220th Annual Report of the Town of

CASTINE, MAINE

INCORPORATED 1796





David Unger

We dedicate this edition to Dave Unger, who retired from the Selectboard after serving since 2005. In Dave's 12 years as Selectperson, he also volunteered on numerous Castine sub-committees and organizations, oversaw many Town projects i.e., the start of the Town's Infrastructure Master Plan including a section of Perkins Street, Battle Ave, Wadsworth Cove Road, upper and lower Main Street, and he was known at meetings as the Music Man giving continuous updates and/or invitations to the CAA Music programs and events. We thank Dave for all his years of dedication and service to Castine and we wish him well with his future endeavors.

Thank you to all who have contributed reports, photographs and technical assistance to this publication.

Susan Macomber & Karen Motycka, Editors
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Honor Roll

Elizabeth "Betty" Brown Eugene "Gene" Spinazola Paul Cyr Paul Flanzala Iane Nelson Helene Podlubny Donna Sawyer Florence Stearns Thomas "Tom" Miller David Smith William "Will" Lameyer Solveig Cox Faith Davis Caroline W. Hudson Billy Grover Robert "Bob" Hall Anne Tenney Theron "Ted" Kropp Sylvia Muzala



The Next Generation

Richard Josiah Reed Laurel Sockbeson



Donna Sawyer



Elizabeth "Betty" Brown



Florence Stearns



Helene Podlubny



Jane Nelson



Paul Cyr



Paul Flanzala



Sylvia Muzala



Eugene "Gene" Spinazola

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Castine Municipal Office Hours

Emerson Hall, 67 Court Street Monday through Friday, 8:00 a.m. to 3:30 p.m. Closed on legal holidays

Transfer Station Hours

Monday	Closed
Tuesday	8 a.m 1 p.m.
Wednesday	8 a.m 1 p.m.
Thursday	8 a.m 1 p.m.
Friday	8 a.m 1 p.m.
Saturday	8 a.m noon
Sunday	Closed

Curbside pick-up of stickered non-recyclable waste will be each Monday. These items should be out by the Town's curb by 7:30 a.m. When a holiday falls on a Monday, pick up will be on Tuesday. Notice of this will be posted.

Note: The Transfer Station fee schedule is available at the Castine Town Office and online at: www.castine.me.us

Recycling Schedule

Recyclable items can be taken to the Transfer Station during regular business hours or can be placed in clear plastic bags at the Town's curb on the 1st and 3rd Tuesday of each month by 7:30 a.m. to ensure pick-up. In case of inclement weather, hold your materials for the next scheduled recycling day. Recycling guides and plastic bags (.25 each) are available at Emerson Hall. Note: During the summer months if there is enough demand Curbside Recycling will take place weekly.

Directory of Local Facilities

Town Office, Emerson Hall, Court Street 326-4502 Town Manager 326-4502
Code Enforcement Officer
Tax Collector / Treasurer
Town Clerk
Finance Officer
FAX number
Fire Rescue Department (station)
Fire, Ambulance, Police (to report an emergency)
Adams Grammar School
Superintendent of Schools
Bucksport High School
George Stevens Academy
Castine Pollution Control Facility
Castine Water Facility
Castine Water / Sewer Billing
Animal Control Officer
Witherle Memorial Library
Town of Castine Website:
Adams School Website: www.castineschools.org
Adams School Website: www.castineschools.org District 8, State Senator Kimberly Rosen Augusta OfficeSenate Chamber, Station 3, Augusta, ME 04333-0003 Augusta Office Telephone
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District 8, State Senator Kimberly Rosen Augusta OfficeSenate Chamber, Station 3, Augusta, ME 04333-0003 Augusta Office Telephone
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District 8, State Senator Kimberly Rosen Augusta Office Senate Chamber, Station 3, Augusta, ME 04333-0003 Augusta Office Telephone

Town Officials and Committee Members

Selectmen, Assessors and Constantino "Gus" Basile, Chr (2018)

Overseers of the Poor Peter Vogell (2019)

Colin Powell (2020)

School Committee Kathryn MacArthur, Chr (2018)

Alyssa Radcliff (2019) Temple Blackwood (2020)

Witherle Memorial Library Trustees

Wendy Knickerbocker, Chr (2021) Berna Kaiserian (2019) Jeff Ackerman (2018) Dona Brophy (2020) Pedrick Sweet (2022)

Town Manager Jimmy Goodson

Town Clerk/Registrar of Voters Susan Macomber

Finance Officer/Tax Collector Karen Motycka

Treasurer

Superintendent of Schools Mark Hurvitt

Librarian Anne Romans

Fire Chief Randy Stearns Assistant Fire Chiefs Peter Vogell

> Jack Spratt Tom Gutow

Code Enforcement Officer Jimmy Goodson

Local Plumbing Inspector Peter Vogell

Alternate CEO/LPI Dale Abernethy

Harbor Master Scott Vogell

Utility Superintendent (Wastewater Facility)

Aaron Zurek

Utility Superintendent (Water Department) Adam Clark

Utility Operator Stuart Grindle

Animal Control Officer Henry A. Erhard

Health Officer Ingrid Scott

Hancock County Planning Commission Representative

Planning Board

J. Douglas Wellington, Chr (2019) Doris Russell (2020)

Thomas Comiciotto (2022)

Historic Preservation Commission

Medan "Hank" deRaat (2019) Patrick Haugen (2020)

Board of Appeals

James Shanley, Chr (2020)

Amy Gutow (2019)

Harbor Committee

David Wyman (2020) J.T. Loomis (2018)

Mike Coughlin (2019)

Utility Board

David Avery, Chr (2018) William Carter (2020)

Adam Potter (2019)

Recreation Committee

Dianna Paine, Co-Chr (2020) Karen Cukierski, Co-Chr (2018)

Therese Biggie (2019)

Tree Committee

Kathy Eaton, Tree Warden (2020)

Donald Tenney (2019) Adam Potter, MMA Rep.

Cemetery Association Board of Directors

Bradford Tenney, Chr (2018)

Don Small (2020)

Jimmy Goodson

Robert Friedlander (2018)

Par Kettis (2021)

Beverly Bishop, Alt. (2018)

Kay Hightower (2018) Peter Cooperdock (2019)

Arthur Layton, Alt (2018)

David Jones (2018)

Renee Colson (2022)

Bobby Vagt, Alt (2018)

Zander Parker (2019)

Bill Corbett (2018)

Liam Griffith, Alt (2018)

Dana Willis, MMA Waterfront Rep.

Dave Hassett (2020)

Gordon "Mac" MacArthur (2019)

Kirk Langford, Alt. (2018)

Dale Abernethy, Alt. (2018)

Raeann Hodgson (2020)

Susan Macomber, Alt. (2018)

Scott Vogell, Alt. (2018)

Julie Van de Graaf, Chr (2019)

Kathy Eaton (2019)

Cathy Coughlin (2018)

Kathy Eaton (2019) Elizabeth Ballou (2019)

Ruth Eaton (2018)

Selectboard/Town Manager Report

The Castine Selectboard (formerly Board of Selectmen) and the Town Manager again welcome the opportunity to provide this 9th annual "State of the Town" report. You will see the state of our Town continues to be strong and we will miss David Unger's steady leadership. Like many small towns in Maine, change is inevitable and can lead to improvements to the way we do things. A good example is Colin Powell, our new Selectboard member, who is exploring ways to make information available through 21st century channels.

In this year's report, you will note several areas where changes have been made in our Town, but we assure you that the way Town Hall operates hasn't. Karen Motycka and Sue Macomber continue to provide exemplary service and a welcoming and professional environment for visitors as well as our staff. We say "thank you" to all our employees, elected officials and countless volunteers that perform vital day-to-day tasks that continue to make our town a special place.

In the past, our Water and Wastewater (sewer) Departments were staffed and operated by Town employees. As regulations increased over the years, operator licensing requirements likewise increased making qualified employees harder to train and keep. Over the past 4 years, we found ourselves replacing employees in as many years, so after careful study we contracted operations to Olver Associates, who already operate 17 systems in the state. After 9 months, we are very pleased with the efficiency and efficacy of these operations.

In last year's report, we announced Larry Redman's retirement. Since we had contracted out our road snowplowing, we were left with one Public Works employee, Henry Erhard. Following a very busy summer season, we realized the summer and shoulder seasons were too much for one person. This year's budget includes a seasonal, part time employee Geoff Huppe (with ties to Castine). Geoff will work with Henry on a multitude of tasks, providing a level of service we expect for the Town.

With Castine being home to nearly 1,000 students at the nationally-recognized Maine Maritime Academy, we work closely with the MMA administration to create a safe and inviting environment for their students. A few aspects of this include working towards a Rental Housing Ordinance, making property owners aware of safety and security requirements, to be voted on at this year's town meeting. MMA also helped us procure a grant for a moveable radar feedback sign to make the traveling public aware of their vehicles speed contrasted with the MaineDOT speed limits for Castine. And to bring safety back full circle, Maine Maritime students continue to be the largest contingent of Castine Fire Rescue's volunteer firefighting force. For this we are exceedingly grateful.

Just before Halloween, early on October 30th, Castine experienced high winds and significant tidal surges. While we lost many trees and the power was out for several days, the most significant damage was at the waterfront. We are working with FEMA on partial restitution for storm damage. The Acadia Dock has been repaired, the displaced asphalt will be replaced this spring, and phase two of our rail replacement will be completed before the boating season. Our Harbormaster Scott Vogell continues to staff the waterfront with welcoming and helpful Dockhands and the waterfront Visitors Center continues to be the hub of economic development, attracting over 3,000 visitors from all 50 states and dozens of countries. The Visitor Center gets scores of local volunteers who share their love of Castine, each bringing

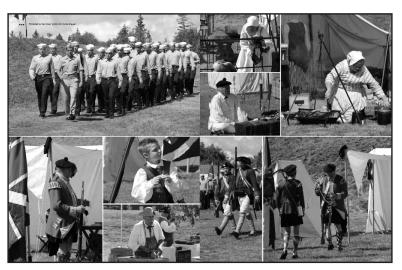
a different personal perspective.

Economic development in Castine is a topic of discussion each year. We continue to encourage the Castine Merchants Association to make their creative marketing and promotions efforts self-sufficient. With our small Commercial District and limited number of merchants, events to bring visitors to Castine becomes very important. Our 2017 Bastille Day event attracted hundreds of visitors with the centerpiece Picnic en Blanc attracting over 300 persons dressed in white seated along a common table, gathered for a community meal to celebrate our French heritage. The Friends of Castine Fortifications successfully held an encampment in September "Protected by the Crown" to highlight the rich history of Loyalists at Ft. George and two weeks later, we participated in the first annual Loyalist "Landing Day" celebration in St. Andrews, NB. Please know Cultural Tourism is alive and well here.

Having completed our Phase 2 Infrastructure project last year, our construction has been focused on interstitial infrastructure projects such as paving sections of Madockawando and Perkins Streets and repairing underground sewer, water, drainage piping and structures. Until the next major infrastructure phase, scheduled to begin in 2028, our Public Works will prioritize projects based on public safety needs.

We look forward to seeing many of you at our June Town Meeting, "the purest form of democracy". If you have any questions or suggestions, please feel free to stop by Town Hall to visit.

Respectfully submitted, Castine Selectboard: Gus Basile, Peter Vogell and Colin Powell Town Manager: Jimmy Goodson



2017 "Protected by the Crown" event

Finance Officer

Conventional wisdom will tell you, if you keep your eyes on the pennies, you never have to worry about the dollars. I have a few quirks (well maybe more than a few), one being that I am a stamp person. I seem to notice stamps that come on envelopes in the mail. I pick out interesting stamps for my own use, but for Town use, I tend to always buy Flag Stamps on rolls. It just seems that is the way it should be. Recently you may have noticed a whole hodgepodge of stamps on mail coming out of this office. In January, we needed more stamps, and I tend to buy in bulk. So I went to the Post Office with a check in hand for 3000 stamps and asked if they had 30 rolls of stamps. They did not, so I was going to have them order for me. However, Tina reminded me that stamps were going up in price from \$.49 to \$.50 each the following day. She offered to sell me what they had on hand, which would save the Town \$30. So that is why recent mailings have featured Disney Villains, Kwanza, Love, Sharks, Purple Hearts, Mississippi, Star Trek, Christmas, Hockey and Delicioso.

Rather than a year in review from me, I tend to give a review of the budget that is before you at Town Meeting. I want everyone to understand what will happen to their tax bill if the budget is passed as written. I will quickly explain whether a money article is up or down and why. Article 4, General Government is up approximately \$15,000. You will notice that about \$8,000 of this is in Code Enforcement. For a number of years, the Town Manager has taken on Code Enforcement with no compensation from that Department. In past years, a percentage of the Town Manager's salary has been paid by Water and Sewer. With Water and Sewer Departments now being run under contract operations, that portion of the Town Manager's salary was moved to Code Enforcement. This is not additional compensation for Jimmy, just movement of where it is paid from. The other \$7,000 is in salary and benefits. Article 5, Library is up \$15,000. However, all of the increase is being funded through the Library Investment Fund and not taxation. When the Library advertised for a Children's Librarian, they had a hard time finding someone for the position without offering Health Insurance, so this budget would fund health insurance for the Children's Librarian. Article 6, Public Safety is up \$5,000, with some lines up and some down, but none drastically changing. Article 7, Public Works is up \$8,000. Part of this increase is to fund additional seasonal help. Not too many years ago we had a 3-person Public Works crew and now we have one full-time person. Extra help, spring through fall, is needed. The other part of the increase is the Winter Roads Maintenance Contract. Article 8, Unclassified is up \$5,000 for Elm Care. Article 9, Reserve Accounts is down \$10,000. As the Town no longer has a plow truck, less money in funding the Public Works Vehicle Reserve Account. Article 10, Debt Service is basically flat from last year. Articles 11 – 13, Separate Items has County Tax down by \$2,000 and Community & Economic Development up by \$2,000. Articles 14 – 24, Capital Accounts are up \$15,000, with Fire Department requesting \$6,000 to pay for two items that are not annual expenses; \$1,100 to match funding from Castine Historical Society, Castine Women's Club and Wilson Museum for restoration of old Town Tax Records that were damaged and \$8,600 to the Clock Fund to restore the clock faces in the steeple.

Last fall a letter went out and a number of you most generously donated to the clock fund, which kept this amount down. All in all, the Town Portion of the budget is up \$52,446 or 2.5%.

As I was not part of putting together the School Budget, I will not comment on the individual lines, but in the end, the School Budget, operating and reserve accounts, are down by \$29,674 or 1%.

If you read my report each year in this book, you may recall that in addition to the passed budget, there are two other components that make up the mil rate and determine tax amounts. They are total valuation and other revenues. Neither of which should change drastically over last year. Bottom line, I do not expect the mil rate to go up over last year.

I encourage you to read this year's Town Report cover to cover, it contains a multitude of information. Please feel free to contact Town Hall if you have any questions.

I want to thank all of my co-workers, Board and Committee Members for all they do. I feel fortunate to work with a great group of people.

Respectfully submitted, Karen Motycka



The faces of Adams School

Town Clerk

2017 Registrations Issued:	
Automobiles, Trailers, Motorcycles, etc.	1064
Boats, Snowmobiles, ATV's; Hunting/Fishing licenses	273
2017 Dog Licenses Issued:	113
2017 Vital Statistics:	
Births	2
Marriages	2
Deaths	8

Welcome aboard to new Selectboard member, Colin Powell. This has been quite a change since November only because the Town Office staff have been working with the same Board for so many years. Colin brings new ideas with focus on utilizing technology and social media within the Board and office. We approach these new ideas with an open mind and will implement as best as regulations and State Statutes allow. With Colin's goal in mind, I've made a point to post additional notices on the Town's website, Cable Channel 7 and FaceBook with hopes of reaching more of the community and Castine followers. We revised and added a new section to the Homepage of the Town's website for weekly announcements and started a new FaceBook post labeled, "This Week at Town Hall". As we welcomed Colin, we said good-bye to Dave Unger. We worked with Dave for 12 years. He will be missed but extend our best wishes with all that he does.

We introduce new Water Dept Superintendent Adam Clark, and Water/ Wastewater Operator, Stuart Grindle. Adam & Stuart, along with Wastewater Dept Superintendent Aaron Zurek, are employed by Olver Associates, who the Town contracts for operations to both departments. Adam, Aaron and Stuart are doing a great job with the daily Water & Sewer procedures, management and maintenance in an efficient manner. We thank them, look forward to their regular visits, and enjoy working in tandem with them.

Scott Vogell continues as Harbor Master and Traffic Ticket Officer. Scott supervised an efficient, friendly and professional dockhand crew last season and we keep our fingers crossed for a repeat season in 2018. Enforcing the Traffic Ordnance and issuing parking tickets is not a fun job and collecting fines in the office is not either! We all encourage the local community, students and visitors to be aware of Castine's parking rules and if you have any questions - ASK. We'd rather assist to find appropriate parking solutions than write and collect parking fines; Public Works Henry Erhard is successfully embracing what was once a 3-man crew, then a 2-man crew and now a current 1-man crew. Long-time summer resident Geoff Huppe this fall aided with Public Works chores, trash & recycling collections and preparing for the winter season. Geoff joined Henry and carried out any task asked of him with a smile, friendliness and in a proficient manner that generated many compliments around Town; Nina Desmond, Transfer Station Attendant, continues to run a ship-shape, top notch trash, demo & recycling program. There have been a few changes in fees so be sure to check with us at the Town Office, with Nina or on the Town's website; Larry Redman, even though retired, remains just a phone call away and is happy to cover a shift or two at the Transfer Station when needed; Sheryl Moakley with her bubbly personality is doing an excellent job at keeping our beloved Emerson Hall sparkly clean.

Elections this year will be a bit different. We will be learning and operating under Rank Choice Voting. The Town Office staff will attend training and will strive to be as prepared and knowledgeable of the new process as we can. Please be patient and understanding as we ALL go through this change during the June Primary Election and possibly the November General Election.

I close out another report with a huge THANK YOU and recognition to Roddy Sheer, another long-time Castine summer resident and artist, who graciously contributed, with no hesitation, his extraordinary photograph of Castine from water view. For the cover of this edition, Karen and I wanted to feature Castine from the water and we cannot express how ecstatic and grateful we are. We think Roddy's photo says it all.

Respectfully submitted, Susan Macomber, Town Clerk



Adam Clark, Water Department Superintendenet



Stuart Grindle, Utility Operator

Adams School Principal's Report

Dedicated to Jack, Patrick, Caitlin and Olivia

Greetings from the Adams School! As principal it is my pleasure and honor to be in your service. On behalf of our staff I would like to thank the Castine Education Foundation, Hatch Fund, Witherlee Library, local merchants, artists and writers, and Maine Maritime Academy for their generous support.

The summer of 2017 brought two new staff members to Adams. Joseph Wainer was hired by the school committee to teach music and Jan Leach of Brooksville took on the role of cook. Fortuitously in January Albert Varnum returned to our staff to care for our historic building and grounds.

Students at the Adams School have participated in a myriad of activities. As part of the Calvineers seventh and eighth grade students traveled to Halifax with legendary teacher, William McWeeney, where they presented at the 22nd International Conference of Marine Mammalogy. In grades five and six students journeyed to Schoodic Point to assist with research at this important outpost of marine studies. Our younger students, too, are developing scientific skills in observation and data collection through visits guided by the Blue Hill Heritage Trust to area preserves such as Holbrooke Island, Greenbie Preserve, Lampson Preserve, Hatch Cove and Duncs Meadow. Teachers Heather Trainor and Lindsey Hildreth take special care to ensure that these young learners will continue the strong tradition of environmental studies at Adams.

In preparation of this annual report our indispensable secretary, Elaine Bertrand, provided me with four annual reports from years past. I opened the first to the section, The Next Generation. Listed were the names of four of our current sixth grade students. It was heartwarming to think of these commendable young people freshly born into the world and into this celebrated village by the sea. Their lives in Castine and subsequent education at Adams instill hope in each staff and community member and fill us with pride at having been a part of their childhood.

Respectfully submitted, Sheila Irvine, Principal PreK-8 Totals: 51 9-12 Totals: 21

2017-2018														
Enrollment Grade	Pre K	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
#kids:	3	1	4	10	3	3	6	6	6	9	6	4	6	5

Superintendent's Report

The proposed expenditure budget for 2018-19 is actually down \$9,673.53, or 1.0%, from this year. The Special Education cost center is down \$16,848.47 and the Food Service cost center is down \$8,140.97, so it all adds up.

We will also be adding a one day per week Spanish position, so we can get back into teaching a foreign language.

This is effectively a maintenance budget as we expect a flat, or slightly decreased enrollment at the Adams School (we are sending 9 eighth graders to high school).

State subsidy stands at \$55,419.00 this year. I'm guessing \$45,000.00 for next year, although the preliminary print out shows \$51,633.00.

Sheila Irvine, our new principal, is doing really well and enjoying the atmosphere and the students, staff, and parents who make up the Adams School. We are certainly happy to have her in Castine.

Your school continues to be a learning environment filled with creativity and positive energy. It would be nice if the enrollment picked up, though!

I look forward to seeing you all at Town Meeting and having a conversation about the school and its proposed budget.

Respectfully submitted, Mark Hurvitt, Superintendent



2017 Adams School 8th Grade Graduating Class: (L-R) Mack McCloskey, Hope Brown, Amelia Griffith, Tony Politano, Peter Revell, Dylan Thomas and Syrus Ordway.

George Steven's Academy

Since 1803, when known as the Blue Hill Academy, George Stevens Academy has served the citizens of the Blue Hill peninsula. Our task today is to take what is best from that proud tradition, and meld it with what is new and innovative, in order to provide our students with the most useful education possible. We are able to use our heritage as a town academy, a school run as an independent school but enrolling all who live in our sending towns, to create the best educational program possible.

Our curriculum continues to be expansive, and we offer courses for all abilities and goals, whether those be to enter the work force directly after high school, or continue in a college or university. We have recently added to our science and language curriculums, and will be doing a boatbuilding class in the second semester.

GSA Enrollment	Boys	<u>Girls</u>	Enrollment by Sending Town & Other:
Grade 9	45	41	Blue Hill 115, Brooklin 24, Brooksville
Grade 10	48	27	18, Castine 12, Dedham 1, Hancock
Grade 11	33	42	1, Isle au Haut 1, Mariaville 1, Orland
Grade 12	<u>36</u>	<u>38</u>	13, Otis 2, Penobscot 20, Sedgwick 35,
	162	148	Surry 26, Boarding 39, Private Pay 2

It is an exciting time at the school. GSA does excellent work now, but there is much we can do to become even better, to serve our students now, and to prepare them for the changing world ahead, whatever their post GSA plans. We are at the beginning stages of extensive self-examination and planning, looking at all we do to be sure we are making the best use of the resources we have, and forming plans to get the resources we need. Our goal is to be an exemplary school in all ways, take advantage of where we are, and of communities we are a part of. We welcome support from community members. If you are interested in getting involved with our school, please contact us at 374-2808, or see us on Facebook.

Finances

The State has set the maximum tuition rate for FY18 at \$11,539.70. Our annual operating budget is \$5,818,000. We depend on a strong fund-raising effort to meet our expenses. In FY17 \$305,000 was raised in unrestricted and restricted funds. Our ability to offer programs and services not funded by state tuition is a distinct advantage of an independent school.

The Annual Fund is successful thanks to the many, generous contributions of GSA's alumni, parents & friends. In FY17, more than 650 donors contributed to this community school.

For up-to-date information about GSA, our programs, and what's happening on campus, visit our Web site at www.georgestevensacademy.org. Thank you!

Respectfully submitted, Timothy J. Seeley, Head of School

Witherle Memorial Library

All life is change. This year we saw Jessica Rollerson depart for an Oklahoma farm and Darren French off to homeschool his two boys while writing up a storm with his author wife Gillian French. Gill was our library assistant for several years. She never stopped writing during that time and now she is the proud author of Grit and The Door to January. Her newest book The Lies They Tell comes out in May from Harper Teen.

Each new staff member makes a unique contribution. Irene Hall came in June to join us in the library's Children's Room. She has recreated the room in a way that shows her organizational skills and her pleasure in working with children—and the pleasure is mutual. Kathryn Dillon also joined us in the early summer. Kathryn is fast bringing us up to speed with new computerized design tools. They are both involved in improving our Facebook page, website and bulk email service. Rich Hewitt is applying for grants and just completing the plans for the coming summer author series. I am plugging away at the behind the scenes activities and planning new programs. We are also working with the Castine Historical Society and other partners to create a smart-phone-based tour of the town.

We supported the Camden Conference again this year with many programs masterminded by Barbara Griffiths. New World Disorder and America's Future was the topic and we covered it in many ways including the American Politics discussions. Prof. Ken Hillas gave a talk proposing that most Americans have a skewed view of the unique problems European countries face that we do not.

We had really lively book discussions over the year. Lana Gold, Holly Perry, Jean Disabatino and Louise Guigliano led two discussions for Maine Reads. The books for this year were The Moth and The Unknown Caller. Karen Lyons led a series on Great Detectives. American Politics for the Twenty-First Century was co-hosted by: Margaret Beckman, Riva Berleant, Barbara Fleck, Tim Hall, Margie Olivari, Lynn Parsons, and Bobby Vagt. The selections were chosen by David Schoonover. This year David Schoonover created our Let's Talk about It program based on the Pulitzer Prizes: theme Love and Understanding. Johanna Sweet led us in several CAA cosponsored programs including Not Just Dessert and a Story Slam. They were all great fun, (especially those blessed with Ray Nualla's pumpkin flan.)

Interlibrary loan saw more and more people using the service. Irene got the young people involved so there is now a lot of YA and juvenile borrowing. We joined the Minerva consortium just so this little library can offer you first dibs on the resources of over 60 other libraries in the state. Our circulation of downloadable eBooks and Eaudio has also gone up steadily thanks to our participation in the Cloud Library from 3M, a program funded by the Maine Infonet Collaborative.

Noah Brooks is the gentleman whose portrait hangs over the library fireplace. Born in Castine, Noah was a friend and colleague of Abraham Lincoln. He was looking a little dingy so we sent him off to be spruced up. He looks brighter.

Irene writes:' the annual summer reading program involved almost 100 children & young adults from the town and away. Kids also read and played classic games with parents & grandparents. Computers were rarely used. Adults often are involved in the children's library world. They share talents and time with us for story-time, knitting, sewing, art projects, and visiting authors. 7th and 8th grade students regularly visit the library on lunch break at the same time as the little ones are released

from Pre-Kindergarten. Many libraries have separate teen rooms, we do not. The teens have adapted their discussions and activities to be kid friendly. Everyone has made new friends and role models in the process. The young ones draw pictures for the teens, exposing them to refrigerator art – glitter and colors abound! They greet each other by name. It is comforting to know an older kid when you are small. And it is great for the teens to learn respect and boundaries. Special thanks to Esther Reed and Jean Lamontanaro for their assistance and support.'

Our thanks to all the organizations that we collaborated with this year: the CAA, the CHS, the Wilson Museum, and the Adams School (and anyone else I may have inadvertently left out). Special thanks to the Friends of Witherle for continued financial support and the Unitarian Universalist Congregation Castine for a venue for our programming.

Respectfully submitted, Anne Romans, MLS Library Director

Witherle Memorial Library Board of Trustees

Albert Einstein once said, "The only thing that you absolutely have to know, is the location of the library." Good enough, then. Those of us lucky enough to live here know that we have what is essential to lifelong learning.

Even better, our Witherle Memorial Library is also a thriving community center. Several of the programs at the library are home-grown: they started as suggestions from patrons. The library staff scheduled and organized the programs, and now they're self-watering and community cultivated. Examples are the weekly Knitting Works In Progress; the monthly foreign affairs discussion group; and, lately, the winter "Let's Talk About It" book talks.

As part of its core mission, the library has always offered after-school reading and other learning activities for children. Recently the library joined the other educational and child-centered groups in town to discuss supervised after-school activities outside of the library.

The library is also part of another community project, led by our local history-collecting institutions. That group hopes to create a virtual tour of Castine, available on smart phones, tablets, or computers. Initially the virtual tour will cover Castine's historical sites, with broad information-sharing capacities and some commercial applications planned for the future. The library will be a content provider and supportive partner.

Plans are in the works to bring the library to you, if you can't come to us. For several years the library has provided a deep reservoir of information resources via the online highway, but now print resources will go out on the road as well. The library plans to collaborate with Healthy Peninsula to deliver books and DVDs to folks who can't leave home.

So, with all that's going on, do we know where our library is? Certainly its reach and energy are throughout the community. Still, the heart of the library is where it's been for 105 years: anchoring one corner of the Town Common. Thank you, Dr. Einstein; we know what we absolutely have to.

Respectfully submitted, Wendy Knickerbocker, Chair

Friends of Witherle Memorial Library

The Friends of the Library are community volunteers whose mission is to support the Library in financial and other ways. Any and all are welcome as members. The only requirement is to recognize the Library as an important community resource and to see it grow and prosper. We support the work and efforts of our librarians.

Our only sources of income are from member dues and used book sales from April through November.

The Friends support:

- 1. Presenters for children's programs including equipment and refreshments. Overflow book sale materials are donated to home school programs.
- 2. Librarian wish list items including books, audio books, CDs, DVDs, books in large print and other items not included in the Town budget.
- 3. Annual Library open house
- 4. Adult programs such as the Authors Series, Let's Talk About It and weekly book club. Musical programs in cooperation with Castine Arts Assoc.
- 5. Donations of overflow book sale assets to other nonprofits such as smaller libraries, book exchanges, food pantries and the MV State of Maine to use on the annual training cruise.
- 6. For details on programs see the report under Witherle Memorial Library

In the coming year the Friends will continue to support the above as well as providing reading materials for shut-ins and others who can't get to the Library.

All are welcome to join the Friends. For more information contact Robert Friedlander at doc.bob1841@gmail.com.

Finally, we must recognize our long serving president Harry Kaiserian who has stepped down after many years at the helm. Those shoes will not be soon filled.

Friend's Officers for 2018 are: Robert Friedlander, President; Irene Hall, Vice President; Courtney Peed, Secretary; Ann Jones, Treasurer.

Board members include: Susan James, Ellen Potter, Pat Dunham, Keith Hagel, Harry Kaiserian and Anne Romans (ex-officio).

Respectfully submitted, Robert Friedlander

Castine Fire Rescue Department

Our community was fortunate to require the services of Castine Fire Rescue Department (CFR) less in 2017 than the previous two years, but the Fire Department membership still found themselves involved in over 100 responses to assist their neighbors last year:

• Fire Calls	5
• EMS First Responder Calls	48
Rescue/Hazardous Condition	8
• Drills & Non-Emergent Patient Assists	13
• False Alarm & False Calls	20
• Community Paramedicine Visits	12
Total Calls:	106

The success of the Knox Box program at MMA and on several municipal buildings has encouraged the expansion of this program. The EMS first responders will soon have temporary boxes to be used for patients' homes who are enrolled in the Community Paramedicine program, and the department is looking at making these boxes available to private property owners in the future, if there is interest. This system is a great advantage for the department giving reliable, secure, and rapid access to locked buildings in the case of an emergency without the delay of awaiting someone with a key or the need to damage property to access the building.

Fewer patients were enrolled in the Community Paramedicine program in the last year, but this remains one of the most important activities in which Castine Fire Rescue is involved. The program which began as a pilot is now an officially sanctioned part of CFR's operations providing weekly non-emergent visits in patients' homes.

Our committed and resourceful membership has continually adapted to the challenges of operating a fire rescue service out of an outdated building with inadequate space for the modern fire service, but looking to the future, we know this issue must be resolved. With this in mind, and appreciating the size of the task, the process of investigating CFR's future infrastructure needs is in full swing, and we are looking to resolve the issue of a new space for the fire department so Castine Fire Rescue can provide appropriate emergency services to the town for many years to come.

In conjunction with a new fire station, department leadership is also concerned, as are many small, rural communities, with the availability of individuals who are able to participate actively in the emergency services. Research is underway into long term solutions to this problem; we are reaching out to numerous other communities to understand how they are dealing with manpower issues. The bottom line is WE ARE ALWAYS IN NEED OF MORE MEMBERS, so if you or someone you know is interested in becoming a firefighter/EMT or supporting the Fire Rescue Department in other ways, please attend one of our regular, weekly meetings held at the fire station Tuesday evenings at 6:00 PM.

