

TOWN OF FREEPORT, MAINE

Annual Financial Report

**For the Year Ended
June 30, 2019**

TOWN OF FREEPORT, MAINE
Annual Financial Report
For the Year Ended June 30, 2019

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Independent Auditor's Report

Town Council
Town of Freeport, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Freeport, Maine, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Freeport, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Freeport, Maine, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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, the schedule of Town's proportionate share of net pension liability, the schedule of changes in the Town's total health plan OPEB liability and related ratios, 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 Freeport, Maine's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 17, 2019 on our consideration of the Town of Freeport, 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 solely 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 the effectiveness of the Town of Freeport, Maine's 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 Freeport, Maine's internal control over financial reporting and compliance.



September 17, 2019
South Portland, Maine

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

As the management of the Town of Freeport, Maine, we are pleased to provide this Management's Discussion and Analysis as part of our annual financial statements. We offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Freeport for the year ended June 30, 2019. It is the belief of management that all the information contained herein is accurate in all material respects and reflects fairly the financial position and operations of the Town. This Management's Discussion and Analysis is designed to offer further explanation of the information contained herein. We encourage readers to consider the information that we have furnished in the Town's basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The governmental activities assets and deferred outflows of resources of the Town of Freeport exceeded its liabilities and deferred inflows of resources as of June 30, 2019 by \$40,081,426 (net position). Of this amount, \$16,374,191 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Town of Freeport's governmental funds reported combined fund balances of \$22,363,179 (Statement 4) which is an increase of \$1,117,387 from FY 2018.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,057,027.

The Town of Freeport's total outstanding long-term debt decreased by \$505,000 during the course of the fiscal year; the June 30, 2019 outstanding debt totaled \$1,425,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Freeport's basic financial statements. The Town's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The table of contents in the front section of the audit provides the specific pages where the various statements and exhibits can be found.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Freeport's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources; and 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 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).

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

Both of the government-wide financial statements distinguish functions of the Town of Freeport that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The Town currently reports the activities of the Nonemergency Transportation Program (NET Program) as a business-type activity. The governmental activities of the Town include general government, public safety, public works, education, and community services.

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 Freeport, 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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 on 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.

ENTITY-WIDE CONDENSED PRESENTATION OF NET POSITION

Net position will serve as a useful indicator of a government's financial position. The following information is condensed from Statement 1, Statement of Net Position for Fiscal Year 2019. It distinguishes between capital and other assets, includes the Town's general liabilities and long-term debt obligations, and shows the Town's net position by restricted and unrestricted amounts.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

This information is for the Town's Governmental Activities and Business-type Activities as of June 30:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Cash and cash equivalents	\$ 15,644,881	15,488,489	-	-	15,644,881	15,488,489
Investments	6,418,146	6,207,356	-	-	6,418,146	6,207,356
Receivables	854,991	762,845	76,219	47,217	931,210	810,062
Receivable from RSU #5	1,198,864	1,575,795	-	-	1,198,864	1,575,795
Internal balances	279,932	315,006	(279,932)	(315,006)	-	-
Inventory	10,100	13,132	-	-	10,100	13,132
Capital assets, net	20,513,662	20,533,223	31,037	37,458	20,544,699	20,570,681
Total assets	44,920,576	44,895,846	(172,676)	(230,331)	44,747,900	44,665,515
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to OPEB	184,907	-	-	-	184,907	-
Deferred outflows of resources related to pensions	627,503	481,954	-	-	627,503	481,954
Total deferred outflows of resources	812,410	481,954	-	-	812,410	481,954
LIABILITIES						
Current liabilities	514,209	1,336,381	8,136	7,182	522,345	1,343,563
Noncurrent liabilities	4,589,616	5,480,609	-	-	4,589,616	5,480,609
Total liabilities	5,103,825	6,816,990	8,136	7,182	5,111,961	6,824,172
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to OPEB	177,196	215,861	-	-	177,196	215,861
Deferred inflows of resources related to pensions	370,539	226,511	-	-	370,539	226,511
Total deferred inflows of resources	547,735	442,372	-	-	547,735	442,372
NET POSITION						
Net investment in capital assets	20,287,526	20,179,018	31,037	37,458	20,318,563	20,216,476
Restricted	3,419,709	3,277,447	-	-	3,419,709	3,277,447
Unrestricted	16,374,191	14,661,973	(211,849)	(274,971)	16,162,342	14,387,002
Total net position	\$ 40,081,426	\$ 38,118,438	\$ (180,812)	\$ (237,513)	\$ 39,900,614	\$ 37,880,925

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

A large portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in 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. An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be expended. The remaining unrestricted balance of net position may be used to meet the government's ongoing obligations to its citizens and creditors.

ENTITY-WIDE CONDENSED PRESENTATION OF CHANGES IN NET POSITION

Our next analysis focuses on changes in net position of the Town's governmental and business-type activities. Governmental activities increased the Town of Freeport's net position by \$1,962,988 during the year ended June 30, 2019. The following analysis provides the key elements of the increases.

It should be noted that this presentation is prepared on an entity-wide condensed net position presentation and not prepared on a basis consistent with the budget. A detailed budgetary presentation can be found in the basic financial statements in Exhibit A-2.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 2,198,776	\$ 2,374,705	278,108	207,843	2,476,884	2,582,548
Operating grants and contributions	299,222	300,516	-	-	299,222	300,516
General revenues:						
Property taxes	26,623,752	25,701,308	-	-	26,623,752	25,701,308
Motor vehicle excise taxes	2,056,826	1,959,247	-	-	2,056,826	1,959,247
Interest and lien costs	54,808	24,193	-	-	54,808	24,193
State revenue sharing	378,563	367,137	-	-	378,563	367,137
Homestead exemption	336,095	264,308	-	-	336,095	264,308
BETE reimbursements	799,014	587,396	-	-	799,014	587,396
Other state aid	249,662	95,148	-	-	249,662	95,148
Investment earnings	584,841	488,077	-	-	584,841	488,077
Miscellaneous revenues	61,266	47,801	-	-	61,266	47,801
Total revenues	33,642,825	32,209,836	278,108	207,843	33,920,933	32,417,679
Program expenses:						
General government	2,705,076	3,147,785	-	-	2,705,076	3,147,785
Public safety	3,745,982	3,715,159	-	-	3,745,982	3,715,159
Public works	3,569,876	3,545,875	-	-	3,569,876	3,545,875
Community services	1,396,178	1,375,487	-	-	1,396,178	1,375,487
Community development	1,475,835	1,609,144	-	-	1,475,835	1,609,144
Education	18,133,850	17,355,332	-	-	18,133,850	17,355,332
Unclassified	642,381	1,107,914	-	-	642,381	1,107,914
Interest on debt	10,659	14,803	-	-	10,659	14,803
Nonemergency transportation	-	-	221,407	219,675	221,407	219,675
Total expenses	31,679,837	31,871,499	221,407	219,675	31,901,244	32,091,174
Change in net position	1,962,988	338,337	56,701	(11,832)	2,019,689	326,505
Net position - beginning	38,118,438	37,780,101	(237,513)	(225,681)	37,880,925	37,554,420
Net position - ending	\$ 40,081,426	\$ 38,118,438	\$ (180,812)	\$ (237,513)	39,900,614	37,880,925

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

ANALYSIS OF TOWN POSITION AND OPERATIONS – GOVERNMENTAL FUNDS BUDGETARY BASIS

In Freeport, the Town managed over the past several years to build its unassigned General Fund balance (the equivalent of a savings account) to \$5.1 million. The Town Council established a figure of approximately \$3.8 million (one and-one-half months of the annual budgets for the Town, RSU #5 Town portion, and County tax) as a minimum level of fund balance to maintain. The Town Council budgeted to use \$600,000 to offset taxes in the FY 2020 budget; that is an assigned fund balance. Under the Town's fund balance policy, amounts in excess of one and one-half months of the annual budget can be used to set aside additional reserves for capital needs, used to reduce property taxes for subsequent years' budgets or be used for immediate operational or capital needs. The Town Council also established a Tax Rate Stabilization Account of \$1 million. No additional funding was provided during FY 2019 and the account remained at \$1 million at June 30, 2019. In Statement No. 54, the Governmental Accounting Standards Board (GASB) required Stabilization funds to be used only in situations meeting two criteria: specific and non-routine. The Council defined the need to use the stabilization fund in Freeport as a five percent increase in the combined budgets of the Town, RSU (Town portion) and County tax (Town portion) or a five percent increase in the Town's overall mil rate. In these cases, up to fifty (50) percent of the Tax Rate Stabilization Account may be used annually to offset the property tax rate.

The Town's General Fund operations showed budgeted revenues over expenditures of \$1,015,262 before other financing sources and uses (transfers from and to other funds in this case). After transfers in-and-out of other funds, the General Fund showed a \$935,802 increase in fund balance. This is due in part to the \$365,526 increase in excise tax collection. As of June 30, 2019, the Town's fund balance policy required the Town to hold just over \$3.8 million in fund balance (one and-a-half months of Town, RSU, and County budgets), and the unassigned fund balance was \$5.1 million. The Town's policy allows fund balance to be higher than the minimum by five percent, so the amount above that minimum plus the allowance is approximately \$4.0 million. Each year, staff presents the fund balance to the Town Council and recommends uses for any amount over the policy guideline. During the FY 2020 presentation, staff will recommend that the Town Council transfer a portion of the excess fund balance to Capital Reserves and leave the remaining funds, as the Town is just over the maximum level of its policy and expects budgetary impacts next year.

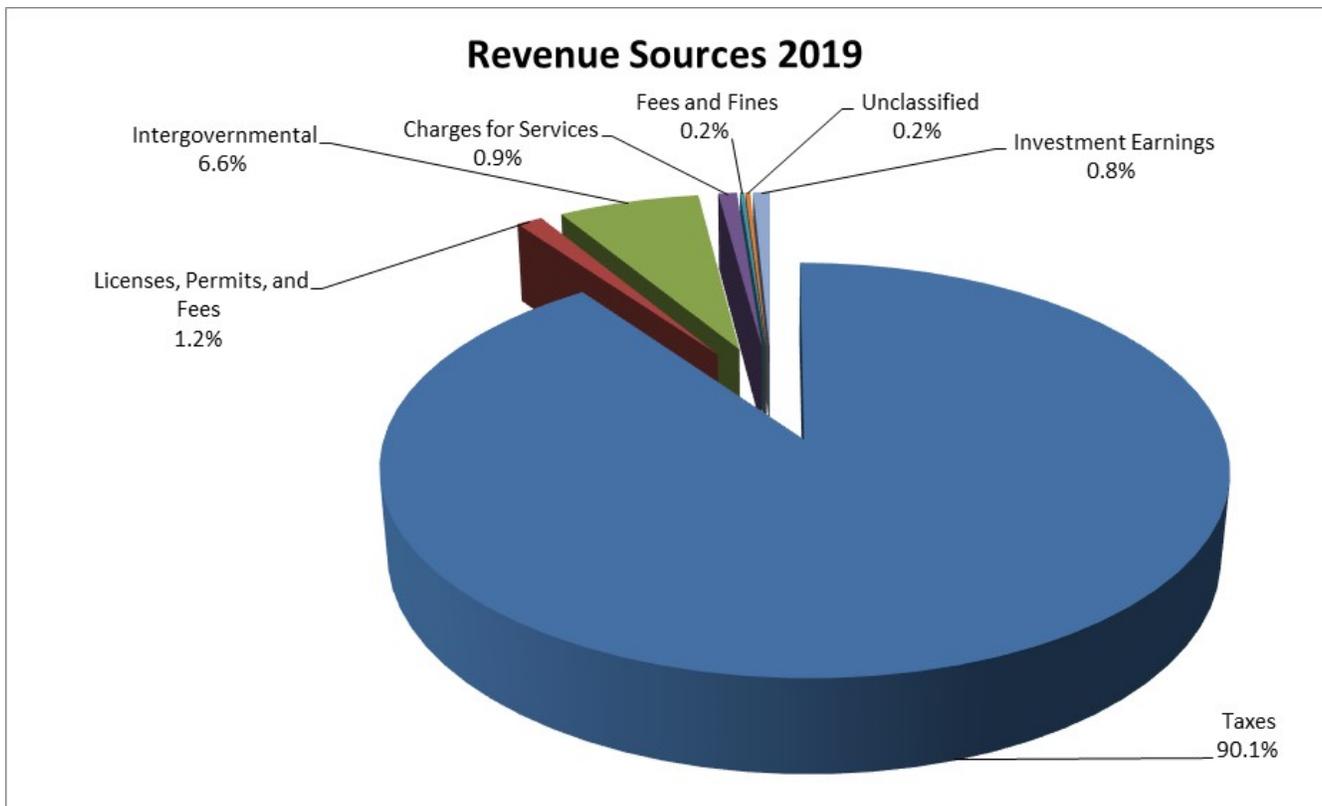
General Fund Revenues Budget-to-Actual Summary

