

*TOWN OF HAMPDEN, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2018*

**TOWN OF HAMPDEN  
FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2018**

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# James W. Wadman

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**CERTIFIED PUBLIC ACCOUNTANT**

**James W. Wadman, C.P.A.  
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## *INDEPENDENT AUDITOR'S REPORT*

May 20, 2019

Members of the Town Council  
Town of Hampden  
Hampden, ME

### *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 Hampden, Maine (the Town) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *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 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 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 Hampden, Maine as of June 30, 2018, 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 3-8, 45-47, 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 Hampden, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully Submitted,

*James W. Wadman, CPA*

James W. Wadman, CPA

**TOWN OF HAMPDEN, MAINE**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

Management of the Town of Hampden, 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, 2018. 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 Hampden, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2018 by \$18,317,103 for governmental activities and \$3,432,173 for business-type activities (presented as “net position”). Of this amount, \$2,674,092 was reported as “unrestricted net position” for governmental activities and (\$609,148) for business-type activities. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

*Changes in Net Position* – The Town's total net position decreased by \$57,649 (a .3% decrease) for the fiscal year ended June 30, 2018. Net position of governmental activities decreased by \$257,041 (a 1.4% decrease), while net position of business-type activities showed an increase of \$199,392 (a 6.2% increase).

**Fund Highlights:**

*Governmental Funds – Fund Balances* – As of the close of the fiscal year ended June 30, 2018; the Town's governmental funds reported a combined ending fund balance of \$4,471,143 with \$1,612,321 being general unassigned fund balance and \$502,693 being host community benefit unassigned fund balance. The general unassigned fund balance represents approximately 10% of the total general fund expenditures for the year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased by \$265,550 (13%) during the current fiscal year. Existing debt obligations were retired according to schedule. Additional information on the Town's long-term debt can be found in Note 3G of the notes to the financial statements on pages 32-33 of this report.

**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 other 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 9-10 of this report.

**Fund Financial Statements**

The fund financial statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The proprietary 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 11-14 of this report. The basic proprietary fund financial statements can be found on pages 15-17 of this report. The fiduciary fund financial statements can be found on pages 18-19 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 20-44 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). Required supplementary information can be found on page 45-47 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position**

87% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges 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.

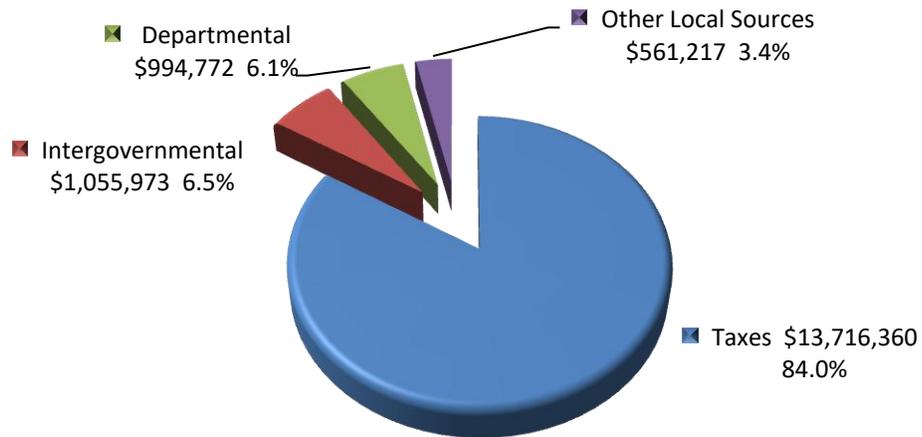
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total 2018</b>	<b>Total 2017</b>
Current Assets	5,075,774	(177,166)	4,898,608	4,484,218
Capital Assets	17,278,907	6,749,536	24,028,443	24,639,190
<b>Total Assets</b>	<b>22,354,681</b>	<b>6,572,370</b>	<b>28,927,051</b>	<b>29,123,408</b>
<b>Total Deferred Outflows of Resources</b>	<b>609,120</b>		<b>609,120</b>	<b>543,387</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,963,801</b>	<b>6,572,370</b>	<b>29,536,171</b>	<b>29,666,795</b>
Current Liabilities	621,574	141,204	762,778	1,438,204
Other Liabilities	3,502,077	2,998,993	6,501,070	5,930,783
<b>Total Liabilities</b>	<b>4,123,651</b>	<b>3,140,197</b>	<b>7,263,848</b>	<b>7,368,987</b>
<b>Total Deferred Inflows of Resources</b>	<b>523,047</b>		<b>523,047</b>	<b>490,883</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	15,108,861	3,737,364	18,846,225	18,980,072
Restricted	534,150	303,957	838,107	810,527
Unrestricted	2,674,092	(609,148)	2,064,944	2,016,326
<b>Total Net Position</b>	<b>18,317,103</b>	<b>3,432,173</b>	<b>21,749,276</b>	<b>21,806,925</b>
<b>Total Liabilities and Net Position</b>	<b>22,963,801</b>	<b>6,572,370</b>	<b>29,536,171</b>	<b>29,666,795</b>