The Castine Fire Rescue Department and community have continued to be fortunate to have a great group of older Maine Maritime Academy Midshipmen as well as many new, hard-working students who have joined our ranks, and for this we are very thankful!

2017 was a good year for the Castine Fire Rescue Department. We continually

strive to improve our service to our community and enhance the skills and abilities we have to do so. All the members of the department appreciate the great support from the community at large, and we will continue to answer the call of those in need with a professional, well-trained and well-organized group of dedicated volunteers.

Respectfully submitted, Randy Stearns, Fire Chief

Castine Fire Rescue Volunteer Association

Greetings, neighbor. Please accept the best wishes from our membership for a safe and happy year! 2017 was a busy year for us. Castine Fire Rescue volunteers responded to more than 100 calls for emergency assistance to provide fire, emergency response and medical services to Castine and mutual aid assistance to our neighboring towns. As a recent example of their efforts, more than 20 of our volunteers spent nearly 12 hours each helping to ensure public safety, clearing debris, and assisting with traffic control as the CMP crews worked to clear live power lines from the roadways during the Halloween windstorm. We also continued our pioneering participation in Maine's Community Paramedicine outreach program. All of this was made possible solely due to the dedication of our volunteers.

Castine Fire Rescue Volunteer Association's (CFRVA) mission as a non-profit organization is to support, represent and promote the needs and interests of Castine's volunteer firefighters, emergency medical first responders and the community they serve. The Association successfully raised \$9,500 in charitable donations in 2017. With these donations we replaced the fire station's emergency standby generator, outfitted each of our apparatus with a back-up safety video camera, purchased a pressure washer to help keep the facility and our apparatus clean, purchased a computerized gas detector calibration system and established a training scholarship for our volunteers to use when department funds fall short. We also continued to sponsor volunteer recruitment and retention, recognized the achievements of our members, and supported various public safety and education initiatives.

In the coming year we are seeking to raise \$10,000. These funds will be used for the purchase of additional specialized equipment and to continue supporting our volunteers. I hope that we can count on you for your support. Contributions may be made directly to:

Castine Fire Rescue Volunteer Association, P.O. Box 602, Castine, ME 04421

Thank you in advance for your generosity. Our organization relies on your contributions to enable it to support our volunteers. As always, please take a minute to thank our volunteers when you see them. We are always looking new volunteers to join our ranks!

Respectfully submitted, Stephen E. "Jack" Spratt, President

Code Enforcement Officer

For 2017, there were 33 Building and Use Permit Applications and 15 Plumbing Applications. These permits authorized activities valued at \$3,126,340 and generated \$7,343 in application fees.

In addition, there were two (2) Site Plan Review Application requests for construction within the Shoreland Zone and three (3) Home Occupation requests. Permit Application included:

Residential Structures	2
 Residential Accessory Structures 	5
• Residential Expansion	6
• Residential renovation & repairs	9
 Non-residential Structures 	4
• Piers, docks & Shoreline Protection	1
• Earthmoving, dredging & ponds	1
 Miscellaneous 	1
• Demolition	2
• Signs	2
• Plumbing Permits	15

Jimmy Goodson, CEO, provided Code Enforcement services for the common good. Peter Vogell continued as Local Plumbing Inspector (LPI) and Dale Abernethy as Alternate CEO, LPI and a valuable resource. Should you be considering new construction, repair or change in use or thinking about tree removal in the Shoreland Zone, please call or come by Emerson Hall to discuss your plans.

Respectfully submitted, Jimmy Goodson Code Enforcement Officer

Peter Vogell Local Plumbing Inspector



The Captain's Catch, the new Town Dock food vendor

Planning Board

The Castine Planning Board held 4 public meetings in 2017. The Planning Board approved 2 requests for construction and 2 requests for home occupations. The Planning Board also ruled that a parking lot in the Rural District was a non-permitted commercial activity and recommended to the Selectmen that elective changes to the Shoreland Zone and timber harvesting standards proposed by the State of Maine not be adopted by the Town. The present members of the Planning Board are J. Douglas Wellington (Chair), Par Kettis (Vice Chair), Doris Russell, Robert Friedlander and Tom Comiciotto, with alternate Beverly Bishop.

Respectfully submitted, J. Douglas Wellington, Chair

Board of Appeals

The Board of Zoning Appeals did not issue any rulings this year.

Castine Historic Preservation Commission

During the 2017 calendar year, the Castine Historic Preservation Commission had two meetings to consider two Historic Preservation Certificate applications within the historic district. One application was to install picket screen fencing for propane tanks (and a request to replace front entrance steps with no change in appearance) and one application for the installation of a wooden white picket fence and gate, replacing one that existed in the early 20th century. Both applications were approved. The Board accepted one resignation and two new members were approved.

Respectfully submitted, The Castine Historic Preservation



A California Book Club group visited Castine last summer, led by summer resident Arthur Vedder.

Harbor Master/Harbor Committee

The 2017 boating season in Castine was an exciting year with new faces on the docks greeting boaters and yachtsmen from around the world. By all accounts the waterfront staff were complimented on their professionalism, energy and warm welcomes. I would like to thank Chaz Schamle, Julia Cooper, Ben Burton and Walter Harrington for their hard work and friendly assistance to all who visited Castine from the water.

As was the case in most mid-coast harbors, landings were down at the Castine docks for the second year in a row. The word is, however throughout the industry that boat sales are substantially up this spring which may lead to an upward trend in landings.

Like most departments and municipal facilities in Castine, Maine Maritime Academy generously assists in the maintenance and safety of our waterfront. A special thanks goes to Chris Grindle, of the MMA Waterfront staff, who possesses a wealth of knowledge, experience, energy and willingness to share with all of us.

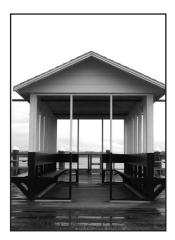
New mooring applications were up in 2017. To date, all requests have been fulfilled or will be this spring 2018.

You may notice that the Harbor budget funded a few projects which includes equipping the Acadia float with new gear that can help aid folks embarking and departing in dinghies, kayaks, and small boats; and replacing another large portion of the old green dock railings with the new stainless cable system.

Henry Erhard, of Castine's Public Works, constructed a new gazebo where all can enjoy lunches prepared by The Captain's Catch, operated by Deb Hamblen-Wood & Walter Foster who are the recently announced vendors of the dock take-out stand.

2018 is shaping up to be a great year to join us at Castine's Waterfront. See you on the docks!

Respectively submitted, Scott Vogell, Harbor Master and on behalf of the Castine Harbor Committee



Newly re-constructed Town Dock Gazebo by Public Works, Henry Erhard



The new "Easy Access" step on the Acadia Float

Utility Board

The Utility Board advises the Selectboard on matters related to the Water and Wastewater Departments, including budgets, improvement projects, and maintenance projects. It also administers the Water Service Protection Ordinance and the Source Water Protection Ordinance, regulations safeguarding the drinking water supply and the water department's financial integrity. The board reviews permit applications for compliance. It issues permits once it is convinced that a proposed activity poses no threat to the water supply.

As of June, 2017, the town of Castine's utilities (water and sewer) are being operated by a private firm, under the oversight of the Town Manager and Finance Officer. The Utility Board recommended (and the Selectboard accepted) that the town enter into a 2-year contract with the engineering firm Olver Associates, Inc. of Winterport. The town water plant and sewage treatment plant operators are now employees of Olver and no longer town employees. The Utility Board made the recommendation because it felt that the arrangement would be advantageous to the town. Olver has expertise and a pool of State licensed employees that are difficult for a town the size of Castine to match. It is important to note that no facilities have been privatized in this arrangement.

Each quarter, Anneleis Hafford, P.E. of Olver Associates provides to the Utility Board, Selectboard, Town Manager and Finance Officer a report on operations at the water and sewer departments. She manages a team of operators that includes Adam Clark, Superintendent of Water Department; Aaron Zurek, Superintendent of Wastewater Department and Stewart Grindle, operator.

In April, the Utility Board recommended that the Selectboard accept a Wastewater Department budget of approximately \$537,000 for FY2018. The Utility Board also recommended a Water Department budget of approximately \$570,000 in December.

The Water Department reports that the new Battle Avenue facility that allows some surface water to be used in Castine's water supply is operational, though at a low level as the crew becomes more familiar with the system and some technical kinks are worked out. That facility and the town's approach to our water supply challenges were the subject of a documentary video being made by a crew from the EPA back in May of 2017. The final product has not yet been released.

The Utility Board fielded requests from homeowners and others to apply chemicals to lawns. Some were approved and some were not. We are cautious about applying chemicals within the Source Water Protection Area because of our precarious drinking water situation in Castine. Several homeowners also requested abatements to their sewer bills when pipes burst and water flooded their buildings. Abatements are granted only if it can be verified that the water did not enter the town's sewer system. Homeowners are reminded that shutting off water to dwellings when you are away in winter, could save you money and headaches. The Water Department will assist you if necessary.

Respectfully submitted, David Avery, Chair

Recreation Committee

The annual events sponsored by REC committee in conjunction with MMA APO Fraternity, the Castine Fire Rescue Dept and the Merchants Association continue to be well attended and enjoyed by all. Thank you to all the organizations that work with us to help make these events successful year after year. A special thanks to Ashley Elder of MMA APO who steps up to the plate for each event APO participates in and is a key coordinator.

Also, a special thank you to the Adams School 7th and 8th graders. They helped to clean and organize the REC closet in Emerson Hall last fall with REC committee members Terry Biggie, RaeAnn Hodgson and Sue Macomber. You could barely walk into the closet let alone store or find anything. Now it is tidy and neat and we plan to keep it that way!

The Committee still has a few projects on the back burner but unfortunately time, funds and implementation tend to be our biggest obstacles. If you find yourself with any ideas to share or any time to volunteer, the REC Committee can always use the help. If you are interested in serving on the Committee or can lend a hand please contact Sue Macomber at the Town Office by calling 326-4502 or email sue@castine.me.us.

Respectfully submitted, Karen Cukierski & Dianna Paine, Co-Chairs



The Wharf Restaurant, formerly Dennett's Wharf, under new ownership.

Tree Committee Report

DUTCH ELM DISEASE HAS RETURNED TO CASTINE. We have been talking about this for several years and we do not see signs of the disease abating. We are gravely concerned after losing more trees to the disease this year, further acknowledging that Dutch elm disease is once again prevalent in this area and spreading. We are now tasked with treating as many trees as possible with the fungicide treatment as quickly as possible to protect them from the disease. We have established a three year treatment program to protect our significant streetscape elm trees. The inoculation lasts for three years and then the trees need to be treated again. Based on our funding limits we currently only have 75 trees that are being treated under our program. The trees that we have treated have not shown signs of the disease.

In addition to the monies granted from the town, which only provide part of the funds needed to protect the trees we have identified, we have started a fund raising campaign, "Protect Our Elms". Our sincere thanks to those of you who made a contribution last year. Our fund raising efforts to protect these trees needs to be ongoing. We have received funds for replanting streetscape trees and in addition the committee has been looking into grants for this. MMA has begun treating their large population of elm trees as well.

It is quite remarkable that our inventory of these magnificent trees on neck and off still count over 300. Your continued support is even more crucial today to help maintain this historic treasure, the wonderful elms that enhance the heritage, character and natural beauty of our town. This is Castine, the village "under the elms and by the sea".

Thank you to the members of this committee, Cathy Coughlin, Kathy Eaton, Don Tenney, Adam Potter, representing MMA, for all their due diligence, hours spent and dedication in protecting our elms over this past year. Many thanks to Jimmy, Karen, and Sue for their invaluable help.

Respectfully submitted, Julie Van de Graaf, Chair



Alyssa Radcliff, new Director of The Visitor's Center.

Peninsula Ambulance Corps

Peninsula Ambulance Corps (PAC) has operated continuously since 1968 and will celebrate its 50th anniversary in 2018. That record is due not only to the dedication of our staff and management, but also to the direct participation and financial support of many people, as well as steadfast support from town governments.

Call volume—the basis upon which we are reimbursed—dipped slightly from 2016 due in large part to staffing shortages, which are currently endemic in the EMS industry. Responses were divided among Blue Hill (517), Brooklin (58), Brooksville (43), Castine (59), Penobscot (87), Sedgwick (105), and Surry (51). Calls to our secondary service areas of Bucksport, Deer Isle, Ellsworth, Orland, and Stonington, together with public service calls, added another 146 for a total of 1,066. Traumatic injuries remained the dominant complaints, followed by chest pain, general illnesses, breathing problems and cardiac issues. Inter-hospital patient transports, which were 35% of call volume, are also included in call totals.

We are proud of our five full-time and 20 part-time staff—the Paramedics and EMTs who make the program work. PAC provides monies for continuing staff education for federally mandated and PAC-required classes, and employee turnover is minimal. Our employees like their jobs and provide real benefit to the communities served by PAC.

Our largest customers by far remain Medicare (federal government) and Medicaid/MaineCare (state government). Together, they represent 71% of our billing. However, for every \$1 of that billing, we are paid only \$0.70 at best. Medicaid reimbursements are often less than 50%. This accounts for most of our operating deficit. The remaining shortfall is the result of running a service in a large territory with a small population. The small adjustment that is allowed for rural services like PAC ended on December 31, 2017. This, along with the current uncertainty of Medicare's future, make our financial challenge even greater.

We decrease our deficit in three ways: with the support of our town governments, by individual donations to our annual appeals, and by using volunteer board members to accomplish administrative and fund-raising tasks.

This year we are asking for \$14.50 for the operating budget and \$4.43 for the ambulance reserve fund. In the next year we will be further invigorating our annual campaign. We will build on our success this year to cover a larger piece of the operating deficit.

Staff and ambulances are the visible aspects of PAC, but community loyalty and the funds provided by the towns are its lifeblood. Our annual appeal to the public provides an essential and remarkably consistent source of support, but we must rely to the greatest extent on the common sense of town governments and citizens to understand the necessity for an ambulance service, and that, if we don't hang together and make it work, no one else will.

We are truly grateful for your unwavering support.

Castine Historical Society

The Castine Historical Society strives to be a community organization that is focused on collaboration, exploration and stewardship of Castine's rich history.

In 2017 we undertook two major collaborative projects. We helped form the Castine History Partners, consisting of the Historical Society, Wilson Museum, Witherle Memorial Library, Maine Maritime Academy, and the Town. We meet regularly and are working on an exciting interactive learning project for the town which we hope will launch in September of 2018.

We are also collaborating with the Town as we became the new caretakers of a selection of Castine Town Records. These older records still belong to the Town, but are now housed in our climate-controlled collection's storage vault for long-term preservation and to make them readily available to researchers.

The Historical Society helps people explore Castine's extraordinary past. One way is through our professional, well curated exhibitions. Our 2017 season's exhibit, "Castine's Devoted Women: Partnership and Social Reform 1910-1962" is just the most recent example. The exhibition focused on the lives and work of Castine residents Mary W. (Molly) Dewson and her life-partner Mary G. (Polly) Porter. We also provided additional learning opportunities by hosting three public lectures during the summer on a range of topics.

The vast collection of Castine's photographs, account books, oral histories, maps and more stored at the Grindle House continues to grow thanks to donations and small acquisitions. One of the largest gifts of the year was the papers of internationally-known Castine sculptor Clark Fitz-Gerald (1917-2004) which were donated by his children, Leah and Stephen.

We also have received recognition outside Castine. In 2017 we received Maine Preservation's Honor Award for the restoration of the Grindle House, and Yankee Magazine named us the Best Historical Experience in Maine!

On a final note, in November I became the Historical Society's first Executive Director. I am thrilled to join this vibrant organization and community and look forward to working with everyone to meet the Historical Society's mission to collaborate, explore and preserve Castine's rich history for our residents and visitors.

The Castine Historical Society is a community organization for everyone. So, if you have an idea for the Historical Society or just want to talk, please feel free to visit, call or drop by to see me.

Respectfully submitted, Lisa Simpson Lutts, Executive Director

Wilson Museum

We are pleased to report that 6,894 people visited the Museum in 2017, a 3.25% increase over the previous year. They viewed two new exhibits: Castine History 101 from geologic time to the present using maps and artifacts; as well as Over There: World War I from Here featuring lists of service men and women from Brooksville, Castine and Penobscot along with memorabilia from the collection.

The Museum served local teachers with 41 classroom visits to Brooksville, Castine, and Penobscot schools, bringing stories and crafts to grades K - 4 and Maja Trivia to grades 5 - 8. Through monthly visits, the 5 year old Maja Trivia program promotes local history knowledge with rounds of Jeopardy-like game play. Semi-final winners received awards from each town's respective historical society then moved on to the Tournament of Champions, held at the Hutchins Education Center. A sweet tribute was provided by Castine Woman's Club in honor of Brooksville's Bicentennial. Winners of the 2016-17 Tournament of Champions were: Castine's Tavian Tingley 1st place, Castine's Will MacArthur 2nd place and Brooksville's Sophie Peasley 3rd place. Other school children visiting the Museum in 2017 include a group of enthusiastic students for February Vacation Camp as well as 5 public/private school and homeschool classes on field trips.

The summer calendar included 27 lectures and events for all ages. Some folks even received their "15 minutes of fame" as press and TV crews covered several events. Additionally, the Museum sponsored 24 programs with and for local organizations including the Castine Woman's Club, Castine Men's Club, and Friends of Castine Fortifications to name a few.

With the help of three highly dedicated volunteers the Museum built an outdoor oven to lure innocent by-standers with the delicious aroma of baking bread. There were other less obvious projects on campus this year as well. Storm windows for the Perkins House, custom-made with UV glass to protect the home's furnishings, arrived this spring. A project not apparent to a casual observer was technology hard-wiring that now connects all campus buildings.

Programs and projects mean fundraising with events that are still educational and fun but have the added bonus of helping the Museum in its important mission. While several fundraising events were put on, 2017 Collecting Castine was the largest. Held in memory of Clark and Elizabeth "Liddy" Fitz-Gerald, it was a lovely evening with the People's Choice award going to Josh Adam's painting Fitz-Gerald Studio, a handsome work of art to add to the Museum's collection.



Thank you to everyone who made this a successful year!

Respectfully submitted, Patricia Hutchins, Executive Director

Castine Arts Association

The purpose of the Castine Arts Association, a volunteer non-profit organization, is to promote awareness and appreciation of visual, literary, and performing arts in Castine. We often work with other organizations, like the Witherle Library, the Wilson Museum and the churches in Castine to help sponsor performances that enrich our community through the arts. In the past year, the association sponsored a wide variety of programs:

- Twice a month Pot Luck and Movie at the Town Hall
- Cooking Lessons at the Wilson Museum
- Life Drawing
- Sip & Paint Night acrylic painting in a social environment
- Half-Hull Model and Wooden Paddle Making
- Needle Felting
- Boxwood Christmas Centerpieces
- Various Musical Concerts, including the Annual Town Christmas Concert, Just For Fun, Mike Rogers, Gus La Casse and An Afternoon of Mostly French Music
- Various programs at The Annex on Water Street
- Children's Theater Camp
- Children's Art Camp
- Poetry Reading
- Story Slam
- Not Just Desserts Shakespeare
- Big Band Dance
- Fall Fashion Show

Our annual fundraiser for these programs is The Castine Plein Air Festival and Art Sale on July 21st. I'd like to thank the many volunteers and town organizations that sponsor this event. I invite you all to join the CAA in supporting the arts in our community by purchasing a painting at the festival. The board has used this funding to enhance the viewing experience in the Town Hall with new audio and visual equipment. The CAA also provides scholarships to local students pursuing education in the arts.

Current CAA Board Members are: Tracy Lameyer - Children's Committee; Johanna Sweet - Literary Committee; Goody B. Wiseman - Visual Arts Committee; Sam Friedlander - Music Committee; Don Tenney - Publicity; Debby Neve - Past President; Bonny Politano - Secretary; Tony Politano - Treasurer; Vice President - open and myself.

Respectfully submitted, Ted Lameyer, President

Castine Woman's Club

The Castine Woman's Club enjoyed another fruitful year in 2017! Established in 1913, the Club, a service organization composed of women from the Blue Hill Peninsula area, always welcomes new members. Club officers are President: Val Taub; Vice President: Patty Hutchins; Secretary: Marjie Wheeler; Treasurer (Acting): Val Taub. CWC monthly meetings (April – June and September – December), which usually include a bag lunch and guest speaker or workshop, are held at and generously co-hosted by the Wilson Museum. CWC appreciates the extraordinary efforts of VP Patty Hutchins and the Wilson Museum staff for making our meetings so fun and successful! The community is invited and always welcome. CWC also plans to continue co-hosting various talks at the Witherle Library.

As a service organization, our mission is to give back to the community by supporting education, health, civic service, and cultural activities in the community. A lovely June Tea with special performance by Johanna Sweet (co-hosted by Wilson Museum) was a highlight of 2017! Fundraising events included a Flash! in the Pans concert, Fourth of July Pie Sale, and Election Day Bake Sale. As a General Federation of Women's Clubs Maine (GFWC Maine) member, CWC also participates in state, national, and international projects.

In 2017, CWC established a \$25,000 scholarship fund in perpetuity at Maine Maritime Academy for local high school students beginning studies at MMA. Funds were raised through events, donations, and an art auction. CWC hopes to establish other scholarship opportunities. In 2017, the Club made donations to support Maine Youth Leadership, The Next Step, Adams School Calvineers, Northeast Historic Film/Alamo Theater, Maja Trivia, and other community programs. For years, the Club has continued to sponsor the GFWC Maine District 4 (Hancock County) Art Contest for local high school students.

The Castine Woman's Club looks forward to continued success in 2018! We thank the community for your support and we hope to see you at our future meetings and events.

Respectfully submitted, Val Taub, President



Castine Garden Club

The Castine Garden Club continues to serve its members and the community through a variety of activities during the year. Our Mission is primarily for the discussion of gardening and enjoyment by gardeners, informal programs, community beautification and fund-raising activities.

The continued education programs we offer throughout the year are well attended with various field trips and in town activities, open to not only members but the general public.

The annual Plant Sale held each May is our only fund raiser. The funds allows us to beautify Castine with flower boxes on the waterfront, Town Office and Post Office. Annually we plant an Arbor Day Tree, assist with Lighting Up Castine during the Christmas season, and provide wreaths around town for Christmas and Memorial Day. I thank the Community for supporting our annual Plant Sale which allows for the above beautification.

Our fund raising also allowed us to continue to support the Elm tree Fund with a generous donation again this year.

My three-year term as President will come to an end in June. I would like to thank all the current and former Committee Chairs and members for their dedication and enthusiasm, which helped make my job an easy one.

Anyone interested in joining the Castine Garden Club can contact me or Kathy Crawford, Membership Chair.

Respectfully submitted, Victoria L. Lee, President



Castine Garden Club Annual Centerpiece making

with Adams School 7th and 8th graders.

Doctor Mary Cushman Circle

The members of the Dr. Mary Cushman Circle would like to thank the community for its support of the Village Fair in June 2017 and the Holly Berry Fair and wreath-making project in December 2017.

The Circle is named to honor the life and work of Dr. Mary Floyd Cushman, who was associated with Castine from 1885 until 1901 while her father was minister of the Trinitarian Congregational Parish of Castine. In 1888, Dr. Cushman graduated with honors from the Eastern State Maine Normal School in Castine. She then received her M.D. degree from the Boston University School of Medicine in 1892. From 1893 until 1922, Dr Cushman was engaged in hospital and private practice in Massachusetts and Maine. While she was in general practice in Farmington, Maine, Dr. Cushman was the first woman appointed to the Maine State Medical Board. In 1922, at the age of 52, Dr. Cushman was appointed as medical missionary to Angola, where she established a hospital in Chilesso that operates to this day. She overcame considerable opposition to ensure that Angolans were educated to serve in all aspects of the hospital's work. Dr. Cushman left Angola in 1953 at the age of 83. The Maine Medical Association annually issues the Mary Floyd Cushman, MD Award for Exceptional Humanitarian Service as a Medical Volunteer, accompanied by a \$1000 contribution to a charitable organization chosen by the recipient. The 2017 recipient was Dr. Richard Corbin, MD, Medical Director of the Oasis Free Clinic of Brunswick, Maine.

The Dr. Mary Cushman Circle is a group open to anyone who supports our purpose. Members come together to use their diverse skills, creativity and volunteer time to help raise support for the wider mission of people in need in our area, our nation and our world. In deciding Circle donations, we are guided by our tradition of honoring the life and work of Dr. Cushman in the medical field. We organize two annual fairs and sell wreaths to provide the source of funding for our giving. Dr. Cushman continues to inspire members and friends of the Circle. One such member was the late Katherine Marshall of Castine. In 2017, the Circle received another generous gift from the Katherine Ebbert Marshall Charitable Endowment.

In 2017, the Circle donated \$15,825 from the Village Fair, the Holly Berry Fair, Wreath Making and private donations. That amount was distributed during 2017 and early 2018 to 16 local, national and international organizations, specifically: Church World Service \$1000, Hancock County Habitat for Humanity \$910, Hancock County Medical Mission \$785, Hospice of Hancock Count \$520, Doctors Without Borders \$1270, Free the Kids (Project Hope) \$1270, Free the Kids (Ecumenical Clinic) \$1270, The Next Step Program against Domestic Violence \$910, H.O.M.E. (IMO Brian McCarthy) \$910, Friendship Cottage (IMO William Muszala) \$910, At Home Downeast \$910, Home-Emmaus Center, Ellsworth \$910, Fistula Foundation \$1270, Tree of Life \$910, Trinitarian Congregational Parish (fuel) \$2000, and Shawl Ministry \$70.

Respectfully submitted, Barbara Griffiths, Mission Chair

Community Childhood Learning Place

Community Childhood Learning Place (CCLP) spent 2017 making great strives towards repurposing the Castine water tank at 39 State Street into a 4000-square-foot early learning and care environment for our youngest children. The year began with the architects (Mohr and Todd), structural engineer (Albert Putman), and contractor (Bill Tourles) discussing how the existing structure should be taken down while conserving the materials for the rebuilding process in 2018. CCLP had the help of community volunteers, including Maine Maritime Academy's Alpha Phi Omega, in the process.

In late fall the contractors and the big machinery arrived to knock down the top of the tank wall, move or remove soil to make the site accessible for individuals with disabilities, and to pour the foundation for the utility room.

The rebuilding process will begin in early spring 2018 when the weather has stabilized. The slab will be poured that will house the radiant heating system. The walls will be erected, the roof built, and windows (provided by grants from the Davis Family Foundation and the Barry Lyon Small Fund/Maine Community Foundation) will be installed.

Multiple fund raising events were held for Community Childhood Learning Place. Many people had fun at the Madi Gras Dinner at the Manor Inn, Fourth of July 1K and 5K Race, Golf Shoot at the Castine Golf Club, Yard Sale, and a Fashion Show at the Castine Inn. The yard posters, recognizing a CCLP level of donation, were well received. The above-mentioned events along with donations and grants have helped CCLP reach 70% of \$360,000 goal.

More fund raising events are planned for 2018:

- o Spring into Summer Dinner, Manor Inn, June 20
- o July 4th Race, 1K and 5K at the Town Dock
- o Tea and Art in the Garden at Wood's Garden, July 7th

Also, CCLP has been given in-kind donations, including sinks, toilets, desks, chairs, and windows and doors for the pump house renovation. We have had publicity help from the Ellsworth American, Working Waterfront, and the Patriot. During the spring of 2018, the Bangor Staples will be displaying a Community Childhood Learning Place banner and a printed presentation of our story. CCLP is looking forward to a very exciting Summer 2018.

Respectfully submitted, Nancy Sayre





CCLP under construction

Castine Community Partners

Castine Community Partners (CCP) is a 501(c) 3 tax-exempt charitable organization founded in 2012. It adopted the following Mission Statement: "In collaboration with the Town of Castine and its residents, CCP fosters economic development, supports family housing initiatives, encourages private/public partnerships, and facilitates efforts to revitalize the Castine economy and enhance the quality of life for Castine citizens, visitors and property owners."

Through donations from many Castine residents, CCP has been able to 1) underwrite the cost of making the transition to a new food service vendor on the Town Dock. 2) Contributed funds to help the Castine Touring Company purchase "Scarlett", the touring car. In 2017 CCP helped the Touring Company with insurance costs. 3) Aided the Friends of Castine Fortifications and their commitment to the enhancement of Fort George.

Now, as CCP looks forward, its interest has shifted to assisting in the possible creation of a Senior Living Center to serve Castine's over 65 population. CCP hopes to work with local medical professional, architects, investors, and the general public to further develop this concept and make it a reality.

In so doing, CCP hopes to further enhance Castine's Vision Statement adopted in 2010 which has a goal as "A year- round thriving community that values our heritage, village character and natural beauty".

Respectfully submitted,

Pat Bishop Ewen Farnham Jack Macdonald Liz Parish Lynn Parsons Brooke Tenney

Blue Hill Peninsula Nordic Ski Club

The Blue Hill Peninsula Nordic Ski Club (BHPNSC) had a successful fourth season. Thirty-two children, age 3-to 13-years-of-age, from Castine and six surrounding communities, Blue Hill, Bucksport, Penobscot, Surry, Orland, and Ellsworth participated in the 2018 season. The children, their families, and our wonderful volunteers, who have contributed their time, expertise, cookies, and hot chocolate, helped to make the season a triumph for all.

The children checked-out their skis in December 2017 and had them to enjoy for three-months. Snowy Saturday mornings, the children skied as a group on the lawn of Manor Inn and on the trails in Witherle Woods. The trails are groomed and tracked by BHPNSC for the entire Castine community to enjoy.

Thank you to our partners, Maine Coast Heritage Trust and Caleb Jackson, and Nancy Watson and Tom Erhman at the Manor Inn who helped to make the BHPNSC a success.

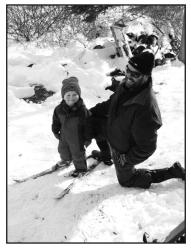
The Hatch Community Youth Fund

With thanks to over 150 donors and partner organizations, over the past year the Hatch Community Youth Fund continued expanding its support for Castine and surrounding area resident youths in a greater variety of recreational year around activities. Because of the enthusiastic support from donors, during 2017 the HCYF expanded its mission and service and funded almost \$35,000 in programs and scholarships that encouraged kids in the Castine area to grow through sports and other activities.

The Fund sponsored individual scholarships totaling \$22,955 benefitting greater Castine area kids in soccer, sailing, golf, tennis, kayaking, winter skiing, ballet, dance, gymnastics, basketball, volleyball, and gym memberships. The HCYF is well on its way to becoming the most significant support for resident youth recreation of its kind in the region. In addition, the Fund provided \$11,675 in funding to local organizations serving Castine and surrounding area youth. This ensured additional opportunities for more than 100 young students to participate. Grants were distributed to the February Break Week in partnership with the Wilson Museum, the Peninsula Running Club in partnership with Castine and Penobscot Schools, CGC Rec Week in partnership with Golf and Yachting divisions of the Castine Golf Club, CKA Rec Week in partnership with Castine Kayak Adventures, Volley Kids in partnership with Castine Adams School and MMA, and a grant to the Little League to provide dirt for their field at PCS for combined town teams.

We look forward to new growth and success in 2018 and are appreciative for the continued support.

Respectfully submitted, Doug Fitzsimmons, President



BHPNSC local participants

Blue Hill Heritage Trust

Blue Hill Heritage Trust's mission is "to conserve in perpetuity the land and water resources which support the long-term health and well-being of the natural and human communities on the Blue Hill Peninsula." We welcome use of our properties for a variety of uses, and we hope that the community is taking full advantage of our land and trails, all around Castine and surrounding towns.

This has been a good year for the Trust, and we would like to thank the town and our supporters for making 2017 successful. We ran a number of hikes for the public on our Castine land this year, and we are especially excited about the increased school programming we have done in town. In 2018, we are partnering with Downeast Audubon and Great Pond Mountain, to fund a 3/4-time educator who will be focused on getting school kids outside and learning about the land. So we will be doing even more in Castine schools this year and in the future.

Currently we own 290 acres in Castine. Blue Hill Heritage Trust is proud to pay property taxes to all our towns, under the open space rate available to all Maine landowners. In 2017, we paid \$538 to Casine and a total of \$13,320 to all seven towns in our service area. We believe that our properties provide returns to our communities beyond tax payments too: a return in ecosystem services, public health, in recreational and traditional uses, and indirectly in the tourist dollars that flow to our area precisely because our communities protect and preserve land and water.

Once again, thank you, and we are looking forward to 2018!