For fiscal year 2019, revenues exceeded expenditures by \$1,015,262. The major reason for this is that actual revenues came in \$1,727,240 more than budgeted due primarily to increased excise tax collection, State reimbursements and a higher yield on our investment earnings. The Town expenditures were also \$443,022 lower than budgeted. This is primarily due to reduced health care costs and town-wide budget savings. The property tax collection rate for the year increased slightly to 98.25% from the previous year's collection rate of 98.21%.

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

General Fund Revenues Budget to Actual Summary
Budget and Actual – General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final		
Revenues:				
Taxes	26,282,612	26,282,612	26,965,361	682,749
Licenses, Permits, and Fees	271,400	271,400	363,051	91,651
Intergovernmental	1,304,300	1,304,300	1,968,804	664,504
Charges for Services	196,000	196,000	261,397	65,397
Fees and Fines	65,000	65,000	61,264	(3,736)
Unclassified	23,750	23,750	67,918	44,168
<u>Investment Earnings</u>	50,000	50,000	232,507	182,507
Total Revenues	28,193,062	28,193,062	29,920,302	1,727,240



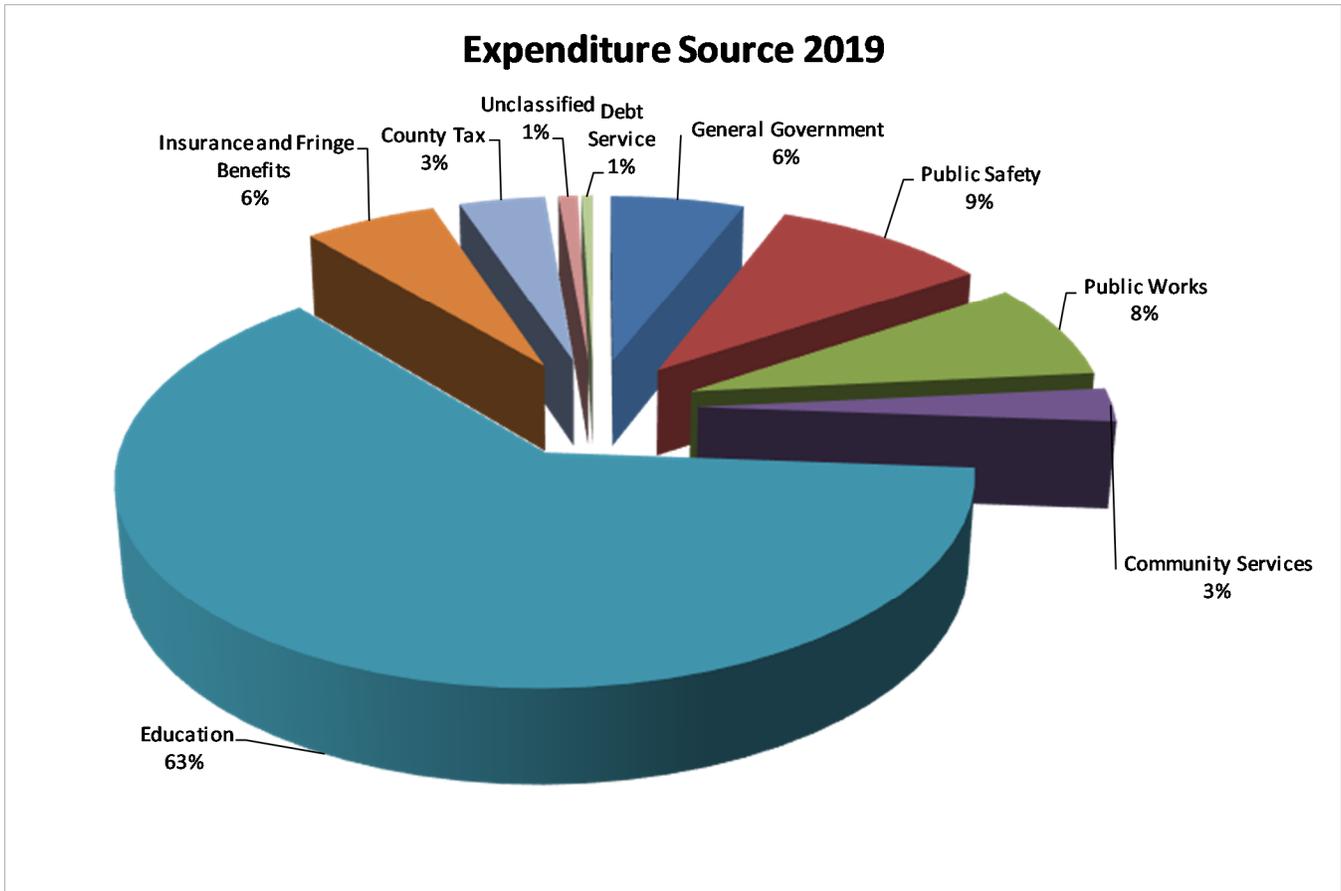
General Fund Expenditures Budget-to-Actual Summary

General Fund expenditure budgets are approved by the Town Council at the departmental level, with charter budgetary limits at the function level. Department managers are directed and make every effort to leave five percent surpluses in budgets, especially during tough economic times when revenue could be lower than budgeted for the fiscal year. The following summarizes the Town of Freeport's General Fund budgeted appropriations to actual by function for the year ended June 30, 2019 (see Exhibit A-2 for a more detailed presentation):

TOWN OF FREEPORT, MAINE
 Management's Discussion and Analysis
 June 30, 2019

General Fund Expenditures Budget-to-Actual Summary
Budget and Actual – General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance
	Original	Final	Actual	
Expenditures				
Current				
General Government	1,758,740	1,758,740	1,720,438	38,302
Public Safety	2,856,257	2,856,257	2,802,624	53,633
Public Works	2,344,880	2,344,880	2,258,013	86,867
Community Services	836,905	836,905	779,422	57,483
Education	18,133,850	18,133,850	18,133,850	-
Insurance and Fringe Benefits	1,914,500	1,914,500	1,711,716	202,784
County Tax	1,109,052	1,109,052	1,109,052	-
Unclassified	252,050	252,050	248,098	3,952
Debt Service	141,828	141,828	141,827	1
Total Expenditures	29,348,062	29,348,062	28,905,040	443,022



TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

The Town has developed and maintained a five-year and a twenty-year Capital Improvement Plan (CIP) for over twenty years. This plan is updated annually as part of the budget cycle and is used for equipment, vehicles, building and Town wide infrastructure needs. Additionally, the Town has a street paving account in the public works department budget for ongoing street paving.

The Town's fiscal year 2020 capital budget that was approved in June of 2019 included the following:

**Town of Freeport
Summary of Funding Sources
FY 2020 Capital Program**

	FY 2019	FY 2020			Funding Source	
	Council Approved	Manager Proposed	Council Approved	Council Appropriated	Reserve	TIF
Police	48,000	110,000	110,000	110,000	110,000	-
Fire	67,000	-	-	-	-	-
Rescue	20,000	285,000	285,000	285,000	285,000	-
Public Works	240,000	150,000	150,000	150,000	150,000	-
Solid Waste	15,000	17,000	17,000	17,000	17,000	-
Comprehensive Town Imp.	425,000	220,000	236,000	236,000	236,000	-
Municipal Facilities	330,500	83,550	83,550	83,550	83,550	-
Cable	4,000	58,600	58,600	58,600	58,600	-
Other	-	62,575	27,575	27,575	27,575	-
Destination Freeport TIF	348,600	151,000	239,000	239,000	-	239,000
Total	1,498,100	1,137,725	1,206,725	1,206,725	967,725	239,000

It is notable that the FY 2020 capital improvement plan is funded by June 30, 2019. This is the reason the Town reflects the FY 2020 plan in the MD&A section of the financial statements.

A summary of the Town's capital assets at June 30, 2019 and 2018 are as follows:

	2019	2018
General capital assets:		
Land	\$ 2,204,884	2,204,884
Land improvements	3,547,251	3,502,741
Buildings and improvements	8,643,524	8,515,572
Machinery, equipment and other	6,193,363	5,757,066
Vehicles	5,077,939	5,082,075
Infrastructure	14,266,807	13,314,935
Construction in process	826,726	1,302,785
	\$ 40,760,494	39,680,058

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
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LONG-TERM DEBT

The State law allows municipalities to borrow up to 15% of their total valuation. Since the Town's State Valuation was \$1,739,650,000 for 2019, the debt limit was more than \$260 million. The Town's current debt is \$1,425,000, or 0.08% of State Valuation or approximately 0.55% of the Town's debt limit. Another measure of a municipality's debt load is debt-per-capita. As of June 30, 2019, the Town of Freeport's debt per capita was \$176 as compared to the prior year of \$238 (based upon a population of 8,100).

The following is a summary of bond transactions of the Town for the year ended June 30, 2019:

Bonds payable at June 30, 2018	\$ 1,930,000
Principal payments	(505,000)
<hr/>	
<u>Bonds payable at June 30, 2019</u>	<u>\$ 1,425,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

Freeport has a vibrant downtown, many thriving businesses, and residential growth outside the downtown. On average, the Town permits 44 new single-family dwelling units per year.

In addition, Freeport's downtown storefront vacancy rate remains lower than that of other Southern Maine communities, which makes Freeport highly desirable for new retail businesses. Vacancy rate data is difficult to capture on any given date due to the different organizations tracking the information, but it is estimated that the average vacancy rate in Southern Maine retail districts is approximately 15-18%; Freeport's vacancy rate is only approximately 9.00% of total storefront space.

New Fiscal Year Budget

In adopting the budget for the ensuing fiscal year 2020, the Town officials considered many factors in making judgments and estimates about the finances for the upcoming year. A primary objective was to continue to provide basic town services to the citizens while attempting to keep the property tax rate steady. The Town Council continued to focus on the tax rate during the FY 2020 budgeting process.

The budget for the fiscal year starting July 1, 2019 was approved by the Town Council with a tax rate of 14.30 mills, which is a \$0.75 decrease per \$1,000 of valuation from FY 2019 to FY 2020. The tax bills are sent out twice each year, and during FY 2020 are due on November 18, 2019 and May 18, 2020.

