
Bike and pedestrian	-	1,600
Energy savers committee	2,131	2,131
Dog control	14,935	8,038
Fire training facility	3,749	1,043
Herbie Tree Memorial	2,382	2,358
Jayne Giese special program	10,848	12,774
Memorial bandstand	981	981
Natural gas extension	-	15,090
Recycling committee	191	191
Safety committee	12,911	10,063
Sam Lacroix scholarship	389	389
Sanders-Winslow field	4,747	4,747
Shellfish conservation	26,190	21,767
Subdivision inspection	53,418	62,695
Town property energy projects	1,436	1,436
Woodchips	22,538	9,331
Yarmouth gateway	-	3,559
Westside trail	2,282	72
Yarmouth PD dog fund	6,469	18,300
Yarmouth tree program	56,097	48,437
Total assigned fund balance	\$ 775,081	577,339

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

FUND BALANCES, CONTINUED

Additionally, at June 30, 2017 and 2016, portions of the General Fund fund balances have been committed as follows:

	<u>2017</u>	<u>2016</u>
Town:		
Cousins Island dock maintenance	\$ 272,671	249,881
Dam maintenance	4,622	3,617
Dredging	100,944	100,823
Economic development	55,031	28,996
Fire equipment	282,638	377,744
Harbor and waterfront	36,709	31,660
Hillside	54,981	54,915
Historic building preservation	25,534	29,495
Housing support	48,845	72,617
Library maintenance	14,348	8,871
Municipal building maintenance	108,897	131,100
Police equipment	13,237	6,229
Property acquisitions	100,412	111,041
Parks and playgrounds	99,816	167,568
Public works equipment	270,931	367,727
Public works future projects	287,715	213,863
Road improvement	273,436	105,889
Sidewalk improvements	114,101	-
Wastewater	682,971	584,933
Solid waste	71,152	86,931
Stay program	49,368	-
Tax revaluation	-	3,737
Technology reserve	164,133	147,360
Unemployment compensation	6,893	8,330
<u>Total Town</u>	<u>3,139,385</u>	<u>2,893,327</u>
School Department:		
Our house II FR	50,000	-
School equipment	12,812	2,609
School maintenance	473,338	472,423
School retirement	128,149	127,996
Special education reserve	146,251	148,367
Turf field	294,107	219,587
Text book reserve	10,373	313
<u>Total School Department</u>	<u>1,115,030</u>	<u>971,295</u>
<u>Total committed fund balance</u>	<u>\$ 4,254,415</u>	<u>3,864,622</u>

Additionally, the School Department had a tax stability reserve that was classified as unassigned. The amount at June 30, 2017 and 2016 was \$477 and \$362,726, respectively.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

NET POSITION

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net investment in capital assets was calculated as follows at June 30, 2017:

Capital assets	\$ 99,663,826
Accumulated depreciation	(39,167,727)
Unamortized premiums on bonds	(105,310)
Bonds payable	(13,440,066)
Capital leases	(1,383,202)
<u>Net investment in capital assets</u>	<u>\$ 45,567,521</u>

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the Town and certain School Department employees are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the Town are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees 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 and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. 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). For SET Plan members, normal retirement age is 60, 62, or 65. 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) or by statute (SET 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.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

PLD Plan - Employees are required to contribute 8.0% of their annual pay. The Town's contractually required contribution rates for the year ended June 30, 2017 were 9.5% to 14.2% of annual payroll. Contributions to the pension plan from the Town were \$254,302 for the year ended June 30, 2017.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2017, was 13.38% of annual payroll of which 3.36% of payroll was required from the Town and 10.02% was required from the State. Contributions to the pension plan from the Town were \$426,494 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) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2017, the Town reported a liability of \$2,567,746 for its proportionate share of the net pension liability. At June 30, 2016, the Town's proportion of the PLD Plan was 0.4833%.

SET Plan - At June 30, 2017, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 150,237
State's proportionate share of the net pension liability associated with the Town	<u>17,704,106</u>
Total	<u>\$ 17,854,343</u>

At June 30, 2016, the Town's proportion of the SET Plan was 0.0085%.

For the year ended June 30, 2017, the Town recognized pension expense of \$429,003 for the PLD Plan and \$1,771,807 for the SET Plan with revenue of \$1,271,867 for support provided by the State.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	131,405
Changes of assumptions	271,411	-
Net difference between projected and actual earnings on pension plan investments	582,278	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	4,452	-
Town contributions subsequent to the measurement date	680,796	-
Total	\$ 1,538,937	131,405

\$680,796 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 132,262
2019	115,295
2020	323,750
2021	155,429

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>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.875%	6.875%
Cost of living benefit increases, per annum	2.20%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as 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%
<u>Total</u>	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.875% for the PLD and the SET 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's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.875% for the PLD Plan and the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.875% for PLD Plan and the SET Plan) or 1 percentage-point higher (7.875% for PLD Plan and the SET 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	\$ 4,261,996	2,567,746	972,670
<u>SET Plan</u>	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Town's proportionate share of the net pension liability	\$ 240,567	150,237	74,947

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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.

OTHER RETIREMENT PLANS

Defined Contribution Plan

The Town offers its regular employees and certain school employees not participating in the Maine Public Employees Retirement system a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate and are vested from the date of employment. The Town matches the employees' contribution to the plan up to 5% of compensation for the plan year for School employees and 7% of compensation for the plan year for Town employees. For the years ended June 30, 2017 and 2016, the Town contributed \$157,909 and 164,439, respectively.

Deferred Compensation Plan

The Town of Yarmouth offers all its employees not participating in Maine Public Employees Retirement a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

OTHER POSTEMPLOYMENT BENEFITS

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of Yarmouth for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The Town is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. The most recent valuation report was completed in August 2017 for the year ended June 30, 2017.

Plan Descriptions - The Town provides retirees with the ability to remain with the Town's group health insurance plan at the retiring employee's own expense.