With regards from all of us at BHHT, Hans M. Carlson, Executive Director



The faces of Adams School

Castine Cemetery Association

Balance (December 31, 2016)	\$ 980.07	
Revenues:		
Town of Castine Appropriation		
* * *	\$16,000.00	
Savings Interest	.66	
Donations	500.00	
Sale of Cemetery Lots/Burial Services	400.00	
Cemetery Fund	1,500.00	
Total Revenues	\$18,400.66	
	,, ··	
Disbursements:		
Labor	\$16,000.00	
Tree Removal/Trimming	180.00	
Repair/Maintenance/Parts/Equipment	480.44	
Fuel	738.26	
Evergreen Waste	337.00	
Flags	167.08	
Engraving	145.00	
Miscellaneous	100.00	
Total Disbursements	\$18,147.78	
Total Dissarsements	ψ10,11110	
Balance (December 31, 2017)	1,232.95	
,	,	
Bradford Tenney, President		
Donald Small, Treasurer		

Lighthouse Bank Accounts

Lighthouse Maintenance Account Beginning Balance 06/30/2016	\$38,596.23
Revenue	
Lighthouse Rent	\$ 9,780.00
Interest Earned	43.17
Donations	426.00
Oil Building Grant	4,932.60
Total	\$15,181.77
Expenses	
Expenses/Repairs	\$15,599.14
Ending Balance 06/30/2017	\$38,178.86
Lighthouse Trust Account	
Beginning Balance 06/30/2016	\$ 1,412.52
Revenue: Interest Earned	1.14
Trust Account ending Balance 06/30/2017	\$ 1,413.66

Pollution Control Budget

Account Name	Budget FY 17	Spent FY 17	Budget FY 18
MANAGEMENT	1111	1111	1110
Salaries	\$ 82,579	\$ 94,179	\$ 92,164
Additional Staffing	3,000	6,130	φ
Postage	900	511	900
Training	1,000	1,173	1,300
Insurance	11,300	10,672	11,300
Social Security	6,518	6,751	7,250
Group Insurance	36,775	25,554	26,642 5.750
Retirement	5,070	5,365	5,750
Services	1,000	3,700 \$154.035	1,700
SUB-TOTAL	\$148,142	\$154,035	\$147,006
PLANT OPERATONS	Φ 1.500	ф. 1. 7 1.6	Ф 2.000
Water	\$ 1,500	\$ 1,716	\$ 2,000
Electricity	23,000	22,568	25,000
Telephone	1,800	1,956	1,800
Heat	9,000	4,782	8,000
Grounds Maintenance	500	575	500
Building Maintenance	1,000	1,635	1,000
Supplies	3,000	<u>1,886</u>	3,000
SUB-TOTAL	\$ 39,800	\$ 35,118	\$ 41,300
VEHICLE OPERATION			
Fuel	\$ 1,800	\$ 1,201	\$ 1,800
Repairs	<u>1,000</u>	<u>673</u>	<u>1,000</u>
SUB-TOTAL	\$ 2,800	\$ 1,874	\$ 2,800
EQUIPMENT & MAINTE			
Engineering Services	\$ 2,000	\$ 4,245	\$ 2,000
Pump Stations SC	3,000	1,900	3,000
Pump Stations Maint	10,500	3,285	10,500
Laboratory Services	2,500	1,864	2,500
Equip Repair/Maint/Replac	e 25,000	10,391	25,000
Generator Fuel	1,700	434	1,700
Chemicals	3,000	4,959	4,500
Line Repair	6,000	8,251	6,000
Sludge Disposal	18,000	13,033	17,500
Licensing	800	674	800
SUB-TOTAL	\$ 72,500	\$ 49,035	\$ 73,500
DEBT SERVICE	, , , , , , ,	, ,,,,,,,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
MMBB 1996	31,645	30,879	0
MMBB 2007	223,012	223,012	219,598
MMBB 2010	12,403	16,370	11,261
MMBB 2015	41,966	42,003	41,752
SUB-TOTAL	\$309,026	\$312,264	\$272,611
	Ψ507,020	Ψ312,207	Ψ212,011
TOTAL	\$572,268	\$552,326	\$537,217

Water Department Budget

Account Name	Budget FY 17	Spent FY 17	Budget FY 18
ADMINISTRATION	1111	1111	1110
Salaries	\$ 90,990.00	\$ 61,580.01	\$ 14,300.00
Social Security	7,011.00	4,484.54	1,094.00
Employee Benefits	36,444.00	21,720.55	10,063.00
Contract Operations	0.00	83,697.10	144,000.00
Insurance	8,500.00	5,265.31	4,700.00
Supplies	3,500.00	4,494.39	4,000.00
Services	22,500.00	16,205.27	20,200.00
TOTAL	\$168,945.00	\$197,447.17	\$198,357.00
OPERATIONS & MAINTE Power Vehicle Operations Water Treatment Chemicals Supplies & Equipment Service & Repairs TOTAL	\$ 11,000.00 3,500.00	8,920.05 1,489.71 8,078.80 16,218.90 23,094.13 \$ 57,801.59	10,000.00 2,500.00 10,000.00 28,000.00 33,000.00 \$ 83,500.00
DEBT SERVICE			
Interest Expense	\$ 92,928.00	91,904.80	89,517.00
Bond Principal	<u>197,342.00</u>	<u>197,341.08</u>	<u>199,277.00</u>
TOTAL	\$290,270.00	\$289,245.88	\$288,794.00
TOTALS	\$547,715.00	\$544,494.64	\$570,651.00

Revenue Report

Account Name	Budget FY 17	Collected FY 17	Balance
Excise Tax – autos	\$125,000.00	\$139,083.75	\$ 14,083.75
Excise Tax – autos Excise Tax – boats	10,000.00	9,548.30	(451.70)
State Revenue Sharing	24,000.00	30,888.77	6,888.77
State Road Assistance	12,000.00	12,464.00	464.00
Homestead Act Reimbursement	15,000.00	10,529.00	(4,471.00)
Other State/Federal Assistance	6,000.00	11,104.95	5,104.95
Licenses & Permits	6,000.00	11,10 (1.7.5	5,005.83
Marriage, Birth, Death	0,000.00	982.80	3,003100
Liquor, Amusement, Vic	tualer	630.00	
Building, Road Open		7,644.03	
Plumbing		1,749.00	
Municipal Fees	199,898.00	,	(7,256.42)
Trash Stickers	,	29,709.75	(1)
Demolition Debris		34,078.68	
Universal Waste		1,701.50	
Recycling Bags		237.75	
Mooring		19,950.00	
Docking, Boat Ramp		7,415.00	
Clerk, Photo Copy, etc.		4,691.04	
Parking Tickets		7,436.75	
Recreation Income		25.95	
Library Income/Endown	nent	82,395.16	
Library Endowment (to)	Library Maint C	apital) 5,000.00	
Maine Maritime Academy	137,000.00		(5,300.58)
Public Safety		91,699.42	
Debt Service		40,000.00	
Investment Interest	12,000.00	16,298.95	4,298.95
Interest on Taxes	6,000.00	7,974.37	1,974.37
Dudley's Lease	4,500.00	4,500.00	0.00
Bagaduce Ambulance Trust	1,700.00	1,700.00	0.00
Cell Tower Lease	13,800.00	14,042.36	242.36
Payments in Lieu of Taxes	1,000.00	2,200.00	1,200.00
Miscellaneous	1,000.00	534.67	(465.33)
TOTAL REVENUE	\$574,898.00	\$596,215.95	\$ 21,317.95

Tax Collector's Report

\$2,898,260.74 0.00 0.00 \$2,898,260.74
\$2,866,046.58 30,421.17 1,795.00 (1.98) \$2,898,260.74
\$ 20,575.50 10,107.54 0.00 \$ 10,467.96
\$ 4,645.39 4,645.39 0.00 \$ 0.00
\$ 640.81 943.73 3,003.48 5,879.94 \$ 10,467.96
\$ 2,970.05 587.33 886.25 1,177.52 13,598.25 2,366.07 3,003.48 5,832.19 \$ 30,421.14

TAXPAYER LIST FOR 2017

As committed before any Abatements or Supplementals

Property Owner	Land Val.	Building	Val. Tax
A & L Parsons, LLC	\$126,700	\$-	\$1,489
A L H Properties	\$704,200	\$147,300	\$10,005
* Abernethy, Dale & Linda	\$57,900	\$265,900	\$3,570
Ackerman, Jeffrey	\$52,300	\$101,200	\$1,804
* Ackerman, Jeffrey	\$99,200	\$68,800	\$1,739
* Adam, Joshua M & Susan P	\$101,600	\$142,900	\$2,638
* Adams, David K & Elise	\$126,200	\$140,800	\$2,902
Allen, Randee Sue	\$5,100	\$-	\$60
Allen, Robert W, Trustee	\$199,100	\$134,000	\$3,914
Allen, Susan & Middleton, Neil	\$417,700	\$152,700	\$6,702
Allen, Dianne M	\$12,100	\$-	\$142
* Allen, Dianne M	\$281,000	\$134,300	\$4,645
* Alston, Wallace M, Jr & Alice S	\$240,200	\$206,300	\$5,011
American Towers, LLC	\$15,600	\$133,100	\$1,747
Ames, George	\$162,800 \$635,500	\$-	\$1,913
Another Day on the Bagaduce, LLC	\$635,500	\$221,700	\$10,072
Anthony, Kristina B	\$83,500	\$54,100	\$1,617
* Appleman, Mary J	\$425,500	\$99,900	\$5,938
* Armstrong, Richard S	\$295,100	\$759,000	\$12,151
Arntzen, Morten & Carolyn	\$244,800	\$345,800	\$6,940
Arntzen, Morten & Carolyn	\$949,000	\$807,000	\$20,633
Ashton Family Trust	\$19,100	\$-	\$224
Ashton Family Trust	\$422,800	\$302,900	\$8,527
Atwood, Terry	\$6,800	\$-	\$80
Auld, David & Sherrill F	\$167,200	\$184,600	\$4,134
Austin, Donald M Et Al	\$244,000	\$116,500	\$4,236
Bag End, LLC	\$132,000	\$146,500	\$3,272
Bagot Family, LLC	\$323,000	\$336,900	\$7,754
Bagot, Jane S	\$2,078,700	\$475,200	\$30,008
* Bailey, Katherine H	\$122,200	\$282,900	\$4,525
Baker, Barney J Caroline A	\$78,700	\$-	\$925
Baker, John E & Lynn S	\$241,600	\$152,900	\$4,635
* Baldwin, Anita	\$-	\$15,500	\$0
Ball, Nathaniel I, III & Jane H	\$150,000	\$238,300	\$4,563
* Ballou, Elizabeth	\$93,900	\$123,400	\$2,248
Bangor Savings Bank	\$125,800	\$170,000	\$3,476
Bank of America - Mary Knowlton Trust	\$162,600	\$441,700	\$7,101
* Barrett, Leni M	\$223,000	\$108,400	\$3,588
Bary's Barefoot Estates, LLC	\$145,900	\$177,800	\$3,803
Bary's Barefoot Estates, LLC	\$182,400	\$113,500	\$3,477
* Basile, Constantino G & Ruth D	\$138,200	\$262,800	\$4,477
Beatty, John W & Christina	\$371,700	\$118,800	\$5,763
Beck, Thomas G & Jones, Kerri-Ann	\$586,300	\$122,300	\$8,326
* Belanger, Barbara J	\$45,600	\$49,000	\$806

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Belknap, Janet Family Trust	\$426,800	\$133,300	\$6,581
Bell, Alan & Ziff, David	\$235,500	\$39,500	\$3,231
Bell, Alan & Ziff, David	\$362,700	\$53,400	\$4,889
Benjamin, Douglas P & Ellen L	\$351,100	\$674,400	\$12,050
Berleant, Arnold J & Riva S	\$5,800	\$-	\$68
* Berleant, Arnold J & Riva S	\$269,000	\$167,800	\$4,827
Berleant, Daniel & Berleant, Anne	\$185,200	\$50,800	\$2,773
Bernard, Diana - Trustee	\$77,500	\$199,300	\$3,252
Berry, Elizabeth - Trustee	\$277,400	\$204,100	\$5,658
* Bertrand, Paul & Elaine	\$45,700	\$123,300	\$1,751
* Beske, Robert P & Sandra K	\$57,100	\$193,200	\$2,636
Betts, Darby W, Jr	\$34,300	\$- \$2.700	\$403
Betts, Darby W, Jr	\$48,800	\$3,700	\$617
Bicks, Jenny - Trustee	\$394,800 \$2,900	\$451,500 \$-	\$9,944 \$34
Biggie, Edgar J * Biggie, Edgar J	\$63,600	\$186,200	\$2,700
Biggie, Sharon	\$74,400	\$217,400	\$3,429
* Biggie, Therese	\$126,400	\$150,700	\$3,021
Bishop, Beverly A	\$309,700	\$129,900	\$5,165
Bishop, Patricia A	\$391,100	\$- \$-	\$4,595
Bixel, Eric & Patricia	\$362,000	\$100,000	\$5,429
Black, Brenda Joyce	\$328,500	\$210,400	\$6,332
Blackwood, J Temple	\$45,600	\$150,700	\$2,307
* Blackwood, Victoria B	\$62,500	\$115,600	\$1,858
* Blake, Jody & Arthur F	\$63,800	\$215,400	\$3,046
Blue Hill Heritage Trust	\$2,900		\$34
Blue Hill Heritage Trust	\$5,100	\$ \$ \$ \$ \$ \$ \$	\$60
Blue Hill Heritage Trust	\$22,400	\$ -	\$263
Blue Hill Heritage Trust	\$1,000	\$ -	\$12_
Blue Hill Heritage Trust	\$12,500	\$-	\$147
Blue Hill Heritage Trust	\$1,900		\$22
Blystone, Richard & Helle	\$283,500	\$209,300	\$5,790
Bobb, John & Janis	\$115,300	\$103,100	\$2,566
Boczkiewicz, Bruce & Roberta	\$1,144,300	\$1,745,700	\$33,958 \$7,422
Boenau, Robert H - Trustee Bogdonoff, Gregory - Trustee	\$589,600 \$281,300	\$42,100 \$168,500	\$7,422 \$5,285
Booth, Margaret T Trust	\$279,600	\$256,500	\$6,299
Booth, Philip Family Trust	\$334,700	\$-	\$3,933
Booth, Philip Family Trust	\$79,500	\$-	\$934
* Bos, Frances M	\$425,600	\$185,700	\$6,948
Bos, Frances M	\$12,100	\$-	\$142
Bos, Frances M Family Trust	\$497,900	\$84,100	\$6,839
Bos, Frances M Family Trust	\$945,900	\$42,100	\$11,609
Bourne, Mary	\$354,000	\$389,000	\$8,730
* Bourne, Standish T, Jr	\$1,030,700	\$303,800	\$15,375
* Bowden, Julia W	\$61,700	\$168,700	\$2,472
Bowden, Julia W	\$28,900	\$- \$-	\$340
Bowden, Julia W	\$28,700	\$-	\$337
Bowden, Julia W	\$38,300	\$-	\$450
Bower, James M & Kathleen O G	\$62,500	\$90,200	\$1,794
Boyer, J Alton & Cynthia R	\$243,500 \$22,600	\$190,300 \$66,400	\$5,097 \$1,046
Brandon, Margaret	\$22,600 \$1,200	\$66,400 \$-	\$1,046 \$14
Brandon, Margaret Breimer, Bruce J & Doran, Lorna R	\$1,200 \$154,500	\$79,500	\$2,750
Breimer, Bruce J & Doran, Lorna R	\$174,300	\$120,800	\$3,467
Brennan, Heather R & William J	\$176,400	\$-	\$2,073
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^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Brennan, William J & Heather R	\$170,200	\$104,100	\$3,223
* Brophy, Dona M	\$649,700	\$208,700	\$9,851
Brouillard, Bianca	\$-	\$9,000	\$106
* Brouillard, Gary & Carolyn	\$163,900	\$147,500	\$3,424
Brouillard, Gary L	\$96,900	\$85,700	\$2,146
Brouillard, Paul	\$265,500	\$235,700	\$5,889
* Brown, Edward F	\$52,800	\$120,400	\$1,730
Brown, Kelly F & Thomas T	\$61,700	\$143,200	\$2,408
Brown, Lynn Gibbons, Trustee	\$684,500	\$1,141,200	\$21,452
* Brown, Ralph D	\$669,600	\$86,200	\$8,646
Brownell, Abbott & Brownell, Theresa	\$45,500	\$-	\$535
Brownell, Abbott & Brownell, Theresa	\$764,800	\$197,500	\$11,307
Bruce, J G & R J Trustees	\$174,200	\$107,200	\$3,306
Bruns, Chase Lane Trust	\$150,200	\$146,200	\$3,483
Bruns, Margaret Et Al	\$249,600	\$297,800	\$6,432
Bryant, Kathleen C Et Al	\$154,400	\$177,000	\$3,894
Buchanan, William B Jr	\$404,200	\$485,400	\$10,453
* Burton, Lance A & Lisa A	\$95,700	\$66,700	\$1,673
Capstaff, Dianne	\$173,100	\$ -	\$2,034
Carmody, William P & Dianne C	\$35,200	D- \$265,000	\$414
* Carter, Sylvia Trustee	\$136,600	\$365,900	\$5,669
Casteen, John T, III & Elizabeth F	\$163,600	\$302,300	\$5,474
Castine Brothers Trust Castine Community Partners	\$280,400 \$-	\$137,400 \$20,400	\$4,909 \$240
Castine Community Farmers Castine Golf Club	\$124,900	\$15,600	\$1,651
Castine Golf Club	\$263,800	\$257,900	\$6,130
Castine, LLC	\$694,800	\$-	\$8,164
Castine Yacht Club	\$371,400	\$95,700	\$5,488
Castino, Jack - Estate	\$773,600	\$739,700	\$17,781
Castino, Jack - Estate	\$44,400	\$127,500	\$2,020
Central Maine Power Co	\$1,262,300	\$-	\$14,832
* Chase, George & Sahl, Lauren	\$180,300	\$126,900	\$3,375
Childress Family Trust	\$469,700	\$203,100	\$7,905
Chitwood, Barbara J Trust	\$278,500	\$317,000	\$6,997
Ciano, Robert & St Lawrence, Jennifer	\$41,700	\$233,300	\$3,231
* Ciano, Robert & St Lawrence, Jennifer	\$120,600	\$228,800	\$3,870
Ciano, Robert & St Lawrence, Jennifer	\$86,300	\$-	\$1,014
Ciano, Robert & St Lawrence, Jennifer	\$115,900	\$10,200	\$1,482
Cinciva, Elaine L	\$502,400	\$150,800	\$7,675
Cinciva, Elaine L	\$202,100	\$6,700 \$17,300	\$2,453
Clement, Mary B Cloonan, Edward T & Linda A	\$124,300 \$257,000		\$1,664 \$7,646
Clouse, John & Carol, Trustees	\$426,300	\$393,700 \$110,400	\$7,646 \$6,306
Coady, Kevin J	\$656,200	\$173,500	\$9,749
Coladarci, Theodore & Spector, Janet	\$268,200	\$104,000	\$4,373
Coladarci, Theodore & Spector, Janet	\$182,400	\$35,300	\$2,558
* Colson, Dennis L II	\$54,700	\$10,400	\$530
* Colson, Dennis L Sr & Barbara J	\$42,400	\$51,900	\$873
Combs, Charles E	\$459,100	\$282,200	\$8,710
* Comiciotto, Thomas & Virginia M	\$378,000	\$275,300	\$7,441
Cooney, Mary Lynn Rev Trust	\$1,350,300	\$561,200	\$22,460
Coony, Jane C & Thomas M	\$85,100	\$164,200	\$2,929
Cooper, Barbara	\$154,800	\$75,200	\$2,703
Cooper, Barbara	\$106,800	\$26,600	\$1,567
Corbett, Ceane Haughney & Bryan N	\$346,600	\$289,200	\$7,471
* Corbett, William & Sheila	\$174,600	\$122,900	\$3,261

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
* Corey, Deborah Joy	\$253,700	\$238,500	\$5,548
Cormier, Raymond J & Mary L	\$309,700	\$111,600	\$4,950
Corner Cottages, LLC	\$123,900	\$62,300	\$2,188
* Coughlin, Michael E & Catherine G	\$201,200	\$199,900	\$4,407
Councell, Andrew & McNally, Caroline	\$187,300	\$100,200	\$3,378
Courtley, Revalle	\$45,700	\$117,400	\$1,916
Cox, Solveig Family Trust	\$145,600	\$110,000	\$3,003
Crowther, Harold & Smith, Lee	\$605,600	\$295,500	\$10,588
Cukierski, Annegret	\$32,700	\$-	\$384
* Cukierski, Annegret	\$60,500	\$202,300	\$2,853
* Cukierski, Chad A	\$51,800 \$121,500	\$213,500	\$2,882
Cullen, Joseph R & Laura W	\$121,500 \$239,300	\$37,700	\$1,871
Curran, Richard & Rosemunde Reed * Curtin, Constance & Cooperdock, Peter	\$42,500	\$101,700 \$76,300	\$4,007 \$1,161
Curtin, John D III, Et Als	\$622,200	\$305,700	\$10,903
Cushman Cottage, LLC	\$176,300	\$147,500	\$3,805
Cyr, Lois M	\$26,800	\$-	\$315
* Cyr, Lois M	\$67,400	\$92,300	\$1,571
* Cyr, Stephen C & JC	\$154,300	\$102,600	\$2,784
* Dagan, Čraig & Katrina	\$45,500	\$139,100	\$1,934
Dahlin, Emilia & Frederick, Aaron J	\$131,900	\$71,400	\$2,389
* Davis, Delacroix & Chadbourne, Sally A	\$283,500	\$250,700	\$6,042
Davis, Paul	\$439,300	\$72,400	\$6,012
* Davis, Peter	\$235,300	\$350,400	\$6,647
Day, Leila B	\$31,300	\$-	\$368
* Day, Leila B	\$162,400	\$768,500	\$10,703
Dearborn, Lynne I	\$116,100	\$157,900	\$3,220
Dearie, Direxa D	\$133,400	\$-	\$1,567
Dearie, Direxa D	\$277,900	\$184,400	\$5,432
* deRaat, Medan H & deRaat, Maia K	\$74,100	\$173,900	\$2,679
deRaat, Medan H & deRaat, Maia K	\$206,500	\$- \$0.100	\$2,426
* Desmond, Nina Devereux, CW & Graminski, B	\$43,600	\$9,100 \$61,700	\$0 \$1,237
Devereux, CW Trust	\$3,800	\$01,700	\$1,2 <i>51</i> \$45
Dibona, Gerald F & Kopp, Ulla C	\$205,500	\$196,600	\$4,725
* Dick, Robert C	\$239,400	\$101,400	\$3,699
Dillon, James E	\$163,900	\$159,200	\$3,796
Disabatino, Jean & Giugliano, Louise	\$391,600	\$75,400	\$5,487
Disse, Joan P	\$173,900	\$-	\$2,043
Disston, Morris & Susan L	\$125,400	\$99,100	\$2,638
Disston, Morris & Susan L	\$389,100	\$126,200	\$6,055
Disston, Morris	\$306,200	\$-	\$3,598
Disston, Morris C	\$155,700	\$192,200	\$4,088
Doane, Frederick W & Jennifer M	\$53,100	\$49,600	\$1,207
Doane, F & J and Wogan, M & L	\$32,100	\$-	\$377
Doherty, Roger & Judith Ellen	\$52,900	\$72,800	\$1,477
Doolittle, Richard & Penelope Trust	\$149,900	\$39,500	\$2,225
Dotts, Terrance A & Marydana	\$120,900	\$267,500	\$4,564
* Drake, Faith J	\$145,300 \$167,000	\$119,300 \$18,900	\$2,874 \$2,184
Drugovich, Margaret L Dudine, William & Pugliese, Rosanne	\$270,200	\$152,900	\$2,184 \$4,971
* Dunfee, Paula H	\$270,200	\$120,800	\$3,927
* Dunham, Gregory W & Patricia M	\$45,500	\$106,400	\$1,550
Dunn, Diana D & Saunders, Donald F	\$300,100	\$27,600	\$3,850
Durkee, Raymond E & Susan M Trustees		\$128,200	\$3,049
Eaton, James A - Trustee	\$230,600	\$136,300	\$4,311
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^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
* Eaton, Kenneth	\$130,600	\$146,700	\$3,023
Eaton, Kenneth R	\$372,400	\$131,200	\$5,917
* Eaton, Lawrence	\$185,100	\$81,500	\$2,827
Eaton, Lawrence R	\$2,300	\$-	\$2,627
Eaton, Lawrence R	\$33,100	\$-	\$389
* Eaton, Ruth	\$50,500	\$125,000	\$1,827
* Eisenhardt, Kathryn L & William B	\$155,000	\$146,000	\$3,231
* Engelhardt, Jurgen O & Joyce S	\$210,100	\$202,400	\$4,541
Erhard, Paul P	\$561,600	\$121,300	\$8,024
* Evans, Lynn F	\$173,600	\$199,600	\$4,150
Evans, Lynn F	\$53,500	\$105,700	\$1,871
Eyler, Thomas M	\$46,600	\$68,500	\$1,352
* Fallow, Paul S	\$55,200	\$257,400	\$3,438
Fallow, Paul S	\$53,800	\$85,200	\$1,633
Farnham, R Ewen & Anne S	\$899,900	\$81,400	\$11,530
Farnham, R. Ewen	\$42,700	\$-	\$502
Fay, Joseph BG & Elizabeth	\$194,200	\$391,500	\$6,882
Fenn, Richard K, Richard & Thomas	\$261,200	\$114,600	\$4,416
Fenton, Richard T	\$281,100	\$153,700	\$5,109
Fenton, Richard T	\$182,400	\$64,700	\$2,903
* Ferreira, Paul & Kathleen	\$47,700	\$127,500	\$1,824
Fieldhouse LLC	\$155,000	\$67,000	\$2,609
Fisher, Susan, Trustee	\$660,900	\$241,600	\$10,604
Fisher, William O	\$702,700	\$136,100	\$9,856
* Fitch, Ernie	\$-	\$12,700	\$0
Fitzsimmons, David Kirk & Ingrid	\$112,000	\$-	\$1,316
Fitzsimmons Family Trust	\$21,500	\$28,200	\$584
Fitzsimmons, M K & D O Trustees	\$375,400	\$91,800	\$5,490
* Flanzala, Kelli Jean	\$54,400	\$157,400	\$2,254
* Fleck, Barbara & McEntee, Jarlath	\$199,300	\$154,800	\$3,926
Flood, Laurie	\$45,500	\$87,700	\$1,565
Flood, Laurie	\$31,800	Ψοι,ιου	\$374
* Flood, Laurie	\$50,700	\$139,200	\$1,996
Flood, Randall	\$442,900	\$159,300	\$7,076
* Flora, Rodney K & Schoof, N Jill	\$52,700	\$126,900	\$1,875
Fonner, Sally Bernhardt	\$294,800	\$334,700	\$7,397
Foote, Elizabeth V	\$280,000	\$176,200	\$5,360
Foote, Katharine Howland, Et Al	\$197,100	\$-	\$2,316
* Foote, Sara F.	\$590,500	\$258,500	\$9,670
Foote, Virginia B	\$178,000	\$59,500	\$2,791
* Forbes, Verge & Janet S	\$141,500	\$157,600	\$3,279
Franklin, Sheila M	\$74,100	\$64,000	\$1,623
Frazier, Herbert H Rev Trust	\$596,500	\$135,400	\$8,600
Freedman, Philip M	\$171,600	\$91,400	\$3,090
* Friedlander, Linda, Trustee	\$464,500	\$272,200	\$8,421
Fuentes, Judithanne B	\$115,100	\$-	\$1,352
Fuentes, Roland W & Judithanne B	\$159,600	\$212,100	\$4,367
Fullenweider, Donn C & Wendy L	\$34,900	\$13,600	\$570
Fullenweider, Donn C & Wendy L	\$192,500	\$146,600	\$3,984
Fuller, Wendy	\$45,800	\$76,900	\$1,442
Gardner, David M & Bridget E H	\$113,000	\$158,300	\$3,188
* Gardner, John P & Elaine	\$56,900	\$136,600	\$1,968
Garland, Thomas A	\$195,100	\$163,300	\$4,211
Garrity, Reid & Lutz-Garrity, Christine	\$28,000	\$-	\$329
Gast, Ernestine L	\$164,700	\$78,200	\$2,854
Genereux, Linda & Galen, Timur	\$342,900	\$341,500	\$8,042

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Gestaut, Daniel G	\$60,400	\$110,200	\$2,005
Gestaut, Daniel G	\$45,700	\$75,500	\$1,424
Gibbons, James C & Judith W	\$217,200	\$114,100	\$3,893
Gilbert, Caroline T & Peter B	\$71,900	\$12,100	\$987
Gilbert, Caroline T & Peter B	\$219,200	\$87,500	\$3,604
Gillett, Carmen R & Belmont, William S	\$254,300	\$470,600	\$8,518
Gillett, Carmen R & Belmont, William S	\$133,100	\$82,700	\$2,536
	\$521,600	\$145,100	\$7,834
Glassbarg, Joy A	\$94,300	\$143,100	\$1,108
Glassberg, Joy A			\$3,030
* Goodson, James M. III & Susan R	\$103,400	\$174,500	
Gott, Timothy H	\$107,900	\$99,700	\$2,439
Gould Bruce & McClory, Kathleen	\$118,900	\$-	\$1,397
Gould Bruce & McClory, Kathleen	\$154,100	\$77,800	\$2,725
Gould, B, McClory, K, Silver C & D	\$46,600	\$99,200	\$1,713
Granoff, Steven & Bernhardt, Constance	\$132,000	\$107,200	\$2,811
Granoff, Steven & Bernhardt, Constance	\$228,000	\$190,000	\$4,912
Granoff, Steven & Bernhardt, Constance	\$146,300	\$187,400	\$3,921
Grant, John L & Mary Jane	\$174,300	\$124,800	\$3,514
Grant, Robert J & Cerrita L	\$73,500	\$-	\$864
* Gray, Paul H	\$169,100	\$84,000	\$2,739
Greco, Steven F & Linda A	\$50,600	\$90,100	\$1,653
Greenbie, Marnie	\$39,000	\$- \$(24,600	\$458
Gregorie, Daniel A Trustee	\$669,600	\$634,600	\$15,324
Gres, John A	\$76,600	\$- \$-	\$900
Gres, John A	\$104,800	D -	\$1,231
Gres, Viktoria L	\$76,600	\$- \$107.500	\$900
Gres, Viktoria L & John A	\$229,500	\$197,500	\$5,017
Gribbon-Alt Family Trust	\$169,200	\$85,400	\$2,992
Griffin, Malcolm & Anne D * Griffith, Kevin W & Natalie G	\$188,800	\$86,900	\$3,239
	\$66,400 \$170,000	\$119,000	\$1,943 \$4,700
Grover, Barbara L Trust Gunther, Frederick S & Jessie B	\$170,900 \$35,800	\$236,800 \$500	\$4,790 \$427
* Gunther, Frederick S & Jessie B	\$55,600 \$55,600	\$133,900	\$1,992
Gunther, Frederick S & Jessie B	\$37,900	\$133,500	\$1,992 \$445
Gutow, Thomas K & Amy H	\$103,400	\$94,600	\$2,327
* Hale, Richard	\$74,600	\$43,500	\$1,082
Hale, Theodore	\$28,400	\$-	\$334
Hall, David E & Mary Ann	\$214,200	\$209,100	\$4,974
Hall, Hazel M Rev Trust	\$421,900	\$101,900	\$6,155
Hall, Hazel M Rev Trust	\$54,200	\$4,400	\$689
Hall, Kathryn	\$140,800	\$163,800	\$3,579
Hall, Marshall Et Al	\$123,900	\$-	\$1,456
Hall, Marshall Et Al	\$277,700	\$326,500	\$7,099
Hall, Marshall Et Al	\$134,300	\$_	\$1,578
Hall, Mary E R	\$154,800	\$40,500	\$2,295
Hallett, John W, Jr & Austin, Linda S	\$103,400	\$214,200	\$3,732
* Hamblen-Wood, Deborah L	\$57,200	\$132,600	\$1,995
Hanson, Donald L	\$45,500	\$65,900	\$1,309
* Harmon, Waldo	\$-	\$15,300	\$0
Harrelson, Gloria & Titano, Susan	\$257,000	\$125,400	\$4,493
* Harrington, Walter J II	\$49,900	\$67,700	\$1,147
Hart, Charles M	\$835,400	\$220,900	\$12,412
* Hartmann, Bente	\$337,800	\$355,500	\$7,911
* Hassett, David M & Gordana	\$103,400	\$152,500	\$2,772
* Hatch, David R & Susan C	\$190,500	\$106,200	\$3,251
Hatch, David R & Susan C	\$41,100	\$500	\$489