The following summarizes the major components of the FY 2019 and FY 2020 budgets:

TOWN OF FREEPORT, MAINE
Management's Discussion and Analysis
June 30, 2019

REVENUES	FY 2019 Appropriation	FY 2020 Appropriation	Increase (Decrease)
Town Non-Property Tax	\$ 4,181,750	\$ 4,496,500	\$ 314,750
Property Tax	\$ 24,566,312	\$ 25,325,480	\$ 759,168
Fund Balance	\$ 600,000	\$ 600,000	\$ -
TOTALS	\$ 29,348,062	\$ 30,421,980	\$ 1,073,918
EXPENDITURES			
Municipal	\$ 9,963,332	\$ 10,303,712	\$ 340,380
School	\$ 18,133,850	\$ 18,818,939	\$ 685,089
County Tax	\$ 1,109,052	\$ 1,192,404	\$ 83,352
Debt Service	\$ 141,828	\$ 106,925	\$ (34,903)
TOTALS	29,348,062	30,421,980	1,073,918

Both of the government-wide financial statements distinguish functions of the Town of Freeport that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

While Freeport is currently in very good financial shape, the Town must continue to watch revenues from the State of Maine. Such revenues include, but are not limited to revenue sharing (a portion of sales and income taxes), road assistance, homestead exemption, and business equipment tax payments. The Town must maintain a tight budget in order to ensure that expenditures do not begin to outpace revenues in future years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Freeport's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Freeport, 30 Main Street, Freeport, Maine 04032.

Respectfully submitted,

Peter E. Joseph
Town Manager

Jessica L. Maloy
Finance Director

BASIC FINANCIAL STATEMENTS

TOWN OF FREEPORT, MAINE
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total	Component Unit FEDC
ASSETS				
Cash and cash equivalents	\$ 15,644,881	-	15,644,881	68,551
Investments	6,418,146	-	6,418,146	-
Receivables:				
Accounts, net	152,650	76,219	228,869	-
Due from other governments	88,407	-	88,407	-
Taxes receivable	477,343	-	477,343	-
Tax liens	136,591	-	136,591	-
Internal balances	279,932	(279,932)	-	-
Inventory	10,100	-	10,100	-
Receivable - RSU #5 debt service payments	1,198,864	-	1,198,864	-
Capital assets, not being depreciated	3,031,610	-	3,031,610	-
Capital assets, net of accumulated depreciation	17,482,052	31,037	17,513,089	-
Total assets	44,920,576	(172,676)	44,747,900	68,551
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	627,503	-	627,503	-
Deferred outflows of resources related to OPEB	184,907	-	184,907	-
Total deferred outflows of resources	812,410	-	812,410	-
LIABILITIES				
Accounts payable and other current liabilities	361,618	-	361,618	44
Accrued wages and benefits payable	143,574	8,136	151,710	1,346
Accrued interest	9,017	-	9,017	-
Noncurrent liabilities:				
Liabilities due in one year	491,000	-	491,000	-
Other long-term liabilities	2,066,575	-	2,066,575	-
Other postemployment benefits liability	1,082,041	-	1,082,041	-
Bonds due in more than one year	950,000	-	950,000	-
Total liabilities	5,103,825	8,136	5,111,961	1,390
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	370,539	-	370,539	-
Deferred inflows of resources related to OPEB	177,196	-	177,196	-
Total deferred inflows of resources	547,735	-	547,735	-
NET POSITION				
Net investment in capital assets	20,287,526	31,037	20,318,563	-
Restricted for:				
Grants and other programs	1,784,755	-	1,784,755	-
Nonexpendable trust principal	1,549,296	-	1,549,296	-
Expendable trust - income portion	85,658	-	85,658	-
Unrestricted	16,374,191	(211,849)	16,162,342	67,161
Total net position	\$ 40,081,426	(180,812)	39,900,614	67,161

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
 Statement of Activities
 For the Year Ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position			Component Unit
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total	
					Governmental activities	Business-type activities		
Primary government:								
Governmental activities:								
General government	\$ 2,705,076	855,996	3,982	-	(1,845,098)	-	(1,845,098)	-
Public safety	3,745,982	403,174	61,539	-	(3,281,269)	-	(3,281,269)	-
Public works	3,569,876	397,197	137,395	-	(3,035,284)	-	(3,035,284)	-
Community services	1,396,178	542,409	73,688	-	(780,081)	-	(780,081)	-
Community development	1,475,835	-	-	-	(1,475,835)	-	(1,475,835)	-
Education	18,133,850	-	-	-	(18,133,850)	-	(18,133,850)	-
Unclassified	642,381	-	22,618	-	(619,763)	-	(619,763)	-
Interest on debt	10,659	-	-	-	(10,659)	-	(10,659)	-
Total governmental activities	31,679,837	2,198,776	299,222	-	(29,181,839)	-	(29,181,839)	-
Business-type activities:								
Nonemergency Transportation	221,407	278,108	-	-	-	56,701	56,701	-
Total business-type activities	221,407	278,108	-	-	-	56,701	56,701	-
Total primary government	\$ 31,901,244	2,476,884	299,222	-	(29,181,839)	56,701	(29,125,138)	-
Component Unit:								
Freeport Economic Development Corporation	102,086	-	100,000	-	-	-	-	(2,086)
General revenues:								
Property taxes, levied for general purposes					\$ 26,623,752	-	26,623,752	-
Motor vehicle excise taxes					2,056,826	-	2,056,826	-
Interest and lien costs					54,808	-	54,808	-
Grants and contributions not restricted to specific programs:								
Homestead exemption					336,095	-	336,095	-
BETE reimbursements					799,014	-	799,014	-
State Revenue Sharing					378,563	-	378,563	-
Other State aid					249,662	-	249,662	-
Unrestricted investment earnings (losses)					584,841	-	584,841	22
Miscellaneous revenues					61,266	-	61,266	-
Total general revenues					31,144,827	-	31,144,827	22
Change in net position					1,962,988	56,701	2,019,689	(2,064)
Net position - beginning					38,118,438	(237,513)	37,880,925	69,225
Net position - ending					40,081,426	(180,812)	39,900,614	67,161

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 13,074,958	1,792,780	777,143	15,644,881
Investments	419,733	4,346,274	1,652,139	6,418,146
Receivables:				
Accounts net of allowance of \$98,851	32,325	120,325	-	152,650
Due from other governments	88,407	-	-	88,407
Taxes receivable	477,343	-	-	477,343
Tax liens	136,591	-	-	136,591
Interfund loans receivable	-	3,742,291	2,815,796	6,558,087
Inventory	10,100	-	-	10,100
Receivable - RSU #5 debt service payments	1,198,864	-	-	1,198,864
Total assets	\$ 15,438,321	10,001,670	5,245,078	30,685,069
LIABILITIES				
Accounts payable	147,462	7,188	48,822	203,472
Accrued wages and benefits	139,525	-	4,049	143,574
Interfund loans payable	5,791,314	251,249	235,592	6,278,155
Development escrows	158,146	-	-	158,146
Total liabilities	6,236,447	258,437	288,463	6,783,347
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	315,354	-	-	315,354
Unavailable revenue - ambulance receivables	-	24,325	-	24,325
Unavailable revenue - RSU #5 debt service payments	1,198,864	-	-	1,198,864
Total deferred inflows of resources	1,514,218	24,325	-	1,538,543
FUND BALANCES				
Nonspendable	10,100	-	1,549,296	1,559,396
Restricted	-	-	1,870,413	1,870,413
Committed	2,020,529	9,718,908	1,536,906	13,276,343
Assigned	600,000	-	-	600,000
Unassigned	5,057,027	-	-	5,057,027
Total fund balances	7,687,656	9,718,908	4,956,615	22,363,179
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,438,321	10,001,670	5,245,078	

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.	20,513,662
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Unavailable revenue - property taxes	315,354
Unavailable revenue - ambulance billings	24,325
Unavailable revenue - RSU #5 debt service payments	1,198,864
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(9,017)
General obligation bonds	(1,425,000)
Accrued compensated absences	(457,340)
Net pension liability and related deferred inflows and outflows of resources	(1,229,271)
OPEB liability and related deferred inflows and outflows of resources	(1,074,330)
Landfill closure and post-closure care costs	(139,000)
Net position of governmental activities	\$ 40,081,426

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	General	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 26,965,361	-	1,649,373	28,614,734
Licenses, permits and fees	363,051	-	-	363,051
Intergovernmental	1,968,804	-	19,867	1,988,671
Charges for services	261,397	692,209	826,730	1,780,336
Fees and fines	61,264	-	-	61,264
Unclassified	68,480	-	68,010	136,490
Investment earnings	253,245	218,442	113,154	584,841
Total revenues	29,941,602	910,651	2,677,134	33,529,387
Expenditures:				
Current:				
General government	1,720,438	-	-	1,720,438
Public safety	2,802,624	-	4,631	2,807,255
Public works	2,258,013	-	-	2,258,013
Community services	779,422	-	322,944	1,102,366
Community development	-	-	1,475,835	1,475,835
Education	18,133,850	-	-	18,133,850
Insurance and fringe benefits	1,711,716	-	-	1,711,716
County tax	1,109,052	-	-	1,109,052
Unclassified	249,588	-	19,538	269,126
Capital outlay	-	1,477,055	205,467	1,682,522
Debt service	141,827	-	-	141,827
Total expenditures	28,906,530	1,477,055	2,028,415	32,412,000
Excess (deficiency) of revenues over (under) expenditures	1,035,072	(566,404)	648,719	1,117,387
Other financing sources (uses):				
Transfers from other funds	520,540	967,725	-	1,488,265
Transfers to other funds	(600,000)	(483,265)	(405,000)	(1,488,265)
Total other financing sources (uses)	(79,460)	484,460	(405,000)	-
Net change in fund balances	955,612	(81,944)	243,719	1,117,387
Fund balances, beginning of year	6,732,044	9,800,852	4,712,896	21,245,792
Fund balances, end of year	\$ 7,687,656	9,718,908	4,956,615	22,363,179

See accompanying notes to financial statements.

TOWN OF FREEPORT, 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, 2019

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,117,387
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
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 capital outlays exceeded depreciation.		(19,561)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		122,908
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.		614,185
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond 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 repayments.		505,000
The Town has bonds that were originally issued for School purposes. These amounts will be funded by Regional School Unit #5 when the debt service payments are due. The Town has recorded a long-term receivable for the amount that will be paid by the School Unit for these bonds. The amount of the receivable at year end was \$1,198,864 with principal amounts paid off during the year totaling \$376,931.		(376,931)
Change in net position of governmental activities (see Statement 2)	\$	1,962,988

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2019

	<u>Budgeted amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 26,282,612	26,282,612	26,965,361	682,749
Licenses, permits and fees	271,400	271,400	363,051	91,651
Intergovernmental	1,304,300	1,304,300	1,968,804	664,504
Charges for services	196,000	196,000	261,397	65,397
Fees and fines	65,000	65,000	61,264	(3,736)
Unclassified	23,750	23,750	67,918	44,168
Investment earnings	50,000	50,000	232,507	182,507
Total revenues	28,193,062	28,193,062	29,920,302	1,727,240
Expenditures:				
Current:				
General government	1,758,740	1,758,740	1,720,438	38,302
Public safety	2,856,257	2,856,257	2,802,624	53,633
Public works	2,344,880	2,344,880	2,258,013	86,867
Community services	836,905	836,905	779,422	57,483
Education	18,133,850	18,133,850	18,133,850	-
Insurance and fringe benefits	1,914,500	1,914,500	1,711,716	202,784
County tax	1,109,052	1,109,052	1,109,052	-
Unclassified	252,050	252,050	248,098	3,952
Debt service	141,828	141,828	141,827	1
Total expenditures	29,348,062	29,348,062	28,905,040	443,022
Excess (deficiency) of revenues over (under) expenditures	(1,155,000)	(1,155,000)	1,015,262	2,170,262
Other financing sources (uses):				
Use of unassigned fund balance	600,000	600,000	-	(600,000)
Transfers from other funds	555,000	555,000	520,540	(34,460)
Transfers to other funds	-	-	(600,000)	(600,000)
Total other financing sources (uses)	1,155,000	1,155,000	(79,460)	(1,234,460)
Net change in fund balance - budgetary basis	-	-	935,802	935,802
Fund balance, beginning of year - budgetary basis			6,188,665	
Fund balance, end of year - budgetary basis			7,124,467	
Reconciliation to GAAP basis:				
Committed reserve funds fund balance			563,189	
Fund balance, end of year - GAAP basis	\$		7,687,656	