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the year and the annual required contribution:

Normal cost	\$ 35,424
Amortization of unfunded	52,091
Adjustment to ARC	(36,317)
<u>Interest</u>	<u>26,853</u>
Annual required contribution	\$ 78,051

Net OPEB Obligation - The Town's net OPEB obligation was calculated as follows:

OPEB liability, July 1, 2016	\$ 627,990
Annual required contribution	78,051
<u>Less: actual contributions</u>	<u>(68,020)</u>
OPEB liability, June 30, 2017	\$ 638,021

Funding Status and Funding Progress - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2017 and the two preceding years were as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Annual required contribution</u>	\$ 93,561	92,209	78,051
Actual contribution	17,749	7,553	68,020
Percent contributed	18.97%	8.19%	87.15%
Actuarial accrued liability	996,213	996,213	996,213
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	996,213	996,213	936,795
Covered payroll	3,752,447	3,892,260	3,971,287
Unfunded actuarial accrued liability as a percentage of covered payroll	27%	26%	24%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 years

Actuarial assumptions:

Investment rate of return	4.0%
Projected salary increases	2.75%
Ultimate rate of medical inflation	4.00%

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, participates in a public entity risk pool, or is effectively self-insured. The Town participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association for workers' compensation coverage. Based on the coverage provided by the pools described above, as well as 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.

SIGNIFICANT TAXPAYER

Central Maine Power Company (CMP) has historically paid approximately 40% of the Town's property taxes. In 1999, several parcels of land owned by CMP on Cousins Island in proximity to CMP's W.F. Wyman power plant, and representing substantially all of CMP's taxable properties were sold to FPL Energy, Inc. (FPLE – which is now NextEra). Concurrent with this transaction, the Town entered into an agreement with CMP and NextEra whereby the total taxable assessed valuation for real estate properties owned by CMP and NextEra was established.

The value of NextEra property for 2017 is \$46,000,000.

TAX INCREMENT FINANCING DISTRICT

Under the State of Maine Title 30-A M.R.S., the Town has established four Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Yarmouth.

The Town has established three tax increment financing districts (TIF) under the terms of applicable state laws.

	<u>Original value</u>	<u>Increase in value</u>	<u>Percent captured</u>	<u>Captured value</u>	<u>Captured taxes</u>
Downtown TIF	\$ 49,620,500	17,394,600	100%	17,394,600	296,752
Route One North	33,177,400	7,975,800	100%	7,975,800	136,067
Route One South	27,929,900	5,184,900	100%	5,184,900	88,454

As of June 30, 2017, the Town's fourth TIF for the Bartlett Wood Municipal Affordable Housing District did not have any activity and the assessed valuation was \$0.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUBSEQUENT EVENTS

In July 2017, the Town Council approved the issuance of a tax anticipation note of \$3,200,000, which shall mature on June 30, 2018. The note will be issued through Bath Savings Institution with an interest rate of 1.34%.

TOWN OF YARMOUTH, MAINE
Required Supplementary Information

Retiree Healthcare Plan – Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
2009	12/31/08	\$ -	635,337	635,337	-	3,179,000	20%
2010	12/31/08	-	635,337	635,337	-	3,140,000	20%
2011	12/31/10	-	897,833	897,833	-	3,140,000	29%
2012	12/31/10	-	897,833	897,833	-	3,210,500	28%
2013	12/31/10	-	897,833	897,833	-	3,263,107	28%
2014	01/01/14	-	996,213	996,213	-	3,464,233	29%
2015	01/01/14	-	996,213	996,213	-	3,752,447	27%
2016	01/01/14	-	996,213	996,213	-	3,892,260	26%
2017	01/01/17	-	936,795	936,795	-	3,971,287	24%

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)

Last 10 Fiscal Years*

	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
<u>PLD Plan</u>			
Town's proportion of the net pension liability	0.4833%	0.4907%	0.4802%
Town's proportionate share of the net pension liability	\$ 2,567,746	1,565,502	738,914
Town's covered payroll	2,016,980	1,933,689	1,780,742
Towns' proportionate share of the net pension liability as a percentage of its covered payroll	127.31%	80.96%	41.49%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	88.27%	94.10%
<u>SET Plan</u>			
Town's proportion of the net pension liability	0.0085%	0.0059%	0.0054%
Town's proportionate share of the net pension liability	\$150,237	79,468	58,003
State's proportionate share of the net pension liability associated with the Town	17,704,106	13,415,265	10,519,065
<u>Total</u>	<u>\$17,854,343</u>	<u>13,494,733</u>	<u>10,577,068</u>

Town's covered payroll	11,873,465	11,471,223	10,927,004
Town's proportion share of the net pension liability as a percentage of its covered payroll	1.27%	0.69%	0.53%
Plan fiduciary net position as a percentage of of the total pension liability	76.21%	81.18%	83.91%

* Only three years of information available.

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

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions				
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)				
Last 10 Fiscal Years*				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 254,302	226,771	191,898	157,863
Contributions in relation to the contractually required contribution	(254,302)	(226,771)	(191,898)	(157,863)
Contribution deficiency (excess)	\$ -	-	-	-
Town's covered payroll	2,205,002	2,016,980	1,933,689	1,780,742
Contributions as a percentage of covered payroll	11.53%	11.24%	9.92%	8.87%
SET Plan				
Contractually required contribution	\$ 426,494	398,948	303,987	289,566
Contributions in relation to the contractually required contribution	(426,494)	(398,948)	(303,987)	(289,566)
Contribution deficiency (excess)	\$ -	-	-	-
Town's covered payroll	12,693,280	11,873,465	11,471,223	10,927,004
Contributions as a percentage of covered payroll	3.36%	3.36%	2.65%	2.65%

* Only four years of information available.

