



Proven Expertise and Integrity

March 20, 2017

Board of Selectmen
Town of Eliot
Eliot, Maine

We were engaged by the Town of Eliot, Maine and have audited the financial statements of the Town of Eliot, Maine as of and for the year ended June 30, 2016. The following statements and schedules have been excerpted from the 2016 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town Office.

Included herein are:

Balance Sheet – Governmental Funds	Statement C
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Statement E
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Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund	Schedule 1
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RHR Smith & Company

Certified Public Accountants

STATEMENT C

TOWN OF ELIOT, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Route 236 TIF	All Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,046,047	\$ 649,146	\$ 309,875	\$ 4,005,068
Investments	-	1,886,409	900,497	2,786,906
Accounts receivables (net of allowance for uncollectibles):				
Taxes	360,862	-	-	360,862
Liens	103,210	-	-	103,210
Other	10,618	-	-	10,618
Due from other funds	334,719	536,525	380,161	1,251,405
TOTAL ASSETS	<u>\$ 3,855,456</u>	<u>\$ 3,072,080</u>	<u>\$ 1,590,533</u>	<u>\$ 8,518,069</u>
LIABILITIES				
Accounts payable	\$ 234,226	\$ -	\$ -	\$ 234,226
Accrued expenses	7,476	-	-	7,476
Due to other funds	916,686	-	199,473	1,116,159
TOTAL LIABILITIES	<u>1,158,388</u>	<u>-</u>	<u>199,473</u>	<u>1,357,861</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	21,723	-	-	21,723
Deferred tax revenues	249,400	-	-	249,400
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>271,123</u>	<u>-</u>	<u>-</u>	<u>271,123</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	52,090	52,090
Committed	-	3,072,080	1,362,691	4,434,771
Assigned	-	-	-	-
Unassigned	2,425,945	-	(23,721)	2,402,224
TOTAL FUND BALANCES	<u>2,425,945</u>	<u>3,072,080</u>	<u>1,391,060</u>	<u>6,889,085</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,855,456</u>	<u>\$ 3,072,080</u>	<u>\$ 1,590,533</u>	<u>\$ 8,518,069</u>

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

STATEMENT E

TOWN OF ELIOT, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Route 236 TIF	All Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 13,209,677	\$ -	\$ -	\$ 13,209,677
Excise taxes	1,450,949	-	-	1,450,949
Intergovernmental	518,537	552,807	-	1,071,344
Charges for services	368,058	-	-	368,058
Miscellaneous revenues	62,516	36,688	327,023	426,227
TOTAL REVENUES	<u>15,609,737</u>	<u>589,495</u>	<u>327,023</u>	<u>16,526,255</u>
EXPENDITURES				
Current:				
General government	1,217,317	-	-	1,217,317
Public safety	1,436,472	-	-	1,436,472
Public works	1,153,750	-	-	1,153,750
Health and sanitation	282,954	-	-	282,954
Recreation and culture	259,671	-	-	259,671
Education	8,854,130	-	-	8,854,130
County tax	460,268	-	-	460,268
Unclassified	612,109	42,525	142,440	797,074
Debt service:				
Principal	33,334	-	-	33,334
Interest	2,563	-	-	2,563
Capital outlay	-	-	588,951	588,951
TOTAL EXPENDITURES	<u>14,312,568</u>	<u>42,525</u>	<u>731,391</u>	<u>15,086,484</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>1,297,169</u>	<u>546,970</u>	<u>(404,368)</u>	<u>1,439,771</u>
OTHER FINANCING SOURCES				
Transfers in	127,846	-	906,000	1,033,846
Transfers (out)	(906,000)	(52,000)	(75,846)	(1,033,846)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(778,154)</u>	<u>(52,000)</u>	<u>830,154</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	519,015	494,970	425,786	1,439,771
FUND BALANCES - JULY 1	<u>1,906,930</u>	<u>2,577,110</u>	<u>965,274</u>	<u>5,449,314</u>
FUND BALANCES - JUNE 30	<u>\$ 2,425,945</u>	<u>\$ 3,072,080</u>	<u>\$ 1,391,060</u>	<u>\$ 6,889,085</u>

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

STATEMENT G

TOWN OF ELIOT, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016

	Enterprise Funds		Total Enterprise Funds
	Sewer Fund	Community Services Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 111,474	\$ 111,474
Accounts receivable (net of allowance for uncollectibles)	161,544	35,709	197,253
Due from other funds	-	-	-
Total current assets	<u>161,544</u>	<u>147,183</u>	<u>308,727</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	-	97,818	97,818
Buildings and equipment, net of accumulated depreciation	1,549,382	508,970	2,058,352
Total noncurrent assets	<u>1,549,382</u>	<u>606,788</u>	<u>2,156,170</u>
TOTAL ASSETS	<u>\$ 1,710,926</u>	<u>\$ 753,971</u>	<u>\$ 2,464,897</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	45,749	89,497	135,246
Total current liabilities	<u>45,749</u>	<u>89,497</u>	<u>135,246</u>
TOTAL LIABILITIES	<u>45,749</u>	<u>89,497</u>	<u>135,246</u>
NET POSITION			
Net investment in capital assets	1,549,382	606,788	2,156,170
Unrestricted	115,795	57,686	173,481
TOTAL NET POSITION	<u>1,665,177</u>	<u>664,474</u>	<u>2,329,651</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,710,926</u>	<u>\$ 753,971</u>	<u>\$ 2,464,897</u>