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2019

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
ASSETS		
Current assets:		
Accounts receivable less allowance for uncollectibles of \$11,000	\$	76,219
Total current assets		76,219
Noncurrent assets:		
Property, plant, and equipment		151,194
Less accumulated depreciation		(120,157)
Total noncurrent assets		31,037
Total assets	\$	107,256
LIABILITIES		
Current liabilities:		
Interfund loans payable		279,932
Accrued wages and benefits payable		8,136
Total current liabilities		288,068
Total liabilities	\$	288,068
NET POSITION		
Net investment in capital assets		31,037
Unrestricted		(211,849)
Total net position	\$	(180,812)

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
Operating revenues:		
Charges for services	\$	278,108
Total operating revenues		278,108
Operating expenses:		
Wages and benefits		193,936
Operational costs		21,050
Depreciation		6,421
Total operating expenses		221,407
Operating income		56,701
Change in net position		56,701
Net position, beginning of year		(237,513)
Net position, end of year	\$	(180,812)

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2019

Business-type Activities - Enterprise Funds		Nonemergency Transportation Program
Cash flows from operating activities:		
Receipts from customers and users	\$	249,106
Payments to suppliers		(21,050)
Payments to employees		(192,982)
Net cash provided by operating activities		35,074
Cash flows from capital and related financing activities:		
Interfund borrowing		(35,074)
Net cash used in financing activities		(35,074)
Change in cash		-
Cash, beginning of year		-
Cash, end of year	\$	-
Reconciliation of operating income/(loss) to net cash provided by operating activities:		
Operating income/(loss)	\$	56,701
Adjustments to reconcile net income /(loss) to net cash provided by operating activities:		
Depreciation		6,421
(Increase) decrease in operating assets:		
Accounts receivable		(29,002)
Increase (decrease) in operating liabilities:		
Accrued wages and benefits payable		954
Net cash provided by operating activities		35,074

See accompanying notes to financial statements.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Freeport 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:

A. Reporting Entity

The Town of Freeport, Maine was incorporated as a Town in 1789 under the laws of the State of Massachusetts and later the State of Maine. The Town operates under a council-manager form of government. Freeport is located in Cumberland County approximately 15 miles northeast of Portland along the southern Maine coast. The Council is comprised of seven members elected by district and at-large for staggered three-year terms.

Component Unit

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) 14 and 61 "The Financial Reporting Entity" as amended. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability. Financial accountability is fiscal dependence upon the primary government in addition to financial benefits or burden relationship. It is notable that the use of TIF increment financing as a source of revenue for a component unit demonstrates a financial burden as it uses the government's taxing authority. 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 on the application of these criteria, the Town has reported the following component unit:

Freeport Economic Development Corporation (FEDC) is a component unit of the Town. Although it is legally separate from the Town, the FEDC is reported as if it were part of the primary government because its sole purpose is to attract new businesses to the Freeport area. There are no separately issued financial statements for this component unit and it is reported as a discretely presented component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. 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 proprietary funds. Major individual governmental funds, other governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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 is the proprietary 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 for property taxes and one year for all other revenues. 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 Capital Projects Fund holds the Town's funds that are associated with capital and non-routine projects. As the Town Council appropriates funds from reserves (or other sources) for capital projects, these funds are transferred into the capital fund for expenditure on the project.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following proprietary fund:

Nonemergency Transportation Program (NET) accounts for the operation of a nonemergency transportation program operating in Southern Maine.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary fund are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Receivables

Accounts receivable for the business-type activities include an allowance for doubtful accounts in the amount of \$11,000 as of June 30, 2019. Management has determined that potential uncollectible accounts for intergovernmental, taxes and tax liens receivable are not material.

E. Investments

Investments are stated at fair value, unless otherwise indicated. Investments of the permanent funds, Town reserve accounts and certain capital project funds are pooled on a cost basis, with each individual fund subscribing to or disposing of interest in the investment pool on the basis of cost value at the beginning of the fiscal year. As such, investment income, investment expense, and gains and losses on sales of investments are allocated to each fund based on its proportionate interest in the investment pool.

F. Capital Assets

Capital assets, which include property, plant, equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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 cost 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.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years. Business-type fund capital assets are depreciated using the straight-line method over the assets' estimated useful lives ranging from 4 to 7 years. For all capital assets; buildings, vehicles and equipment, the Town elects to use the depreciation approach as defined by GASB Statement No. 34 for reporting.

G. Vacation and Sick Leave

Under the terms of personnel policies and a union contract, vacation and sick leave are granted in varying amounts according to length of service. The Town has accrued accumulated vacation leave and vested sick leave. The liability is reported in the government-wide financial statement.

H. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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.

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.

It is notable that while several debt service payments are the responsibility of and budgeted by RSU #5, the Town must continue to book these long-term liabilities because the Town is responsible for paying the bondholders.

I. 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 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.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report a separate section 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 inflows of resources (revenue) until that time. The governmental funds only report three deferred inflow of resources, unavailable revenue from property taxes, unavailable revenue from Regional School Unit #5 debt service payments, and unavailable revenue from long-term ambulance receivables. These amounts are deferred and recognized as inflows 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 and the OPEB 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 the Town's 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.

K. Inventory

Inventory in the General Fund consists of vehicle fuel and is recorded at the lower of cost or market on the first-in, first-out basis.

L. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers to/from other funds.

M. 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.

N. Comparative Data

Comparative data for the prior year have 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.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

O. Fund Equity

The Town uses the following fund balance classifications.

- | | |
|---------------------|--|
| Nonspendable | Nonspendable fund balance represents fund balance amounts that are not in spendable form, such as inventories or resources that must be maintained intact pursuant to legal or contractual requirements. |
| Restricted | Restricted fund balance represents amounts that are restricted by State or Federal statute or by external third parties, such as TIF fund commitments or private or public grants. Any matching amounts are also considered restricted as they cannot be withdrawn due to the outside parties' involvement and commitment. |
| Committed | Committed is that portion of fund balance that has been approved by the highest level of formal action of the Town Council and does not lapse at year-end. Committed fund balance requires action by the Town Council to remove them. Examples of committed funds are amounts for Town-initiated projects or activities in the recreation and capital funds. |
| Assigned | Assigned is the portion of fund balance that does not meet the definition of restricted or committed. The amounts are not for a highly specified purpose and their use has some discretion by the administration. |
| Unassigned | Fund balance that has not been reported in any other classification. Note that in all governmental funds other than the General Fund, amounts expended in excess of resources that do not meet the above categories are classified here (i.e., residual deficits). |

The Town's fund balance policy establishes that an amount equal to at least one and-one-half months of the Town's most recent approved operating budget shall be established as a minimum unassigned fund balance. Annually, following completion of the Town's audit, the Town Manager shall review the unassigned fund balance and propose to utilize, through the annual budget process, surplus funds above the minimum, if any. Use of those unassigned fund balances should be dedicated to projects in the capital improvement program or other unanticipated one-time expenditures. The Council may vote to establish certain reserve accounts from the unassigned fund balance for the purpose of funding specific capital improvement needs in the future and may decide to expend or to reserve amounts greater than that listed above based on the immediate or long-term needs of the Town.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent 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 intent to use committed or assigned resources first, and then unassigned resources as they are needed.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In 2011, the Town Council revised its "Tax Rate Policy" to continue to ensure the financial well being of the Town. Under the Policy, a portion of the General Fund fund balance is committed for stabilization arrangements, entitled "Tax Rate Stabilization Account", to lower future year tax rates.

- Revenues generated by new valuation may be used to fund operating budgets, capital reserves or used for tax rate stabilization.
- Once operating budgets are passed, fund balance and reserves are funded in accordance with Town policies; excess funds may be used to lower the current year tax rate, or may be placed in a Tax Rate Stabilization Account to lower future year tax rates.
- During periods of low revenues, new valuation or extraordinary, unpredicted increases in costs, up to fifty (50) percent of the Tax Rate Stabilization Account may be used annually to offset the municipal tax rate.
- The need for tax rate stabilization is defined as: a predicted five percent increase in the combination of the Town, RSU, and County budgets, or a predicted five percent increase in the Town's total mil rate.

P. Budgetary Information

Each year, the Town Manager submits to the Town Council a budget for the ensuing fiscal year. Hearings are held to obtain public comments. The budget is legally enacted by a council order. The order enacts the total Town appropriation. Budgets are adopted for the General Fund, Winslow Park Fund and Nonemergency Transportation Fund only, and are adopted on a basis consistent with accounting principles Generally Accepted in the United States of America (GAAP), except for amounts held in reserves. The respective balances for the reserves (e.g., investments) are reported on Statement 3 and the revenues and expenditures for the reserves have been reported on Statement 4. These amounts have been excluded from Exhibit A-2 and Statement 6 for budgetary purposes.

Q. Recent Accounting Pronouncements

None

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

For the year ended June 30, 2019, the Nonemergency Transportation Program reported a deficit fund balance/net position of \$(180,812).

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

DEPOSITS AND INVESTMENTS

The Town's policy is to invest all available funds at the highest possible rates in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The funds are invested in liquid investments with maturities planned to coincide with the Town's cash needs during the year. Generally, the Town invests such excess funds in cash management accounts and various insured certificates of deposits.

Deposits:

Custodial Credit Risk - 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 does not have a formal deposit policy for custodial credit risk, but requires all deposit accounts to hold collateral either at an outside bank in the Town's name or through an irrevocable letter of credit to the Town in any amounts above the FDIC insurance limits. The Town maintains deposits in banks or savings and loans that are a member of the FDIC and qualify as a depository of public funds in the State of Maine as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. As of June 30, 2019, the Town reported deposits of \$15,644,881 with a bank balance of \$16,182,127. Of the Town's bank balances of \$16,182,127, none was subject to custodial credit risk as it was insured by FDIC or covered by additional collateral.

As of June 30, 2019, the Freeport Economic Development Corporation reported deposits of \$68,551, with a bank balance of \$68,506. Of the FEDC'S bank balance of \$68,506, none was subject to custodial credit risk as it was insured by FDIC.

Investments:

Custodial Credit Risk - Investments: For investments, this 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. The Town does not have an investment policy for custodial credit risk.

The Town categorized 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 are valued using level 1 inputs.

At June 30, 2019, the Town had the following investments and maturities:

	Fair <u>value</u>	Less than <u>1 year</u>	<u>1-5 years</u>
U. S. Government securities	\$ 3,098,748	2,093,698	1,005,050
Money markets	150,341	N/A	-
Mutual funds	3,169,057	N/A	-
Total investments	\$ 6,418,146	2,093,698	1,005,050

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

Credit Risk and Concentration of 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. Generally, the Town invests such excess funds in U.S. Treasury and Agency bonds and notes, repurchase agreements, and in investment pool funds. Certain long-term reserve and trust funds are invested through a financial institution with trust powers in fixed income and equity mutual funds to provide long-term growth and income.