TOWN OF YARMOUTH, MAINE
Notes to Required Supplementary Information

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuation:

	<u>2017</u>	<u>2016</u>
Discount rate	6.875%	7.125%
Inflation rate	2.75%	3.5%
Salary increases – PLD Plan	2.75% to 9.0%	3.5% to 9.5%
Salary increases – SET Plan	2.75% to 14.5%	3.5% to 13.5%
Cost of living increase	2.20%	2.55%
Long-term expected real rate of return on assets:		
US equities	5.7%	5.2%
Real estate	5.2%	3.7%
Infrastructure	5.3%	4.0%
Hard assets	5.0%	4.8%
Fixed income	2.9%	0.7%

In addition, mortality rates were previously based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA, which, in the most recent valuation, changed to mortality rates that were based on the RP2014 Total Data Set Healthy Annuity Mortality Table.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

These statements provide a more detailed view of the "basic financial statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Several individual fund financial statements are presented to provide additional detail and to present budgetary comparison.

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Most governmental services are provided by the General Fund including general government, public works, public safety, education, health and welfare, and assessments from other governmental agencies.

TOWN OF YARMOUTH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 9,210,597	8,272,181
Receivables:		
Taxes - current year	474,228	492,106
Taxes - prior years	37,903	55,440
Tax liens	82,180	131,661
Accounts, net of allowance of \$70,996 and \$53,738	152,799	118,209
Due from other governments	47,442	49,556
Sewer	53,246	70,079
Prepaid expenditures	4,597	7,489
Inventory	17,539	14,682
Total assets	\$ 10,080,531	9,211,403
LIABILITIES		
Accounts payable and payroll withholding	819,176	865,267
Accrued wages - Town	163,212	170,352
Accrued wages - School	1,919,708	1,763,813
Taxes paid in advance	10,023	82,184
Interfund loans payable	870,895	296,254
Total liabilities	3,783,014	3,177,870
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	336,822	474,963
Total deferred inflows of resources	336,822	474,963
FUND BALANCE		
Nonspendable for inventory and prepaids	22,136	22,171
Committed for Town reserves	3,139,385	2,893,327
Committed for School reserves	1,115,030	971,295
Assigned for Town purposes	775,081	577,339
Unassigned:		
Education (teacher summer salaries and benefits)	(2,000,814)	(1,851,298)
Education - tax stability reserve	477	362,726
Town	2,909,400	2,583,010
Total fund balance	5,960,695	5,558,570
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,080,531	9,211,403

TOWN OF YARMOUTH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended June 30, 2017
(with comparative totals for the year ended June 30, 2016)

	2017		Variance positive (negative)	2016 Actual
	Final budget	Actual		
Revenues:				
Taxes:				
Property taxes - Town	\$ 8,994,119	9,040,273	46,154	8,690,229
Property taxes - School	18,296,392	18,296,392	-	18,232,034
Excise taxes	1,804,400	1,906,523	102,123	1,800,617
Interest and costs on taxes	34,000	47,076	13,076	38,104
Total taxes	29,128,911	29,290,264	161,353	28,760,984
Licenses and permits:				
Public safety permits and fees	23,800	24,448	648	28,043
Code enforcement fees	92,000	170,441	78,441	134,818
Permit fees	70,000	66,952	(3,048)	73,669
Business licenses	1,500	1,825	325	1,705
Other clerk fees	9,900	10,275	375	11,291
Total licenses and permits	197,200	273,941	76,741	249,526
Intergovernmental revenues:				
State Revenue Sharing	520,000	458,199	(61,801)	524,385
Homestead reimbursement	224,721	224,721	-	157,449
General Assistance - State reimbursement	4,000	13,893	9,893	11,404
Snowmobile refund	650	503	(147)	722
Veterans reimbursement	9,000	7,546	(1,454)	9,280
BETE reimbursement	94,616	94,726	110	73,987
MDOT Grant	78,000	76,640	(1,360)	78,248
Education - State subsidies	4,144,201	4,144,201	-	3,752,983
State MaineCare	48,000	-	(48,000)	-
State Agency subsidy	12,000	12,061	61	6,547
Total intergovernmental revenues	5,135,188	5,032,490	(102,698)	4,615,005
Charges for services:				
Agent fees	26,000	26,796	796	26,353
Harbor and waterfront fees	59,300	59,301	1	61,891
Rescue billings	280,000	280,000	-	260,000
Sewer fees	644,000	644,528	528	611,151
Recycling fees	39,000	47,464	8,464	31,961
Library fines and fees	6,000	6,000	-	6,000
School Department rental income	4,000	3,011	(989)	5,350
School Department tuition and fees	200,000	392,548	192,548	415,576
Total charges for services	1,258,300	1,459,648	201,348	1,418,282
Investment income:				
Investment earnings	1,800	8,753	6,953	1,646
Total investment income	1,800	8,753	6,953	1,646
Other revenues:				
Cemeteries	1,000	1,000	-	1,000
Miscellaneous - Town	43,000	52,372	9,372	61,096
Miscellaneous - School	40,000	13,354	(26,646)	25,140
Total other revenues	84,000	66,726	(17,274)	87,236
Total revenues	35,805,399	36,131,822	326,423	35,132,679