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Hatch, Andrea & Harold Trusts	\$245,500	\$283,900	\$6,220
Hatch, Serena	\$191,600	\$-	\$2,251
Hatch, Serena	\$646,100	\$169,300	\$9,581
Hatch, Serena - Life Estate	\$1,436,500	\$701,500	\$25,122
* Haugen, Lisa R	\$134,900	\$254,900	\$4,345
* Hazlett, Susan D	\$51,500	\$171,400	\$2,384
HEESHE Point, LLC	\$763,200	\$19,700	\$9,199
Handanan Datas Mananana	\$705,200 \$500,500	\$19,700 \$120,600	ψ2,122 ¢0 570
Henderson, Betsy Mansmann	\$599,500	\$130,600	\$8,579
* Henderson, Timothy & Jennifer	\$52,700	\$137,300	\$1,998
* Hermann, Kathleen	\$203,900	\$274,600	\$5,387
* Higgins, Patricia A	\$223,300	\$104,700	\$3,549
* Hightower, Richard A & Kay, Trustees	\$276,400	\$246,500	\$5,909
Hill, Mark E & Patricia R	\$309,700	\$15,300	\$3,819
Hill, Mark E & Patricia R	\$408,900	\$122,000	\$6,238
Hillard Investments LLC	\$474,000	\$248,000	\$8,484
Hillman, Fannie S, Trustee	\$391,600	\$205,000	\$7,010
* Hodgson, J Michael & Raeann L	\$155,900	\$188,600	\$3,813
Hodgson, Ralph F, Jr & Lopez, Louise R	\$126,400	\$122,200	\$2,921
Hofer, Timothy P & Adeline V	\$535,200	\$293,700	\$9,740
Hookes Haven LLC	\$577,000	\$70,400	\$7,607
Hopkins, Kevin & Insalaco-Hopkins, Laur	a \$171,200	\$141,600	\$3,675
Hoskins, Brenda J & Ronald P	\$39,000	\$40,600	\$935
Howland, Katherine F - Trustee	\$120,900	\$181,900	\$3,558
Hubbard, James O	\$385,500	\$160,600	\$6,417
* Hudson, Sarah F & Caroline Clark	\$52,900	\$112,400	\$1,707
Hunt, Mary Ellen	\$168,600	\$133,900	\$3,554
Hunter, Daniel M Jr Trust	\$600,600	\$309,600	\$10,695
Huppe, BFA III	\$498,700	\$306,400	\$9,460
Huppe, B F Alexander & Schriever, Jeryl F		\$125,200	\$2,218
Huri, Leah L & Thomas	\$106,100	\$30,800	\$1,609
* Hutchinson, Philip L	\$75,100	\$162,800	\$2,560
Hutchinson, Philip L & Cora A	\$45,500	\$102,600	\$1,811
Inwood LLC	\$75,500 \$51,600		\$606
	\$51,600	\$- \$140.300	
* Irving, Patrick& Jane	\$52,000	\$149,300	\$2,130
Irving, Patrick & Jane	\$45,800	\$47,100	\$1,092
Jacobs, Carl & Leah	\$173,600	\$107,300	\$3,301
Jacobs, Paul H - Trustee	\$45,600	\$91,300	\$1,609
Jacques, Michael C	\$1,800	\$ -	\$21
James, Susan C	\$12,600	\$-	\$148
* James, Susan C	\$49,900	\$203,300	\$2,740
Janes, Kara F & Matthew A	\$123,100	\$259,100	\$4,491
Jeffrey, Christopher R - Trustee	\$135,400	\$145,500	\$3,301
Jennings, James G, Jr	\$159,600	\$446,500	\$7,122
Jennings, James G, Jr	\$102,500	\$202,600	\$3,585
Johnson, Gary T & Jan M	\$260,300	\$112,100	\$4,376
* Jones, David A & Ann F	\$277,000	\$139,700	\$4,591
Jones, Kerri-Ann	\$83,400	\$-	\$980
* Kabi, Otelia M	\$115,900	\$52,200	\$1,740
Kaden, Marie	\$278,700	\$67,100	\$4,063
* Kaiserian, Harry Jr & Berna V	\$173,600	\$165,800	\$3,682
* Kana, Kathryn & Parker, Zander	\$97,500	\$89,500	\$1,962
Keene, N & D & Miller, Mary Ellen	\$44,000	\$33,700	\$913
Kennedy, Leonard J & Ellen Mears	\$241,300	\$247,700	\$5,746
* Kennedy, Theresa J	\$48,800	\$89,900	\$1,395
Kennedy, William R & Susan H - Trustees		\$109,100	\$5,236
* Kettis, Gunilla L-F & Par	\$301,900	\$274,500	\$6,538
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^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
* Kilpeck, Robert J	\$51,500	\$111,500	\$1,680
* Kimball, Clark D & Alice A	\$140,700	\$177,000	\$3,498
* Kimball, Frances	\$122,800	\$85,200	\$2,139
King, Charles W & Elizabeth C Trusts	\$150,400	\$128,100	\$3,272
* King, Jr, Clifford J	\$220,700	\$16,300	\$2,479
Kitterman, Sara B & Roger D	\$154,400	\$113,200	\$3,144
* Kittredge, Mark L	\$48,700	\$98,200	\$1,491
Kneisel, Frank & Mary	\$187,000	\$87,900	\$3,230
Kneisel, Frank & Mary	\$74,100 \$41,200	\$55,700	\$1,525 \$484
Kneisel, Frank Jr & Mary Kneisel, Frank Jr	\$41,200 \$79,600	\$- \$-	\$935
Kneisel, Mary C	\$112,500	\$31,200	\$1,688
* Knickerbocker, Wendy & Avery, David	\$121,100	\$72,900	\$2,045
Koos, Douglas	\$46,600	\$103,500	\$1,764
Koos, Douglas		\$12,500	\$147
Koos, Douglas	\$-	\$12,000	\$141
Koos, Douglas	\$ -	\$10,300	\$121
Koos, Douglas	\$-	\$13,200	\$155
Koos, Douglas	\$-	\$11,100	\$130
Koos, Douglas	>	\$14,200	\$167
Koos, Douglas	⊅- ¢	\$16,400 \$7,300	\$193 \$86
Koos, Douglas Koos, Douglas	Ψ- \$ ₋	\$6,400	\$75
Koos, Douglas	\$-	\$10,200	\$120
Koos, Douglas	\$-	\$10,700	\$126
Koos, Douglas	\$-	\$11,400	\$134
Koos, Douglas	\$\$\$\$	\$8,900	\$105
Koos, Douglas	\$-	\$11,000	\$129
Koos, Douglas	\$169,300	\$9,800	\$2,104
Koos, Karen	\$-	\$5,500 \$134,700	\$65 \$4.100
Koos, Karen C Kornberg, Alan & Koda, Harold	\$222,600 \$439,900	\$134,700 \$230,400	\$4,198 \$7,876
Kornberg, Alan & Koda, Harold	\$406,400	\$59,100	\$5,470
Labdon, Robert A & Janet E P	\$34,300	\$-	\$403
* Lameyer, Edward H	\$50,900	\$105,300	\$1,600
Lameyer, John G & Maria Galou	\$120,700	\$171,600	\$3,435
Lameyer, William Ames	\$146,700	\$184,600	\$3,893
Lameyer, William Ames Rev. Trust	\$17,600	\$- *22 (222	\$207
* Lanning, Virginia	\$173,900	\$226,200	\$4,466
Lapham, Gary S Larkin, David, Matthiah & Phoebe	\$26,000 \$2,800	\$6,700	\$384 \$33
Larsson, Bjorn & Sylvia Trusts	\$407,600	\$- \$-	\$4,789
Larsson, Bjorn & Sylvia Trusts	\$27,600	\$-	\$324
Larsson, Bjorn & Sylvia Trusts	\$439,300	\$224,300	\$7,797
Lawsing, Lisa M	\$286,300	\$134,600	\$4,946
* Layton, Arthur B	\$240,200	\$137,200	\$4,199
* Leach, Timothy N	\$241,600	\$154,900	\$4,424
Leali, Dominic J Estate	\$41,000	\$75,300	\$1,367
Lee, David A & Tirion, Angela P	\$281,800	\$289,500	\$6,713
Lee, Francis M Et Als * Lee, Francis M Jr & Victoria L	\$17,900 \$126,700	\$162,800	\$210 \$3,167
Legg, John A & Charlotte A	\$276,800	\$216,600	\$5,797
Lewis, Jeffrey A & Gayle D - Trustees	\$400,400	\$145,100	\$6,410
* Lieser, Stephen H & Elizabeth P	\$139,200	\$440,200	\$6,573
Light, William R Jr	\$286,300	\$58,700	\$4,054
Light, William	\$182,400	\$96,700	\$3,279

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Liscomb, Laurie Trustee	\$376,600	\$199,500	\$6,769
Lobley, Peter, David & Richard	\$16,600	\$6,700	\$274
Lobley, Peter, David & Richard	\$50,100	\$13,700	\$750
* Loomis, John T & Amy K	\$58,200	\$209,600	\$2,912
* Loomis, Susan K	\$137,200	\$115,300	\$2,732
Lovett Family LLC	\$353,400	\$215,100	\$6,680
Lundie Maura A, Et Al	\$42,200	\$11,900	\$636
* Lutz-Garrity, Christine & Garrity, Reid	\$53,500	\$167,600	\$2,363
Lutz-Garrity, Christine	\$33,800	\$102,400	\$1,600
Lyle Quarters, LLC	\$279,400	\$167,500	\$5,251 \$2,250
Lyman, Lauri & Douglas	\$136,300	\$55,200	\$2,250
* Lyons, William H & Karen V	\$232,500	\$187,200	\$4,696
* MacArthur, Gordon B & Lynda W	\$56,200	\$161,900	\$2,328
* MacArthur, Kathryn & Gordon	\$122,100	\$172,800	\$3,230
* Macdonald, John Ś & M Suzanne	\$241,400	\$273,900	\$5,820
Macdonald, Thomas P & Jamie S	\$192,200	\$125,700	\$3,735
Macdonald, Thomas P & Jamie S	\$124,900	\$223,900	\$4,098
* Macomber, Joseph O	\$44,900	\$127,700	\$1,793
Macomber, Paul A	\$87,100	\$181,800	\$3,160
Madicourt, LLC	\$33,100	\$2,000	\$412
Madicourt, LLC	\$33,100	\$65,300	\$1,156
Madockawando Holdings, LLC	\$309,700	\$182,200	\$5,780
Madockawando Holdings, LLC	\$438,000	\$75,900	\$6,038
Madockawando Ventures, LLC	\$170,700	\$718,200	\$10,445
Maine Coast Heritage Trust	\$5,800	\$- \$41,400	\$68
Mainely Rentals Inc Mainen, Michael W	\$86,200 \$207,100	\$41,400 \$-	\$1,499 \$2,433
* Mainen, Michael W	\$756,700	\$281,900	\$11,969
Mankiewicz, John & Catherine	\$166,900	\$134,400	\$3,540
* Mann, Joel & Michele	\$45,500	\$137,100	\$1,911
* Manning, Paul	\$277,900	\$111,900	\$4,345
Manor Group LLC	\$72,200	\$118,600	\$2,242
Manor Group LLC	\$46,500	\$44,300	\$1,067
Martindale, Wallace S & Henrietta H	\$708,600	\$192,300	\$10,586
* Marzolf, Michael T & Judith B	\$52,800	\$126,900	\$1,876
* Mason, Thomas L & Marcia P	\$401,800	\$321,600	\$8,265
* Mass, Robin D	\$323,300	\$200,200	\$5,916
Mathiasen, David G & Carolyn S	\$55,800	\$117,400	\$2,035
Mayewski, Paul A & Lyn W	\$363,100	\$212,900	\$6,768
McCarthy, Gerald & Cathelia	\$232,100	\$310,700	\$6,378
McGrath, Patricia & George M	\$37,100	\$67,400	\$1,228
McKean, Frank H	\$428,400	\$225,900	\$7,688
McKeehan, Betty S Et Al	\$247,800	\$339,800	\$6,904
* McKenney, Christopher & Jeannie	\$107,600	\$136,500	\$2,633
McLean, Donald - Trustee McMennamin, G Barry Trust	\$290,400 \$265,700	\$337,800 \$321,100	\$7,381 \$6,805
	\$265,700 \$9,400	\$321,100	\$6,895 \$110
McMennamin, Marilyn McMennamin, Marilyn	\$98,000	\$- \$-	\$1,152
McNally, Hope E	\$583,300	\$61,600	\$7,578
McNeese, Lucy Stone	\$183,100	\$133,900	\$3,725
McPeck, Raymond D	\$26,000	\$- \$-	\$306
Meyer, Robert F, Family Trust	\$224,300	\$94,600	\$3,747
* Miller, Ann L	\$293,800	\$111,200	\$4,524
Miller, Ann L	\$922,700	\$344,400	\$14,888
Miller, Jean	\$126,700	\$108,900	\$2,768
Mills, Mark P & Donnamarie M	\$242,400	\$235,900	\$5,620

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Mitchell, John & Mitchell, Thomas	\$57,600	\$108,400	\$1,951
Mitchell, John	\$493,500	\$209,300	\$8,258
Modesett, David & Diane	\$155,200	\$178,800	\$3,925
Modesett, Diane H	\$56,700	\$-	\$666
* Monberg, Thomas O & Alden L	\$52,800	\$251,300	\$3,338
Moore, Stanley A & Josephine J	\$226,000	\$-	\$2,656
Morrison, Michael I - Trustee	\$13,000	Š-	\$153
* Morrison, Michael I - Trustee	\$98,200	\$295,600	\$4,392
Mortimer, Bruce A	\$176,600	\$33,400	\$2,468
Mortimer, Bruce A & Perkins, Chris, Et		\$42,600	\$1,692
Moss, Roger & Winkler, Gail	\$150,400	\$192,400	\$4,028
* Mottola, Šarah	\$257,000	\$109,600	\$4,073
Mower, Marcia	\$54,300	\$-	\$638
Mower, Marcia	\$171,200	\$93,500	\$3,110
Mundth, Nancy Richardson Trust	\$553,100	\$319,700	\$10,255
Mundth, Nancy Richardson Trust	\$244,300	\$20,200	\$3,108
Murnaghan, George A	\$233,900	\$154,900	\$4,568
Murnaghan, Janet E & Feinberg, Alan	\$63,300	\$8,400	\$842
Murnaghan, Janet E & Feinberg, Alan	\$435,400	\$193,100	\$7,385
Mutty, Lawrence B & Danielle V	\$40,400	\$5,000	\$533
* Mutty, Lawrence B & Danielle V	\$433,600	\$192,600	\$7,052
Naramek Realty Trust	\$983,900	\$262,300	\$14,643
* Nehrling, David & Jeanine	\$32,400	\$50,500	\$739
* Nelson, Cheryl	\$37,100	\$66,800	\$986
* Nelson, Jane C	\$45,600	\$160,600	\$2,188
Neve, Deborah	\$115,300	\$93,400	\$2,452
New, Corey & Karla	\$436,400	\$124,500	\$6,591
Noel, Jonathan & Katherine D	\$233,400	\$237,500	\$5,533
* Norris, Jane E	\$161,200	\$127,300	\$3,155
Northern New England Telephone	\$-	\$3,900	\$46
Northern New England Telephone	\$131,600	\$92,300	\$2,631
* Nyberg, Amy & Langford, Kirk	\$123,100	\$156,700	\$3,053
Oberting, Kerman & Judith, Trustees	\$791,200	\$763,700	\$18,270
O'Donnell, Michael & Sonja	\$132,000	\$116,800	\$2,923
* Olivari, Brian A & Marjorie A	\$331,600	\$219,800	\$6,244
Olive Juice Always, LLC	\$128,200	\$150,200	\$3,271
Ordway, Jan	\$9,500	5 -	\$112
Ordway, Jan	\$9,500	\$- \$- \$-	\$112
Ordway, Jan	\$9,500	\$- \$-	\$112
Ordway, Jan	\$9,500		\$112
* Ordway, Jan D	\$102,200	\$105,900	\$2,210
* Ordway, Margaret - Life Tenant	\$54,900 \$69,500	\$52,900 \$82,600	\$1,032 \$1,787
Ortman, George - Estate Oswald, Gordon & Catherine		\$82,600	\$1,707 \$5,045
Otter Rock, LLC	\$309,700 \$1,021,100	\$119,700 \$368,200	\$16,324
Packard, Debra C & John R	\$424,100	\$182,200	\$7,124
* Paine, Mark A & Dianna J	\$126,700	\$131,400	\$2,798
Paquette, Darisse	\$136,300	\$191,700	\$1,602
Parish, Brooke & Julia	\$120,500	\$56,400	\$2,079
Parish, Brooke & Julia	\$125,100	\$216,700	\$4,016
* Parish, Jr, John C & Elizabeth P	\$536,900	\$323,400	\$9,874
Parker, Clarissa J Trust	\$333,700	\$525, 1 00 \$-	\$3,921
Park, Hesung Rocie & Sharpe, Glenn D	\$281,100	\$409,200	\$8,111
Parrish, Hugh R	\$248,200	\$110,100	\$4,210
* Parsons, Lynn & Anne	\$173,400	\$123,100	\$3,249
Patterson, McKee	\$182,400	\$24,700	\$2,433
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^{*} Received a Homestead exemption

Property Owner L	and Val.	Building	Val. Tax
Patterson, McKee & Margaretta	\$36,100	\$173,300	\$2,460
Payson, Paul M Et Al	\$65,700	\$77,800	\$1,686
Payson, Paul M Et Al	\$2,500	\$800	\$39
Payson, Sr, Richard O	\$241,600	\$71,200	\$3,675
Pedersen, Matthew & Kudlak, Theresa	\$73,500	\$-	\$864
Pedersen, Matthew & Kudlak, Theresa	\$167,000	\$68,200	\$2,764
Pedersen, Thomas C & Jean R	\$424,000	\$270,300	\$8,158
* Pedicini, Donald R	\$45,500	\$98,500	\$1,457
Pelletier, Marc W & Carlhian, Marie P	\$139,300	\$110,100	\$2,930
* Pemberton, Norman & Louise	\$438,000	\$755,900	\$13,793
Perkins, Carlton Martin & Mina	\$204,100	\$18,300	\$2,613
Perkins, Martin & Mina	\$142,100	\$-	\$1,670
Perkins, Martin & Mina	\$46,800	\$ -	\$550
Perry, Holly H & Gold, Lana	\$154,800	\$103,200	\$3,032
Peterson, James I & Mary Lou	\$193,200	\$20,800	\$2,515
Pier, C, Hudson, D & Spinazola, F	\$82,700	\$8,900	\$1,076
Pier, C, Hudson, D & Spinazola, F	\$323,400	\$147,700	\$5,535
Pierce, Michael J & Rosemary J	\$285,000	\$384,300	\$7,864
Pilotte, Matthew J & Kate M	\$186,800	\$38,600	\$2,648
Pine Tree Hospitality LLC	\$130,200	\$523,900	\$7,686
Podlubny, Helene Et Als	\$278,300	\$81,400	\$4,226
Point Pasture, LLC	\$709,700	\$-	\$8,339
* Politano, Anthony & Bonnie Jean	\$174,800	\$176,700	\$3,895
Pollak, Pamela & Fignar, Gene	\$245,700	\$137,600	\$4,504
Pott Family Partnership	\$691,200	\$230,500	\$10,830
Pott, Jeffrey & Leslie	\$584,400	\$146,400	\$8,587
Pott, Ronald & E Joy	\$428,400	\$172,000	\$7,055
Powell, Colin & Sweet, Emma	\$49,900	\$172,300	\$2,611
PPM Partnership	\$223,400	\$168,300	\$4,602
Pringle, James & Jane	\$304,600	\$-	\$3,579
* Punzelt, Carolyn & Heppe, Margaret, Et Al	s \$1,170,400	\$453,000	\$18,769
PVC, LLC	\$280,900	\$365,300	\$7,593
Quijano, Carlos J & Jean M	\$307,900	\$111,700	\$4,930
Radcliff, Alyssa	\$128,000	\$129,800	\$3,029
Rappazzo, Patricia	\$103,400	\$132,200	\$2,768
Ratte, Darlene S	\$281,800	\$293,800	\$6,763
* Read, Richard & Margery	\$373,600	\$351,800	\$8,288
* Redman, Lawrence S	\$45,500	\$39,200	\$760
Reed, Craig C	\$66,300	\$115,100	\$2,131
Reed, Richard & Terry	\$65,600	\$ -	\$771
Reed, Terry - Trustee	\$45,400	\$116,200	\$1,899
Reeks, Wesley G & Edyie C	\$102,200	\$57,300	\$1,874
Regan, Ted	\$136,200	\$131,100	\$3,141
Richardson, Frank L	\$185,100	\$89,100	\$3,222
Riverhouse Trust	\$55,600	\$-	\$653
Robinson, Cathy	\$-	\$18,700	\$220
Robinson, George S & Ann K	\$62,800	\$-	\$738
Robinson, Katharine H, Trustee	\$194,100	\$10,600	\$2,405
Robinson, Katharine H, Trustee	\$320,300	\$34,800	\$4,172
Roessiger, Peter D & Leigh	\$160,000	\$182,500	\$4,024
Rogers, Benjamin & Merissa	\$100,400	\$102,300	\$2,382
Rogers, Bruce A & Deborah T	\$284,400	\$319,300	\$7,093
Rogers, Bruce Alden	\$732,900	\$111,500	\$9,922
* Rogers, James H	\$528,400	\$372,900	\$10,355
Rohwer, Kim & Christeen	\$460,100	\$277,500	\$8,667
Rosenbaum, Marcos & Tarlin, Betsy	\$97,400	\$55,100	\$1,792

^{*} Received a Homestead exemption

Proporty Oxynor	Land Val.	Building	Val. Tax
Property Owner		U	
* Russell, Doris	\$186,500	\$247,300	\$4,792
Rutine Trust	\$49,000	\$- -	\$576
Rutine Trust	\$1,009,000	\$11,400	\$11,990
Rutine Trust	\$2,200	\$ -	\$26
Rutine Trust	\$2,200	\$\frac{1}{5} \frac{1}{5} \frac	\$26
Rutine Trust	\$2,200	\$-	\$26
Rutine Trust	\$41,400	\$-	\$486
Rutine, LLC	\$23,500	\$-	\$276
Salter, Marshall A	\$138,200	\$98,000	\$2,775
SAMIR Investments Holdings, LLC	\$486,000	\$230,200	\$8,415
Sampson, Timothy & Gloria	\$46,300	\$95,300	\$1,664
Saunders Donald F Trust	\$423,500	\$49,500	\$5,558
Saunders Donald F Trust	\$17,000	\$- ¢52.700	\$200
Saunders, Mark & Stafford, Robin	\$120,400	\$52,700	\$2,034
* Sawyer, Donna L	\$44,400	\$62,500	\$1,021
Sayre, W G & Nancy E	\$103,400	\$222,200	\$3,826
Schall, Alvin A & Sharon L	\$210,100	\$156,400	\$4,306
Scheer, Kenneth I & Ruth C	\$649,300	\$301,000	\$11,166
Scheer, Ruth C	\$172,600	\$- \$246,100	\$2,028
* Schoonover, David & Griffiths, Barbara	\$280,900	\$246,100	\$5,957
Schuler, Matthew L & Meredith M	\$64,300	\$76,800	\$1,658
Schuler, Matthew L	\$40,100	\$- ¢152.500	\$471
Schumann, Lesley G	\$120,700	\$152,500	\$3,210
* Scott, Ingrid & Alan Real Estate Trust	\$48,300	\$120,300	\$1,746
* Scott, Pamela Farmer	\$444,700	\$448,700	\$10,262
Scott, Philip A & Lindsay M	\$183,400	\$385,100	\$6,680
Shanley, James J & Janet V	\$24,500	\$- \$150.700	\$288
* Shanley, James J & Janet V	\$555,900 \$45,400	\$159,700	\$8,103 \$1,508
Sherling, Dorothy D Signorello, Vincent M & Shannon O	\$45,400 \$275,000	\$82,900 \$797,100	\$1,506
	\$120,300	\$147,600	\$3,148
Silver, Christopher & Isabel D Silver, Christopher & Isabel D	\$241,500	\$159,900	\$4,716
Silver, I Dale & Christopher	\$73,000	\$102,000	\$2,056
Silver, Christopher & I Dale	\$131,900	\$102,000	\$1,550
* Simmons, Jacob J H & Jessica D M	\$44,400	\$54,500	\$927
Simpson, Jeffrey J & Linda M	\$45,500	\$95,300	\$1,654
Sioles, Anna M	\$174,400	\$150,300	\$3,815
Slice of Heaven Homes, LLC	\$216,500	\$193,200	\$4,814
* Slocum, Joseph J	\$334,900	\$137,600	\$5,317
Smaha, Heather & Adam	\$80,600	\$64,200	\$1,701
* Small, Donald A	\$124,400	\$100,600	\$2,409
Smith, Daniel & Vanessa	\$139,300	\$157,400	\$3,486
Smith, E F Ltd	\$200,800	\$109,200	\$3,643
Smith, Jason & Michelle - Trustees	\$187,900	\$5,500	\$2,272
Snapp, Alan A & Diana C	\$26,600	\$-	\$313
* Snapp, Alan A & Diana C	\$74,400	\$109,400	\$1,925
Snapp, Alan A & Diana C	\$387,000	\$122,600	\$5,988
Snapp, Lloyd T, Et Als	\$453,400	\$81,500	\$6,285
Sonesson, Susan	\$-	\$15,300	\$180
* Spinazola, Francis K & Cheryl L	\$45,500	\$60,600	\$1,012
* Spratt, Stephen E & Christine V - Trustee	s \$363,600	\$108,600	\$5,313
Stanley, Karen W	\$26,600	\$-	\$313
* Stanley, Karen W	\$184,900	\$377,200	\$6,370
Stearns, Florence	\$12,800	\$-	\$150
* Stearns, Florence	\$368,200	\$53,100	\$4,645
* Stearns, Renneleigh	\$102,200	\$144,700	\$2,666

^{*} Received a Homestead exemption

Sterling, Ann F Trustee \$662,100 \$157,400 \$9,629 Stern, Candace, Et Al \$180,700 \$- \$2,123 Stern, Richard & Candace \$126,800 \$143,000 \$3,170 Stewart, Amy K \$43,600 \$2,200 \$538 Stewart, Amy K \$22,100 \$2,500 \$289 * Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Stern, Candace, Et Al \$180,700 \$- \$2,123 Stern, Richard & Candace \$126,800 \$143,000 \$3,170 Stewart, Amy K \$43,600 \$2,200 \$538 Stewart, Amy K \$22,100 \$2,500 \$289 * Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Stern, Richard & Candace \$126,800 \$143,000 \$3,170 Stewart, Amy K \$43,600 \$2,200 \$538 Stewart, Amy K \$22,100 \$2,500 \$289 * Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Stewart, Amy K \$43,600 \$2,200 \$538 Stewart, Amy K \$22,100 \$2,500 \$289 * Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Stewart, Amy K \$22,100 \$2,500 \$289 * Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
* Stewart, Nina R \$51,800 \$87,600 \$1,403 Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$-\$45,600 \$67,500 \$1,094
Strauch, Hans & Paquette, Darisse \$121,900 \$207,700 \$3,873 Stuart-Smith, Meredithe K \$521,500 \$262,200 \$9,208 Sullivan, Loa J \$34,800 \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Sullivan, Loa J \$34,800 \$- \$409 * Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
* Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
* Sweeney, Emma & Dale \$45,600 \$67,500 \$1,094
Sweet, M Pedrick & Johanna S \$153,700 \$102,200 \$3,007
* Sweet, M Pedrick & Johanna S \$285,700 \$136,200 \$4,722
Sweet, Meriby \$47,800 \$109,400 \$1,847
Sweet, Meriby \$189,400 \$82,700 \$3,197
Tarlin, Jonathan & Mitchell, Vanessa \$395,800 \$131,300 \$6,193
* Taub, Jeffrey & Valerie \$58,500 \$151,000 \$2,227
Taylor, Richard & Margaret \$168,400 \$149,100 \$3,731
Tenney, David Family Trust \$250,500 \$207,800 \$5,385
Tenney, Bradford N \$86,700 \$4,100 \$1,067
Tenney, Bradford N \$218,700 \$53,700 \$3,201
Tenney - Wadsworth Cove Back Shore Trust \$450,200 \$47,000 \$5,842
* Tenney, Donald Y & Martha White \$199,000 \$216,100 \$4,642 * Tenney, E Gilman & Brooke \$205,900 \$223,400 \$4,739
* Tenney, E Gilman & Brooke \$205,900 \$223,400 \$4,739 Tenney, E Gilman & Brooke \$800 \$- \$9
Terry, James T II, Wyllys, Lyon & Tiffany \$32,100 \$- \$377
Terry, James T III - Trustee \$554,100 \$105,500 \$7,750
* Thomas, Marion A Trustee \$235,300 \$142,400 \$4,203
Thomas, Robert S \$113,600 \$48,800 \$1,908
Thomas, Robert S & Barbara \$32,100 \$- \$377
* Thomas, Robert S & Barbara \$52,800 \$121,000 \$1,807
* Tobey, Mary & Todd \$45,600 \$147,000 \$2,028
Todd, Margaret Sherman \$105,300 \$34,400 \$1,641
Tonry, Michael H \$50,200 \$- \$590
Tonry, Penelope T \$279,800 \$214,200 \$5,805
* Torno, Joan C \$250,000 \$100,200 \$3,880
Torno, Laurent J, Jr & Elizabeth G \$44,800 \$- \$526
* Trainor, Thomas C & Heather \$226,100 \$150,500 \$4,190
Trevors, Ellen P, Trustee \$199,600 \$233,700 \$5,091
Trichka, Warrena B \$161,100 \$29,300 \$2,237
Troeschel, Thomas & Thai, Loi \$428,700 \$133,700 \$6,608
Tschinkel, Andrew J & Frances \$187,300 \$209,700 \$4,665
Tumblin, Henry & Rita \$177,100 \$90,400 \$3,143
Tyler, Leonard H & Bonnie L \$154,200 \$93,400 \$2,909
* Unger, David G \$265,700 \$266,400 \$6,017
Uni Me, LLC \$100,200 \$10,100 \$1,296
Vagt, Robert F & Ruth A \$212,000 \$195,100 \$4,783
Van De Graff, Julie & Burke, Jonathan \$149,400 \$246,200 \$4,648
* Van De Graff, Julie & Burke, Jonathan \$208,200 \$200,900 \$4,572
* Van Horn, David M - Estate \$283,300 \$194,400 \$5,378
Veazie Cottage, LLC \$155,800 \$94,500 \$2,941
Vedder, Arthur - Trustee \$164,600 \$366,700 \$6,243
Vogell, E Scott \$309,700 \$125,800 \$5,117 * Vogell, Peter F & Rosanne \$85,700 \$54,300 \$1,340
Walker, Christian \$124,300 \$115,500 \$2,818
Walker, Christian \$281,800 \$168,200 \$5,288
Walker, Christian \$48,800 \$35,800 \$994