The Town's investments in debt securities that require disclosure of credit risk were rated by Standard & Poor's as follows: Money market funds \$150,341 – AAA, Fixed income government securities \$3,098,748 -AA.

The Town's investment portfolio is comprised of a mix of money market, equity mutual funds and bond mutual funds.

At June 30, 2019, the Town had investments exceeding five percent of the total portfolio as follows:

	<u>Value</u> <u>6/30/19</u>	<u>S & P</u> <u>Rating</u>	<u>% of Total</u>
Federal Farm Credit Bank	\$ 250,715	AA	8.09%
Federal Home Loan bank	997,725	AA	32.20%
Federal Home Loan Mortgage Corp	299,349	AA	9.66%
Federal National Mortgage Assoc.	548,664	AA	17.71%
United States Treasury Notes	1,002,295	AA	32.35%

Interest Rate Risk: The Town does not have a formal policy related to investment rate risk. To the extent possible, the Town attempts to match investments with anticipated cash requirements that attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities and cash flow requirements.

PROPERTY TAX

Property taxes for the current period were committed on September 17, 2018, on the assessed value listed as of April 1, 2018, for all real and personal property located in the Town. For real property, payment of taxes was due in equal installments on November 15, 2018 and May 15, 2019. Personal property taxes were due in full on November 15, 2018. Interest at the rate of 8% per annum was charged on any amounts remaining unpaid after these dates. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The FY 2019 assessed value was 100% of the estimated market value and 102% of the 2019 state valuation of \$1,739,650,000.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

PROPERTY TAX, CONTINUED

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 \$381,179 for the period ended June 30, 2019.

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

The following summarizes the periods ended June 30, 2019 and 2018 levies:

	<u>2019</u>	<u>2018</u>
Assessed value	\$ 1,767,233,457	1,712,266,822
<u>Tax rate (per \$1,000)</u>	<u>15.05</u>	<u>14.95</u>
Commitment	26,596,864	25,598,389
<u>Supplemental taxes assessed</u>	<u>25,950</u>	<u>102,882</u>
Total assessments	26,622,814	25,701,271
Less:		
<u>Collections and abatements</u>	<u>26,158,140</u>	<u>25,240,859</u>
 <u>Receivable at June 30</u>	 <u>\$ 464,674</u>	 <u>460,412</u>
 Collection rate	 98.25%	 98.21%

SIGNIFICANT TAXPAYER

For the year ended June 30, 2019, the Town of Freeport committed and collected \$2,880,754 in real estate and personal property tax revenue from L.L. Bean, Inc. This commitment represents approximately 10.83% of total property taxes assessed.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,302,785	373,854	849,913	826,726
Land	2,204,884	-	-	2,204,884
<u>Total capital assets, not being depreciated</u>	<u>3,507,669</u>	<u>373,854</u>	<u>849,913</u>	<u>3,031,610</u>
Capital assets, being depreciated:				
Land improvements	3,502,741	44,510	-	3,547,251
Buildings and building improvements	8,515,572	127,952	-	8,643,524
Machinery and equipment and other	5,757,066	592,628	156,331	6,193,363
Vehicles	5,082,075	75,287	79,423	5,077,939
Infrastructure	13,314,935	951,872	-	14,266,807
<u>Total capital assets being depreciated</u>	<u>36,172,389</u>	<u>1,792,249</u>	<u>235,754</u>	<u>37,728,884</u>
Less accumulated depreciation				
Land improvements	1,329,348	126,693	-	1,456,041
Buildings and building improvements	4,737,341	208,473	-	4,945,814
Machinery and equipment and other	4,660,426	255,802	156,331	4,759,897
Vehicles	3,251,678	349,553	79,423	3,521,808
Infrastructure	5,168,042	395,230	-	5,563,272
<u>Total accumulated depreciation</u>	<u>19,146,835</u>	<u>1,335,751</u>	<u>235,754</u>	<u>20,246,832</u>
<u>Total capital assets being depreciated, net</u>	<u>17,025,554</u>	<u>456,498</u>	<u>-</u>	<u>17,482,052</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 20,533,223</u>	<u>830,352</u>	<u>849,913</u>	<u>20,513,662</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2019 as follows:

Governmental activities:	
General government	\$ 106,062
Public safety	314,097
Public works, including depreciation of general infrastructure assets	797,420
Community services	109,392
Unclassified	8,780
<u>Total depreciation expense – governmental activities</u>	<u>\$ 1,335,751</u>

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

	Balance July 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 85,066	-	-	85,066
Vehicles	66,128	-	-	66,128
<u>Total capital assets being depreciated</u>	<u>151,194</u>	<u>-</u>	<u>-</u>	<u>151,194</u>
<u>Less accumulated depreciation</u>	<u>113,736</u>	<u>6,421</u>	<u>-</u>	<u>120,157</u>
<u>Total capital assets being depreciated, net</u>	<u>37,458</u>	<u>6,421</u>	<u>-</u>	<u>31,037</u>
<u>Business-type activities capital assets, net</u>	<u>\$ 37,458</u>	<u>6,421</u>	<u>-</u>	<u>31,037</u>

Depreciation expense of \$6,421 for business-type activities was all charged to the Nonemergency Transportation (NET) enterprise fund.

INTERFUND TRANSACTIONS

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund receivables and payables balances at June 30, 2019 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in (out)</u>
General Fund	\$ -	5,791,314	(79,460)
Capital project funds	3,742,291	251,249	484,460
Nonmajor governmental funds:			
Special revenue funds:			
Winslow Park	-	218,487	-
TIF funds	499,149	-	-
Bartol building lease	547,850	-	(130,000)
Tower lease	675,978	-	(200,000)
Town grants and programs	966,454	-	(75,000)
Leon Gorman Park	126,365	-	-
Permanent funds	-	17,105	-
Proprietary Funds:			
Nonemergency Transportation Services	-	279,932	-
<u>Totals</u>	<u>\$ 6,558,087</u>	<u>6,558,087</u>	<u>-</u>

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

FUND BALANCE

The General Fund unassigned fund balance total of \$5,057,027 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. As of June 30, 2019, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory	\$ 10,100	-	-	-
Accrued compensation	-	-	457,340	-
Tax rate stabilization	-	-	1,000,000	-
Unemployment fund compensation	-	-	456,710	-
Other	-	-	106,479	-
Subsequent year budget	-	-	-	600,000
Capital Projects Funds	-	-	9,718,908	-
Nonmajor Governmental Funds:				
Special Revenue Funds:				
Winslow Park	-	547,047	-	-
TIF	-	458,851	-	-
Leon Gorman Park	-	126,365	-	-
Bartol building lease	-	-	547,280	-
Tower lease	-	-	675,978	-
Other	-	652,492	313,648	-
Permanent Funds:				
Principal	1,549,296	-	-	-
Unexpended Income	-	85,658	-	-
Totals	\$ 1,559,396	1,870,413	13,276,343	600,000

Net Position - The net position amount represents the difference between assets, deferred outflows, liabilities, and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back bonds issued for the RSU No. 5's capital assets. 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, 2019:

	<u>Governmental Activities</u>
Capital assets	\$ 40,760,494
Accumulated depreciation	(20,246,832)
Bonds payable	(1,425,000)
Bonds related to RSU assets	1,198,864
Net investment in capital assets	\$ 20,287,526

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 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	\$ 1,930,000	-	505,000	1,425,000	475,000
Accrued compensated absences	446,659	10,681	-	457,340	-
Other post-employment benefits	827,906	254,135	-	1,082,041	-
Net pension liability	2,121,044	-	634,809	1,486,235	-
Landfill closure and post closure care costs	155,000	-	16,000	139,000	16,000
Total governmental activity long-term liabilities	\$ 5,480,609	264,816	1,155,809	4,589,616	491,000

LONG-TERM DEBT

Bonds payable at June 30, 2019 are 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, 2019</u>
Governmental activities:					
2011 refunding	4/19/2011	5,635,000	2023	4.0-5.0%	1,425,000
Total bonds payable					\$ 1,425,000

As of July 1, 2009, the Freeport School Department joined Regional School Unit (RSU) #5. RSU #5 will reimburse the Town of Freeport for all of Freeport School Department bonds payable when the debt service payments are due. The Town has recorded a receivable for \$1,198,864, which is the outstanding amount of bonds payable related to the School Department.

The Town is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the Town. The Town's outstanding long-term debt of \$1,425,000 at June 30, 2019 was within the statutory limit.

The annual requirements to amortize all debt outstanding at June 30, 2019 are as follows. Such amounts exclude overlapping debt requirements, but include school debt requirements to be reimbursed by the State of Maine.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 475,000	57,225	532,225
2021	470,000	33,600	503,600
2022	265,000	15,225	280,225
2023	215,000	4,300	219,300
Totals	\$ 1,425,000	110,350	1,535,350

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES

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. For the year ended June 30, 2019, the Town's share was \$1,405,823 (3.71%) of Cumberland County's outstanding debt of \$37,894,000.

The Town's proportionate share of Regional School Unit No. 5's debt of \$17,319,350 is \$11,427,307 (65.98%). This debt service is included in the annual assessments to the Town.

LANDFILL CLOSURE AND POST CLOSURE COSTS

The following is a summary of the estimated cost of current landfill and post-closure operations for the Town's landfill for the year ended June 30, 2019:

	<u>Years remaining</u>	<u>Cost per year</u>	<u>Total cost</u>
Post closure monitoring:			
Section closed in 1995 - 30 years of monitoring	6	\$ 5,000	30,000
Post closure monitoring:			
Section closed in 1992 - 30 years of monitoring	3	7,000	21,000
Section closed in 2016:			
First ten-year period of post closure monitoring	7	4,000	28,000
Subsequent 20-year period of post-closure monitoring	20	3,000	60,000
<u>Total landfill liability</u>			<u>\$ 139,000</u>

Under existing state law, Maine communities have to close existing landfills under a State-approved plan and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Historically, the Town maintained two old solid waste landfills which were closed and permanently capped in 1992 and 1995. Additionally, the Town maintained a demolition debris landfill which was closed in FY 2016. The Town has estimated that there will be post closure care costs for the various landfills approximating \$139,000 over the next 30 years. As such, the Town has recognized an estimate for post closure monitoring and maintenance costs of \$139,000 in the government-wide financial statements. The actual costs of closure and post closure care may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

JOINTLY GOVERNED ORGANIZATIONS

The Town of Freeport participates in a jointly governed organization, which is not part of the Town's reporting entity. ecomaine is a solid waste management corporation serving 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 also operates an extensive recycling program. The Town is a member 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, 2019, the most recent information available, includes total assets of \$63,227,321, total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,082,777. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2012 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.

CREDIT ENHANCEMENT AGREEMENTS

GASB Statement 77, Tax Abatement Disclosures, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from "an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments".

While not called 'tax abatements', the Town of Freeport does currently have certain Credit Enhancement Agreements (CEAs) which fit this definition with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. These CEAs were entered into for the purpose of downtown economic development.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

CREDIT ENHANCEMENT AGREEMENTS, CONTINUED

For the year ended June 30, 2019, the Town abated real estate property taxes totaling \$1,355,438 through these credit enhancement agreements, including the following:

<u>TIF District</u>	<u>Beginning; Duration</u>	<u>CEA Entity</u>	<u>Percentage of Assessed Value Abated</u>	<u>Amount Paid in FY 2019</u>
TIF II Desert Rd. Phase II	1996-97 30 Years	Berenson Assoc.	75%	\$432,746
TIF V Hotel	2004-05 30 Years	Frost Gully LLC.	51%	72,215
TIF II Desert Rd. Phase II	2007-08 20 Years	Berenson Assoc.	90%	816,762
TIF IV Destination	2010-11 10 Years	Berenson Assoc.	-	20,000
TIF VI Housing	2011-12 30 Years	Freeport Housing Trust	50%	13,715

NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineipers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The 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.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

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. Employees are required to contribute 8.0% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2019, was 10.5% of annual payroll, 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. Contributions to the pension plan from the Town were \$335,995 for the year ended June 30, 2019.