TOWN OF YARMOUTH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2017		Variance positive (negative)	2016 Actual
	Final budget	Actual		
Expenditures:				
Current:				
General government:				
Administration	\$ 770,272	776,031	(5,759)	779,083
Insurance	219,983	201,790	18,193	205,940
Employee benefits	1,613,849	1,565,247	48,602	1,503,861
Town buildings	143,886	136,752	7,134	134,503
Total general government	2,747,990	2,679,820	68,170	2,623,387
Public works:				
Highways	820,902	775,500	45,402	938,277
Solid waste	566,739	588,348	(21,609)	542,897
Wastewater	947,284	830,344	116,940	887,600
Mechanical	326,660	302,818	23,842	375,037
Tree care	44,000	36,008	7,992	43,842
Total public works	2,705,585	2,533,018	172,567	2,787,653
Public safety:				
Police department	1,111,770	1,103,163	8,607	1,066,083
Fire/rescue department	622,890	616,725	6,165	594,010
Communications division	198,646	193,833	4,813	185,996
Harbor and waterfront	53,753	48,193	5,560	40,305
Miscellaneous	592,001	581,316	10,685	577,704
Total public safety	2,579,060	2,543,230	35,830	2,464,098
Health and welfare:				
General assistance	26,300	27,461	(1,161)	30,503
Human services agencies	5,350	5,350	-	5,350
Total health and welfare	31,650	32,811	(1,161)	35,853
Public services:				
Library	465,599	465,400	199	421,720
Parks	422,178	391,296	30,882	400,035
Cemeteries	20,400	20,496	(96)	20,247
Community development	77,540	51,840	25,700	76,360
Planning	310,580	334,159	(23,579)	363,349
Total public services	1,296,297	1,263,191	33,106	1,281,711

TOWN OF YARMOUTH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2017		Variance positive (negative)	2016 Actual
	Final budget	Actual		
Expenditures, continued				
Current, continued:				
Education (excluding debt service):				
Regular instruction	\$ 10,490,226	10,419,049	71,177	9,990,149
Special education instruction	3,246,274	3,363,004	(116,730)	3,129,140
Career and technical instruction	92,059	99,041	(6,982)	89,151
Other instruction	959,544	980,237	(20,693)	937,232
Student and staff support	2,155,291	2,119,432	35,859	1,966,302
System administration	828,883	736,214	92,669	721,892
School administration	1,072,781	1,101,724	(28,943)	1,011,078
Transportation	849,973	796,753	53,220	768,581
Facilities and maintenance	1,739,237	1,718,512	20,725	1,716,688
Total education	21,434,268	21,333,966	100,302	20,330,213
Unclassified:				
County tax	1,037,987	1,037,987	-	978,320
TIF Payments	-	-	-	89,078
Overlay	441,924	-	441,924	-
Total unclassified	1,479,911	1,037,987	441,924	1,067,398
Debt service:				
Town:				
Principal	793,760	793,760	-	738,418
Interest and fees	276,613	277,050	(437)	288,921
Interest T.A.N.	15,000	3,003	11,997	1,216
Education:				
Principal	1,126,000	1,126,000	-	1,083,000
Interest	277,400	277,400	-	332,125
Total debt service	2,488,773	2,477,213	11,560	2,443,680
Total expenditures	34,763,534	33,901,236	862,298	33,033,993
Excess of revenues over expenditures	1,041,865	2,230,586	1,188,721	2,098,686

TOWN OF YARMOUTH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2017		Variance positive (negative)	2016 Actual
	Final budget	Actual		
Other financing sources (uses):				
Appropriations for reserves - Town	(1,485,940)	(1,485,940)	-	(1,386,076)
Appropriations for reserves - School	-	(204,200)	(204,200)	(827,292)
Transfer to reserves - Town	-	(55,000)	(55,000)	-
Transfer to reserves - School	(204,200)	(217,275)	(13,075)	-
Transfer to school nutrition	(65,000)	(65,000)	-	(65,000)
Transfer to recreation programs	(85,000)	(85,000)	-	(85,000)
Utilization of stabilization reserve - School	362,275	362,275	-	200,000
Utilization of prior year surplus - Town	436,000	350,000	(86,000)	400,000
Total other financing uses	(1,041,865)	(1,400,140)	(358,275)	(1,763,368)
Net change in fund balance - budgetary basis	-	830,446	830,446	335,318
Reconciliation to GAAP:				
Appropriations for reserves		1,690,140		2,051,093
Transfers to reserves from General Fund		272,275		162,275
Use of fund balance		(712,275)		(600,000)
Reserves revenues		1,067,157		1,267,370
Reserves expenditures		(2,651,101)		(2,715,800)
Transfer in to reserves from other funds		55,000		-
Change in teacher summer salaries		(149,517)		(9,582)
Net change in fund balance - GAAP basis		402,125		490,674
Fund balance, beginning		5,558,570		5,067,896
Fund balance, ending	\$	5,960,695		5,558,570

TOWN OF YARMOUTH, MAINE
General Fund Reserves
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