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

STATEMENT H

TOWN OF ELIOT, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds		Total Enterprise Funds
	Sewer Fund	Community Services Fund	
OPERATING REVENUES			
Charges for services	\$ 350,780	\$ 310,543	\$ 661,323
TOTAL OPERATING REVENUES	<u>350,780</u>	<u>310,543</u>	<u>661,323</u>
OPERATING EXPENSES			
Community service	-	284,618	284,618
Operating	356,751	-	356,751
Depreciation	77,469	18,774	96,243
TOTAL OPERATING EXPENSES	<u>434,220</u>	<u>303,392</u>	<u>737,612</u>
OPERATING INCOME (LOSS)	<u>(83,440)</u>	<u>7,151</u>	<u>(76,289)</u>
NONOPERATING REVENUES (EXPENSES)			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(83,440)	7,151	(76,289)
NET POSITION - JULY 1, RESTATED	<u>1,748,617</u>	<u>657,323</u>	<u>2,405,940</u>
NET POSITION - JUNE 30	<u>\$ 1,665,177</u>	<u>\$ 664,474</u>	<u>\$ 2,329,651</u>

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

TOWN OF ELIOT, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,906,930	\$ 1,906,930	\$ 1,906,930	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	13,200,729	13,200,729	13,209,677	8,948
Excise taxes	1,227,330	1,227,330	1,450,949	223,619
Intergovernmental revenues:				
State revenue sharing	238,612	238,612	256,336	17,724
Homestead exemption	97,860	97,860	100,000	2,140
BETE reimbursement	15,492	15,492	11,966	(3,526)
Block grant funds	34,000	34,000	34,408	408
General assistance	19,000	19,000	8,713	(10,287)
Other revenues	80,000	93,297	107,114	13,817
Charges for services	307,800	307,800	368,058	60,258
Interest income	37,500	37,500	28,688	(8,812)
Miscellaneous revenues	70,726	72,497	33,828	(38,669)
Transfers from other funds	133,846	133,846	127,846	(6,000)
Amounts Available for Appropriation	<u>17,369,825</u>	<u>17,384,893</u>	<u>17,644,513</u>	<u>259,620</u>
Charges to Appropriations (Outflows):				
General government	1,265,529	1,265,529	1,217,317	48,212
Public safety	1,449,716	1,449,716	1,436,472	13,244
Public works	1,228,573	1,228,573	1,153,750	74,823
Health and sanitation	328,675	330,446	282,954	47,492
Recreation and culture	279,316	279,316	259,671	19,645
Education	8,854,130	8,854,130	8,854,130	-
County tax	460,268	460,268	460,268	-
Unclassified	689,984	689,984	612,109	77,875
Debt service:				
Principal	33,334	33,334	33,334	-
Interest	4,120	4,120	2,563	1,557
Transfers to other funds	882,250	895,547	906,000	(10,453)
Total Charges to Appropriations	<u>15,475,895</u>	<u>15,490,963</u>	<u>15,218,568</u>	<u>272,395</u>
Budgetary Fund Balance, June 30	<u>\$ 1,893,930</u>	<u>\$ 1,893,930</u>	<u>\$ 2,425,945</u>	<u>\$ 532,015</u>
Utilization of Unassigned Fund Balance	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ (13,000)</u>
	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ (13,000)</u>

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

SCHEDULE B

TOWN OF ELIOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Administration	\$ 1,181,618	\$ -	\$ 1,181,618	\$ 1,143,874	\$ 37,744
Town committees	27,694	-	27,694	25,492	2,202
Legal	20,000	-	20,000	4,237	15,763
Consulting	20,000	-	20,000	27,497	(7,497)
Hearings and elections	16,217	-	16,217	16,217	-
	<u>1,265,529</u>	<u>-</u>	<u>1,265,529</u>	<u>1,217,317</u>	<u>48,212</u>
Public safety:					
Police department	1,092,113	-	1,092,113	1,098,416	(6,303)
Fire department	158,169	-	158,169	144,120	14,049
Animal control	10,561	-	10,561	10,494	67
Harbor master	14,087	-	14,087	12,308	1,779
Hydrant rental	72,786	-	72,786	70,216	2,570
24 hour answering service	80,000	-	80,000	80,000	-
Street lights	22,000	-	22,000	20,918	1,082
	<u>1,449,716</u>	<u>-</u>	<u>1,449,716</u>	<u>1,436,472</u>	<u>13,244</u>
Public works:					
Highway department	794,514	-	794,514	765,201	29,313
Snow and winter maintenance	206,304	-	206,304	162,508	43,796
Summer maintenance	21,755	-	21,755	21,686	69
Roads and bridges	10,500	-	10,500	9,106	1,394
Stormwater	195,500	-	195,500	195,249	251
	<u>1,228,573</u>	<u>-</u>	<u>1,228,573</u>	<u>1,153,750</u>	<u>74,823</u>
Health and sanitation:					
Transfer station	270,631	-	270,631	250,618	20,013
Social services	20,044	-	20,044	20,044	-
General assistance	38,000	-	38,000	11,106	26,894
Fuel assistance	-	1,771	1,771	1,186	585
	<u>328,675</u>	<u>1,771</u>	<u>330,446</u>	<u>282,954</u>	<u>47,492</u>