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

At June 30, 2019, the Town reported a liability of \$1,486,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2018, the Town's proportion was 0.5431%.

For the year ended June 30, 2019, the Town recognized pension expense (gain) of \$(636,330). At June 30, 2019, 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	\$ -	11,671
Changes in assumptions	237,213	
Net difference between projected and actual earnings on pension plan investments	-	358,868
Changes in proportion and differences between Town contributions and proportionate share of contributions	54,295	-
Town contributions subsequent to the measurement date	335,995	-
Total	\$ 627,503	370,539

An amount of \$335,995 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 liability in the year ended June 30, 2020.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

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:

2020	\$ 215,476
2021	42,381
2022	(244,136)
2023	(92,752)

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75-9.00% per year
Investment return	6.750% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates were based on the RP-2014 Total Dataset Healthy Annuitant Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through 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. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
Private equities	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Diversifiers	10.0%	5.9%
Traditional credit	7.5%	3.0%
US Government securities	7.5%	2.3%
Natural resources	5.0%	5.0%
Alternative credit	5.0%	4.2%
Total	100.0%	

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate 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 plan's 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 liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.750%, 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 (5.750%) or 1 percentage point higher (7.750%) than the current rate:

	1% Decrease <u>(5.750%)</u>	Current Discount Rate <u>(6.750%)</u>	1% Increase <u>(7.750%)</u>
Town's proportionate share of the net pension liability	\$ 3,502,859	1,486,235	(398,755)

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, 2019.

PENSION PLANS

Defined Contribution Plan

The Town offers its regular employees 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. Participating employees are required to contribute 7% of compensation for the year and the Town matches the employees' contribution with 10% of compensation for the plan year. For the year ended June 30, 2019, the Town's contribution to the plan totaled \$85,050.

Deferred Compensation Plan

The Town offers all its employees 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

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$362,768 for the year ended June 30, 2019.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements. In addition, the Town provides a benefit to current employees that contributes to a retirement savings account, which may be used after retirement to offset health insurance premiums.

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Benefits Provided - Under the Health Plan, MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Active employees	54
Total	<u>59</u>

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Town's total Health Plan OPEB liability of \$1,082,041 was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 827,906
Changes for the year:	
Service cost	30,313
Interest	29,111
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	218,861
Benefit payments	<u>(24,150)</u>
Net changes	<u>254,135</u>
Balance at June 30, 2019	<u>\$ 1,082,041</u>

Change in assumptions and other inputs reflect a change in the discount rate from 3.44% in 2018 to 4.10% in 2019.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

For the year ended June 30, 2019, the Town recognized OPEB expense of \$54,713 related to the Health Plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	177,196
Changes of assumption or other inputs	184,907	-
Total	\$ 184,907	177,196

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (4,711)
2021	(4,711)
2022	(4,711)
2023	(4,711)
2024	(4,710)
Thereafter	31,265

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2019 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per annum
Salary increases	2.75% per annum
Discount rate	4.10% per annum
Healthcare cost trend rates	8.00% for 2019, decreasing to 4.00% for 2033
Retirees' share of the benefit related costs	100% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2019 valuation for the Health Plan were based on the results of an actuarial experience study covering from the period of June 30, 2012 through June 30, 2015.

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 4.10% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

TOWN OF FREEPORT, MAINE
Notes to Financial Statements, Continued

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 4.10%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 1,203,614	1,082,041	979,028

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates per year, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 960,469	1,082,041	1,228,965

CONTINGENCIES

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Grant Funds - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association and in a public entity risk pool sponsored by the Maine Municipal Association for workers' compensation coverage.

Based on the coverage provided by the pools, 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, 2019.

COMMITMENTS

As of June 30, 2019, the Town had several outstanding commitments related to its ongoing projects, consisting primarily of the Baker Road Reconstruction, Lower Main Street Paving Overlay and the South Freeport Road Project. Of the contracts related to those projects, Baker Road Reconstruction has \$115,176 remaining, Lower Main Street Paving has \$62,673 remaining and South Freeport Road Project has \$38,062 remaining. These projects are expected to be completed during FY 2020.

TOWN OF FREEPORT, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.5431%	0.5180%	0.5248%	0.5292%	0.5823%
Town's proportionate share of the net pension liability	\$ 1,486,235	\$ 2,121,044	2,788,455	1,688,331	896,070
Town's covered payroll	2,984,815	2,916,093	2,767,003	2,608,145	2,555,144
Town's proportion share of the net pension liability as a percentage of its covered payroll	49.79%	72.74%	100.78%	64.73%	35.07%
Plan fiduciary net position as a percentage of of the total pension liability	91.14%	86.43%	81.61%	88.27%	94.10%

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

*Only five years of information available.

TOWN OF FREEPORT, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 335,995	301,466	265,364	246,263	187,331	173,612
Contributions in relation to the contractually required contribution	(335,995)	(301,466)	(265,364)	(246,263)	(187,331)	(173,612)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Town's covered payroll	\$3,199,957	2,984,815	2,916,093	2,767,003	2,608,145	2,555,144
Contributions as a percentage of covered-payroll	10.50%	10.10%	9.10%	8.90%	7.18%	6.79%

*Only six years of information available.

TOWN OF FREEPORT, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios
 Last 10 Fiscal Years*

	2019	2018
Total Health Plan OPEB Liability		
Service cost	\$ 30,313	33,043
Interest	29,111	40,032
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(248,074)
Changes of assumptions or other inputs	218,861	(3,764)
Benefit payments	(24,150)	(38,308)
Net change in total Health Plan OPEB Liability	254,135	(217,071)
Total Health Plan OPEB liability - beginning	827,906	1,044,977
Total Health Plan OPEB liability - ending	\$ 1,082,041	827,906
Covered-employee payroll	\$ 2,868,382	2,914,647
Total Health Plan OPEB liability as a percentage of covered-employee payroll	37.72%	28.41%

* Only two years of information available.

TOWN OF FREEPORT, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.750%	6.875%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	N/A
Salary increases	2.75% to 9.00%	2.75% to 9.00%	3.50% to 9.50%	N/A
Cost of living increase	1.91%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

In 2016 and going forward, mortality rates were based on RP2014 Total Data Set Healthy Annuitant Mortality Table.

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - Under the Health Plan, changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal</u> <u>Year</u>	<u>Discount</u> <u>Rate</u>
2019	4.10%
2018	3.44%
2017	3.78%

In 2019 the healthcare cost trend rate decreased from 8.27% in 2018 to 8.00%

*This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.

GENERAL FUND

TOWN OF FREEPORT, MAINE
Comparative Balance Sheets - General Fund
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 13,074,958	12,938,472
Investments	419,733	406,526
Accounts receivable	32,325	8,860
Due from other governments	88,407	52,508
Taxes receivable	477,343	476,722
Tax liens	136,591	107,471
Inventory	10,100	13,132
Receivable - RSU #5 debt service payments	1,198,864	1,575,795
Total assets	\$ 15,438,321	15,579,486
LIABILITIES		
Accounts payable	147,462	572,687
Accrued wages and benefits	139,525	66,301
Interfund loans payable	5,791,314	6,122,148
Development escrows	158,146	150,546
Other unearned revenues	-	165,263
Total liabilities	6,236,447	7,076,945
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	315,354	194,702
Unavailable revenue - RSU #5 debt service payments	1,198,864	1,575,795
Total deferred inflows of resources	1,514,218	1,770,497
FUND BALANCE		
Nonspendable	10,100	13,132
Committed - Stabilization Fund	1,000,000	1,000,000
Committed - other	457,340	446,659
Committed - reserves	563,189	543,379
Assigned	600,000	600,000
Unassigned	5,057,027	4,128,874
Total fund balance	7,687,656	6,732,044
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,438,321	15,579,486

TOWN OF FREEPORT, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year ended June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 24,566,312	24,853,727	287,415	24,205,590
Excise taxes and registration fees	1,691,300	2,056,826	365,526	1,959,247
Interest and lien costs	25,000	54,808	29,808	24,193
Total taxes	26,282,612	26,965,361	682,749	26,189,030
Licenses, permits and fees:				
Building, plumbing and electrical permits	122,000	202,137	80,137	175,027
Town clerk licenses and fees	28,800	37,523	8,723	42,055
Moorings and other harbor fees	75,000	78,977	3,977	82,607
Solid waste permits	1,600	1,375	(225)	1,650
Shellfish licenses	12,000	10,774	(1,226)	10,902
Alarm permits	32,000	32,265	265	35,705
Total licenses, permits and fees	271,400	363,051	91,651	347,946
Intergovernmental:				
State tree growth reimbursement	65,000	63,533	(1,467)	71,234
State general assistance	20,000	25,101	5,101	33,814
State revenue sharing	360,000	378,563	18,563	367,137
State homestead exemption reimbursement	190,000	336,095	146,095	264,308
State BETE reimbursement	475,000	799,014	324,014	587,396
State road assistance	130,000	131,520	1,520	132,704
Public safety contributions	43,500	48,849	5,349	46,414
Other intergovernmental	20,800	186,129	165,329	23,914
Total intergovernmental	1,304,300	1,968,804	664,504	1,526,921
Charges for services:				
Planning	14,500	21,317	6,817	25,671
Transfer station and recycling	135,000	191,771	56,771	191,093
Parking lot	37,500	13,128	(24,372)	37,500
Vehicle maintenance	1,500	2,016	516	2,976
Engineering	4,000	27,290	23,290	15,593
Hunter Road Fields	3,500	5,875	2,375	4,700
Total charges for services	196,000	261,397	65,397	277,533
Fees and fines:				
Police parking and other fines	50,000	41,995	(8,005)	37,624
Library fines and fees	11,000	14,214	3,214	13,605
Alarm and other fire fees	4,000	5,055	1,055	5,545
Total fees and fines	65,000	61,264	(3,736)	56,774

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

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues, continued:				
Unclassified	\$ 23,750	67,918	44,168	46,756
Investment earnings	50,000	232,507	182,507	143,750
Total revenues	28,193,062	29,920,302	1,727,240	28,588,710
Expenditures:				
Current:				
General government:				
Town council	138,310	154,155	(15,845)	126,649
Town manager	116,600	114,261	2,339	114,754
Finance and treasury	420,570	412,747	7,823	402,516
Assessing	177,330	161,392	15,938	161,081
Code enforcement	81,465	84,600	(3,135)	80,164
Town clerk and elections	132,745	125,586	7,159	115,807
General administration	149,920	130,337	19,583	142,328
Municipal buildings	378,167	374,388	3,779	356,977
Planning	163,633	162,972	661	144,509
Total general government	1,758,740	1,720,438	38,302	1,644,785
Public Safety:				
Police department	1,237,670	1,218,991	18,679	1,181,478
Special enforcement	131,555	75,458	56,097	58,160
Fire department	659,152	702,223	(43,071)	730,829
Rescue	426,030	419,510	6,520	394,632
Reception	203,850	192,761	11,089	187,319
Hydrant rental	168,000	170,649	(2,649)	163,319
Street lights	30,000	23,032	6,968	48,106
Total public safety	2,856,257	2,802,624	53,633	2,763,843
Public Works:				
General road operations	911,530	859,095	52,435	818,372
Summer roads	582,500	504,543	77,957	553,167
Winter roads	171,000	155,016	15,984	168,624
Tree program	13,000	14,863	(1,863)	17,916
Solid waste	413,050	476,994	(63,944)	456,881
Engineering	137,300	134,534	2,766	115,969
Hunter Road Fields Maintenance	116,500	112,968	3,532	113,088
Total public works	2,344,880	2,258,013	86,867	2,244,017