		Fund balances beginning of year	Revenues			Expenditures		Current Year Appropriation	Transfers	Fund balances end of year
			Charges for services	Interest	Other	Non-capital expenditures	Capital outlay			
Education:										
7140	Tax stability reserve	\$ 362,726	-	26	-	-	-	-	(362,275)	477
8521	School maintenance	472,423	-	631	27,271	183,256	71,006	185,000	42,275	473,338
8522	School equipment	2,609	-	3	-	4,800	-	-	15,000	12,812
8523	School retirement	127,996	-	153	-	-	-	-	-	128,149
8524	Special education	148,367	-	172	1,400	53,688	-	-	50,000	146,251
8525	School textbooks	313	-	60	-	-	-	-	10,000	10,373
8526	Turf field	219,587	-	225	10,000	4,905	-	19,200	50,000	294,107
8527	Our House II FR	-	-	-	-	-	-	-	50,000	50,000
Total School reserves		1,334,021	-	1,270	38,671	246,649	71,006	204,200	(145,000)	1,115,507
General government:										
4003	Cable TV/technology	147,360	-	155	126,187	109,569	-	-	-	164,133
4005	Historical buildings	29,495	-	39	-	9,000	-	5,000	-	25,534
4008	Tax revaluation	3,737	-	8	-	52,835	-	40,000	-	(9,090)
4012	Property acquisitions	111,041	-	132	-	10,761	-	-	-	100,412
4014	Unemployment compensation	8,330	-	15	662	6,614	-	4,500	-	6,893
4017	Municipal buildings	131,100	-	169	-	47,602	12,770	38,000	-	108,897
Public works:										
4002	Road improvements	105,889	103,786	557	-	-	736,796	800,000	-	273,436
4007	Public works equipment	367,727	-	393	7,005	19,430	359,764	160,000	115,000	270,931
4009	Wastewater	584,933	274,073	772	94,700	-	226,507	-	(45,000)	682,971
4016	Solid waste	86,931	29,518	101	-	25,398	-	-	(20,000)	71,152
4018	Public works future project match	213,863	-	346	-	-	6,494	80,000	-	287,715
4026	Hillside	54,915	-	66	-	-	-	-	-	54,981
4027	Sidewalks	-	58,995	106	-	-	-	-	55,000	114,101
Public safety:										
4001	Dam maintenance	3,617	-	5	-	-	-	1,000	-	4,622
4006	Fire-rescue equipment	377,744	101,069	409	-	36,334	225,250	65,000	-	282,638
4010	Cousins Island Dock	249,881	-	317	18,160	227	-	4,540	-	272,671
4013	Harbor and waterfront	31,660	-	47	-	18,398	-	28,400	(5,000)	36,709
4019	Dredging	100,823	-	121	-	-	-	-	-	100,944
4023	Police equipment	6,229	-	41	2,523	7,416	36,640	73,500	(25,000)	13,237
Health and welfare:										
4024	Housing support	72,617	-	58	29,209	13,039	-	-	(40,000)	48,845
4029	Senior tax assistance program	-	-	47	-	-	50,679	60,000	40,000	49,368
Public services:										
4004	Economic development	28,996	-	35	-	-	-	26,000	-	55,031
4011	Parks and playgrounds	167,568	-	205	142	19,351	103,748	75,000	(20,000)	99,816
4015	MM Library building	8,871	-	24	-	6,169	13,378	25,000	-	14,348
Total Town reserves		2,893,327	567,441	4,168	278,588	382,143	1,772,026	1,485,940	55,000	3,130,295

TOWN OF YARMOUTH, MAINE
General Fund Reserves
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

		Fund balances beginning of year	Revenues			Expenditures		Current Year Appropriation	Transfers	Fund balances end of year
			Charges for services	Interest	Other	Non-capital expenditures	Capital outlay			
General government:										
5023	Energy savers committee	\$ 2,131	-	-	-	-	-	-	-	2,131
5031	Sam Lacroix Scholarship	389	-	-	-	-	-	-	-	389
5045	Jayne Giese special program	12,774	-	-	74	2,000	-	-	-	10,848
5047	Safety committee	10,063	-	-	2,848	-	-	-	-	12,911
5048	Natural gas inspections	15,090	105,333	-	-	-	120,423	-	-	-
5049	Town property energy projects	1,436	-	-	-	-	-	-	-	1,436
Public works:										
5006	Tree program	48,437	-	-	7,660	-	-	-	-	56,097
5030	Herbie Tree Memorial	2,358	-	-	24	-	-	-	-	2,382
5033	Recycling committee	191	-	-	-	-	-	-	-	191
5035	Wood chips	9,331	13,207	-	-	-	-	-	-	22,538
Public safety:										
5001	Dog control	8,038	9,397	-	-	2,500	-	-	-	14,935
5008	Shellfish conservation	21,767	4,906	-	-	483	-	-	-	26,190
5016	YPD dog fund	18,300	-	-	625	7,939	4,517	-	-	6,469
5025	Fire training facility	1,043	-	-	3,637	931	-	-	-	3,749
Public services:										
5005	Subdivision inspection	62,695	21,261	-	-	30,538	-	-	-	53,418
5018	Sanders Winslow Field	4,747	-	-	-	-	-	-	-	4,747
5019	Beth Condon Memorial Garden	2,337	-	-	2,500	1,450	-	-	-	3,387
5020	Memorial bandstand	981	-	-	-	-	-	-	-	981
5027	Welcome to Yarmouth Gateway	3,559	-	-	-	3,559	-	-	-	-
5040	Westside Trail	72	-	-	5,547	3,337	-	-	-	2,282
5041	Bike and pedestrian FBC	1,600	-	-	-	1,600	-	-	-	-
Total Town assigned		227,339	154,104	-	22,915	54,337	124,940	-	-	225,081
Total reserves		\$ 4,454,687	721,545	5,438	340,174	683,129	1,967,972	1,690,140	(90,000)	4,470,883

OTHER GOVERNMENTAL FUNDS

Special revenue funds are established to account for resources obtained and expended for specific purposes that are restricted by law or committed by administrative actions. Permanent funds are established to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government.

Special revenue funds are established for the following purposes:

School Nutrition Program

This fund accounts for revenues and expenditures for school lunch purposes.

Other Federal, State, and Local Grants

This fund accounts for various federal, state, and local programs administered by the School Department and the Town.

Recreation Programs

This fund accounts for revenues and expenditures related to various recreation programs.

Community Garden

This fund accounts for funds raised and spent by a citizen's group organized to operate a community garden on Town-owned property.

Permanent funds are established for the following purposes:

Trust Funds

This fund accounts for monies entrusted to the Town for various purposes including scholarships, cemetery maintenance, housing and medical assistance, programs for youth, library programs, etc.

Capital project funds are established for the following purposes:

Tax Increment Financing (TIF) Funds

These fund accounts for property taxes assessed and collected within the Town's TIF districts and expenditures for purposes related to the TIF districts.