SCHEDULE B (CONTINUED)

TOWN OF ELIOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Recreation and culture:					
Library	135,720	-	135,720	135,720	-
Community services	<u>143,596</u>	<u>-</u>	<u>143,596</u>	<u>123,951</u>	<u>19,645</u>
	<u>279,316</u>	<u>-</u>	<u>279,316</u>	<u>259,671</u>	<u>19,645</u>
Debt service:					
Principal	33,334	-	33,334	33,334	-
Interest	<u>4,120</u>	<u>-</u>	<u>4,120</u>	<u>2,563</u>	<u>1,557</u>
	<u>37,454</u>	<u>-</u>	<u>37,454</u>	<u>35,897</u>	<u>1,557</u>
Education	<u>8,854,130</u>	<u>-</u>	<u>8,854,130</u>	<u>8,854,130</u>	<u>-</u>
County tax	<u>460,268</u>	<u>-</u>	<u>460,268</u>	<u>460,268</u>	<u>-</u>
Unclassified:					
TIF expenditures	570,040	-	570,040	570,040	-
Overlay / abatements	<u>119,944</u>	<u>-</u>	<u>119,944</u>	<u>42,069</u>	<u>77,875</u>
	<u>689,984</u>	<u>-</u>	<u>689,984</u>	<u>612,109</u>	<u>77,875</u>
Transfers out	<u>882,250</u>	<u>13,297</u>	<u>895,547</u>	<u>906,000</u>	<u>(10,453)</u>
Total Expenditures	<u>\$ 15,475,895</u>	<u>\$ 15,068</u>	<u>\$ 15,490,963</u>	<u>\$ 15,218,568</u>	<u>\$ 272,395</u>

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

SCHEDULE C

TOWN OF ELIOT, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 110,263	\$ 186,138	\$ 13,474	\$ 309,875
Investments	320,427	540,915	39,155	900,497
Due from other funds	58,030	322,131	-	380,161
TOTAL ASSETS	<u>\$ 488,720</u>	<u>\$ 1,049,184</u>	<u>\$ 52,629</u>	<u>\$ 1,590,533</u>
LIABILITIES				
Due to other funds	\$ 14,056	\$ 184,878	\$ 539	\$ 199,473
TOTAL LIABILITIES	<u>14,056</u>	<u>184,878</u>	<u>539</u>	<u>199,473</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	52,090	52,090
Committed	474,664	888,027	-	1,362,691
Assigned	-	-	-	-
Unassigned	-	(23,721)	-	(23,721)
TOTAL FUND BALANCES	<u>474,664</u>	<u>864,306</u>	<u>52,090</u>	<u>1,391,060</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 488,720</u>	<u>\$ 1,049,184</u>	<u>\$ 52,629</u>	<u>\$ 1,590,533</u>

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

SCHEDULE D

TOWN OF ELIOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 6,474	\$ 10,441	\$ 1,169	\$ 18,084
Other	47,754	261,185	-	308,939
TOTAL REVENUES	<u>54,228</u>	<u>271,626</u>	<u>1,169</u>	<u>327,023</u>
EXPENDITURES				
Capital outlay	-	588,951	-	588,951
Other	11,312	130,909	219	142,440
TOTAL EXPENDITURES	<u>11,312</u>	<u>719,860</u>	<u>219</u>	<u>731,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>42,916</u>	<u>(448,234)</u>	<u>950</u>	<u>(404,368)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	76,500	829,500	-	906,000
Transfers (out)	(59,546)	(16,300)	-	(75,846)
TOTAL OTHER FINANCING SOURCES (USES)	<u>16,954</u>	<u>813,200</u>	<u>-</u>	<u>830,154</u>
NET CHANGE IN FUND BALANCES	59,870	364,966	950	425,786
FUND BALANCES - JULY 1	<u>414,794</u>	<u>499,340</u>	<u>51,140</u>	<u>965,274</u>
FUND BALANCES - JUNE 30	<u><u>\$ 474,664</u></u>	<u><u>\$ 864,306</u></u>	<u><u>\$ 52,090</u></u>	<u><u>\$ 1,391,060</u></u>

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