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

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Community services:				
Human services agencies	\$ 39,800	31,550	8,250	39,800
General assistance	109,740	107,196	2,544	103,252
Public library	474,870	453,890	20,980	407,322
Cable TV	82,440	83,955	(1,515)	67,195
Promotions	7,700	3,454	4,246	5,206
Coastal waters	-	-	-	64,160
Shellfish commission	6,000	757	5,243	1,289
Amtrak station operations	102,805	91,359	11,446	98,018
Other	13,550	7,261	6,289	9,533
Total community services	836,905	779,422	57,483	795,775
Education	18,133,850	18,133,850	-	17,355,332
Insurance and fringe benefits:				
Employee benefits	1,814,500	1,612,672	201,828	1,583,981
Insurances	100,000	99,044	956	97,282
Total insurance and fringe benefits	1,914,500	1,711,716	202,784	1,681,263
County tax	1,109,052	1,109,052	-	1,056,633
Unclassified:				
Bustin's Island Corporation	203,500	206,966	(3,466)	192,582
Miscellaneous and contingency	23,550	19,745	3,805	17,960
Abatements	25,000	21,387	3,613	370,493
Total unclassified	252,050	248,098	3,952	581,035
Debt service	141,828	141,827	1	146,730
Total expenditures	29,348,062	28,905,040	443,022	28,269,413
Excess (deficiency) of revenues over (under) expenditures	(1,155,000)	1,015,262	2,170,262	319,297

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

	2019			2018 Actual
	Budget	Actual	Variance positive (negative)	
Other financing sources (uses):				
Budgeted utilization of surplus	\$ 600,000	-	(600,000)	-
Transfers in	555,000	520,540	(34,460)	610,900
Transfers out	-	(600,000)	(600,000)	(1,122,400)
Total other financing sources (uses)	1,155,000	(79,460)	(1,234,460)	(511,500)
Net change in fund balance - budgetary basis	-	935,802	935,802	(192,203)
Fund balance, beginning of year - budgetary basis		6,188,665		6,380,868
Fund balance, end of year - budgetary basis		7,124,467		6,188,665
Reconciliation of fund balance to GAAP basis:				
Committed reserve funds fund balance		563,189		543,379
Fund Balance, end of year - GAAP Basis	\$	7,687,656		6,732,044

RESERVE FUNDS

TOWN OF FREEPORT, MAINE
Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
For the year ended June 30, 2019

	Fund Balance June 30, 2018	Charges for Services	Revenues			Transfers in (out)	Fund Balance June 30, 2019
			Interest	Other	Expenditures		
Capital Project Reserves							
Administration - general	\$ 137,439	-	6,132	-	387	(33,550)	109,634
Boards and commissions	39,312	-	1,500	-	81	(27,575)	13,156
Building maintenance	427,218	-	17,891	-	1,066	30,000	474,043
Cable TV equipment	517,559	126,740	19,254	-	1,009	(175,340)	487,204
Energy savings	31,017	-	1,175	-	63	-	32,129
Fire equipment	832,322	-	31,030	-	1,630	50,000	911,722
Hedgehog mountain	20,826	-	795	-	43	-	21,578
Land purchase	144,493	-	2,237	-	-	-	146,730
Land trust	24,189	-	923	-	50	-	25,062
Municipal parking lot	434,295	13,128	16,468	-	10,883	-	453,008
Police equipment	412,507	-	15,945	-	874	(110,000)	317,578
Public infrastructure	849,281	-	31,748	-	1,673	264,000	1,143,356
Public works equipment	920,334	-	35,253	-	1,912	50,000	1,003,675
Recycling equipment	148,549	-	5,801	-	322	(2,000)	152,028
Rescue equipment	867,205	323,859	32,290	-	1,693	(528,800)	692,861
Total capital project reserves	5,806,546	463,727	218,442	-	21,686	(483,265)	5,983,764
General Fund Reserves							
Unemployment compensation fund	440,611	-	16,816	562	1,279	-	456,710
Other	102,768	-	3,922	-	211	-	106,479
Total general fund reserves	543,379	-	20,738	562	1,490	-	563,189
Total Reserve Funds	\$ 6,349,925	463,727	239,180	562	23,176	(483,265)	6,546,953

CAPITAL PROJECT FUNDS

TOWN OF FREEPORT, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
For the year ended June 30, 2019

	Fund Balance (deficit) June 30, 2018	Revenues			Transfers in (out)	Fund Balance (deficit) June 30, 2019
		Charges for Services	Interest	Expenditures		
Police Department Capital Project Funds:						
Communication upgrade	\$ 84,313	-	-	2,599	-	81,714
Bullet proof vests & protective equipment	4,585	-	-	600	10,000	13,985
Building enhancements	108	-	-	-	-	108
In-Car cameras	702	-	-	-	-	702
Boat and motor replacement	-	-	-	-	5,000	5,000
Vehicle replacement	49,348	-	-	28,282	95,000	116,066
Total police department	139,056	-	-	31,481	110,000	217,575
Fire Department Capital Project Funds:						
Protective clothing	8,104	-	-	-	-	8,104
Engine five	6,462	-	-	3,585	-	2,877
Engine three	17,360	-	-	-	-	17,360
EMP Portable Digital Signs	15,000	-	-	-	-	15,000
Communication upgrade	57,558	-	-	2,360	-	55,198
Service vehicle	52,000	-	-	47,005	-	4,995
Thermal imaging cameras	17,500	-	-	-	-	17,500
Total fire department	173,984	-	-	52,950	-	121,034
Rescue Department Capital Project Funds:						
Ambulance replacement	36,386	-	-	-	250,000	286,386
Communication upgrade	130,000	-	-	4,804	-	125,196
Rescue equipment	2,906	-	-	-	-	2,906
Dormitory Renovations	-	-	-	-	35,000	35,000
Total rescue department	169,292	-	-	4,804	285,000	449,488
Public Works Capital Project Funds:						
Grader repair	2,579	-	-	-	-	2,579
Dump truck replacement, sander & plow	16,138	-	-	1,946	150,000	164,192
Wood chipper refurbishment	2,006	-	-	-	-	2,006
Loader	165,000	-	-	146,230	-	18,770
Sidewalk plow-shared with TIF	75,667	-	-	67,999	-	7,668
Pick-up truck replacement	17,571	-	-	1,663	-	15,908
One ton truck replacement	1,203	-	-	1,203	-	-
Backhoe	21,781	-	-	-	-	21,781
Total public works	301,945	-	-	219,041	150,000	232,904
Recycling Capital Project Funds:						
Landfill closing	165,450	-	-	-	-	165,450
Containers	4,849	-	-	-	17,000	21,849
Other	83,986	-	-	-	-	83,986
Total recycling	254,285	-	-	-	17,000	271,285

TOWN OF FREEPORT, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
For the year ended June 30, 2019

	Fund Balance (deficit) June 30, 2018	Revenues			Transfers in (out)	Fund Balance (deficit) June 30, 2019
		Charges for Services	Interest	Expenditures		
Comprehensive Town Improvement Funds:						
Curtis Road reconstruction	\$ 139,956	-	-	-	-	139,956
Litchfield Road reconstruction	156,348	-	-	-	-	156,348
South Freeport Village project	26,781	-	-	-	-	26,781
Percy, Pratt and Pownal Road Reconstruction	-	-	-	-	75,000	75,000
Baker Road reconstruction	350,000	-	-	234,824	-	115,176
Lower Main Street paving overlay	114,820	-	-	52,147	-	62,673
Main St. paving and drainage match	28,494	-	-	-	-	28,494
Flying Point Road-2011 reconstruction	23,044	-	-	-	-	23,044
US Route 1 South (PACTS)	193,309	-	-	147,573	-	45,736
Concord Gully Brook watershed restoration	94,764	16,000	-	40,959	50,000	119,805
Greenspace Project	-	-	-	-	16,000	16,000
South Street project	153,011	-	-	-	-	153,011
Desert Road match	19,393	-	-	-	-	19,393
Burnett Road bridge	11,048	-	-	-	-	11,048
US Route 1 North (PACTS)	134,991	-	-	-	-	134,991
South Freeport Road (PACTS)	38,424	52,689	-	53,051	-	38,062
Prout Road culvert	9,316	-	-	-	-	9,316
West Street-Depot Street to South Street reconstruction	8,838	-	-	-	-	8,838
Desert Road business park	235,000	-	-	-	-	235,000
Freeport fields and trails project	65,537	-	-	-	-	65,537
Culvert replacement	623	79,800	-	101,989	55,000	33,434
Other	6,552	-	-	-	40,000	46,552
Total comprehensive town improvement	1,810,249	148,489	-	630,543	236,000	1,564,195
Municipal Buildings and Other Improvement Funds:						
Computer system upgrade/connectivity town-wide	159,851	-	-	52,030	28,300	136,121
Dunning boat yard	31,445	-	-	-	-	31,445
Cable TV	82,727	-	-	72,373	58,600	68,954
Valuation update	55,450	-	-	-	5,000	60,450
Building winterization	142,390	-	-	11,175	-	131,215
Public safety renovation (sallyport, flooring, etc.)	1,119	-	-	-	-	1,119
Town hall exterior	60,000	-	-	-	-	60,000
Public works roofing projects	166,684	70,986	-	127,952	-	109,718
LED lighting conversion	133,861	-	-	140,695	-	(6,834)
Copier replacement	6,827	-	-	-	-	6,827
Library building exterior	20,000	-	-	-	10,000	30,000
Vehicle replacement	4,998	-	-	-	-	4,998
Other	267,335	3,750	-	112,325	40,250	199,010
Total municipal buildings and other	1,132,687	74,736	-	516,550	142,150	833,023
Boards and Committees Improvement Funds:						
Historic society archiving	1,387	-	-	-	15,000	16,387
Florida Lake bridge replacement	(5,082)	5,257	-	-	12,575	12,750
Quiet zone Study	6,732	-	-	-	-	6,732
Hedgehog Mountain bridge replacement	1,000	-	-	-	-	1,000
Withdrawal committee	7,827	-	-	-	-	7,827
Other	944	-	-	-	-	944
Total boards and committees	12,808	5,257	-	-	27,575	45,640
Capital Reserves - See Exhibit B for Details	5,806,546	463,727	218,442	21,686	(483,265)	5,983,764
Total capital project funds	9,800,852	692,209	218,442	1,477,055	484,460	9,718,908

OTHER GOVERNMENTAL FUNDS

TOWN OF FREEPORT, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 777,143	-	777,143
Investments	-	1,652,139	1,652,139
Interfund loans receivable	2,815,796	-	2,815,796
Total assets	\$ 3,592,939	1,652,139	5,245,078
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	48,742	80	48,822
Accrued wages and benefits	4,049	-	4,049
Interfund loans payable	218,487	17,105	235,592
Total liabilities	271,278	17,185	288,463
Fund balances:			
Nonspendable	-	1,549,296	1,549,296
Restricted	1,784,755	85,658	1,870,413
Committed	1,536,906	-	1,536,906
Total fund balances	3,321,661	1,634,954	4,956,615
Total liabilities and fund balances	\$ 3,592,939	1,652,139	5,245,078