TOWN OF YARMOUTH, MAINE
Other Governmental Funds
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds				Permanent Funds (Trust Funds)	Capital Project (TIF) Funds	Totals
	School Nutrition Program	Other Federal, State and Local Grants	Recreation Programs	Community Garden			
ASSETS							
Cash and cash equivalents	\$ 1,129	-	25	-	358,351	-	359,505
Investments	-	-	-	-	306,445	-	306,445
Accounts receivable	9,137	25,877	36,810	-	-	-	71,824
Prepaid expenditures	-	-	-	-	-	420	420
Inventory	18,801	-	-	-	-	-	18,801
Interfund loans receivable	72,756	152,865	270,403	12,516	58,216	304,139	870,895
Total assets	\$ 101,823	178,742	307,238	12,516	723,012	304,559	1,627,890
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	3,827	16,144	9,717	694	271	9,135	39,788
Accrued wages	6,324	226	22,470	750	-	3,958	33,728
Total liabilities	10,151	16,370	32,187	1,444	271	13,093	73,516
Fund balances:							
Nonspendable	18,801	-	-	-	647,107	420	666,328
Restricted	72,871	41,951	-	-	75,634	291,046	481,502
Committed	-	137,268	275,051	11,072	-	-	423,391
Unassigned	-	(16,847)	-	-	-	-	(16,847)
Total fund balances	91,672	162,372	275,051	11,072	722,741	291,466	1,554,374
Total liabilities and fund balances	\$ 101,823	178,742	307,238	12,516	723,012	304,559	1,627,890

TOWN OF YARMOUTH, MAINE
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

	Special Revenue Funds				Permanent	Capital	
	School	Other Federal,	Recreation	Community	Funds	Project	
	Nutrition	State and Local	Programs	Garden	(Trust	(TIF)	Totals
	Program	Grants			Funds)	Funds	
Revenues:							
Taxes	\$ -	-	-	-	-	521,273	521,273
Intergovernmental	152,295	588,830	5,189	-	-	-	746,314
Charges for services	530,013	144,277	549,743	12,449	-	-	1,236,482
Interest earned	-	-	-	-	8,013	-	8,013
Gain (loss) on investments	-	-	-	-	63,890	-	63,890
Unclassified	629	31,068	11,487	5,556	33,361	-	82,101
Total revenues	682,937	764,175	566,419	18,005	105,264	521,273	2,658,073
Expenditures:							
Current:							
General government	-	2,084	-	-	-	141,514	143,598
Public works	-	9,768	-	-	-	-	9,768
Public safety	-	32,254	-	-	-	-	32,254
Public services	-	91,761	570,963	17,660	29,241	-	709,625
Education	741,246	598,809	-	-	6,400	-	1,346,455
Unclassified	-	-	-	-	-	16,051	16,051
Capital outlay	-	-	-	-	-	17,242	17,242
Total expenditures	741,246	734,676	570,963	17,660	35,641	174,807	2,274,993
Excess (deficiency) of revenues over (under) expenditures	(58,309)	29,499	(4,544)	345	69,623	346,466	383,080
Other financing sources (uses):							
Transfers from other funds	65,000	-	85,000	-	-	-	150,000
Transfers to other funds	-	-	-	-	-	(55,000)	(55,000)
Total other financing sources (uses)	65,000	-	85,000	-	-	(55,000)	95,000
Net change in fund balances	6,691	29,499	80,456	345	69,623	291,466	478,080
Fund balances, beginning of year	84,981	132,873	194,595	10,727	653,118	-	1,076,294
Fund balances, end of year	\$ 91,672	162,372	275,051	11,072	722,741	291,466	1,554,374

TOWN OF YARMOUTH, MAINE
Other Federal, State and Local Grants
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

		Fund balances (deficits) beginning of year	Program Revenues			Program expenditures	Fund balances (deficits) end of year
			Federal	State	Local		
Town Programs:							
State and local:							
2309	Underage drinking	\$ 1,550	-	2,320	-	1,400	2,470
2310	Wellness grant	134	-	-	1,179	1,313	-
2319	Maine fire service institute	-	-	-	24,216	24,216	-
Federal:							
2614	Bureau of highway safety	(375)	2,105	-	-	2,546	(816)
2616	Bullet proof vests	-	2,871	-	-	2,871	-
2617	Election assistance for individuals	771	-	-	-	771	-
2618	CDBG - senior housing	-	91,761	-	-	91,761	-
2620	Justice assistance grant	-	1,221	-	-	1,221	-
2626	Project canopy assistance	-	2,593	-	-	9,768	(7,175)
Total Town Programs		2,080	100,551	2,320	25,395	135,867	(5,521)
School Programs:							
0205	Yarmouth Education Foundation	-	-	-	5,673	5,673	-
0206	Project Unify	121	-	-	-	121	-
0208	ecomaine SNP grant	23	-	-	-	-	23
0209	SNP breakfast grant	63	-	-	-	-	63
0225	School health grant	390	-	-	-	-	390
0230	Title 1A	-	59,049	-	-	59,155	(106)
0232	Proficiency based education	18,752	-	17,506	-	11,094	25,164
0233	PEPG grant	1	-	-	-	-	1
0245	Certification grant	3,479	-	-	-	-	3,479
0247	Local entitlement	(4,140)	373,804	-	-	372,941	(3,277)
0251	Local entitlement - preschool	(61)	2,944	-	-	2,944	(61)
0260	Title IV - drug free	(214)	-	-	-	-	(214)
0270	Title IIA - teacher quality	(3,903)	32,656	-	-	33,951	(5,198)
0274	National Semiconductor HS Photo	17	-	-	-	-	17
0275	National Semiconductor Roots	216	-	-	-	-	216
0276	Noyce Foundation	2,677	-	-	-	-	2,677
0280	High school teacher	5,434	-	-	-	-	5,434
0290	Other private grants	2,017	-	-	-	-	2,017
0650	Daycare Rowe School	105,921	-	-	144,277	112,930	137,268
Total School Programs		130,793	468,453	17,506	149,950	598,809	167,893
Total		\$ 132,873	569,004	19,826	175,345	734,676	162,372

TOWN OF YARMOUTH, MAINE
Permanent Funds (Trust Funds)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