^{*} Received a Homestead exemption

Property Owner	Land Val.	Building	Val. Tax
Wardwell 92 Family Trust	\$1,500	\$-	\$18
Wardwell/Sandven Family Trust	\$382,600	\$44,500	\$5,018
* Wardwell 92 Family Trust	\$69,000	\$139,100	\$2,140
Wardwell/Sandven Family Trust	\$389,700	\$- \$-	\$4,579
Wardwell, Kathleen - Trustee	\$53,300	\$-	\$626
Wardwell, Patricia & Barkovic, Thomas & Elia	kim \$45,100	\$191,100	\$2,775
* Warker, Jane, Trustee	\$265,300	\$154,200	\$4,694
Warren, Richard J & Elizabeth C	\$276,500	\$227,500	\$5,922
* Warren, Sanford & Jean Trustees	\$187,300	\$154,600	\$3,712
Water Street, LLC	\$160,500	\$268,600	\$5,042
* Webb, Dawn	\$-	\$10,600	\$0
Weinstein, Jonathan	\$227,600	\$81,700	\$3,634
Weir, William C Trust	\$433,400	\$188,300	\$7,305
Wellington, J Douglas & M Lourdes	\$363,500	\$221,800	\$6,877
Wheeler-Cyr, Laura L	\$246,900	\$202,800	\$5,284
Whidden, Roger	\$358,300	\$-	\$4,210
Whidden, Roger G & Anne D	\$380,800	\$126,900	\$5,965
Williams, Hallie A.	\$26,600	\$-	\$313
* Williams, Karl S	\$129,900	\$109,800	\$2,581
Williams, Larry Trustee	\$44,600	\$- \$<0.000	\$524 \$1.121
* Willis, Carlton & Barbara Life Estate	\$45,500	\$69,900	\$1,121
Wilson Point Association	\$1,400	\$- \$60.500	\$16
Wilson, David E & Elise C	\$215,300	\$69,500	\$3,346
Winter, Patricia A & Feldman, Miriam	\$191,100	\$87,500	\$3,274
Wiseman, Charleen G	\$477,700	\$135,000	\$7,199 \$4,550
* Wiswall, Jr, Frank L & Elizabeth N	\$57,700 \$52,000	\$350,200	\$4,558 \$2,205
Wogan, Michael & Linda M L Wood, Gordon W - Estate	\$52,900 \$102,600	\$134,800 \$103.800	\$2,205 \$2,425
Woodman, Mary F & Robert B	\$102,600 \$289,000	\$103,800 \$101,000	\$2,425 \$4,583
* Wylie, Judith A & T Lee	\$557,600	\$306,400	\$9,917
* Wyman, David B & Rosemary K	\$121,200	\$246,600	\$4,087
Wyman, David B & Rosemary M	\$87,000	\$240,000	\$1,022
Wyman, David B & Rosemary M	\$26,000	\$14,800	\$479
* Yates, Silas & Dianne	\$20,600	\$107,600	\$3,633
Yenoom LLC	\$152,700	\$144,900	\$3,497
Young, Stefanie Scheer	\$279,800	\$283,800	\$6,622
* Zenter, Charles E & Janice B	\$78,100	\$149,100	\$2,435
Zoller, John E & Patricia - Trustees	\$133,900	\$276,700	\$4,825

^{*} Received a Homestead exemption

Taxable Personal Property

Name	Value	Tax
Adam Gallery	\$ 1,500	\$ 17.63
Aerotropic International, Inc	12,100	142.18
Bangor Savings Bank	83,500	981.13
Camden National Bank	115,600	1,358.30
Castine Condiments	3,000	35.25
Castine Cottages	3,900	45.83
Castine Golf Club	54,400	639.20
Castine Inn	44,100	518.17
Castine Kayak Adventures	5,000	58.75
Castine Variety/The Breeze	17,500	205.63
Castine Yacht Club	61,500	722.63
Ciano, Robert Dr.	28,100	330.18
Coca-Cola Company	800	9.40
Coca-Cola of New England	7,100	83.43
Compass Rose	22,500	264.38
CSC Serviceworks, Inc	2,300	27.03
Danny Murphy's	10,000	117.50
Dennett's Wharf	81,100	952.93
deRaat Realty	4,000	47.00
DirecTV, Inc	5,200	61.10
Dish Network, LLC	600	7.05
Dolphin Books & Prints	900	10.58
Dudley's Refresher	4,900	57.58
Dunham Gallery	1,500	17.63
Dysarts, Inc	3,100	36.42
Eaton's Boat Brokerage, Inc	18,200	213.85
Eaton's Boat Yard, Inc	44,500	522.88
EHL Design	1,000	11.75
Fair Point Communications, Inc	21,800	256.15
Fallow Building Services	17,500	205.63
Flanzala, Paul	5,900	69.33
Follett Higher Education Group	70,300	826.03
Gallery B.	1,500	17.63
Gary Brouillard, Master Electrician		35.25
GE Capital Information Tech Solut		32.90
Greyhawk Leasing, LLC	26,400	310.20
Hatch, David Painting, Inc	7,800	91.65
Highlands Woodturning	6,000	70.50
Hughes Network Systems, LLC	200	2.35
Lucky Hill & Dan Graziano Fine A		17.63
Mainely Marine Services	2,000	23.50
Mainely Rentals, Inc	3,000	35.25

Name	Value	Tax
Mainely Solutions	2,000	23.50
MarKel's Bakehouse	10,000	117.50
Marlin Leasing	2,300	27.03
Oakum Bay Realty	4,000	47.00
Ordway Painting, Inc	14,800	173.90
Pentagoet Inn	36,700	431.23
Saltmeadow Properties, Inc	4,400	51.70
Scientific Games, Inc	2,600	30.55
Sodexo Operations, LLC	2,600	25.85
Sureside Property Management	4,000	47.00
T & C Grocery	46,800	549.90
The Manor Inn	18,600	218.55
Time Warner NE Cable, LLC	328,100	3,855.18
Time Warner Cable Internet, LLC	3,500	41.13
University Credit Union	12,400	145.70
US Bank National Association	24,300	285.52
Vogell, Peter	3,000	35.25
Wabasha Leasing, LLC	7,500	88.13
Windmill Hill Gardens	2,200	25.85
Wyman PE & Assoc	2,300	27.03

Note that values do not include State of Maine Business Equipment Tax Exemption (BETE) Program exemption amounts.

Assessor

2017 Valuation Real Estate Personal Property Total	·	50,470,400.00 _1,339,300.00 51,809,700.00
Assessments	ф	120 452 22
County Tax	\$	129,453.00
Municipal Appropriation Educational Appropriation – Local Share		1,984,025.00 1,350,111.53
Overlay		95,341.75
Total	\$	3,558,931.28
Allowable Deductions	,	.,,
State Revenue Sharing	\$	30,000.00
Homestead Reimbursement		21,873.80
BETE Reimbursement		1,151.50
Other Revenue		547,142.00
Total	\$	600,167.30
Net Assessment for Commitment	\$	2,958,763.98

\$251,809,700.00 x 11.75mils = \$2,958,763.98

Exemptions - Veterans

The following Veterans receive a \$6,000 exemption on their primary residence. For tax year 2017, the exemption took \$70.50 off each tax bill.

Berleant, Arnold	Eaton, Lawrence	King, Clifford Jr
Beske, Robert	Eisenhardt, William	Mutty, Lawrence
Bourne, Standish T Jr	Engelhardt, Jurgen	Shanley, James
Brown, Edward F	Gardner, John P	Tenney, E Gilman
Coughlin, Michael	Hale, Richard	Vogell, Peter F
Cyr, Paul E	Jones, David A	Wardwell, Arthur
Dick, Robert C	Kaiserian, Harry, Jr	

Exemptions - Veterans' Widows

The following Veterans' Widows receive a \$6,000 exemption on their primary residence. For tax year 2017, the exemption took \$70.50 off each tax bill.

Ballou, Elizabeth	Higgins, Patricia A	Russell, Doris
Belanger, Barbara J	Kimball, Frances	Stearns, Florence
Foote, Sara	Punzelt, Carolyn M	

Exempted Real Estate

Municipal	Valuation
Cemetery Association	\$ 60,700
Water Department	1,465,800
Emerson Hall	755,900
Landfill	289,700
Library	511,500
Lighthouse	941,900
Fort Griffith	26,200
Wadsworth Cove Beach & Pond	53,500
Fire Station	316,400
Pollution Facility with Pump Stations	1,185,700
Adams School	735,600
Fort Madison	119,800
Town Wharf & Dock	846,600
Town Common	211,400
Total Municipal	\$ 7,520,700
•	
State and Federal	
Maine Maritime Academy	\$ 71,531,600
Fort George	43,100
Holbrook Island	1,593,700
U.S. Post Office	379,500
ATLOJ	
All Others	122 100
First Congregational Society	433,100
Roman Catholic Bishop	734,300
Trinitarian Congregational Parish	437,200
Trinity Episcopal Church	461,400
Community Hospital	854,400
Grange Hall	152,500
Historical Society	843,300
Scientific Society	2,337,300
Maine Coast Heritage Trust	2,430,100
Total	\$ 89,752,200

Total exemptions classified under Homestead, Veterans, Veterans' Widows, Municipal, State, Federal, and All Others.

Accounts	\$94,058,300
Tax	\$1,105,085

Town of Castine Position Compensation

Following is a list of all employment positions with the Town of Castine. These amounts are as reflected in this year's budget request.

Town Manager	
Town Office	\$59,595.48
Code Enforcement	8,000.00
Salaries – Sewer	2,000.00
Salaries – Water	2,000.00
Total	\$71,595.48
Finance Officer/Tax Collector/Treasurer	
Town Office	\$52,704.50
Sewer	8,300.00
Water	8,300.00
Total	\$69,304.50
Town Clerk / Registrar of Voters	
Town Office	\$50,367.29
Public Works	
Public Works	\$38,747.60
Transfer Station	3,310.00
Animal Control Officer	2,080.00
Total	\$44,137.60
Public Works – Fill In	
Public Works – Fill in	\$11,320.00
Transfer Station – Fill in	5,400.00
Transfer Station Attendant	
Transfer Station	\$18,824.00
Selectboard, Chair	
Town Office	\$ 5,000.00
Selectboard (2 at \$4,000 each)	
Town Office	\$ 8,000.00
Plumbing Inspector (LPI)	
Code Enforcement	\$ 2,400.00
Deputy LPI and Code Enforcement Officer	
Code Enforcement	\$ 1,000.00
Health Officer	
Health Officer	\$ 500.00
Fire Department	
Chief - Fire Department	\$ 7,500.00
Assistant Chiefs (3 at \$2,000 each)	6,000.00
Harbor Master	Ф12 522 22
Harbor Master	\$12,500.00
Traffic Ordinance Officer	9,844.00
Total Pay	\$22,344.00
Dock Attendants	ф12 ccc cc
Harbor Master	\$12,000.00

Town of Castine Position Compensation, continued from previous page.

Library Director	
Salaries – Library	\$47,450.00
Assistant Librarian	\$20.021.00
Salaries – Library Library Assistant	\$28,831.00
Salaries – Library	\$12,665.00
Library Assistant	
Salaries – Library	\$10,408.00
School Board Board Chair	\$ 800.00
Board Members (\$700 each)	\$ 1,400.00
Principal	, ,
Teaching Principal	\$83,247.00
Teacher Grade 5 – 8 Science/Math	\$84,559.00
Teacher	ψ04,559.00
Grade 3 – 4	\$47,507.00
Teacher	
Grade 1 - 2	\$43,100.00
Teacher Pre K / Kindergarten	\$64,486.00
Teacher	ψο 1, 100.00
Instructional Aid	\$10,968.86
Teacher (Co. 1.5. o. 1	¢44.069.00
Grades 5 – 8 Language/Social Studies Teacher	\$44,068.00
Classroom/Band Music Teacher (20%)	\$13,007.00
Teacher	
Classroom/Choral Music Teacher (20%)	\$ 8,824.00
Teacher Art Teacher (40%)	\$21,095.00
Teacher (4070)	Ψ21,073.00
Physical Education/Health Teacher (40%)	\$18,122.00
Teacher / PTI	¢40.110.00
Special Education / RTI Teacher	\$48,110.90
Spanish (20%)	\$ 8,827.00
Teacher	
Guidance (40%)	\$15,360.40
Teacher Instructional Aid (Special Education) 50%	\$10,968.86
Teacher	ψ10,900.00
Instructional Aid (Special Education)	\$22,477.28
Secretary	ф20 Г 02 Г 6
School Secretary Custodian	\$30,502.56
Custodian	\$29,963.00
	, => ,> 00.00

Town of Castine Position Compensation, continued from previous page.

Bus Driver	
Bus Driver	\$27,777.75
School Nurse	
School Nurse	\$ 8,654.80
Cook	
Cook	\$16,244.14
Athletics	
Athletic Director	\$ 1,300.00
Soccer	\$ 650.00
Basketball – Boys	\$ 650.00
Basketball – Girls	\$ 650.00 \$ 650.00 \$ 325.00
Spring Sport	\$ 325.00
Swing Coach	\$ 325.00
Other Positions	
Drama Advisor	\$ 650.00
Grades 8 Advisor	\$ 1,950.00
Garden Club	\$ 650.00
Jazz Band	\$ 650.00
Homework Club	\$ 1,300.00
Yearbook (\$650 each)	\$ 1,300.00
Calvineer Club	\$ 1,950.00

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A. Ronald C. Bean, C.P.A. Kellie M. Bowden, C.P.A. Wanese L. Lynch, C.P.A. Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Members of the School Committee and the Superintendent of Schools Castine School Department Castine, ME 04421

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Castine School Department (the Department) as of and for the fiscal year ended June 30, 2017, which collectively comprise the Department's basic financial statements as listed in the table of contents, including the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Castine School Department, as of June 30, 2017, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements of the Castine School Department are intended to present the financial position, the changes in financial position of only that portion of the governmental activities and the aggregate remaining fund information of the Town of Castine that is attributable to the transactions of the Castine School Department. They do not purport to, and do not, present fairly the financial position of the Town of Castine as of June 30, 2017, the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension disclosure information on pages 3 through 6 and 21 through 23 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Castine School Department's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and supplementary information are the responsibility of management and were derived from and relates 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 schedule of expenditures of federal awards and supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A. December 20, 2017

<u>Castine School Department</u> <u>Management's Discussion and Analysis</u> For the Fiscal Year Ended June 30, 2017

Management of the Castine School Department provides this *Management's Discussion and Analysis* of the School Department's financial performance for readers of the School Department's financial statements. This narrative overview and analysis of the financial activities of the School Department is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of the Castine School Department (the School Department) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34 and related subsequent statements.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the School Department exceeded its liabilities at fiscal year ending June 30, 2017 by \$506,246 (presented as "net position"). Of this amount, \$373,360 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the School Department's ongoing obligations to citizens and creditors.

Changes in Net Position – The School Department's total net position increased by \$130,827 (a 35% increase) for the fiscal year ended June 30, 2017.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2017; the School Department's governmental funds reported a combined ending fund balance of \$376,988 with \$329,045 being general unassigned fund balance. This unassigned fund balance represents approximately 26% of the total general fund expenditures for the year.

Long-term Debt:

The School Department had long-term debt obligations related to a 2012 bus purchase. The debt was retired in full during the fiscal year according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School Department's basic financial statements. The School Department's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison and pension disclosures) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements (pages 7-8) present the financial picture of the School Department from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School Department (including infrastructure) as well as all liabilities (including long-term debt, if applicable). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

Fund Financial Statements

The fund financial statements include statements for each of the two categories of activities – governmental, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the School Department's government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the

School Department's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 9-10 of this report.

The fiduciary fund financial statements can be found on page 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 12-20 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule (page 21), which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements. This section also includes the pension disclosure schedules as required by GASB Statement #68 (pages 22-23).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

24% of the School Department's net position reflects its investment in capital assets such as land, buildings, and equipment less any related debt used to acquire those assets that are still outstanding. The School Department uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the School Department's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt (if applicable) must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Total 2017	Total 2016
Current Assets and Other	556,399	502,179
Capital Assets	122,800	113,745
Total Assets	679,200	615,924
Current Liabilities and Other	169,138	227,274
Other Liabilities	3,816	13,231
Total Liabilities	172,954	240,505
Net Position:		
Net Investment in Capital Assets	122,800	97,451
Restricted	10,085	15,325
Unrestricted	373,360	262,642
Total Net Position	506,246	375,418
Total Liabilities and Net Position	679,200	615,924

Changes in Net Position

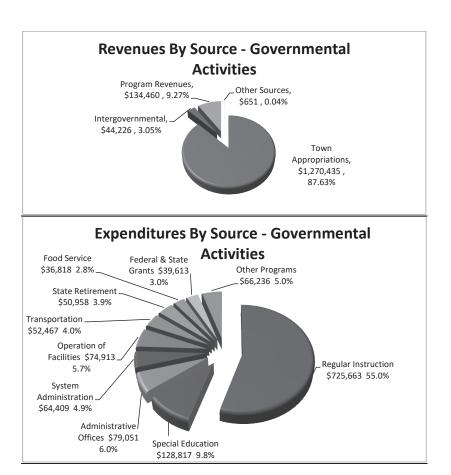
Approximately 88 percent of the School Department's total revenue came from local appropriations, approximately 10 percent came from State subsidies and grants, and approximately 2 percent came from services and other sources. Depreciation expense on the Department's governmental assets represents \$11,626 of the total expenses for the fiscal year.

	Total 2017	Total 2016
Revenues:		
Local Appropriations	1,270,435	1,376,489
Program Revenues	134,460	153,073
Intergovernmental	44,226	42,603
Other	651	1,235
Total	1,449,772	1,573,400
Expenses:		
Administration	64,409	61,134
Regular Instruction	725,663	812,168
Principal's Office	79,051	70,492
Special Education	128,817	178,154
Transportation	52,467	45,650
Operation of Facilities	74,913	81,614
Food Service	36,818	29,425
Federal / State Programs	39,613	39,327
State Retirement Contribution	50,958	64,174
Other Programs	66,236	56,621
	1,318,945	1,438,758
Changes in Net Position	130,827	134,643

CAPITAL ASSET ADMINISTRATION

Capital Assets

The School Department's investment in capital assets for its governmental activities amounts to \$333,694 net of accumulated depreciation of \$210,894 leaving a net book value of \$122,800. Current year additions include \$10,129 in building improvements and \$10,553 in bus improvements. There were no retirements.



FINANCIAL ANALYSIS OF THE SCHOOL DEPARTMENT'S INDIVIDUAL FUNDS

Governmental Funds

At the end of the fiscal year, the School Department's governmental funds reported ending fund balances of \$376,988 an increase of \$106,316 in comparison with the prior year. Approximately 87 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Castine School Department, P.O. Box 630, Blue Hill, Maine 04614.

CASTINE SCHOOL DEPARTMENT STATEMENT OF NET POSITION JUNE 30, 2017

(Exhibit I)

	GovernmentalActivities
Assets & Deferred Outflows	
<u>Assets</u>	
Due from Town	\$500,053
Accounts Receivable	\$37,231
Inventory	\$735
<u>Capital Assets</u>	
Land	\$49,844
Other Capital Assets, net of Accumulated Depreciation	\$72,956
Total Capital Assets	\$122,800
<u>Total Assets</u>	\$660,820
<u>Deferred Outflows of Resources</u>	
Related to Pensions	\$18,380
Total Deferred Outflows of Resources	\$18,380
Total Assets & Deferred Outflows	\$679,200
Liabilities, Deferred Inflows and Net Position	
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$67,079
Accrued Contracted Salaries	\$76,304
Accrued Compensated Absences	\$17,648
Long-Term Liabilities:	
Net Pension Liability	\$3,816
Total Liabilities	\$164,847
<u>Deferred Inflows of Resources:</u>	
Related to Pensions	\$8,107
Total Deferred Inflows of Resources	\$8,107
Net Position	
Net Investment in Capital Assets	\$122,800
Restricted	\$10,085
Unrestricted	\$373,360
Total Net Position	\$506,246
<u>Total Liabilities, Deferred Inflows & Net Position</u>	\$679,200

<u>CASTINE SCHOOL DEPARTMENT</u> <u>STATEMENT OF ACTIVITIES</u> <u>FOR THE FISCAL YEAR ENDED JUNE 30, 2017</u>

(Exhibit II)

Net (Expense)

		Program l	Revenues	Revenue and Changes in Net Position
		Charges for	Operating	Governmental
Functions/Programs	Expenses	Services	Grants	Activities
Governmental Activities				
System Administration	\$64,409			(\$64,409)
Transportation	\$52,467			(\$52,467)
Regular Instruction	\$725,663	\$26,382		(\$699,281)
Office of Principal	\$79,051			(\$79,051)
Operation of Building	\$74,913			(\$74,913)
Special Education	\$128,817			(\$128,817)
Student and Staff Support	\$52,824			(\$52,824)
Other Instruction	\$13,412			(\$13,412)
State & Federal Programs	\$39,613		\$35,038	(\$4,575)
School Lunch Program	\$36,818	\$10,387	\$11,696	(\$14,735)
State Retirement Contributions	\$50,958		\$50,958	\$0
Total Governmental Funds	\$1,318,946	\$36,768	\$97,692	(\$1,184,485)
<u>Total Department</u>	\$1,318,946	\$36,768	\$97,692	(\$1,184,485)
General Revenues				
Local Appropriations				\$1,270,435
State Subsidy				\$44,226
Other Revenues				\$651
Total Revenues				\$1,315,312
Changes in Net Position				\$130,827
Net Position - Beginning				\$375,418
Net Position - Ending				\$506,246

<u>CASTINE SCHOOL DEPARTMENT</u> <u>BALANCE SHEET - GOVERNMENTAL FUNDS</u> <u>JUNE 30, 2017</u>

(Exhibit III)

- 	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
<u>Assets</u>	Ø500.053			#500.052
Due from Town Accounts Receivable	\$500,053		\$37,231	\$500,053 \$37,231
Due from Other Funds	\$36,368	\$16,750	\$37,231	\$53,118
Inventory			\$735	\$735
<u>Total Assets</u>	\$536,421	\$16,750	\$37,966	\$591,138
<u>Liabilities & Fund Balances</u>				
<u>Liabilities</u> Accounts Payable	\$66,674		\$405	\$67,079
Accrued Contracted Salaries	\$76,304		\$ +03	\$76,304
Accrued Compensated Absences	\$17,648			\$17,648
Due to Other Funds	\$16,750		\$36,368	\$53,118
<u>Total Liabilities</u>	\$177,376	\$0	\$36,773	\$214,149
Fund Balances				
Nonspendable			\$735	\$735
Restricted			\$9,350	\$9,350
Committed	\$30,000	\$16,750	(00.002)	\$46,750
Assigned Unassigned	\$329,045		(\$8,892)	(\$8,892) \$329,045
<u>Total Fund Balances</u>	\$359,045	\$16,750	\$1,193	\$376,988
Total Liabilities & Fund Balances	\$536,421	\$16,750	\$37,966	\$591,138
Total Fund Balance - Governmental Funds				\$376,988
Net position reported for governmental activities in			cause:	
Capital assets used in governmental activities are no not reported in the funds	t iinanciai resources an	u inereiore are		\$122,800
Deferred Inflows and Outflows related to Pension Pl	ans			\$122,800
This amount represents net pension liability				(\$3,816)
Net Position of Governmental Activities				\$506,246

<u>CASTINE SCHOOL DEPARTMENT</u> <u>STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN</u>

(Exhibit IV)

FUND BALANCE - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

				Total
	General	Capital	Special	Governmental
	Fund	Projects Fund	Revenue Fund	Funds
Revenue;				
Local Appropriations	\$1,270,435			\$1,270,435
State Retirement Contributions	\$50,958			\$50,958
State Subsidy	\$44,226			\$44,226
State & Federal Programs			\$35,038	\$35,038
School Lunch Program			\$22,083	\$22,083
Tuition & Other Revenues	\$27,033			\$27,033
<u>Total Revenues</u>	\$1,392,652	\$0	\$57,121	\$1,449,773
Expenditures;				
Current:				
General Operations	\$1,216,068			\$1,216,068
State Retirement Contributions	\$50,958			\$50,958
State & Federal Programs	****		\$39,613	\$39,613
School Lunch Program			\$36,818	\$36,818
<u>Total Expenditures</u>	\$1,267,026	\$0	\$76,431	\$1,343,457
Excess of Revenue over Expenditures	\$125,627	\$0	(\$19,310)	\$106,316
Other Financine Sources (Ileas)				
Other Financing Sources (Uses)		¢1 250	016 015	010 165
Operating Transfers In Operating Transfers Out	(\$18,165)	\$1,250	\$16,915	\$18,165
Operating Transfers Out	(\$18,165)	\$0 \$1,250	\$0 \$16,915	(\$18,165) \$0
Excess Revenues and Other Sources	(\$18,103)	\$1,230	\$10,913	\$0
Over Expenditures and Other Uses	\$107,462	\$1,250	(\$2,395)	\$106,316
Over Expenditures and Other Oses	\$107,402	\$1,230	(\$2,393)	\$100,310
Beginning Fund Balance	\$251,583	\$15,500	\$3,589	\$270,672
Ending Fund Balance	\$359,045	\$16,750	\$1,193	\$376,988
Reconciliation to Statement of Activities, change in Net	Position			
Net Change in Fund Balance - Above	<u>r osition</u>			\$106,316
Some expenses reported in the statement of activities	do not require the	use of current finance	pial recourage and	\$100,510
therefore, are not reported as expenditures in govern		use of current illian	ciai resources and	
Pension Plans (Deferred Outflows, Net Pension Li		oflowe)		(\$838)
Bond Proceeds are not treated as Revenue in the Gov			nd	(\$656)
repayments are not treated as Expenditures in the Gov			iiu	\$16,293
Depreciation expense on capital assets is reported in			tivities and Changes	\$10,293
in Net Position, but they do not require the use of cu				
is not reported as expenditures in Governmental Fur		arces. Therefole, u	epiceiation expense	\$9,056
Changes in Net Position of Governmental Activities	143			\$130,827
Changes without osmon of Governmental neuvities				Ψ150,027

CASTINE SCHOOL DEPARTMENT STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS JUNE 30, 2017 School Activities Assets Cash and Cash Equivalents State of the state of t

<u>Liabilities</u>

Due to Student Groups

Total Liabilities

\$10,006

\$10,006

<u>CASTINE SCHOOL DEPARTMENT</u> <u>NOTES TO THE FINANCIAL STATEMENTS</u> FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Castine School Department (School Department) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Castine School Department's accounting principles are described below.

A. Financial Reporting Entity

The Town of Castine School Department is a separate department of the Town of Castine, Maine. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. The School Department has an elected school committee which has management responsibilities over all activities related to the public elementary and secondary education of the school department. The School Department is a member of School Union #93.

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 School Department. Fiduciary activities, whose resources are not available to finance the School Department's programs are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The 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. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to students 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 operational or capital requirements of a particular function or segment. Assessments and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when transactions occur and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

The 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 School Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Assessments, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School Department.

The School Department reports the following major governmental funds:

The general fund is the School Department's primary operating fund. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

The capital projects fund is used to account for all resources and project authorizations used in the acquisition or construction of capital facilities and other fixed assets.

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are the State and Federal Programs, the School Lunch Program and several other special programs.

The School Department also reports the following fiduciary funds:

The Student Activity Fund accounts for the receipt and disbursement of funds from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the School Committee.

D. Assets, Liabilities and Net Position or Fund Balance

Due from Town

The Castine School Department cash is maintained by the Town Treasurer. Warrants are submitted to the Town and checks are written by the Treasurer out of a separate checking account. Cash receipts are submitted to the Treasurer of the Town of Castine. Receipts are prepared by the Treasurer and submitted to the School Department. All deposits of the Town are in banks insured by the Federal Government.

Accounts Receivable and Accounts Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Inventories

All inventories are valued at cost using the first in/first our (FIFO) method. Inventories of governmental funds are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used rather than when purchased. Inventory in the School Lunch Program consist of food, supplies and U.S.D.A. Donated Commodities.

Capital Assets

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the School Department 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 if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Equipment	5-10

Interfund Activities

Interfund receivables and payables arise from interfund activity and are recorded by all funds effected in the period in which transactions are executed.

Compensated Absences

Teachers may accumulate 120 days of sick leave at the rate of 15 days per year. Full time employees other than teachers accrue vacation and sick leave in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance. An obligation for compensated absences is recorded in the general fund balance sheet for compensated sick pay for employees eligible for retirement. Under the current contract provisions, teachers who have taught in Castine for a minimum of ten years, have attained the age of fifty-five and are eligible to retire are entitled to thirty days of compensated sick pay at their per diem rate.

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 (MPERS) and additions to / deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued is reported as an other financing source.

Governmental Fund Balances

The School Department has identified June 30, 2017 fund balances on the balance sheet as follows:

	General	Capital	Special Revenue	
	Fund	Projects	Fund	Total
Nonspendable				
School Lunch Inventory			\$735	\$735
<u>Restricted</u>				
State and Federal Grants			\$9,350	\$9,350
<u>Committed</u>				
Capital Projects Reserve		\$16,750		\$16,750
Special Education Reserve	\$30,000			\$30,000
<u>Assigned</u>				
School Lunch Fund			(\$8,892)	(\$8,892)
<u>Unassigned</u>	\$329,045			\$329,045
Total Fund Balances	\$359,045	\$16,750	\$1,193	\$376,988

In accordance with GASB Statement 54, the Department classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted nor Committed.

Unassigned - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The School Department considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The School Board is authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This component of net position consists of restrictions place on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$10,085 of restricted net position, of which enabling legislation restricts \$0.

Unrestricted - This component consists of net position that do not meet the definition of "restricted" or "net investment in capital assets".

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Special Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the Superintendent level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Estimates

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

Note 2 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities;				
Capital assets not being depreciated				
Land	\$49,844			\$49,844
	\$49,844	\$0	\$0	\$49,844
Capital assets being depreciated				
Buildings	\$122,569	\$10,129		\$132,698
Equipment and Vehicles	\$140,599	\$10,553		\$151,152
Total capital assets being depreciated	\$263,168	\$20,682	\$0	\$283,850
Less accumulated depreciation for Buildings Equipment and Vehicles Total accumulated depreciation	\$106,170 \$93,097 \$199,267	\$2,654 \$8,972 \$11,626	\$0	\$108,824 \$102,069 \$210,894
Governmental Activities, Capital Assets, net	\$113,745	\$9,056	\$0	\$122,800
Depreciation expense was charged to functions/ <u>Governmental Activities</u> Operation and Maintenance of Plant Transportation Total Depreciation Expense - Governmental		ry government as follo	ws;	\$2,654 \$8,972 \$11,626

Note 3 - Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payable is classified as Due to Other Funds with an offsetting receivable classified as Due from Other Funds on the governmental fund financial statements. At June 30, 2017, the offsetting receivable and payable balances are \$53,118. The change in the balance of the accounts during the current fiscal year represent cash activity for the special revenue grant programs and capital project reserves.

Operating transfers in and out represent the transfer of funds to the school lunch program to help fund the program and budgeted transfers to the capital reserve funds from the general fund. These transfers represent budgeted transfers to and from the general fund.

Note 4 - Obligation Under Contracted Services

An obligation for July 2017 and August 2017 salaries for employees under September 2016 through August 2017 contracts is reflected on the financial statements. This obligation includes the related employee benefits. This obligation, if applicable represents Generally Accepted Accounting Principles (GAAP) reporting for the School Department.

Note 5 - Long-Term Debt

The following is a summary of Long-Term Debt transactions for the Castine School Department for the fiscal year ended June 30, 2017:

Long-Term Debt July 1, 2016	\$16,293
Long-Term Debt Proceeds	\$0
Long-Tem Debt Retired	(\$16,293)
Long-Term Debt June 30, 2017	\$0

In 2012 the Department entered into a capital lease for the purchase of a school bus with Gorham Leasing Group. The lease was issued for \$79,170 with annual principal and interest payments payable of \$16,780. Interest is payable annually at a rate of 2.989%. The balance at June 30, 2017 was \$0 as the debt was paid in full.

Note 6 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the School Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is the non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to members' accounts is set by the System's Board of Trustees.

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2017, the member contribution rate was 7.65% and the employer contribution rate was 3.36% of applicable member compensation. The employer is also responsible for contributing 10.57% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 10.02% of the applicable member compensation into the System.

The required contributions paid into the System for the year ended June 30, 2017 and the previous two years are as follows:

For the				Applicable
year ended	Employee	Employer	State of Maine	Member
June 30,	Contributions	Contributions	Contributions	Compensation
2017	\$38,905	\$17,088	\$50,958	\$508,568
2016	\$41,116	\$18,059	\$64,174	\$537,469
2015	\$39,376	\$15,211	\$60,068	\$514,715

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the plan using grant funding.

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

At June 30, 2017, the School Department reported a net pension liability of \$3,816. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2016, the School Department's proportion was .000216%, which was a decrease of 0.0000764% from its proportion measured at June 30, 2015.