TOWN OF FREEPORT, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:			
Property taxes	\$ 1,649,373	-	1,649,373
Charges for services	826,730	-	826,730
Gifts and donations	68,010	-	68,010
Intergovernmental	19,867	-	19,867
Investment income	18,198	94,956	113,154
Total revenues	2,582,178	94,956	2,677,134
Expenditures:			
Current:			
Community services	310,246	12,698	322,944
Community development	1,475,835	-	1,475,835
Public safety	4,631	-	4,631
Unclassified	11,805	7,733	19,538
Capital outlay	205,467	-	205,467
Total expenditures	2,007,984	20,431	2,028,415
Excess (deficiency) of revenues over (under) expenditures	574,194	74,525	648,719
Other financing sources (uses):			
Transfers to other funds	(405,000)	-	(405,000)
Total other financing sources (uses)	(405,000)	-	(405,000)
Net change in fund balance	169,194	74,525	243,719
Fund balances, beginning of year	3,152,467	1,560,429	4,712,896
Fund balances, end of year	\$ 3,321,661	1,634,954	4,956,615

NONMAJOR SPECIAL REVENUE FUNDS

TOWN OF FREEPORT, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	Tax Increment Financing Funds					Bartol Building Lease Fund	Tower Lease Fund	Other Town Grants & Programs	Leon Gorman Park	Totals 2019
	Winslow Park	TIF II Desert Road Phase II	TIF IV Destination	TIF V Hotel	TIF VI Housing					
ASSETS										
Cash and cash equivalents	\$ 777,143	-	-	-	-	-	-	-	-	777,143
Interfund loans receivable	-	56,388	429,826	12,935	-	547,850	675,978	966,454	126,365	2,815,796
Total assets	\$ 777,143	56,388	429,826	12,935	-	547,850	675,978	966,454	126,365	3,592,939
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	7,560	-	40,298	-	-	570	-	314	-	48,742
Accrued wages and benefits	4,049	-	-	-	-	-	-	-	-	4,049
Interfund loans payable	218,487	-	-	-	-	-	-	-	-	218,487
Total liabilities	230,096	-	40,298	-	-	570	-	314	-	271,278
Fund balances:										
Restricted	547,047	56,388	389,528	12,935	-	-	-	652,492	126,365	1,784,755
Committed	-	-	-	-	-	547,280	675,978	313,648	-	1,536,906
Total fund balances	547,047	56,388	389,528	12,935	-	547,280	675,978	966,140	126,365	3,321,661
Total liabilities and fund balances	\$ 777,143	56,388	429,826	12,935	-	547,850	675,978	966,454	126,365	3,592,939

TOWN OF FREEPORT, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Tax Increment Financing Funds					Bartol Building Lease Fund	Tower Lease Fund	Other Town Grants & Programs	Leon Gorman Park	Totals 2019
	Winslow Park	TIF II Desert Road Phase II	TIF IV Destination	TIF V Hotel	TIF VI Housing					
Revenues:										
Property taxes	\$ -	1,249,508	301,000	85,150	13,715	-	-	-	-	1,649,373
Charges for services	311,704	-	-	-	-	143,151	271,745	100,130	-	826,730
Gifts and donations	-	-	-	-	-	-	-	68,010	-	68,010
Intergovernmental	-	-	-	-	-	-	-	19,867	-	19,867
Investment income	12,989	-	-	-	-	-	-	-	5,209	18,198
Total revenues	324,693	1,249,508	301,000	85,150	13,715	143,151	271,745	188,007	5,209	2,582,178
Expenditures:										
Current:										
Community services	226,767	-	-	-	-	7,466	-	60,971	15,042	310,246
Community development	-	1,249,508	140,397	72,215	13,715	-	-	-	-	1,475,835
Public Safety	-	-	-	-	-	-	-	4,631	-	4,631
Unclassified	-	-	-	-	-	-	-	11,805	-	11,805
Capital	56,873	-	148,594	-	-	-	-	-	-	205,467
Total expenditures	283,640	1,249,508	288,991	72,215	13,715	7,466	-	77,407	15,042	2,007,984
Excess (deficiency) of revenues over (under) expenditures	41,053	-	12,009	12,935	-	135,685	271,745	110,600	(9,833)	574,194
Other financing sources (uses):										
Transfer to other funds	-	-	-	-	-	(130,000)	(200,000)	(75,000)	-	(405,000)
Total other financing sources (uses)	-	-	-	-	-	(130,000)	(200,000)	(75,000)	-	(405,000)
Net change in fund balances	41,053	-	12,009	12,935	-	5,685	71,745	35,600	(9,833)	169,194
Fund balances, beginning of year	505,994	56,388	377,519	-	-	541,595	604,233	930,540	136,198	3,152,467
Fund balances, end of year	\$ 547,047	56,388	389,528	12,935	-	547,280	675,978	966,140	126,365	3,321,661

TOWN OF FREEPORT, MAINE
Town Grants and Programs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Fund Balance (deficit) June 30, 2018	Revenues			Expenditures	Revenues over (under) expenditures	Other sources and (uses)	Fund Balance (deficit) June 30, 2019
		Inter- governmental	Gifts and donations	Charges for services				
Town Grants and Programs:								
Road Impact Fees	\$ 231,096	-	-	72,600	-	72,600	(75,000)	228,696
Stormwater Connection Fees	51,998	-	-	1,678	-	1,678	-	53,676
Sandy Beach Stairs/SHIP Grant	22,722	-	-	-	-	-	-	22,722
Maine Arts Commission	2,022	-	-	-	-	-	-	2,022
Project Canopy Grant	8,657	-	-	-	-	-	-	8,657
CDBG-Elders Bus	2,139	-	-	-	-	-	-	2,139
Regional Efficiency grant	1,249	-	-	-	-	-	-	1,249
CDBG-Weatherization	6,954	15,885	-	-	15,482	403	-	7,357
CDBG-Habitat for Humanity	455	-	-	-	-	-	-	455
Police Speed Enforcement/Seat Belt	11,774	-	-	-	-	-	-	11,774
Village Open Spaces	12,457	-	-	-	-	-	-	12,457
FEMA	61,085	-	-	-	-	-	-	61,085
Shellfish Water Testing	25,720	-	-	1,825	1,013	812	-	26,532
Fuel Assistance Fund-Freeport	10,490	-	13,767	-	14,285	(518)	-	9,972
Fuel Assistance Fund-Yarmouth	2,364	-	7,100	-	9,583	(2,483)	-	(119)
Freeport Housing Trust Rental Assistance Grant	5,825	-	-	-	862	(862)	-	4,963
Fire and Rescue Annual Appeal Donations	56,118	-	12,690	-	4,631	8,059	-	64,177
Library Donations	64,448	-	11,835	-	1,845	9,990	-	74,438
Fire Department Burn Building Donations	3,306	-	347	-	-	347	-	3,653
Police Donations	3,241	-	600	-	-	600	-	3,841
Rescue Donations	578	-	-	-	-	-	-	578
Library Book Donations	14,915	-	10,870	-	20,759	(9,889)	-	5,026
Public Works Donations	3,205	-	2,086	-	2,457	(371)	-	2,834
Dollars for Scholars	1,779	-	-	-	-	-	-	1,779
Soule School Lease	180,189	-	-	16,312	-	16,312	-	196,501
Dunning Boat Yard Lease	109,432	-	-	7,715	-	7,715	-	117,147
Other	36,322	3,982	8,715	-	6,490	6,207	-	42,529
Total Town Grants and Programs	930,540	19,867	68,010	100,130	77,407	110,600	(75,000)	966,140

NONMAJOR PERMANENT FUNDS

TOWN OF FREEPORT, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2019

	Cemetery Care	Library Funds	School Scholarship Funds	Benevolent Funds	Totals
ASSETS					
Investments	\$ 351,524	338,581	345,737	616,297	1,652,139
Total assets	351,524	338,581	345,737	616,297	1,652,139
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	80	-	80
Interfund loans payable	7,208	2,314	1,450	6,133	17,105
Total liabilities	7,208	2,314	1,530	6,133	17,185
Fund balances:					
Nonspendable-Principal	344,316	315,314	316,592	573,074	1,549,296
Restricted-Unexpended income	-	20,953	27,615	37,090	85,658
Total fund balances	344,316	336,267	344,207	610,164	1,634,954
Total liabilities and fund balances	\$ 351,524	338,581	345,737	616,297	1,652,139

TOWN OF FREEPORT, MAINE
Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Individual Funds
For the year ended June 30, 2019

	Principal			Unexpended Income			Fund Balance (deficit) June 30, 2019	Total June 30, 2019	
	Fund Balance June 30, 2018	Unrealized/Realized Gains (Losses)	Fund Balance June 30, 2019	Fund Balance (deficit) June 30, 2018	Interest Income	Expenditures			
Cemetery Care:									
Perpetual Care:									
850 Burr	\$ 164,280	5,089	169,369	(18,090)	3,956	3,843	(17,977)	151,392	
851 Grove	63,780	2,003	65,783	(6,230)	1,555	1,374	(6,049)	59,734	
852 Webster	17,593	562	18,155	(1,451)	436	385	(1,400)	16,755	
853 Woodlawn	25,504	761	26,265	(3,639)	591	522	(3,570)	22,695	
854 South Freeport	64,159	2,040	66,199	(4,764)	1,517	1,309	(4,556)	61,643	
855 Flying Point	9,323	286	9,609	(1,102)	222	196	(1,076)	8,533	
856 Town maintained	3,001	119	3,120	420	92	7	505	3,625	
802 Davis Mausoleum	1,123	62	1,185	663	48	43	668	1,853	
803 Carrie Thomas	661	28	689	151	22	20	153	842	
804 A.O. Woodard	13,428	565	13,993	2,849	436	34	3,251	17,244	
Total Cemetery Funds	362,852	11,515	374,367	(31,193)	8,875	7,733	(30,051)	344,316	
Library Funds:									
710 Albert Conley	44,957	2,105	47,062	16,103	1,589	126	17,566	64,628	
711 Paul and Emma Bennett	21,784	716	22,500	(1,005)	541	43	(507)	21,993	
712 Eleanor Brewer	9,547	396	9,943	1,936	299	24	2,211	12,154	
713 Bartol Association	50,638	1,722	52,360	(682)	1,299	103	514	52,874	
714 Grace Ritchie	3,512	110	3,622	(312)	83	7	(236)	3,386	
757 Jane Hall	173,880	5,947	179,827	(1,812)	4,538	1,321	1,405	181,232	
Total Library Funds	304,318	10,996	315,314	14,228	8,349	1,624	20,953	336,267	
School Scholarship Funds:									
720 Fitts Award	3,518	129	3,647	226	97	8	315	3,962	
721 Salomon Plummer	11,796	400	12,196	(182)	302	24	96	12,292	
722 Wallace True	7,127	271	7,398	728	204	16	916	8,314	
723 Millard and Enid Crooker	35,042	1,238	36,280	828	940	1,475	293	36,573	
724 Alice Pollock	15,120	567	15,687	1,316	427	233	1,510	17,197	
725 Auldís Foster	2,691	104	2,795	324	78	6	396	3,191	
726 Kenneth Thompson	10,778	405	11,183	956	305	24	1,237	12,420	
742 Christine Small Cushing	219,202	8,204	227,406	18,582	6,213	1,943	22,852	250,258	
Total School Scholarship Funds	305,274	11,318	316,592	22,778	8,566	3,729	27,615	344,207	
Benevolent Funds:									
740 George Davis	15,599	604	16,203	1,924	456	36	2,344	18,547	
741 Arthur L. Gould	537,380	19,491	556,871	27,269	14,786	7,309	34,746	591,617	
Total Benevolent Funds	552,979	20,095	573,074	29,193	15,242	7,345	37,090	610,164	
Total	\$ 1,525,423	53,924	1,579,347	35,006	41,032	20,431	55,607	1,634,954	