		Fund balances beginning of year	Investment Income	Contributions	Gain (loss) on Investments	Expenditures	Fund balances end of year
0800	Yarmouth High School Scholarships	\$ 72,318	14	825	-	6,400	66,757
6001	Baptist Fund	59,063	868	1,000	7,139	1,000	67,070
6002	Coombs Fund	21,610	-	21,504	-	20,244	22,870
6003	Farwell Fund	85,045	1,032	-	6,579	2,500	90,156
6004	Humphrey Fund	473	7	-	57	-	537
6005	Ledge Fund	3,108	46	-	376	-	3,530
6006	Mann Fund	9,438	139	-	1,141	-	10,718
6007	Mayall Fund	6,728	99	-	813	-	7,640
6008	Plummer Fund	14,254	209	-	1,723	500	15,686
6009	Sherburne Fund	15,590	229	-	1,884	500	17,203
7001	Doughty Fund	214,847	3,156	9,000	25,969	3,147	249,825
7002	Fitts Fund	4,667	69	-	564	-	5,300
7003	Grange Trust	1,883	28	-	228	-	2,139
7004	Hector Hebert Fund	13,094	192	1,000	1,583	100	15,769
7005	Johnson Fund	44,061	647	32	5,326	750	49,316
7006	O'Brien Fund	12,107	178	-	1,463	500	13,248
7007	Swegustagoe Fund	9,973	147	-	1,205	-	11,325
7008	Wilder Fund	2,561	38	-	310	-	2,909
7009	Ayer	62,298	915	-	7,530	-	70,743
Total		\$ 653,118	8,013	33,361	63,890	35,641	722,741

TOWN OF YARMOUTH, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

	TIF Downtown District	TIF Route One North	TIF Route One South	Totals
Revenues:				
Taxes	\$ 296,752	136,067	88,454	521,273
Total revenues	296,752	136,067	88,454	521,273
Expenditures:				
Current:				
General government	42,529	35,352	63,633	141,514
Unclassified	7,127	1,928	6,996	16,051
Capital outlay	14,106	1,120	2,016	17,242
Total expenditures	63,762	38,400	72,645	174,807
Excess of revenues over expenditures	232,990	97,667	15,809	346,466
Other financing uses:				
Transfers out	(55,000)	-	-	(55,000)
Total other financing uses	(55,000)	-	-	(55,000)
Net change in fund balances	177,990	97,667	15,809	291,466
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 177,990	97,667	15,809	291,466

AGENCY FUNDS

TOWN OF YARMOUTH, MAINE
Combining Schedule of Cash Receipts, Disbursements, and Changes in Balances
Fiduciary Funds - Agency Funds
School Activity Funds
For the year ended June 30, 2017

		Balance		Balance	
		July 1, 2016	Additions	Deductions	June 30, 2017
Activity Fund:					
Yarmouth High School	Exhibit C-2	\$ 142,233	224,180	219,603	146,810
Harrison Middle School	Exhibit C-3	40,141	68,108	60,507	47,742
Yarmouth Elementary School	N/A	6,975	7,344	8,623	5,696
Rowe School	N/A	8,484	6,539	4,284	10,739
Total		\$ 197,833	306,171	293,017	210,987

TOWN OF YARMOUTH, MAINE
Agency Fund - Yarmouth High School Activity Fund
Statement of Cash Receipts, Disbursements and Changes in Balances
For the year ended June 30, 2017

Account name	Beginning balance (deficit)	Additions	Reductions	Ending balance (deficit)
Ambassadors Club	\$ 250	-	-	250
Art: clay	45	269	294	20
Art: photo	480	645	942	183
Art: other	241	-	-	241
Athletic Trainer	6,056	-	-	6,056
Athletics	18,504	37,379	48,918	6,965
Band	2,400	3,140	3,734	1,806
Cheer	76	106	-	182
Class 16	5,984	100	3,199	2,885
Class 17	11,339	10,454	13,694	8,099
Class 18	5,391	10,603	7,276	8,718
Class 19	1,247	5,601	877	5,971
Class 20	-	1,347	73	1,274
Curriculum Enrichment	662	900	-	1,562
District School Garden	-	853	-	853
Drama	22,142	37,252	33,446	25,948
Environmental Club	878	-	-	878
Field Trips Account	284	10,522	10,300	506
Field Hockey Boosters	-	15,589	9,493	6,096
French Club	85	-	-	85
Freshman Team	1,016	910	909	1,017

continued

TOWN OF YARMOUTH, MAINE
Agency Fund - Yarmouth High School Activity Fund
Statement of Cash Receipts, Disbursements and Changes in Balances
For the year ended June 30, 2017

Account name	Beginning balance (deficit)	Additions	Reductions	Ending balance (deficit)
General (Reimb) \$	(2,166)	4,855	9,128	(6,439)
Global Action Club	2,569	1,298	1,418	2,449
GSA	169	-	35	134
Guidance	88	9,340	10,802	(1,374)
Industrial Arts	100	-	-	100
Interact	430	-	-	430
Ken Nye Poetry Fund	100	-	-	100
Laptop Repair Fund	28,223	17,011	10,247	34,987
Library	829	277	575	531
Literary Arts Special Projects	2,400	-	-	2,400
Outing Club	180	597	-	777
Pits	183	-	48	135
Project graduation	12,802	18,791	16,973	14,620
Principal's Acct	(383)	2,644	1,704	557
Robotics Club	1,158	2,731	3,450	439
Special Olympics	1	-	-	1
Spirits Club	1,479	2,467	3,019	927
Staff Wellness	60	-	-	60
Stem	1,515	-	1,423	92
Student Assistance Fund	503	2,287	886	1,904
Student Senate	74	200	-	274
Student Support	1,425	-	-	1,425
Temp Fundraisers	499	2,548	2,413	634
Temporary Textbooks Account	1,546	100	-	1,646
Tulip Garden	35	870	484	421
Turkish Exchange Account	564	-	-	564
Western Maine Conference	651	895	883	663
Yearbook	5,211	21,452	22,960	3,703
YPAC Piano Fund	2,938	147	-	3,085
YPAC Sign	1,970	-	-	1,970
Totals	\$ 142,233	224,180	219,603	146,810