For the fiscal year ended June 30, 2017, the School Department recognized pension expense of \$18,195. At June 30, 2017, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$74	\$7
Changes in Assumptions	\$0	\$98
Net Difference between projected between projected and actual earnings on pension plan investments	\$1,219	\$499
Changes in proportion and differences between employer contributions and proportionate share of contributions	(\$1)	\$7,503
Employer Contributions made subsequent to measurement date	\$17,088	\$0
	\$18,380	\$8,107

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

Year ended June 30,	
2018	\$13,182
2019	(\$3,442)
2020	\$343
2021	\$189

F. Actuarial Assumptions

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

Inflation	2.75%
Salary Increases	2.75% - 14.50% at selected years of service
Investment Rate of Return	6.875%, net of administrative and pension plan investment expense

For the School Department employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Tables for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the Entry Age Normal actuarial funding method. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate. The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

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 class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

	Long-1erm
Target	Expected Real
Allocation	Rate of Return
20%	5.7%
20%	5.5%
10%	7.6%
10%	5.2%
10%	5.3%
5%	5.0%
25%	2.9%
100%	-
	Allocation 20% 20% 10% 10% 5% 25%

G. Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(5.875%)	Rate (6.875%)	(7.875%)
Proportionate Share of the Net Pension Liability	\$6,110	\$3,816	\$1,904

I. Pension Plan Financial and Actuarial Information

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

Note 7 - Restricted Net Position

The School Department reports restricted net position totaling \$10,085 on its statement of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the governmental fund balance note above.

Note 8 - Commitment and Contingencies

The School Department participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time, however, the School Department does not believe such amounts would be significant.

Note 9 - Risk Management

The School Department is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School Department carries commercial insurance. The School Department also participates in a public entity risk pool sponsored by the Maine School Management Association for worker's compensation and unemployment compensation. Based on the coverage provided by the Maine School Management Association risk pool as well as coverage provided by commercial insurance purchased, the School Department is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017.

CASTINE SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit VI)

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues;				
Local Appropriations	\$1,270,435	\$1,270,435	\$1,270,435	(\$0)
State Subsidy	\$35,000	\$35,000	\$44,226	\$9,226
Other Revenues			\$27,033	\$27,033
<u>Total Revenues</u>	\$1,305,435	\$1,305,435	\$1,341,694	\$36,259
Expenditures;				
System Administration	\$81,816	\$81,816	\$64,409	\$17,407
Transportation	\$73,048	\$73,048	\$70,341	\$2,707
Regular Instruction	\$828,854	\$828,854	\$724,825	\$104,029
Office of Principal	\$80,975	\$80,975	\$79,051	\$1,924
Operation of Building	\$97,200	\$97,200	\$82,388	\$14,812
Special Education	\$168,209	\$168,209	\$128,817	\$39,392
Student and Staff Support	\$68,803	\$68,803	\$52,824	\$15,979
Other Services	\$13,709	\$13,709	\$13,412	\$298
Total Expenditures	\$1,412,615	\$1,412,615	\$1,216,068	\$196,547
Excess of Revenues over Expenditures	(\$107,179)	(\$107,179)	\$125,627	\$232,806
Other Financing Uses:				
Operating Transfers Out	(\$19,155)	(\$19,155)	(\$18,165)	\$990
Excess Revenues and Other Uses over Expenditures	(\$126,335)	(\$126,335)	\$107,462	\$233,796
Beginning Fund Balance - Budget Basis	\$251,583	\$251,583	\$251,583	\$0
Ending Fund Balance - Budget Basis	\$125,249	\$125,249	\$359,045	\$233,796

<u>CASTINE SCHOOL DEPARTMENT</u> <u>REQUIRED SUPPLEMENTARY INFORMATION</u> <u>SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY</u> <u>MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - TEACHER AND STATE EMPLOYEE PLAN</u>

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit VII)

Last 10 Fiscal Years	For the Fiscal Year Ended June 30,	For the Fiscal Year Ended June 30,	For the Fiscal Year Ended June 30,
D C CALCE TILIT	2017	2016	2015
Proportion of Net Pension Liability	0.000216%	0.000980%	0.001069%
Proportionate Share of the Net Pension Liability (Asset)	\$3,816	\$13,231	\$11,549
Covered Employee Payroll	\$508,568	\$537,469	\$514,715
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	0.750%	2.462%	2.244%
Plan Total Pension Liability	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	171.194%	139.727%	118.230%

^{*} Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

CASTINE SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit VIII)

	For the Fiscal Year Ended	For the Fiscal Year Ended	For the Fiscal Year Ended
Last 10 Fiscal Years	June 30,	June 30,	June 30,
	2017	2016	2015
Contractually required contribution	\$17,088	\$18,059	\$15,211
Actual Contribution	\$17,088	\$18,059	\$15,211
Contribution Deficiency	\$0	\$0	\$0
Covered Employee Payroll	\$508,568	\$537,469	\$514,715
Contributions as a % of Covered Employee Payroll	3.360%	3.360%	2.955%

^{*} Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

CASTINE SCHOOL DEPARTMENT
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2016, is as follows:

A. Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost rate for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

B. Asset Valuation Method

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

Inflation 2.75%

Salary Increases 2.75% - 14.50% at selected years of service

Investment Rate of Return 6.875%, net of administrative and pension plan investment expense

Cost of Living Benefit Increases 2.20%

For members, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

CASTINE SCHOOL DEPARTMENT BUDGET vs. ACTUAL EXPENDITURES - GENERAL OPERATING FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit A-1)

			Unexpended
	Budget	Actual	or (Overdraft)
System Administration	\$81,816	\$64,409	\$17,407
Pupil Transportation	\$73,048	\$70,341	\$2,707
Regular Instruction	\$828,854	\$724,825	\$104,029
Office of Principal	\$80,975	\$79,051	\$1,924
Operation of Building	\$97,200	\$82,388	\$14,812
Food Services	\$17,861	\$16,915	\$946
Special Education	\$168,209	\$128,817	\$39,392
Student and Staff Support	\$68,803	\$52,824	\$15,979
Reserve Transfers	\$16,250	\$16,250	\$0
Other Services	\$13,709	\$13,412	\$298
<u>Totals</u>	\$1,446,725	\$1,249,233	\$197,493

<u>CASTINE SCHOOL DEPARTMENT</u> <u>SCHEDULE OF SPECIAL REVENUE FUNDS</u> <u>FOR THE FISCAL YEAR ENDED JUNE 30, 2017</u>

(Exhibit B-1)

		Total		Operating	
	Balance	Revenues		Transfers	Balance
	July 1, 2016	Recognized	Expenditures	In (Out)	June 30, 2017
Learning Programs;					
Title IA	\$0	\$0	\$398	\$0	(\$398)
Local Entitlement	\$5,241	\$17,487	\$20,938	\$0	\$1,789
Local Entitlement Preschool	\$96	\$0	\$0	\$0	\$96
Title VI - REAP	\$0	\$16,665	\$16,665	\$0	\$0
Transition Grant	\$2,197	\$886	\$809	\$0	\$2,274
PEPG Grant	\$4,600	\$0	\$803	\$0	\$3,797
Medicaid Reimbursement	\$1,792	\$0	\$0	\$0	\$1,792
Total Learning Programs	\$13,925	\$35,038	\$39,613	\$0	\$9,350
School Nutrition Programs;					
School Lunch Program	(\$11,736)	\$20,537	\$34,608	\$16,915	(\$8,892)
Reserved for Inventory	\$1,399	\$1,546	\$2,210	\$0	\$735
Total School Nutrition Programs	(\$10,337)	\$22,083	\$36,818	\$16,915	(\$8,157)
Total Special Revenue Funds	\$3,589	\$57,121	\$76,431	\$16,915	\$1,193

CASTINE SCHOOL DEPARTMENT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit B-2)

Federal Grantor/Pass-Through			Program	Passed	
Grantor/Program Title		Grantor Pass-	Award	Through to	
	CFDA#	Through Number	Amount	Subrecipients	Expenditures
U.S. Department of Education:					
Passed through State of Maine					
Department of Education					
Title IA	84.010	013-05A-3107-13	\$0	\$0	\$398
Local Entitlement	84.027	013-05A-3046-12	\$17,487	\$0	\$20,938
Rural Education Achievement Program	84.213	013-05A-6336-13	\$16,665	\$0	\$16,665
Total State of Maine Department of Education	<u>!</u>		\$34,152	\$0	\$38,001
Total U.S. Department of Education			\$34,152	\$0	\$38,001
U.S. Department of Agriculture; Passed through State of Maine Department of Education					
National School Lunch Program - Lunch	10.555	-	\$9,071	\$0	\$9,071
National School Lunch Program - Other	10.555	-	\$373	\$0	\$373
Food Distribution - Donated Commodities	10.550	-	\$1,546	\$0	\$1,546
Total U.S. Department of Agriculture			\$10,990	\$0_	\$10,990
<u>Totals</u>			\$45,142	\$0	\$48,992

<u>CASTINE SCHOOL DEPARTMENT</u> <u>RECONCILIATION OF AUDITED FINANCIAL STATEMENTS WITH STATE MEDMS REPORTING</u> <u>FOR THE FISCAL YEAR ENDED JUNE 30, 2017</u>

(Exhibit C-1)

	General Fund	Capital Projects Funds	Special Revenue Funds	Totals
Budget to Actual Report Fund Balances	\$350,239	\$15,500	(\$3,675)	\$362,063
Local Nutrition Allocation	\$16,915			\$16,915
Local Special Education Reserve Allocation	\$15,000			\$15,000
State Subsidy Revenue	\$0			\$0
Regular Instruction Expenditures	\$11,957			\$11,957
Special Education Expenditures	\$349			\$349
Other Expenditures	\$398			\$398
Capital Reserve Transfer	(\$1,250)	\$1,250		\$0
School Lunch Transfer	(\$16,915)		\$16,915	\$0
Local Entitlement Revenue			(\$3,345)	(\$3,345)
REAP Revenue			\$8,342	\$8,342
REAP Expenditures			(\$16,665)	(\$16,665)
School Lunch Revenues			\$1,831	\$1,831
School Lunch Expenditures			(\$2,210)	(\$2,210)
<u>Audited Budget Basis Fund Balances</u>	\$376,693	\$16,750	\$1,193	\$394,636
Compensated Absences	(\$17,648)			(\$17,648)
Audited GAAP Basis Fund Balances	\$359,046	\$16,750	\$1,193	\$376,989

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A. Ronald C. Bean, C.P.A. Kellie M. Bowden, C.P.A. Wanese L. Lynch, C.P.A. Amy E. Atherton, C.P.A.

Members of the School Committee and the Superintendent of Schools Castine School Department Castine, Maine 04421

We have audited the financial statements of the Castine School Department for the year ended June 30, 2017.

In connection with our audit, we make the following statements of assurance and determinations:

- The audit has been conducted in accordance with applicable State and Federal laws relating to financial and compliance audits.
- 2. Budgetary controls are in place.
- 3. The annual financial report submitted to the Department of Education and Cultural Services is materially correct, with exception of the changes reported on page 28.
- The School Department has complied with the applicable provisions of the Maine Essential Programs and Services Funding Act.
- 5. The School Department has complied with the transfer limitations between budget cost centers.
- 6. The School Department has complied with the statutory budget content requirements.
- The School Department has not exceeded its authority to expend funds as provided with the total budget summary article

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A. December 20, 2017



HORTON, McFARLAND & VEYSEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 543 ELLSWORTH, MAINE 04605

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James E. McFarland, CPA Annette L. Gould, CPA Ellen Cleveland, CPA M.R. Horton, Jr., CPA (1925 -2010) Floyd S. Veysey, CPA (1948 - 2006)

Amy J. Billings, CPA Nicholas Henry, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen of the Town of Castine Castine, Maine

We have audited the accompanying financial statements consisting of the statements of net position, statements of revenues, expenses and changes in fund net position, and statements of cash flows of the Castine Water Department of the Town of Castine as of and for the years ended December 31, 2017 and 2016, which collectively comprise the Castine Water Department's basic financial statements and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Castine Water Department of the Town of Castine as of December 31, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Castine Water Department and do not purport to, and do not, present fairly the financial position of the Town of Castine, as of December 31, 2017 and 2016, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Castine Water Department's basic financial statements. The accompanying supplementary information presented as Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information presented as Schedule 1 is the responsibility of management and was derived from and relates 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Horton, Metaland + Vegery, LLC

Horton, McFarland & Veysey, LLC Ellsworth, Maine

January 26, 2018



Castine Water Department Management's Discussion and Analysis December 31, 2017 and 2016

Introduction of the Financial Statements

The Castine Water Department's (the Department) basic financial statements include the:

Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows Notes to the Financial Statements

The statement of net position presents the financial position of the Department by providing information about the nature and amount of resources and obligations at year-end. The statement of revenues, expenses and changes in fund net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. The statement of cash flows presents the amount of cash and cash equivalents generated and used during the fiscal year. The notes to the financial statements present required disclosures and other information that are essential to a full understanding of the material provided in the statements.

Significant Transactions and Changes

As a Maine community with aging infrastructure, Castine continues to respond to water (and wastewater) system leaks and failures. Another disadvantage of being a small water system in a quasi-remote location is an ongoing high personnel turnover.

In June of 2017, both our licensed water operator and assistant operator gave notice and left within a week of each other. Having lost 4 operators in as many years, we decided to consider alternatives to utility operation, either Contract Assistance (fee only) or a full-blown Contract Operations. After considering both options, the Town of Castine entered into an annual Contract Operations Agreement with Olver Associates (OA), the Town's water/wastewater engineer, effective July 1, 2017.

Our remaining wastewater operator employee became an OA employee and OA immediately advertised for and hired a water operator and a mechanic to support the water and wastewater departments. OA is reimbursed monthly for personnel costs for these 3 and paid a modest Operations fee. We are convinced the Town is benefitting from an experienced operator/engineer who has similar operating agreements with 18 municipalities.

Our Battle Avenue Filtration Plant, recently featured in an EPA geo-platform offering innovative Drought Response and Recovery solutions, had a successful second year of operation, producing 640,000 gallons which helped us through a late summer drought. We work closely with OA to budget for system maintenance and improvements around town and we continue to analyze the benefits of a remote telemetry system for water and wastewater and a data collection system for meter reading but have made no decisions.

Comparison of Financial Statements for Current and Prior Years

Statements of Net Position

Current Assets Capital Assets, Net Total Assets	2017 906,284 4,677,947 5,584,231	2016 826,098 4,799,090 5,625,188
Current Liabilities Non-Current Liabilities Total Liabilities	231,329 2,750,355 2,981,684	218,157 2,949,632 3,167,789
Net Position: Net Investment in Capital Assets Unrestricted Total Net Position	1,728,315 874,232 2,602,547	1,652,117 805,282 2,457,399
Total Liabilities and Net Position	5,584,231	5,625,188

Statements of Revenues, Expenses and Changes in Fund Net Position

Operating Revenues Non-Operating Revenues Total Revenues	2017 616,733 11,440 628,173	2016 580,964 365 581,329
Operating Expenses Non-Operating Expenses Total Expenses	391,120 91,905 483,025	354,571 92,429 447,000
Change in Net Position	145,148	134,329
Net Position – Beginning of Year	2,457,399	2,323,070
Net Position – End of Year	2,602,547	2,457,399

Budgetary Highlights

The Department is not legally required to adopt budgetary accounting and reporting; however, an annual budget is prepared by management, recommended by the Utility Board and approved by the Board of Selectmen. The original budget approved by the Board of Selectmen was not amended in 2017. The Department operated within its overall approved budget in 2017.

Capital Assets and Long-Term Debt

Capital asset additions in 2017 were: water treatment equipment totaling \$7,031, meters totaling \$6,501 and miscellaneous equipment totaling \$1,196. Capital asset additions in 2016 were: structures totaling \$938,617, mains totaling \$783,840, services totaling \$168,632, meters totaling \$2,150, hydrants totaling \$44,528 and equipment totaling \$3,755.

Long-term debt outstanding, including current portion, at December 31, 2017 and 2016 was \$2,949,632 and \$3,146,973, respectively. Debt retired in 2017 and 2016 totaled \$197,341 and \$181,361, respectively. No long-term debt was issued in 2017. The Department issued \$350,000 in General Obligation Bonds in 2016 for a water filtration project. There are no unfinished commitments for capital expenditures at December 31, 2017 or any debt limitations that may affect future financing. There were no changes in credit ratings in 2017.

Overall Financial Position and Results of Operations

To analyze the change in the Department's overall financial position and results of operations in the past year, we have focused on two elements: revenue stability and financial ratios.

Revenue Stability:

Water rates, both metered and fire protection, are regulated by the Maine Public Utilities Commission (MPUC). The MPUC allows the Department to set rates which maintain operations and pay debt service.

All of the Department's operating revenues are derived from water assessments consisting of metered water sales and fire protection changes. Overall, operating revenues increased \$35,769 or 6.16% in 2017. Approximately 30% of total operating revenues are generated from public fire protection charges assessed to the Town of Castine.

Financial Ratios:

Two of the key financial ratios for analyzing the Department's financial position are the current ratio and the coverage ratio. The current ratio measures an entity's ability to meet short-term obligations. The coverage ratio shows an entity's ability to meet debt service payments. During 2017 the current ratio increased from 3.79 to 3.92. During 2017 the coverage ratio decreased from 1.32 to 1.29.

Current Ratio

	2017	2016
Current Assets	906,284	826,098
Current Liabilities	231,329	218,157
Current Ratio	3.92	3.79

Overall Financial Position and Results of Operations (Continued)

Coverage Ratio

	2017	2016
Operating Revenues	616,733	580,964
Non-Operating Revenues	11,440	365
Total Revenues	628,173	581, 3 29
Operating Expenses	391,120	354,571
Depreciation	(135,871)	(134,706)
Expenses	255,249	219,865
Net Available for Debt Service	372,924	361,464
Principal Payments	197,341	181,361
Interest Payments	92,720	91,704
Total Debt Service Payments	290,061	273,065
Coverage Ratio	1.29	1.32

Next Year's Operations

The Department is planning no significant projects in 2018.

Request For Information

Questions about the Department's finances may be directed to Karen Motycka, Finance Officer, Town of Castine, P.O. Box 204, Castine, Maine 04421.

CASTINE WATER DEPARTMENT STATEMENTS OF NET POSITION AT DECEMBER 31,

Assets	2017	2016
Current Assets:		
Cash and Cash Equivalents	97,728	97,738
Accounts Receivable	2,553	1,637
Accrued Revenue	154,741	144,695
Materials and Supplies	21,261	21,226
Due From Town of Castine	630,001	560,802
Total Current Assets	906,284	826,098
Non-Current Assets:		
Plant, Property and Equipment:		
Utility Plant	6,270,539	6,268,258
Less: Accumulated Depreciation	1,592,592	1,469,168
Total Plant, Property and Equipment	4,677,947	4,799,090
Total Non-Current Assets	4,677,947	4,799,090
Total Assets	5,584,231	5,625,188
Liabilities and Net Position		
Current Liabilities:		
Accounts Payable	15,032	2,981
Accrued Interest	17,020	17,835
Current Portion of Long-Term Debt	199,277	197,341
Total Current Liabilities	231,329	218,157
Non-Current Liabilities:		
Long-Term Debt	2,750,355	2,949,632
Total Non-Current Liabilities	2,750,355	2,949,632
Total Liabilities	2,981,684	3,167,789
Net Position:		
Net Investment in Capital Assets	1,728,315	1,652,117
Unrestricted	874,232	805,282
Total Net Position	2,602,547	2,457,399
Total Liabilities and Net Position	5,584,231	5,625,188

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



CASTINE WATER DEPARTMENT STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEARS ENDED DECEMBER 31,

	2017	2016
Operating Revenues:		
Metered Sales	402,681	370,409
Public Fire Protection	185,500	187,500
Private Fire Protection	24,960	22,380
Other Water Revenues	3,592	675
Total Operating Revenues	616,733	580,964
Operating Expenses:		
Operation and Maintenance	252,618	217,017
Depreciation	135,871	134,706
Assessments	2,631	2,848
Total Operating Expenses	391,120	354,571
Net Operating Income	225,613	226,393
Non-Operating Revenues (Expenses):		
Interest Income	213	85
Jobbing Income	1,227	280
Grant Income	10,000	-
Interest Expense	(91,905)	(92,429)
Total Non-Operating Revenues (Expenses)	(80,465)	(92,064)
Change in Net Position	145,148	134,329
Net Position - Beginning of Year	2,457,399	2,323,070
Net Position - End of Year	2,602,547	2,457,399



CASTINE WATER DEPARTMENT STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31,

Cash Flows from Operating Activities:	2017	2016
Receipts from Customers and Users	605,771	579,053
Payments to Suppliers	(155,448)	(95,480)
Payments to Employees	(87,785)	(125,283)
Net Cash Flows from Operating Activities	362,538	358,290
Cash Flows from Noncapital Financing Activities: Other Income		
Transfers from General Fund - Net	11,227	280
Net Cash Flows from Noncapital Financing Activities	(69,199)	197,197
Net Cash Hows from Noncapital Financing Activities	(57,972)	197,477
Cash Flows from Capital and Related Financing Activities: Long-Term Debt Issued		
Purchase of Capital Assets	(14.700)	350,000
Interest Payments	(14,728)	(632,148)
Principal Payments	(92,720)	(91,704)
Net Cash Flows from Capital and Related Financing Activities	<u>(197,341)</u> (304,789)	(181,361)
	(304,769)	(555,213)
Cash Flows from Investing Activities:	040	
Net Cash Flows from Investing Activities	213	85_
	213	85
Net Increase (Decrease) in Cash and Cash Equivalents	(10)	639
Cash and Cash Equivalents at Beginning of Year	97,738	97,099
Cash and Cash Equivalents at End of Year	97,728	97,738
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:		
Operating Income	225,613	226,393
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:		
Depreciation	135,871	134,706
Change in Operating Assets and Liabilities:		121,100
(Increase) Decrease in Accounts Receivable	(916)	1,912
(Increase) Decrease in Accrued Revenue	(10,046)	(3,823)
(Increase) Decrease in Material and Supplies	(35)	(1,248)
(Decrease) Increase in Accounts Payable Net Cash Flows from Operating Activities	12,051	350
Two Cash Flows from Operating Activities	362,538	358,290

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



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Castine Water Department's (the Department) financial statements include the operations for which the Board of Selectmen exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Reporting Entity

The Department is an enterprise fund within the Town of Castine and operates on revenues derived from water sales and fire protection charges regulated by the Maine Public Utilities Commission (MPUC). The financial statements of the Department include only assets, liabilities, net position, operations, and cash flows of the Department. In evaluating how to define the Department for financial reporting purposes, management has considered all potential component units. Based on the applicable criteria, there are no other entities within the Department that should be included as part of these financial statements. There are no fiduciary funds included in the Department.

Nature of Business

The Department supplies water and fire protection services in the Town of Castine. The Department's accounting policies conform to generally accepted accounting principles as applicable to the quasi-municipal units, which utilize the accrual basis of accounting and to the regulations of the MPUC. The major sources of revenue are metered water sales and fire protection charges. Revenue is recognized in the period when earned.

Regulation

As a regulated water utility, the Department is subject to regulation by the MPUC, which has jurisdiction with respect to rates, service, accounting procedures, acquisitions and other matters.

Use of Estimates

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

Restricted Resources

The Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

Maine Statutes authorize investments in obligations of the U.S. Treasury and U.S Agencies, repurchase agreements, corporate stocks and bonds within statutory limits, obligations of financial institutions and mutual funds. The Department has not formally adopted deposit and investment policies that limit the Department's allowable deposits or investments and address the specific types of risk to which the Department is exposed beyond Maine Statutes.

Cash, Cash Equivalents and Custodial Credit Risk

For purposes of these statements, the Department considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, all cash and cash equivalents are covered by Federal Deposit Insurance Corporation (FDIC) insurance or are covered in full by collateral held by Camden National Bank and Federal Reserve Pledges at December 31, 2017 and 2016. The amount covered by FDIC insurance and collateralized by Camden National Bank and Federal Reserve Pledges cannot be determined due to the funds of the Department being part of the Town of Castine. The Department does not have policies for bank balances not covered by depository insurance known as custodial credit risk.

Accounts Receivable

Accounts receivable are stated at net realizable value. No allowance for doubtful accounts has been recorded in the financial statements; uncollectible accounts are written off in the year in which they are deemed uncollectible. Generally accepted accounting principles require that the allowance method be used to recognize bad debts. The effect of using the direct write-off method has not been materially different from the results that would have been obtained under the allowance method.

Accrued Revenue

Accrued revenue represents revenue that was earned in the current fiscal year that was billed in the subsequent fiscal year. The revenue is recognized in the current fiscal year.

Inventories

Inventories of materials and supplies are stated at lower of cost or market using the first-in first-out method. Inventory used for capital projects is capitalized and depreciated. Inventory used for repairs is expensed in the period when the repairs occur.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant, Property and Equipment

Plant, property and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of donation. Depreciation has been provided on a basis considered adequate to amortize the cost of depreciable assets over their estimated useful lives on the straight-line method at rates from 1.3% to 20%. These rates conform to MPUC. Chapter 680. Annual rates in use are as follows:

Structures and Improvements	3.0%
Reservoirs, Intakes and Wells	1.3% - 2.0%
Pumping and Treatment Equipment	5.0% - 10.0%
Standpipes, Mains and Hydrants	1.3% - 2.0%
Services and Meters	3.0% - 7.7%
Transportation Equipment	20.0%
General Equipment	10.0%

Organization and land costs are not being depreciated because they have indefinite useful lives.

Capitalization Policy

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. The amounts charged to utility plant accounts represent all reasonable and necessary costs, including labor, materials, overhead, equipment charges and interest costs incurred. Routine maintenance and repairs are expended as incurred. The Department does not have a policy setting a minimum capitalization threshold for amount or lives for reporting capital assets.

Contributions in Aid of Construction

Contributions in aid of construction include direct non-refundable contributions and are reported as income in the year earned. Utility plant funded by contributions is not depreciated for rate making purposes. The net contributions in aid of construction included in total net position at December 31, 2017 and 2016 is \$69,250 and \$73,088, respectively.

Budget

The Department is not legally required to present budgetary comparison information as required supplementary information.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes

As a governmental entity, the Department is not subject to Federal and State income taxes. accordingly it is not necessary to consider the effects of any uncertain tax positions.

The Department is subject to Federal and State payroll taxes and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of December 31, 2017 and 2016. No examinations have been conducted by the Federal or State taxing authorities and no correspondence has been received from these authorities.

Measurement Focus, Basis of Accounting and Basis of Presentation

The Department follows GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASE and AICPA Pronouncements. This Statement provides specific guidance as to which FASB and AICPA pronouncement provisions should be applied to state and local governments. The Department prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. Proprietary funds are accounted for on the flow of economic resources measurement. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses arise from providing goods and services in connection with a proprietary fund's principal ongoing operations. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

NOTE 2 - NET POSITION

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following components: net investment in capital assets and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and adding back any unspent bond proceeds. The Department's net investment in capital assets was calculated as follows at December 31:

	2017	2016
Total Plant, Property and Equipment	4,677,947	4,799,090
Long-Term Debt, Including Current Portion	(2,949,632)	(3,146,973)
Total Net Investment in Capital Assets	1,728,315	1,652,117

Unrestricted consists of all other net position not included in the above category.



NOTE 3 - LONG-TERM DEBT

Bonds payable are as follows at December 31, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance
Bond payable to Maine Municipal Bond Bank, maturing in 2023. Interest rate of 1.42%.	87,381		11,733	75,648
Bond payable to Maine Municipal Bond Bank, maturing in 2026. Interest rate of 1.78%.	600,000		60,000	540,000
Bond payable to Maine Municipal Bond Bank, maturing in 2027. Interest rate of 0.00%.	360,203		25,581	334,622
Bond payable to Maine Municipal Bond Bank, maturing in 2030. Interest rates of 2.00% - 5.00%.	334,100		23,865	310,235
Bond payable to Maine Municipal Bond Bank, maturing in 2034. Interest rates of 0.43% - 3.79%.	459,275		20,586	438,689
Bond payable to Maine Municipal Bond Bank, maturing in 2036. Interest rates of 0.35% - 3.89%.	956,014		41,129	914,885
Bond payable to Maine Municipal Bond Bank, maturing in 2036. Interest rates of 0.91% - 3.50%.	350,000		14,447	335,553
Total Outstanding Debt	3,146,973		197,341	2,949,632
Less: Current Portion	197,341			199,277
Total Long-Term Debt	2,949,632			2,750,355



NOTE 3 - LONG-TERM DEBT (CONTINUED)

Bonds payable are as follows at December 31, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Bond payable to Maine Municipal Bond Bank, maturing in 2023. Interest rate of 1.42%.	98,876		11,495	87,381
Bond payable to Maine Municipal Bond Bank, maturing in 2026. Interest rate of 1.78%.	660,000		60,000	600,000
Bond payable to Maine Municipal Bond Bank, maturing in 2027. Interest rate of 0.00%.	384,800		24,597	360,203
Bond payable to Maine Municipal Bond Bank, maturing in 2030. Interest rates of 2.00% - 5.00%.	357,964		23,864	334,100
Bond payable to Maine Municipal Bond Bank, maturing in 2034. Interest rates of 0.43% - 3.79%.	479,694		20,419	459,275
Bond payable to Maine Municipal Bond Bank, maturing in 2036. Interest rates of 0.35% - 3.89%.	997,000		40,986	956,014
Bond payable to Maine Municipal Bond Bank, maturing in 2036. Interest rates of 0.91% - 3.50%.	-0-	350,000	-0-	350,000
Total Outstanding Debt	2,978,334	350,000	181,361	3,146,973
Less: Current Portion	181,361			197,341
Total Long-Term Debt	2,796,973			2,949,632

The Department has received credits from the Maine Municipal Bond Bank that are being recognized over the remaining lives of the respective bond issues. These credits will offset future interest expense.



NOTE 3 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of maturities per year on long-term debt:

	Principal	Interest	Credits	Total
2018	199,277	88,665	(1,664)	286,278
2019	201,371	80,959	(1,745)	280,585
2020	204,228	78,983	(2,737)	280,474
2021	207,359	73,834	(685)	280,508
2022	210,762	68,761	(699)	278,824
2023 – 2027	999,206	257,855	(9,924)	1,247,137
2028 – 2032	584,350	118,226	-0-	702,576
2033 – 2036	343,079	24,688	-0-	367,767
	2,949,632	791,971	(17,454)	3,724,149

NOTE 4 - INTEREST EXPENSE

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ending December 31, 2017 and 2016 was \$91,905 and \$92,429, respectively.

NOTE 5 - RETIREMENT PLAN

The Department offers fulltime employees the option to contribute to a 401(a) defined contribution retirement savings plan administered by International City Management Association Retirement Contribution. The Department will match an employee's contributions up to 6% of the employee's salary as approved by the Board of Selectmen. The Department's contribution is fully vested after three years of employment. Retirement expense was \$3,531 and \$4,196 for the years ending December 31, 2017 and 2016, respectively. Employee contributions totaled \$2,673 and \$4,055 during 2017 and 2016. respectively. The Board of Selectmen have authority over plan provisions, requirements and amendments.

NOTE 6 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Department participates in several public entity risk pools sponsored by Maine Municipal Association for the risks of losses to which it is exposed. There have been no significant reductions in the insurance coverage from the prior year. The Department is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2017 and 2016. Settlements have not exceeded insurance coverage for each of the past three years.



NOTE 7 - CONTINGENCIES

There are no pending legal proceedings to which the Department is a party that are material or are expected to have a material effect on the Department's financial position, results of operations or cash flows.

NOTE 8 - MAJOR CUSTOMERS

The Department derived 30% and 32% of its operating revenues from the Town of Castine related to the servicing of public fire hydrants for the years ended December 31, 2017 and 2016, respectively.

The Department derived 27% and 28% of its operating revenues from Maine Maritime Academy for the years ended December 31, 2017 and 2016, respectively.

NOTE 9 - UTILITY PLANT

Capital asset costs, additions and disposals are as follows for the year ended December 31, 2017:

	Beginning			Ending
	Balance	Additions	Disposals	Balance
Organization	1,848			1,848
Land and Land Rights	25,746			25,746
Structures and Improvements	1,707,073			1,707,073
Collecting Reservoirs	101,290			101,290
Lake, River and Other Intakes	2,897			2,897
Wells and Springs	230,344			230,344
Pumping Equipment	197,246			197,246
Water Treatment Equipment	351,914	7,031	5,000	353,945
Distribution Reservoirs	1,078,948			1,078,948
Mains	2,102,846			2,102,846
Services	220,064			220,064
Meters	71,137	6,501	4,000	73,638
Hydrants	155,559		• • •	155,559
Transportation Equipment	10,633			10,633
Miscellaneous Equipment	10,713	1,196	3,447	8,462
Gross Utility Plant	6,268,258	14,728	12,447	6,270,539
Less: Accumulated Depreciation	1,469,168	135,871	12,447	1,592,592
Net Utility Plant	4,799,090	(121,143)	-0-	4,677,947



NOTE 9 - UTILITY PLANT (CONTINUED)

Capital asset costs, additions and disposals are as follows for the year ended December 31, 2016:

Organization Land and Land Rights	Beginning Balance 1,848 25,746	Additions	Disposals	Ending Balance 1,848
Structures and Improvements	768,456	938,617		25,746 1,707,073
Collecting Reservoirs	101,290			101,290
Lake, River and Other Intakes	2,897			2,897
Wells and Springs	230,344			230,344
Pumping Equipment	197,246			197,246
Water Treatment Equipment	351,914			351,914
Distribution Reservoirs	1,078,948			1,078,948
Mains	1,393,006	783,840	74,000	2,102,846
Services	80,432	168,632	29,000	220,064
Meters	70,187	2,150	1,200	71,137
Hydrants	114,231	44,528	3,200	155,559
Transportation Equipment	10,633		-,	10,633
Miscellaneous Equipment	11,452	3,755	4,494	10,713
Construction Work In Progress	969,902	(969,902)		-0-
Gross Utility Plant	5,408,532	971,620	111,894	6,268,258
Less: Accumulated Depreciation	1,446,356	134,706	111,894	1,469,168
Net Utility Plant	3,962,176	836,914	-0-	4,799,090

NOTE 10 - COMMITMENTS

In 2016, the Town of Castine entered into a contract effective December 1, 2016 with Constellation NewEnergy to supply electricity to one of the Department's facilities at \$0.0653 per kilo-watt hour. The contract is effective through November 1, 2020.

In 2017, the Town of Castine entered into a contract effective November 30, 2017 with Constellation NewEnergy to supply electricity to three of the Department's facilities at \$0.0604 per kilo-watt hour. The contract is effective through November 28, 2021.

In 2017, the Town of Castine entered into an agreement effective July 1, 2017 with Olver Associates Inc. for operations services of the Water and Wastewater Departments. The Water Department's cost under the agreement is \$12,000 per month. The agreement is effective through July 1, 2019.



NOTE 11 - STATEMENT OF CASH FLOWS NON-CASH ITEMS

In 2016, the Department took ownership of capital assets totaling \$430,903 related to an infrastructure improvements project. The project payments were processed through the Town of Castine General Fund checking account.

NOTE 12 - SUBSEQUENT EVENTS

In preparing these financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through January 26, 2018, the date on which the financial statements were available to be issued.



CASTINE WATER DEPARTMENT OPERATION AND MAINTENANCE EXPENSES YEARS ENDED DECEMBER 31,

SCHEDULE 1

	2017	2016
Salaries and Wages	61,580	85,143
Pensions and Benefits	26,205	40,140
Purchased Power	8,920	9,125
Materials and Supplies:		
Pumping	7,189	9,586
Treatment	11,928	21,153
Distribution	8,709	8,698
Administration	4,494	4,675
Total Materials and Supplies	32,320	44,112
Contractual Services:		_
Accounting and Legal	5,125	9,924
Other	106,307	15,984
Total Contractual Services	111,432	25,908
Transportation	1,490	1,607
Insurance	5,265	5,154
All Other	5,406	5,828
Total Operation and Maintenance Expenses	252,618	217,017

See accompanying independent auditors' report.





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James W. Wadman, C.P.A. Ronald C. Bean, C.P.A. Kellie M. Bowden, C.P.A. Wanese L. Lynch, C.P.A. Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen Town of Castine Castine, ME 04421

Report on the Financial Statements

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

Management's Responsibility for the Financial Statement

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 did not audit the financial statements of the Town of Castine Water Department, which represents 59%, 68%, and 55%, respectively, of the assets, net position and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Castine Water Department, is based solely on the report of the other auditors. The financial statements of the Town of Castine Water Department are presented as of December 31, 2016 and for the year than ended. This represents the year end for the Town of Castine Water Department. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, each major fund, and the aggregate remaining fund information of the Town of Castine, Maine, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension disclosure schedules on pages 3 through 7 and 30 through 32 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Castine, Maine's financial statements as a whole. The supplementary information and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine Department of Education.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A. December 21, 2017

TOWN OF CASTINE, MAINE Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017.

Management of the Town of Castine, Maine provides this Management's Discussion and Analysis of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow. The financial statements herein include all of the activities of the Town of Castine, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34 and related subsequent statements.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position - The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2017 by \$13,410,909 (presented as "net position"). Of this amount, \$4,323,086 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet ongoing obligations to citizens and creditors.

Changes in Net Position - The Town's total net position increased by \$799,587 (a 6.1% increase) for the fiscal year ended June 30, 2017. Net position of governmental activities increased by \$628,413 (a 6.8% increase), while net assets of business-type activities showed an increase of \$151,174 (a 4.3% increase).

Fund Highlights:

Governmental Funds - Fund Balances - As of the close of the fiscal year ended June 30, 2017, the Town's governmental funds reported a combined ending fund balance of \$3,855,928, an increase of \$141,119 in comparison with the prior year. Of this total fund balance, \$2,448,493 represents general unassigned fund balance. This unassigned fund balance represents approximately 77% of the total general fund expenditures for the year.

Long-term Debt:

Long-term debt obligations showed a net decrease of \$363,316 during the current fiscal year. No new long-term debt obligations were issued. Existing long-term debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison and pension disclosures) and supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The government-wide financial statements can be found on pages 8-9 of this report.

<u>Fund Financial Statements</u>
The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the

government-wide financial statements because the resources of these funds are not available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach. The basic governmental fund financial statements can be found on pages 10-11 of this report. The basic proprietary fund financial statements can be found on pages 12-14 of this report. The Fiduciary fund financial statements can be found on pages 15-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 17-29 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). This section also includes the pension disclosure schedules. Required supplementary information can be found on pages 30-32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

64% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, sidewalks and other immovable assets), less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

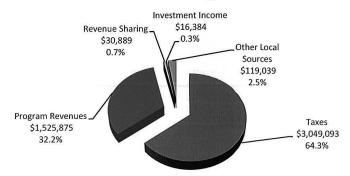
	Governmental Activities	Business-type Activities	Total 2017	Total 2016
Current Assets and Other	4,712,372	919,982	5,632,354	7,427,419
Capital Assets	10,572,022	8,549,184	19,121,206	18,306,585
Total Assets	15,284,395	9,469,166	24,753,561	25,734,004
Current Liabilities and Other	1,172,452	501,091	1,673,543	3,023,708
Other Liabilities	4,318,799	5,350,309	9,669,108	10,068,444
Total Liabilities	5,491,251	5,851,401	11,342,652	13,092,151
Net Position:				
Invested in Capital Assets	5,903,613	2,793,901	8,697,514	7,359,238
Restricted	390,309		390,309	277,104
Unrestricted	3,499,222	823,864	4,323,086	5,005,511
Total Net Position	9,793,144	3,617,765	13,410,909	12,641,853
Total Liabilities & Net Position	15,284,395	9,469,166	24,753,561	25,734,004

Changes in Net Position

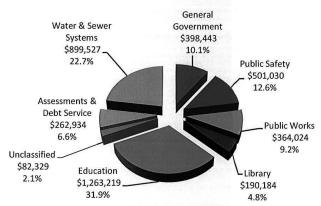
Approximately 64 percent of the Town's total revenue came from property and excise taxes, approximately 5 percent came from State subsidies and grants, and approximately 31 percent came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-type activity assets represents \$547,254 of the total expenses for the fiscal year.

	Governmental Activities	Business-like Activities	Total 2017	Total 2016
Revenues:				
Taxes	3,049,093		3,049,093	3,046,555
Program Revenues	475,538	1,050,336	1,525,874	1,533,434
Revenue Sharing	30,889		30,889	30,432
Investment Income	16,299	85	16,384	21,686
Other Local Sources	118,759	280	119,039	135,857
Total	3,690,578	1,050,701	4,741,279	4,767,964
Expenses:				
General Government	398,443		398,443	399,888
Public Safety	501,030		501,030	516,707
Public Works	364,024		364,024	365,575
Library	190,184		190,184	181,834
Education	1,263,219		1,263,219	1,385,217
Unclassified	82,329		82,329	76,786
Assessments & Debt Service	262,934		262,934	269,363
Water & Sewer Systems		899,527	899,527	823,975
Total	3,062,165	899,527	3,961,692	4,019,345
Changes in Net Position	628,413	151,174	779,587	748,619

Revenues by Source - Governmental and **Business-Type**



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$3,855,928, an increase of \$141,119 in comparison with the prior year. Approximately 63 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

Variances between actual General Fund operations and the final amended budget included the following:

- \$21,336 positive variance in revenues. Excise tax collections exceeded budget by \$13,632.
- \$295,716 positive variance in expenditures. Overlay on taxes was \$97,914. Administrative accounts operated \$27,633 below budget. Public Safety accounts operated \$68,636 below budget. The School Department operated \$106,316 below budget.

CAPITAL ASSET ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities amounts to \$24,168,005, net of accumulated depreciation of \$5,046,800 leaving a net book value of \$19,121,205. Current year additions include \$54,301 in building improvements, \$37,665 in equipment expenditures and \$1,135,421 in infrastructure improvements. There were \$111,894 in retirements. Significant capital expenditures were concluded this year related to the Town's downtown infrastructure project. Long-term debt obligations were issued for this project during prior years for the completion of this project.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Castine, 67 Court Street, P.O. Box 204, Castine, ME

TOWN OF CASTINE, MAINE STATEMENT OF NET POSITION

(Exhibit I)

JUNE 30, 2017			
	Governmental	Business-Type	
Assets & Deferred Outflows	Activities	Activities	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$142,346	\$97,738	\$240,084
Investments	\$4,470,625		\$4,470,625
Accounts Receivable, net of Allowance for Uncollectible Accounts	\$38,670	\$240,216	\$278,886
Prepaid Expenses	\$735	\$21,226	\$21,961
Taxes and Tax Liens Receivable	\$40,889		\$40,889
Due from Other Funds	\$727	\$560,802	\$561,529
Capital Assets:			
Land	\$514,637	\$85,354	\$599,991
Other Capital Assets, net of Accumulated Depreciation	\$10,057,385	\$8,463,830	\$18,521,214
Total Assets	\$15,266,015	\$9,469,166	\$24,735,181
Deferred Outflows of Resources			
Related to Pensions	\$18,380		\$18,380
Total Deferred Outflows of Resources	\$18,380	\$0	\$18,380
Total Assets & Deferred Outflows	\$15,284,395	\$9,469,166	\$24,753,561
Liabilities, Deferred Inflows and Net Position			
Liabilities:			
Current Liabilities:			
Accrued Expenses	\$93,952	\$34,438	\$128,390
Accounts Payable	\$151,312	\$2,981	\$154,293
Due to Other Funds	\$561,145	\$58,698	\$619,844
Long-Term Liabilities:	8 00.00	at an extense of	8000000 2 00 0 0
Net Pension Liability	\$3,816		\$3,816
General Obligation Bonds Payable:			152555
Due within one year	\$349,610	\$404,974	\$754,584
Due in more than one year	\$4,318,799	\$5,350,309	\$9,669,108
Total Liabilities	\$5,478,634	\$5,851,401	\$11,330,035
Deferred Inflows of Resources:			
Related to Pensions	\$8,107		\$8,107
Property Taxes Collected in Advance	\$4,510		\$4,510
Total Deferred Inflows of Resources	\$12,617	\$0	\$12,617
Net Position			
Net Investment in Capital Assets	\$5,903,613	\$2,793,901	\$8,697,513
Restricted	\$390,309	\$2,793,901	\$390,309
Unrestricted	\$3,499,222	\$823,864	\$4,323,086
Ontobilowa		Ψ023,004	Ψτ,υ2υ,000
<u>Total Net Position</u>	\$9,793,144	\$3,617,765	\$13,410,909
Total Liabilities, Deferred Inflows & Net Position	\$15,284,395	\$9,469,166	\$24,753,561

TOWN OF CASTINE, MAINE

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit II)

		Program .	Revenues	Net (Expense) Re	venue and Chang	es in Net Position
Functions/Programs		Charges for	Operating	Governmental	Business-like	
Primary Government	Expenses	Services	Grants	Activities	Activities	Total
Governmental Activities						
General Government	\$398,443	\$48,765		(\$349,678)		(\$349,678)
Public Safety	\$501,030	\$197,427		(\$303,603)		(\$303,603)
Public Works	\$364,024		\$12,464	(\$351,560)		(\$351,560)
Library	\$190,184		\$82,395	(\$107,789)		(\$107,789)
Education	\$1,263,219	\$36,769	\$97,692	(\$1,128,758)		(\$1,128,758)
Unclassified	\$82,329		\$26	(\$82,303)		(\$82,303)
Assessments & Debt Service	\$262,934			(\$262,934)		(\$262,934)
Total Governmental Activities	\$3,062,165	\$282,961	\$192,577	(\$2,586,626)	\$0	(\$2,586,626)
Business-type Activities						
Water Department	\$447,000	\$580,964			\$133,964	\$133,964
Sewer Department	\$452,527	\$469,372			\$16,845	\$16,845
Total Business-type Activities	\$899,527	\$1,050,336	\$0	\$0	\$150,809	\$150,809
Total Primary Government	\$3,961,692	\$1,333,298	\$192,577	(\$2,586,626)	\$150,809	(\$2,435,817)
General Revenues;						
Property Tax Revenues				\$2,900,461		\$2,900,461
Excise Taxes				\$148,632		\$148,632
State Revenue Sharing				\$30,889		\$30,889
Investment Earnings				\$16,299	\$85	\$16,384
Other State Reimbursements				\$24,729		\$24,729
Operating Transfers				\$1,700		\$1,700
Other Revenues				\$92,330	\$280	\$92,610
Total Revenues, Special Items	and Transfers			\$3,215,039	\$365	\$3,215,404
Changes in Net Position				\$628,413	\$151,174	\$779,587
Net Position - Beginning				\$9,164,731	\$3,466,590	\$12,631,321
Net Position - Ending				\$9,793,144	\$3,617,765	\$13,410,909

TOWN OF CASTINE, MAINE BALANCE SHEET - GOVERNMENTAL FUNDS

(Exhibit III)

JUNE 30, 2017			
JOINE 30, 2017		Capital	Total
	General	Projects	Governmental
Assets	Fund	Fund	Funds
Cash and Cash Equivalents	\$142,346		\$142,346
Investments	\$4,470,625		\$4,470,625
Accounts Receivable, net	\$38,670		\$38,670
Prepaid Expenses	\$735		\$735
Taxes and Tax Liens Receivable	\$40,889		\$40,889
Due from Fiduciary Funds	\$727		\$727
Due from Other Funds		\$1,007,299	\$1,007,299
Total Assets	\$4,693,993	\$1,007,299	\$5,701,292
Liabilities, Deferred Inflows & Fund Balances			
Liabilities;			
Accrued Expenses	\$93,952		\$93,952
Accounts Payable	\$151,312		\$151,312
Due to Other Funds	\$1,007,299		\$1,007,299
Due to Proprietary Funds	\$561,145		\$561,145
<u>Total Liabilities</u>	\$1,813,708	\$0_	\$1,813,708
Deferred Inflows of Resources:			
Property Taxes Collected in Advance	\$4,510		\$4,510
Unavailable Tax Revenue	\$27,147		\$27,147
Total Deferred Inflows of Resources	\$31,656	\$0	\$31,656
Fund Balances;			
Restricted	\$390,309		\$390,309
Committed	\$0	\$1,007,299	\$1,007,299
Assigned	\$9,827		\$9,827
Unassigned	\$2,448,493		\$2,448,493
Total Fund Balances	\$2,848,629	\$1,007,299	\$3,855,928
Total Liabilities, Deferred Inflows & Fund Balances	\$4,693,993	\$1,007,299	\$5,701,292
Total Fund Balance - Governmental Funds		Y1	\$3,855,928
Net position reported for governmental activities in the state	ment of net position is all	ereni because:	
Capital assets used in governmental activities are not financial	at resources and meretore	are not reported	610 572 022
in the funds			\$10,572,022
Deferred Inflows and Outflows related to Pension Plans		J J 41 C	\$10,273
Some liabilities, including bonds payable, are not due and pa	yable in the current period	a and therefore,	(64 669 400)
are not reported in the funds. This amount represents long	term debt outstanding		(\$4,668,409)
This amount represents net pension liability	and take landed in the account	umant wida	(\$3,816)
Delinquent taxes are recognized as revenue in the period for	which levied in the gover	nment-wide	007 117
		wernmental funds	\$27,147
financial statements, but are reported as unavailable revenu Net Position of Governmental Activities	e (a deferred finiow) in go	verimientai tanas	\$9,793,144

TOWN OF CASTINE, MAINE

(Exhibit IV)

Total

Capital

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	0 1	Capuai	Community 1
	General	Projects Fund	Governmental Funds
Revenues;	Fund	runa	
Property Tax Revenues	\$2,890,343		\$2,890,343
State Road Assistance	\$12,464		\$12,464
Excise Taxes	\$148,632		\$148,632
State Revenue Sharing	\$30,889		\$30,889
Maine Maritime Academy Support	\$131,699		\$131,699
Investment Earnings	\$16,299		\$16,299
Other State Reimbursements	\$24,729		\$24,729
Municipal Fees, Licenses and Permits	\$114,493		\$114,493
Interest on Taxes	\$8,046		\$8,046
Rental Income	\$18,542		\$18,542
Other Revenues	\$8,316	\$57,425	\$65,741
<u>Total Revenues</u>	\$3,404,452	\$57,425	\$3,461,877
Expenditures (Net of Departmental Revenues);			
Current:			
General Government	\$355,745	\$35,914	\$391,659
Public Safety	\$473,975	\$27,112	\$501,087
Public Works	\$224,118	\$262,125	\$486,243
Library	\$163,960	\$5,526	\$169,487
Education	\$1,164,119	***************************************	\$1,164,119
Unclassified	\$44,425	\$37,879	\$82,303
Assessments & Debt Service	\$609,956		\$609,956
Total Expenditures	\$3,036,298	\$368,556	\$3,404,854
E. C. P. P. C. P. C. P. P. P. C. P.	\$368,155	(\$311,131)	\$57,024
Excess of Revenues over Expenditures	\$300,133	(\$311,131)	\$37,024
Other Financing Sources (Uses);	PO4 005	¢120 116	¢214 211
Operating Transfers In	\$84,095	\$130,116	\$214,211
Operating Transfers Out	(\$130,116)		(\$130,116)
Net Change in Fund Balances	\$322,133	(\$181,014)	\$141,119
Beginning Fund Balances	\$2,526,495	\$1,188,313	\$3,714,809
Ending Fund Balances	\$2,848,629	\$1,007,299	\$3,855,928
Reconciliation to Statement of Activities, change in Net Position:			
Net Change in Fund Balances - Above			\$141,119
Pension Plans (Deferred Outflows, Net Pension Liability, Deferr	ed Inflows)		(\$838)
Delinquent taxes are recognized as revenue in the period for whi		ent-wide	(4030)
financial statements, but are recorded as unavailable revenue (a	deferred inflow) in gover	rnmental funde	\$10,118
Bond Proceeds are not treated as Revenue in the Government-W	ide financial statements I	ond	Φ10,110
repayments are not treated as Expenditures in the Government-	Wide financial statements	Joha	\$363,316
repayments are not treated as Expenditures in the Government-	wide illiancial statements) 4: 4	\$303,310
Governmental funds report capital outlays as expenditures, while	e in the statement of activi	mes, me	6114 (00
cost of those assets is allocated over the estimated useful lives a	as depreciation expense.		\$114,698
Changes in Net Position of Governmental Activities			\$628,413
Changes in the Losmon of Governmental Activities			5020,115

TOWN OF CASTINE, MAINE STATEMENT OF NET POSITION - PROPRIETARY FUNDS JUNE 30, 2017

(Exhibit V)

JUNE 30, 2017	Water	Sewer	
	Water Department	Department	Totals
Assets	Бериниен	Department	101415
Current Assets;			
Cash and Cash Equivalents	\$97,738		\$97,738
Accounts Receivable - net	\$146,332	\$93,884	\$240,216
Prepaid Expenses	\$21,226		\$21,226
Due from Other Funds	\$560,802		\$560,802
Total Current Assets	\$826,098	\$93,884	\$919,982
Noncurrent Assets:			
Capital Assets;	44.040.070	05.000.455	#11 050 500
Depreciable Assets	\$6,268,258	\$5,082,475	\$11,350,733
Accumulated Depreciation	(\$1,469,168)	(\$1,332,381)	(\$2,801,549)
Total Noncurrent Assets	\$4,799,090	\$3,750,094	\$8,549,184
Total Assets	\$5,625,188	\$3,843,978	\$9,469,166
<u>Liabilities</u>			
Current Liabilities;			
Accounts Payable	\$2,981	016 600	\$2,981
Accrued Expenses	\$17,835	\$16,603	\$34,438
Due to Other Funds	\$197,341	\$58,698 \$207,633	\$58,698 \$404,974
Current Portion of Long-Term Debt	\$157,341	\$207,033	\$404,974
Total Current Liabilities	\$218,157	\$282,935	\$501,092
Long-Term Liabilities;			
Bonds Payable	\$3,146,973	\$2,608,310	\$5,755,283
Less Current Portion	(\$197,341)	(\$207,633)	(\$404,974)
Net Long-Term Liabilities	\$2,949,632	\$2,400,677	\$5,350,309
Total Liabilities	\$3,167,789	\$2,683,612	\$5,851,401
Net Position			
Net Position	61 (52 117	¢1 141 704	en 702 001
Net Investment in Capital Assets	\$1,652,117 \$0	\$1,141,784 \$0	\$2,793,901 \$0
Restricted	\$805,282	\$18,582	\$823,864
Unrestricted	φουσ,202	φ10,502	φο23,004
Total Net Position	\$2,457,399	\$1,160,366	\$3,617,765
Total Liabilities and Net Position	\$5,625,188	\$3,843,978	\$9,469,166

TOWN OF CASTINE, MAINE			(Exhibit VI)
STATEMENT OF REVENUES, EXPENSES AND CHANGES			
IN NET POSITION - PROPRIETARY FUNDS			
FOR THE FISCAL YEAR ENDED JUNE 30, 2017			
	Water	Sewer	
	Department	Department	Totals
Operating Revenues;			F man an experience
Charges for Services	\$580,964	\$469,372	\$1,050,336
Total Operating Revenues	\$580,964	\$469,372	\$1,050,336
Operating Expenses;			
Operation and Maintenance	\$217,017	\$236,982	\$453,999
Depreciation	\$134,706	\$136,774	\$271,480
Assessments	\$2,848		\$2,848
Total Operating Expenses	\$354,571	\$373,756	\$728,327
Operating Profit (Loss)	\$226,393	\$95,617	\$322,010
Other Revenues			
Interest Earned	\$85		\$85
Jobbing Income	\$280		\$280
Interest Expense	(\$92,429)	(\$78,771)	(\$171,200)
Amortization of Bond Issuance Costs	\$0	-	\$0
Change in Net Position	\$134,329	\$16,845	\$151,174
Net Position - Beginning	\$2,323,070	\$1,143,520	\$3,466,590
Net Position - Ending	\$2,457,399	\$1,160,366	\$3,617,765

TOWN OF CASTINE, MAINE STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

(Exhibit VII)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017			
	Water	Sewer	
	Department	Department	Totals
Cash Flows from Operating Activities;			
Received from Customers	\$579,053	\$490,596	\$1,069,649
Payments to Suppliers	(\$95,480)	(\$101,758)	(\$197,238)
Payments to Employees	(\$125,283)	(\$135,224)	(\$260,507)
(Increase)/Decrease in Due From Other Funds	\$197,197	\$58,649	\$255,846
Cash Flows from Operations	\$555,487	\$312,264	\$867,751
Cash Flows from Investing Activities:			
Capital Expenditures	(\$632,148)		(\$632,148)
Interest Earned	\$85	\$0	\$85
Cash Flows from Investing	(\$632,063)	\$0	(\$632,063)
Cash Flows from Financing Activities:			
Other Income	\$280		\$280
Bond Proceeds	\$350,000		\$350,000
Interest on Bonds Payable	(\$91,704)	(\$74,717)	(\$166,421)
Principal on Bonds Payable	(\$181,361)	(\$237,547)	(\$418,908)
Cash Flows from Financing	\$77,215	(\$312,264)	(\$235,049)
Net Cash Flows	\$639	\$0	\$639
Beginning Cash Balance	\$97,099	\$0	\$97,099
Ending Cash Balance	\$97,738	\$0	\$97,738
Reconciliation of Operating Income (Loss) to Net Cash from Operating	ting Activities;	005 515	0000.010
Operating Income (Loss)	\$226,393	\$95,617	\$322,010
Adjustment to Reconcile Operating Income to Net Cash Provided			0071 400
Depreciation	\$134,706	\$136,774	\$271,480
Changes in Assets and Liabilities;	(01.011)	001.004	010.010
Receivables, net	(\$1,911)	\$21,224	\$19,313
Prepaid Expenses	(\$1,248)		(\$1,248)
Accounts Payable	\$350	0.50 540	\$350
Due From Other Funds	\$197,197	\$58,649	\$255,846
Cash Flows from Operations	\$555,487	\$312,264	\$867,751

TOWN OF CASTINE, MAINE STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2017			(Exhibit VIII)
JUNE 30, 2017	Witherle		
	Memorial	Trust	
	Library	Funds	Total
Assets			
Cash & Cash Equivalents		\$147,037	\$147,037
Investments	\$5,843,682		\$5,843,682
Due from General Fund		\$5,171	\$5,171
<u>Total Assets</u>	\$5,843,682	\$152,208	\$5,995,890
Liabilities			
Due to Other Funds	\$5,898		\$5,898
Total Liabilities	\$5,898	\$0	\$5,898
Net Position		- 100 - 100	
Restricted - Witherle Library	\$5,837,784		\$5,837,784
Restricted - Trust Principal		\$30,125	\$30,125
Restricted - Trust Expendable	-	\$122,083	\$122,083
Total Net Position	\$5,837,784	\$152,208	\$5,989,992

\$5,843,682

\$152,208

\$5,995,890

The Notes to the Financial Statements are an Integral Part of this Statement.

Total Liabilities & Net Position

TOWN OF CASTINE, MAINE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit IX)

	Witherle Memorial Library	Trust Funds	Total
<u>Additions</u>	******	\$1.10	0141.065
Investment Earnings	\$141,226	\$140	\$141,365
Rental Income		\$9,780	\$9,780
Other Additions		\$5,359	\$5,359
Total Additions	\$141,226	\$15,278	\$156,504
p. I. d			
Reductions Maintenance		\$15,599	\$15,599
Fiduciary Fees / Bank Fees	\$33,657		\$33,657
<u>Total Reductions</u>	\$33,657	\$15,599	\$49,257
Other Financing Sources (Uses);			
Operating Transfers In		\$1,000	\$1,000
Operating Transfers Out	(\$86,099)	(\$1,700)	(\$87,799)
Unrealized Gains (Losses) from Investments	\$228,097		\$228,097
Total Other Financing Sources (Uses)	\$141,998	(\$700)	\$141,298
Excess of Additions and other Financing Sources over	22/02/24	/#1 ##1V	
Reductions and other Financing Uses	\$249,566	(\$1,021)	\$248,545
Beginning Net Position	\$5,588,218	\$153,229	\$5,741,447
Ending Net Position	\$5,837,784	\$152,208	\$5,989,992

TOWN OF CASTINE, MAINE NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Castine, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Castine, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14 (as amended), The Financial Reporting Entity. The Town is governed under a Selectmen form of government. The Town engages in a comprehensive range of municipal services including administrative services, public safety and fire protection, health and sanitation, transportation and education. In addition, the Town exercises sufficient control over other governmental units that are included as part of the Town's reporting entity. The Town of Castine Water and Sewer Departments are separate departments of the Town of Castine, Maine. The Department are included in the basic financial statements in the enterprise fund. The financial statements include all operations of the Town. The financial statements of the Water Department are presented as of December 31, 2016. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and statement of activities) report information on all of the activities of the Town. Fiduciary activities, whose resources are not available to finance the Town's programs are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The 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. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. 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 instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the respective fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the total economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when transactions occur and expenses and deductions 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 (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports unearned revenue on its governmental fund financial statements. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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 accounts for the resources obtained and expended for the acquisition or construction of major capital facilities and projects (other than those financed by the proprietary fund.

The Town reports the following major enterprise funds:

The Sewer fund accounts for the activities of the Sewer Department. The Town operates the Sewer Department facility and related administrative costs. Similarly, the Water fund accounts for the activities of the Water Department, reported on a calendar year.

In the Statement of Activities, amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, 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 enterprise funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Fund Balance

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition. These investments are not specifically identified with any one fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Investments are carried at fair value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

Accounts Receivable and Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), 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 fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Infrastructure	15-50
Sewer Lines	100
Equipment	5-20

Defined Benefit Pension Plan

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 (MPERS) and additions to / deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

Compensated Absences

Employees are granted vacation leave in varying amounts based on length of service. All vacation time is required to be taken in a timely fashion or it is forfeited. Accordingly, no liability is recorded on the financial statements.

Accumulated Unpaid Vacation and Sick Leave

Employees are granted vacation and sick leave in varying amounts based on length of service. The value of accumulated vacation and sick leave at June 30 is recorded as a liability on the financial statements.

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 financial statements. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Net Position

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$390,309 of restricted net position of which enabling legislation restricts \$0.

Unrestricted - This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Balances

The Town has identified June 30, 2017 fund balances on the balance sheet as follows:

	General	Capital Projects	Trust	Tetal
	Fund	Fund	Funds	Total
<u>Nonspendable</u>			***	
Cemetery Fund			\$13,152	\$13,152
Robert Gray Fund			\$3,000	\$3,000
Arthur Hawes Fund			\$2,050	\$2,050
Ministerial School Fund			\$1,035	\$1,035
Lighthouse Fund			\$492	\$492
Witherle Clock Fund			\$1,000	\$1,000
Samuel Adams Fuel			\$9,396	\$9,396
Restricted				
Witherle Library Trust			\$5,837,784	\$5,837,784
Revenue Sharing	\$13,321			\$13,321
Education	\$376,988			\$376,988
<u>Committed</u>				
Capital Projects Fund		\$1,007,299		\$1,007,299
<u>Assigned</u>				
Revaluation	\$6,827			\$6,827
Tax Anticipation Note Interest	\$3,000		140	\$3,000
Unassigned	\$2,448,493		\$122,083	\$2,570,575
Total Fund Balances	\$2,848,629	\$1,007,299	\$5,989,992	\$9,845,920

In accordance with GASB Statement 54, the Town classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted nor Committed.

Unassigned - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The Town considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Endowments

In the fiduciary funds, there are established endowment funds for the cemetery perpetual care. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established.

G. Estimates

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

Note 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institutions holding the Town's cash accounts are participating in the Federal Deposit Insurance Corporation (FDIC) program. For interest and non-interest bearing cash accounts, the Town's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. For deposits exceeding the \$250,000 FDIC limits, the Town's financial institution provides collateral protection.

At year end, the carrying value of the Town's deposits was \$396,280 and the bank balance was \$491,622. Of the bank balance, the entire amount was insured or collateralized as of June 30, 2017.

Investments

At year end, the Town's Governmental Fund and Trust Fund investment balances were as follows:

	Fair Market		Maturities (yrs)	
	Value	Less than 1 yr	1-5 yrs	Long-term
Governmental Funds:				
Money Market Mutual Funds	\$4,470,625	\$4,470,625		\$0
Trust Funds:				
Cash & Equivalents	\$317,196	\$317,196		\$0
Mutual Funds	\$180,378	\$180,378		\$0
Government Agencies	\$750,729	\$0	\$449,743	\$300,986
Corporate Bonds	\$805,061	\$100,069	\$704,992	\$0
Equities	\$3,790,319	\$3,790,319		\$0
	\$10,314,308	\$8,858,587	\$1,154,735	\$300,986

General fund investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town governmental activities may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements. Investments of the Witherle Memorial Library Trust Fund are held and managed by Acadia Trust, N.A.