TOWN OF YARMOUTH, MAINE
Agency Fund - Harrison Middle School Activity Fund
Statement of Cash Receipts, Disbursements and Changes in Balances
For the year ended June 30, 2017

Account name	Beginning balance (deficit)	Additions	Reductions	Ending balance (deficit)
Drama	\$ 3,508	6,798	4,796	5,510
Grade 5	228	174	187	215
Grade 8	108	-	-	108
General	1,544	-	179	1,365
Guidance	510	220	384	346
Laptop Insurance	15,424	8,399	8,178	15,645
Lets Go	215	200	215	200
Lexus Challenge	-	2,000	1,829	171
Library	1,010	6,712	7,220	502
Music	384	-	205	179
Music Boosters	-	20,907	14,790	6,117
Principal	1,229	2,209	2,804	634
QSP	4,672	15,548	15,482	4,738
Robotics	(39)	-	-	(39)
Special Olympics	610	-	10	600
Steingert Scholarship	6,271	-	443	5,828
Student Council	2,198	1,196	842	2,552
Technology	500	-	-	500
Textbooks	83	20	83	20
Yearbook	1,686	3,725	2,860	2,551
Totals	\$ 40,141	68,108	60,507	47,742

SCHEDULES

TOWN OF YARMOUTH, MAINE
School Department - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2017
(with comparative totals for the year ended June 30, 2016)

	2017			Variance positive (negative)	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Property taxes	\$ 18,296,392	18,296,392	18,296,392	-	18,232,034
State education subsidy--school	4,144,201	4,144,201	4,144,201	-	3,752,983
State MaineCare	48,000	48,000	-	(48,000)	-
State Agency subsidy	12,000	12,000	12,061	61	6,547
Tuition and fees	200,000	200,000	392,548	192,548	415,576
Rental income	4,000	4,000	3,011	(989)	5,350
Miscellaneous	40,000	40,000	13,354	(26,646)	25,140
Other financing sources:					
Use of prior year fund balance (transfer from reserves)	362,275	362,275	362,275	-	200,000
Total revenues and other financing sources	23,106,868	23,106,868	23,223,842	116,974	22,637,630
Expenditures:					
Current:					
Regular instruction	10,484,803	10,490,226	10,419,049	71,177	9,990,149
Special education instruction	3,246,274	3,246,274	3,363,004	(116,730)	3,129,140
Career and technical instruction	92,059	92,059	99,041	(6,982)	89,151
Other instruction	960,478	959,544	980,237	(20,693)	937,232
Student and staff support	2,156,316	2,155,291	2,119,432	35,859	1,966,302
System administration	828,883	828,883	736,214	92,669	721,892
School administration	1,076,595	1,072,781	1,101,724	(28,943)	1,011,078
Transportation	849,623	849,973	796,753	53,220	768,581
Facilities and maintenance	1,739,237	1,739,237	1,718,512	20,725	1,716,688
Debt service	1,403,400	1,403,400	1,403,400	-	1,415,125
Other financing uses:					
Transfer to reserves	204,200	204,200	421,475	(217,275)	827,292
Transfer to school nutrition program	65,000	65,000	65,000	-	65,000
Total expenditures and other financing uses	23,106,868	23,106,868	23,223,841	(116,973)	22,637,630
Net change in fund balance - budgetary basis	-	-	1	1	-
Reconciliation to GAAP:					
Change in teacher summer salaries			(149,517)		(9,582)
Transfer to reserves			421,475		827,292
Transfer from reserves			(362,275)		(200,000)
Reserves revenues			39,941		27,736
Reserves expenditures			(317,655)		(319,602)
Net change in fund balance - GAAP basis			(368,030)		325,844
Fund balance (deficit), beginning of year			(517,277)		(843,121)
Fund balance (deficit), end of year	\$		(885,307)		(517,277)
Consisting of:					
Reserve accounts	\$		1,115,507		1,334,021
Unassigned (teacher summer salaries and benefits)			(2,000,814)		(1,851,298)
Total	\$		(885,307)		(517,277)

TOWN OF YARMOUTH, MAINE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Total Federal Expenditures	Cluster Totals	Passed Through to Subrecipients
U. S. Department of Education, passed through the Maine Department of Education:					
Title I, Part A	84.010	3107	\$ 59,155		-
Title IIA - Supporting Effective Instruction	84.367	3042	33,951		-
Special Education Cluster:					
Local Entitlement	84.027	3046	372,941		-
Preschool	84.173	6247	2,944		-
Total Special Education Cluster				375,885	
Total U. S. Department of Education			468,991		-
U.S. Election Assistance Commission:					
Help America Vote	90.401	N/A	771		-
Total U. S. Election Assistance Commission			771		-
U.S. Department of Justice, direct:					
Bulletproof vests	16.607	N/A	2,871		-
passed through the Maine Department of Public Safety:					
COPS Grant	16.710	N/A	2,546		-
Justice Assistance Grant	16.738	N/A	1,221		-
Total U.S. Department of Justice			6,638		-
U. S. Department of Housing and Urban Development, passed through the Maine Department of Economic Development:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grant	14.218	N/A	91,761	91,761	-
Total U.S. Department of Housing and Urban Development			91,761		-
U. S. Department of Agriculture, passed through the Maine Department of Conservation:					
Project Canopy Assistance Program	10.675	N/A	9,768		-
passed through the Maine Department of Education:					
Child Nutrition Cluster:					
School Lunch	10.555	3024	91,017		-
Donated Commodities	10.555	N/A	35,147		-
Breakfast Program	10.553	3014	18,333		-
Total Child Nutrition Cluster				144,497	
Total U.S. Department of Agriculture			154,265		-
Totals			\$ 722,426		-