Custodial credit risk - for an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment securities that are in the possession of an outside party. As a means of limiting its exposure to custodial credit risk, the Town requires that, at the time funds are invested, collateral for repurchase agreements be held in the Town's name by a custodial agent for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term repurchase obligations and short-term investments held by a local banking institution.

Credit risk - credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/investments in insured commercial banks, insured credit union and direct debt securities of the United States Government unless such an investment is expressly prohibited by law.

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2016 and committed on July 18, 2016. Interest of 7% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$27,147 of the property taxes receivable have been classified as unavailable tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

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

	Beginning	-	D	Ending Balance
	Balance	Increases	Decreases	Вагапсе
Governmental Activities;				
Capital assets not being depreciated Land	\$514,637			\$514,637
Capital assets being depreciated	\$314,037			\$314,037
Buildings	\$3,295,629	\$54,301		\$3,349,930
Equipment and Vehicles	\$1,127,837	\$37,665		\$1,165,502
Infrastructure	\$7,488,697	\$298,507		\$7,787,204
Total capital assets	Ψ1,400,051	Ψ230,307		41,101,201
being depreciated	\$11,912,163	\$390,472	\$0	\$12,302,635
Less accumulated depreciation for				
Buildings	\$579,299	\$72,893		\$652,192
Equipment and Vehicles	\$824,970	\$45,430		\$870,400
Infrastructure	\$565,207	\$157,451		\$722,658
Total accumulated				4
depreciation	\$1,969,476	\$275,774	\$0	\$2,245,250
Net capital assets	11 212 312	444.500	40	A10 055 005
being depreciated	\$9,942,687	\$114,698	\$0	\$10,057,385
Governmental Activities	010 457 224	£114 CO0	60	¢10 572 022
Capital Assets, net	\$10,457,324	\$114,698	\$0	\$10,572,022
Business-type Activities;				
Wastewater Department:				
Capital assets not being depreciated				
Land	\$59,608			\$59,608
Capital assets being depreciated	\$55,000			Ψ32,000
Buildings	\$277,152			\$277,152
Equipment and Vehicles	\$299,098			\$299,098
Infrastructure	\$4,446,617			\$4,446,617
Total capital assets	4.31.103021			
being depreciated	\$5,022,867	\$0	\$0	\$5,022,867
Less accumulated depreciation for				
Buildings	\$223,067	\$5,543		\$228,610
Equipment and Vehicles	\$187,069	\$15,831		\$202,900
Infrastructure	\$785,471	\$115,400		\$900,872
Total accumulated	***************************************			
depreciation	\$1,195,607	\$136,774	\$0	\$1,332,381
Net capital assets				
being depreciated	\$3,827,260	(\$136,774)	\$0	\$3,690,486
Business-type Activities	#2 pgc gc2	(0127.774)	00	P2 750 004
Capital Assets, net	\$3,886,868	(\$136,774)	\$0	\$3,750,094

Water Department	Beginning Balance	Increases	Decreases	Ending Balance
Water Department:	Datance	Thereuses		
<u>Capital assets not being depreciated</u> Land	\$25,746			\$25,746
Capital assets being depreciated				
Buildings, Equipment and Infrastructure	\$5,382,786	\$971,620	\$111,894	\$6,242,512
Total capital assets	-			
being depreciated	\$5,382,786	\$971,620	\$111,894	\$6,242,512
Less accumulated depreciation for				
Buildings, Equipment and Infrastructure	\$1,446,356	\$134,706	\$111,894	\$1,469,168
Total accumulated		24	2	
depreciation	\$1,446,356	\$134,706	\$111,894	\$1,469,168
Net capital assets				
being depreciated	\$3,936,430	\$836,914	\$0	\$4,773,344
Business-type Activities		5500 0 0 0 0 0		
Capital Assets, net	\$3,962,176	\$836,914	\$0	\$4,799,090
Depreciation expense was charged to functions Governmental Activities:	/programs of the prima	ry government as follo	ows;	
General Government				\$40,106
Public Safety				\$27,055
Public Works, including depreciation of ger	eral infrastructure asse	ets		\$176,288
Library				\$20,698
Education			-	\$11,626
Total Depreciation Expense - Governmental	Activities			\$275,774

Note 5 - Long-Term Debt

The following is a summary of Long-Term Debt transactions for the Town of Castine for the fiscal year ended June 30, 2017:

	Beginning Balance	Additions (Retirements)	Ending Balance	Amounts Due Within One Year
Governmental Activities:	WING BOX SHADON			***
Emerson Hall	\$361,250	(\$21,250)	\$340,000	\$21,250
Infrastructure	\$4,654,182	(\$325,773)	\$4,328,409	\$328,360
School Bus Capital Lease	\$16,293	(\$16,293)	\$0_	\$0
Total Governmental Activities	\$5,031,725	(\$363,316)	\$4,668,409	\$349,610
Business-Type Activities:				
Wastewater	\$30,000	(\$30,000)	\$0	\$0
Wastewater	\$2,100,000	(\$175,000)	\$1,925,000	\$175,000
Wastewater	\$122,039	(\$8,136)	\$113,903	\$8,136
Wastewater	\$593,818	(\$24,411)	\$569,407	\$24,497
	\$2,845,857	(\$237,547)	\$2,608,310	\$207,633

Business-Type Activities:	Beginning Balance	Additions (Retirements)	Ending Balance	Amounts Due Within One Year
Water	\$384,800	(\$24,597)	\$360,203	\$25,581
	\$600,000	(\$60,000)	\$540,000	\$60,000
Water	10-11-12-12-12-12-12-12-12-12-12-12-12-12-	, , , , , , , , , , , , , , , , , , , ,	1010/1000000000000000000000000000000000	521 2040 10 4040 1011
Water	\$87,381	(\$11,732)	\$75,648	\$11,974
Water	\$357,961	(\$23,864)	\$334,097	\$23,864
Water	\$479,694	(\$20,418)	\$459,275	\$20,587
Water	\$997,000	(\$40,986)	\$956,014	\$41,129
Water	\$350,000	. \$0_	\$350,000	\$14,448
	\$3,256,835	(\$181,598)	\$3,075,237	\$197,583
Total Business-Type Activities	\$6,102,692	(\$419,145)	\$5,683,547	\$405,215
Total Debt	\$11,134,417	(\$782,461)	\$10,351,957	\$754,826

Governmental Activities:

In 2012 the Town issued bonds for the Emerson Hall municipal building with the Maine Municipal Bond Bank. The bonds were issued for \$425,000 with annual principal payments payable of \$21,250. Interest is payable semi-annually at a rate of 2.086% - 3.706%. The balance at June 30, 2017 was \$340,000.

In 2015 the Town issued bonds for infrastructure improvements with the Maine Municipal Bond Bank. The bonds were issued for \$4,654,182 with annual principal and interest payments payable of \$546,259 through 2027. Payments are reduced to \$158,445 beginning in 2028. Interest is payable semi-annually at a rate of .35% - 3.89%. The balance at June 30, 2017 was \$4,328,409.

In 2012 the Town entered into a capital lease for the purchase of a school bus with Gorham Leasing Group. The lease was issued for \$79,170 with annual principal and interest payments payable of \$16,780. Interest is payable annually at a rate of 2.989%. The balance at June 30, 2017 was \$0 as the lease was paid in full.

Business-Type Activities:

In 1996 the Town issued bonds for Wastewater Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$600,000 with annual principal payments payable of \$30,000. Interest is payable semi-annually at a rate of 3.40%. The balance at June 30, 2017 was \$0 as the bonds were paid in full.

In 2007 the Town issued bonds for Wastewater Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$3,500,000 with annual principal payments payable of \$175,000. Interest is payable semi-annually at a rate of 1.858%. The balance at June 30, 2017 was \$1,925,000.

In 2010 the Town issued bonds for infrastructure improvements with the Maine Municipal Bond Bank. The bonds were issued for \$2,000,000 with annual principal payments payable of \$51,478 through 2016. Payments are reduced to \$32,000 in 2017. Interest is payable semi-annually at a rate of 2.124% - 5.124%. The business-type activities balance at June 30, 2017 was \$448,000.

In 2002 the Town issued bonds for Water Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$220,000 with annual principal payments payable of \$9,001 through \$13,259 ending in the year 2023. Interest is payable semi-annually at a rate of 1.42%. The balance at June 30, 2017 was \$75,648.

In 2006 the Town issued bonds for Water Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$1,200,000 with annual principal payments payable of \$60,000. Interest is payable semi-annually at a rate of 1.78%. The balance at June 30,2017 was \$540,000.

In 2007 the Town issued bonds for Water Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$550,000 with annual principal payments payable of \$17,567 through \$41,272 ending in the year 2028. Interest is payable semi-annually at a rate of 2.0% - 6.0%. The balance at June 30, 2017 was \$360,203.

In 2014 the Town issued bonds for Water Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$500,000 with annual principal payments payable of \$20,306 through \$33,278 ending in the year 2034. Interest is payable semi-annually at a rate of .430% - 3.786%. The balance at June 30, 2017 was \$459,275.

In 2015 the Town issued bonds for infrastructure improvements with the Maine Municipal Bond Bank. The bonds were issued for \$1,590,818 with annual principal and interest payments payable of \$546,259 through 2027. Payments are reduced to \$158,445 beginning in 2028. Interest is payable semi-annually at a rate of .35% - 3.89%. The balance at June 30, 2017 was \$1,525,421.

In 2016 the Town issued bonds for Water Department improvements with the Maine Municipal Bond Bank. The bonds were issued for \$350,000 with annual principal payments payable of \$14,448 through \$22,627 ending in the year 2037. Interest is payable semi-annually at a rate of .91% - 3.5%. The balance at June 30, 2017 was \$350,000.

The following is a summary of debt service requirements along with estimated interest:

Year	Principal	Interest	Total	
2018	\$754,826	\$259,167	\$1,013,993	
2019	\$761,395	\$245,869	\$1,007,264	
2020	\$769,665	\$231,263	\$1,000,928	
2021	\$779,092	\$215,443	\$994,535	
2022	\$789,602	\$198,568	\$988,170	
2023	\$801,374	\$181,093	\$982,467	
2024	\$800,627	\$162,286	\$962,913	
2025	\$814,183	\$141,681	\$955,864	
2026	\$828,858	\$121,680	\$950,538	
2027	\$784,507	\$98,137	\$882,644	
2028	\$802,228	\$74,392	\$876,620	
2029	\$215,671	\$58,317	\$273,987	
2030	\$221,259	\$50,305	\$271,564	
2031	\$227,094	\$41,909	\$269,003	
2032	\$201,410	\$33,912	\$235,322	
2033	\$208,086	\$26,341	\$234,427	
2034	\$193,864	\$18,796	\$212,660	
2035	\$201,223	\$11,308	\$212,531	
2036	\$174,368	\$4,134	\$178,502	
2037	\$22,627	\$396	\$23,023	
Totals	\$10,351,957	\$2,174,999	\$12,526,956	

Note 6 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. They are classified as Due From Other Funds and are eliminated on the Statement of Net Position. At June, 30, 2017, Due from Other Funds consist of a payable in the Sewer Department and offsetting receivable in the General Fund of \$58,698. In addition, the Trust funds owe the General fund \$727, the Capital projects fund is owed \$1,007,299 and the Water Department \$619,844. Monies are held in the general fund for ease of investing and disbursements. These funds have sufficient liquid assets to retire the interfund balances at any given time.

Note 7 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the Town's School Department participate in the Maine Public Employees Retirement System (System)
State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation.
The State of Maine is the non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching

qualification) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to members' accounts is set by the System's Board of Trustees.

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2017, the member contribution rate was 7.65% and the employer contribution rate was 3.36% of applicable member compensation. The employer is also responsible for contributing 10.57% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 10.02% of the applicable member compensation into the System.

The required contributions paid into the System for the year ended June 30, 2017 and the previous year are as follows:

For the year ended June 30,	Employee Contributions	Employer Contributions	State of Maine Contributions	Applicable Member Compensation
2017	\$38,905	\$17,088	\$50,958	\$508,568
2016	\$41,116	\$18,059	\$64,174	\$537,469
2015	\$39,376	\$15,211	\$60,068	\$514,715

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the plan using grant funding.

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

At June 30, 2017, the School Department reported a net pension liability of \$3,816. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2016, the School Department's proportion was .000216%, which was a decrease of 0.0000764% from its proportion measured at June 30, 2015.

For the fiscal year ended June 30, 2017, the School Department recognized pension expense of \$18,195. At June 30, 2017, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$74	\$7
Changes in Assumptions	\$0	\$98
Net Difference between projected between projected and actual earnings on pension plan investments	\$1,219	\$499
Changes in proportion and differences between employer contributions and proportionate share of contributions	(\$1)	\$7,503
Employer Contributions made subsequent to measurement date	\$17,088	\$0
	\$18,380	\$8,107

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

Year ended June 30,	
2018	\$13,182
2019	(\$3,442)
2020	\$343
2021	\$189

F. Actuarial Assumptions

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

Inflation	2.75%		
Salary Increases	2.75% - 14.50% at selected years of service		
Investment Rate of Return	6.875%, net of administrative and pension plan investment expense		

For the School Department employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Tables for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the Entry Age Normal actuarial funding method. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

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 class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equities	20%	5.7%
Non-US Equities	20%	5.5%
Private Equity	10%	7.6%
Real Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Hard Assets	5%	5.0%
Fixed Income	25%	2.9%
191	100%	

G. Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made the current contribution rate and that employer and nonemployer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(5.875%)	Rate (6.875%)	(7.875%)
Proportionate Share of the Net Pension Liability	\$6,110	\$3,816	\$1,904

I. Pension Plan Financial and Actuarial Information

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

Note 8 - Other Retirement Benefits

Full time employees of the Town can contribute up to 6% of their salary to a defined contribution retirement plan with the International City Management Association Retirement Corporation. The Town matches the employees contributions. These plans are individually owned with the exception of the Town's contribution, which is fully vested after three years of employment. Retirement expenses for the years ended June 30, 2015, 2016 and 2017 were \$22,815, \$26,889 and \$25,034 respectively.

Note 9 - Risk Management

The Town participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for participation in the respective programs. School Department coverage is maintained through the Maine School Management Association.

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017.

TOWN OF CASTINE, MAINE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit X)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues;	** ***	#2.000.061	02 000 242	(00.010)
Property Tax Revenues	\$2,899,261	\$2,899,261	\$2,890,343	(\$8,918)
State Road Assistance	\$12,000	\$12,000	\$12,464	\$464
Excise Taxes	\$135,000	\$135,000	\$148,632	\$13,632
State Revenue Sharing	\$24,000	\$24,000	\$30,889	\$6,889
Maine Maritime Academy Support	\$137,000	\$137,000	\$131,699	(\$5,301)
Investment Earnings	\$12,000	\$12,000	\$16,299	\$4,299
Other State Reimbursements	\$20,555	\$20,555	\$24,729	\$4,174
Municipal Fees, Licenses and Permits	\$108,500	\$108,500	\$114,493	\$5,993
Other Revenues	\$34,800	\$34,800	\$34,904	\$104
<u>Total Revenues</u>	\$3,383,116	\$3,383,116	\$3,404,452	\$21,336
Expenditures (Net of Departmental Revenues);				
General Government	\$383,378	\$383,378	\$355,745	\$27,633
Public Safety	\$542,611	\$542,611	\$473,975	\$68,636
Public Works	\$214,820	\$214,820	\$224,118	(\$9,298)
Library	\$163,997	\$163,997	\$163,960	\$37
Education	\$1,270,435	\$1,270,435	\$1,164,119	\$106,316
Unclassified	\$48,900	\$48,900	\$44,425	\$4,475
Assessments & Debt Service	\$707,872	\$707,872	\$609,956	\$97,916
Total Expenditures	\$3,332,014	\$3,332,014	\$3,036,298	\$295,716
Excess of Revenues over Expenditures	\$51,102	\$51,102	\$368,155	\$317,053
Other Financing Sources (Uses);				
Operating Transfers In	\$84,598	\$84,598	\$84,095	(\$503)
Operating Transfers Out	(\$138,950)	(\$138,950)	(\$130,116)	\$8,834
Net Change in Fund Balances	(\$3,250)	(\$3,250)	\$322,133	\$325,383
Beginning Fund Balances	\$2,526,495	\$2,526,495	\$2,526,495	\$0
Ending Fund Balances	\$2,523,245	\$2,523,245	\$2,848,629	\$325,383

TOWN OF CASTINE, MAINE

(Exhibit XI)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - TEACHER AND STATE EMPLOYEE PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Last 10 Fiscal Years	For the Fiscal Year Ended June 30,	For the Fiscal Year Ended June 30,	For the Fiscal Year Ended June 30,
	2017	2016	2015
Proportion of Net Pension Liability	0.000216%	0.000980%	0.001069%
Proportionate Share of the Net Pension Liability (Asset)	\$3,816	\$13,231	\$11,549
Covered Employee Payroll	\$508,568	\$537,469	\$514,715
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	0.750%	2.462%	2.244%
Plan Total Pension Liability	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	171.194%	139.727%	118.230%

^{*} Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

TOWN OF CASTINE, MAINE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Exhibit XII)

Last 10 Fiscal Years	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Contractually required contribution	\$17,088	\$18,059	\$15,211
Actual Contribution	\$17,088	\$18,059	\$15,211
Contribution Deficiency	\$0	\$0	\$0
Covered Employee Payroll	\$508,568	\$537,469	\$514,715
Contributions as a % of Covered Employee Payroll	3.360%	3.360%	2.955%

^{*} Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

TOWN OF CASTINE, MAINE NOTES TO HISTORICAL PENSION INFORMATION MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2016, is as follows:

A. Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost rate for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

B. Asset Valuation Method

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

Inflation

2.75%

Salary Increases

2.75% - 14.50% at selected years of service

Investment Rate of Return

6.875%, net of administrative and pension plan investment expense

Cost of Living Benefit Increases

2.20%

For members, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

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<u>TOWN OF CASTINE, MAINE</u> SCHEDULE OF DEPARTMENTAL OPERATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Schedule 1 - Page 1 of 2)

Ending	Balance									\$6,827	768 93	1000																	\$0							0\$
Lapsed Unexpended	(Overdraft)		(\$554)	(\$1,008)	\$7,852	\$9,445	\$749	(\$261)	\$11,011	\$0	\$27.233	200	\$417	\$15,751	\$3,998	\$2,134	\$17,393	\$500	(\$651)	80	\$29,125	80	\$2,769	(\$3,140)	\$1,111	80	(\$220)	(\$551)	\$68,636	641 754	+01111	(\$90%)	\$694	(\$53,751)	\$11,871	\$0
Transfers to	Reserve		20	20	80	80	\$0	80	80	\$0	OS		\$0	\$0	\$0	\$0	80	\$0	\$0	80	\$0	80	\$0	80	80	\$0	20	\$0	\$0	Ş	0 0	00	\$0	80	\$0	\$0
	Expenditures		\$29,589	\$164,515	\$17,338	\$25,555	\$69,726	\$3,922	\$39,734	\$6,100	\$356.480		\$87,290	\$168,061	\$2,002	\$11,366	\$9,407	\$9,000	\$4,551	\$16,979	\$186,500	\$500	\$21,991	\$10,740	\$6,429	\$888	\$920	\$3,081	\$539,703	\$84.096	00000	\$0,208	\$1,806	\$111,135	\$21,049	\$223,654
Total	Available		\$29,035	\$163,507	\$25,190	\$35,000	\$70,475	\$3,661	\$50,745	\$12,927	\$390.540		\$87,707	\$183,812	\$6,000	\$13,500	\$26,800	\$9,500	\$3,900	\$16,979	\$215,625	\$500	\$24,760	\$7,600	\$7,540	988\$	\$700	\$2,530	\$608,339	\$125.850	000,54	000,00	\$2,500	\$57,384	\$32,920	\$223,654
Transfers from	Reserve	1	0\$	0.8	\$0	\$0	\$0	80	\$0	\$0	0\$		80	80	\$0	\$0	\$0	\$0	\$0	\$0	80	\$0	80	\$0	\$0	80	80	\$00	\$0	0\$	9 6	00	20	\$8,834	\$0	\$8,834
	Revenues	į	\$/35	0%	80	80	80	80	\$0	\$0	\$735		80	\$65,728	80	80	80	80	80	80	80	80	\$0	80	80	\$0	\$0	\$0	\$65,728	0\$	9 6	00	20	\$0	\$0	\$0
	Appropriated	0	\$28,300	100,5014	\$25,190	\$35,000	\$70,475	\$3,661	\$50,745	\$6,500	\$383,378		\$87,707	\$118,084	\$6,000	\$13,500	\$26,800	\$9,500	\$3,900	\$16,979	\$215,625	\$500	\$24,760	\$7,600	\$7,540	\$888	\$200	\$2,530	\$542,611	\$125 850	65,000	000,00	\$2,500	\$48,550	\$32,920	\$214,820
Beginning	Balance									\$6,427	\$6,427															ety			\$0							\$0
	Department	General Government:	Administration	Omce Personnel	Emerson Hall	Insurance	Employee Benefits	Code Enforcement	General	Revaluation		Public Safety;	Fire Safety	Transfer Station	Septic Disposal	Street Lights	Law Enforcement	Traffic Ordinance Officer	911 Dispatch	Ambulance	Hydrant Rental	Health Officer	Harbor Master	Dock/Wharf/Float	Dock Restrooms	Social Security - Public Safety	Boat	Animal Control		Public Works: Public Works Administration	Grounde Maintenance	Miles of 1 %	Water Supply Maintenance	Road Maintenance	Equipment Maintenance	

(Schedule 1 - Page 2 of 2)

TOWN OF CASTINE, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS - continued
FOR THE FISCAL YEAR ENDED HINE 201 2017

FOR THE FISCAL YEAR EN	ENDED JUNE 30, 2017	2017							
Department	Beginning Balance	Appropriated	Revenues	Transfers from Reserve	Total Available	Expenditures	Transfers to Reserve	Lapsed Unexpended (Overdraft)	Ending Balance
<u>Library:</u> Operations		\$163,997	\$0	\$0	\$163,997	\$163,960	\$0	\$37	
	80	\$163,997	80	80	\$163,997	\$163,960	80	\$37	\$0
Education;	585 9503	\$1 237 270	\$71.259	O\$	\$1 545 113	\$1 216 068	0\$	S	\$329 045
Food Service	(\$10,337)	\$16,915	\$22,083	08	\$28,661	\$36.818	0\$	08	(\$8.157)
Special Revenue	\$13,925	\$0	\$35,038	\$00	\$48,963	\$39,613	\$0	80	\$9,350
Capital Improvement	\$15,500	\$1,250	80	\$0	\$16,750	\$0	\$0	80	\$16,750
Special Education	\$15,000	\$15,000	\$0	\$0	\$30,000	\$0	\$0	80	\$30,000
	\$270,672	\$1,270,435	\$128,380	\$0	\$1,669,487	\$1,292,499	. 0\$	80	\$376,988
Unclassified;									
Economic Consultant		\$10,000	80	\$0	\$10,000	\$9,844	\$0	\$156	
Castine Band		\$500	80	80	\$500	\$500	\$0	80	
Recreation		\$3,000	\$26	80	\$3,026	\$1,835	80	\$1,191	
Holiday Observance		\$250	\$0	\$0	\$250	\$243	\$0	22	
Historic Preservation		\$1,000	\$0	\$0	\$1,000	\$312	\$0	\$688	
General Assistance		\$2,000	\$0	\$0	\$2,000	\$0	\$0	\$2,000	
Unemployment Reserve		\$1,000	\$0	\$0	\$1,000	\$0	\$1,000	80	
Service Agencies		\$3,900	\$0	\$0	\$3,900	\$3,900	\$0	\$0	
Elm Tree Care		\$10,000	\$0	\$0	\$10,000	\$10,000	\$0	\$0	
Cemetery Maintenance		\$16,000	80	\$0	\$16,000	\$16,000	80	80	
Clock Maintenance		\$1,250	\$0	\$0	\$1,250	\$817	\$0	\$433	
	0\$	\$48,900	826	OS	\$48.926	\$43.451	\$1,000	\$4 475	0\$
Assessments and Debt Service:			,				200624		
Municipal Debt		\$462,876	80	\$0	\$462,876	\$462,875	\$0	\$1	
TAN Interest	\$3,000	80	80	\$0	\$3,000	\$0	\$0	80	\$3,000
County Tax		\$122,084	\$0	\$0	\$122,084	\$122,083	\$0	\$1	
Contingency		\$25,000	\$0	\$0	\$25,000	\$25,000	\$0	\$0	
Overlay		\$97,912	\$2	\$0	\$97,914	80	\$0	\$97,914	
	\$3,000	\$707,872	\$2	80	\$710,874	\$609,958	\$0	\$97,916	\$3,000
Capital Reserve Funds		\$138,950	\$0	\$0	\$138,950	\$0	\$138,950	\$0	
TOTALS	\$280,099	\$3,470,964	\$194,871	\$8,834	\$3,954,767	\$3,229,704	\$139,950	\$198,298	\$386,815
				35					¥

TOWN OF CASTINE, MAINE		(Schedule 2)
SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE		
FOR THE FISCAL YEAR ENDED JUNE 30, 2017		
Unassigned Fund Balance July 1,		\$2,239,965
Additions;		
Lapsed Accounts from Schedule of Departmental Operations	\$198,298	
Excise Taxes, net of appropriation	\$13,632	
Interest on Taxes, net of appropriation	\$2,046	
Interest Earned, net of appropriation	\$4,299	
State Reimbursements, net of appropriation	\$4,174	
Town Fees, net of appropriation	\$6,628	
Other Revenues, net of appropriation	\$1,322	
Total Additions		\$230,398
Total Additions		\$230,398
<u>Total Additions</u> <u>Reductions;</u>	9 5	\$230,398
Reductions: Appropriations from Unassigned Fund Balance	\$3,250	\$230,398
Reductions;	\$3,250 \$10,118	\$230,398
Reductions: Appropriations from Unassigned Fund Balance		\$230,398
Reductions: Appropriations from Unassigned Fund Balance Increase in Unavailable Tax Revenue	\$10,118	\$230,398
Reductions: Appropriations from Unassigned Fund Balance Increase in Unavailable Tax Revenue Mooring & Docking Fees, net of appropriation	\$10,118 \$635	\$230,398
Reductions: Appropriations from Unassigned Fund Balance Increase in Unavailable Tax Revenue Mooring & Docking Fees, net of appropriation Parking Tickets, net of appropriation	\$10,118 \$635 \$2,063	\$230,398
Reductions: Appropriations from Unassigned Fund Balance Increase in Unavailable Tax Revenue Mooring & Docking Fees, net of appropriation Parking Tickets, net of appropriation Library Income, net of appropriation Maine Maritime Academy Fees, net of appropriation	\$10,118 \$635 \$2,063 \$503	
Reductions: Appropriations from Unassigned Fund Balance Increase in Unavailable Tax Revenue Mooring & Docking Fees, net of appropriation Parking Tickets, net of appropriation Library Income, net of appropriation	\$10,118 \$635 \$2,063 \$503	\$230,398 \$21,870

TOWN OF CASTINE, MAINE SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017		(Schedule 3)
Taxable Valuation;		
Land, Buildings and Equipment	\$303,482,800	
<u>Total Taxable Valuation</u>		\$303,482,800
Rate per \$1 Valuation	i .	\$0.009550
Tax Commitment		\$2,898,261
Collections and Adjustments;		
Cash Collections	\$2,867,842	
Rounding	(\$2)	
Total Collections and Adjustments		\$2,867,840
Uncollected Taxes June 30	=	\$30,421

TOWN OF CASTINE, MAINE SCHEDULE OF CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Schedule 4)

	Beginning Balance	Revenues	Expenditures	Transfers (to) and from Reserves	Ending Balance
Fire Vehicles	\$120,000			\$10,000	\$130,000
Fire Department Capital	\$1,587	\$4,811			\$6,398
Fire Rescue Building	\$0	0.145		\$10,000	\$10,000
Public Works Vehicle	\$103,689	\$3,850		\$20,000	\$127,539
Roadway Improvements	\$760,951	\$12,464	(\$262,125)	\$26,166	\$537,456
Emerson Hall	\$40,182	\$1,000	(\$34,322)	\$5,000	\$11,860
Building Roof	\$23,416		(\$572)	\$2,000	\$24,844
Recreation	\$3,362	\$11			\$3,373
Historic Grants	\$1,435				\$1,435
Elm Tree Planting	\$1,518				\$1,518
Elm Tree Preservation	\$36,318	\$9,540	(\$18,859)		\$26,999
Fireworks Fund	\$3,250	\$2,150	(\$7,000)	\$3,800	\$2,201
Friends & Neighbors	\$916				\$916
Pump Out	\$1,332	\$548	(\$492)		\$1,388
Town Property Survey	\$4,865		,		\$4,865
Harbor Master Boat	\$13,686	\$250		\$1,000	\$14,936
Hardware Software	\$5,493		(\$1,021)	\$1,400	\$5,873
Harbor Improvements	\$3,921			\$19,500	\$23,421
Mooring Field Maintenance	\$2,000			\$750	\$2,750
Comprehensive Plan	\$8,867				\$8,867
Economic Development	\$8,919	\$8,645	(\$11,353)		\$6,211
Library Capital	\$6,053				\$6,053
Library Maintenance	\$10,000	\$5,000	(\$2,700)		\$12,300
Grant Lib-Lyle Book Fund	\$2,525		8		\$2,525
Library Minerva	\$9,660				\$9,660
Library Book Fund	\$8,495	\$5,340	(\$2,519)		\$11,316
Library Summer Food	\$228	\$3,241	(\$308)		\$3,162
Farmer's Market Grant	\$904	\$575	(\$175)		\$1,304
One Hancock Fuel	\$378				\$378
Public Works Facility	\$2,070				\$2,070
Sewer Projects	\$1,137				\$1,137
Dock Restrooms	\$1,159				\$1,159
Life Pak	\$0		(\$27,112)	\$30,000	\$2,888
Employment Advertising	\$0			\$500	\$500
Totals	\$1,188,313	\$57,425	(\$368,556)	\$130,116	

TOWN OF CASTINE, MAINE SCHEDULE OF TRUST FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Schedule 5)

			Income			
•	Beginning Balance	Interest Earned	Revenues (Expended)	Transfers (to) and from Reserves	Ending Balance	Principal Balance
	Duiance	Eurneu	(Expended)	Reserves	Datance	Durance
Bagaduce Ambulance	\$67,600	\$72		(\$1,700)	\$65,972	\$0
Cemetery Fund	\$3,847	\$14			\$3,861	\$13,152
Robert Gray Fund	\$629	\$3			\$631	\$3,000
Arthur Hawes Fund	\$286	\$2			\$287	\$2,050
Ministerial School Fund	\$1,641	\$2			\$1,643	\$1,035
Lighthouse Fund	\$39,768	\$37	(\$461)		\$39,345	\$492
Witherle Clock Fund	\$1,546	\$2		20	\$1,548	\$1,000
Unemployment	\$6,591			\$1,000	\$7,591	\$0
Samuel Adams Fuel	\$1,195	\$8			\$1,204	\$9,396
<u>Totals</u>	\$123,104	\$140	(\$461)	(\$700)	\$122,083	\$30,125

TOWN OF CASTINE, MAINE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Schedule 6)

Federal Grantor/Pass-Through Grantor/Program Title		Grantor Pass-	Program Award	Passed Through to	
	CFDA#	Through Number	Amount	Subrecipients	Expenditures
U.S. Department of Education;					
Passed through State of Maine					
Department of Education					
Title IA	84.010	013-05A-3107-13	\$0	\$0	\$398
Local Entitlement	84.027	013-05A-3046-12	\$17,487	\$0	\$20,938
Rural Education Achievement Program	84.213	013-05A-6336-13	\$16,665	\$0	\$16,665
Total State of Maine Department of Education	n		\$34,152	\$0	\$38,001
Total U.S. Department of Education			\$34,152	\$0	\$38,001
U.S. Department of Agriculture;					
Passed through State of Maine					
Department of Education					
National School Lunch Program - Lunch	10.555	-	\$9,071	\$0	\$9,071
National School Lunch Program - Other	10.555	_	\$373	\$0	\$373
Food Distribution - Donated Commodities	10.550		\$1,546	\$0	\$1,546
Food Distribution - Donated Commodities	10.550	5 7	\$1,540		\$1,340
Total U.S. Department of Agriculture			\$10,990	\$0_	\$10,990
<u>Totals</u>			\$45,142	. \$0	\$48,992

NOTES