**Changes in Net Position**

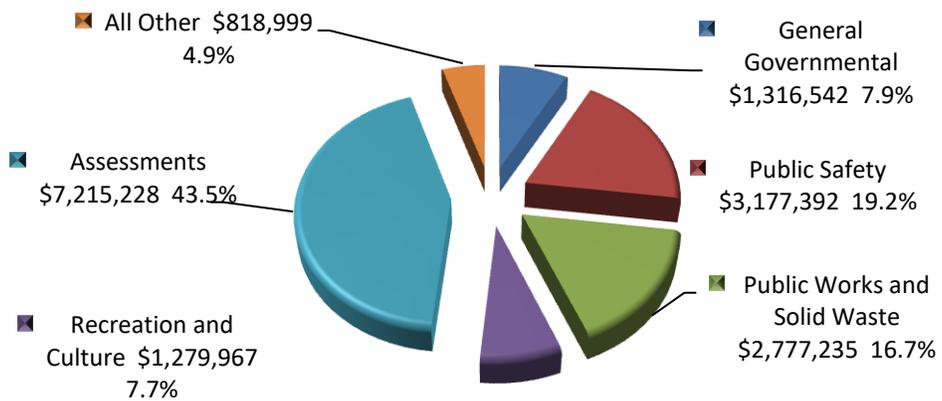
Approximately 79 percent of the Town's total revenue came from property and excise taxes, approximately 6 percent came from State subsidies and grants, and approximately 15 percent came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-type activity assets represents \$1,530,679 of the total expenses for the fiscal year.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>Revenues:</b>				
Taxes	13,716,360		13,716,360	13,501,425
Intergovernmental Revenues	1,055,973		1,055,973	970,614
Departmental Revenues	994,772	1,042,802	2,037,574	1,361,759
Investment Income	25,378	15,903	41,281	35,111
Fair Value Increase (Decrease)	(1,373)	(112)	(1,485)	31,135
Other Local Sources	537,212	57,119	594,331	1,173,124
<b>Total</b>	<b>16,328,322</b>	<b>1,115,712</b>	<b>17,444,034</b>	<b>17,073,168</b>
<b>Expenses:</b>				
General Government	1,316,542		1,316,542	1,243,565
Public Safety	3,177,391		3,177,391	3,013,181
Public Works	2,361,742		2,361,742	2,240,298
Solid Waste	415,493		415,493	366,462
Recreation and Culture	1,279,967		1,279,967	1,109,680
The Bus	97,467		97,467	83,496
Buildings and Grounds	230,866		230,866	182,797
Outside Agencies & Gen. Asst.	2,253		2,253	4,457
Debt Service & Capital Outlay	165,326		165,326	155,035
Assessments and TIF	7,538,316		7,538,316	7,267,017
Sewer Enterprise		916,320	916,320	948,273
<b>Total</b>	<b>16,585,363</b>	<b>916,320</b>	<b>17,501,683</b>	<b>16,614,261</b>
<b>Changes in Net Position</b>	<b>(257,041)</b>	<b>199,392</b>	<b>(57,649)</b>	<b>458,907</b>

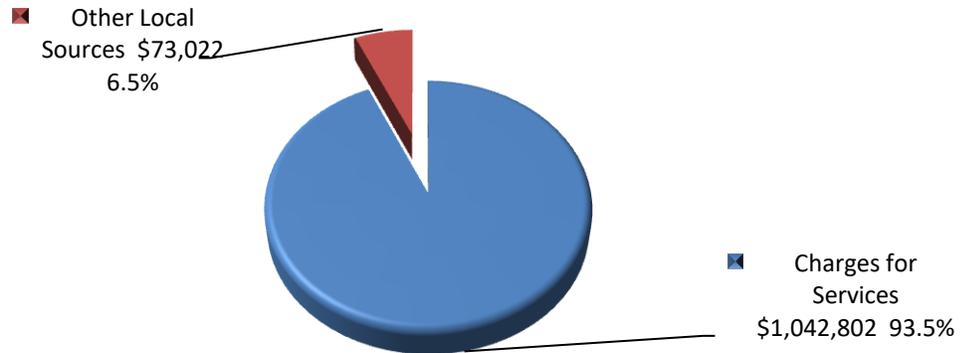
## Revenues By Source - Governmental Activities



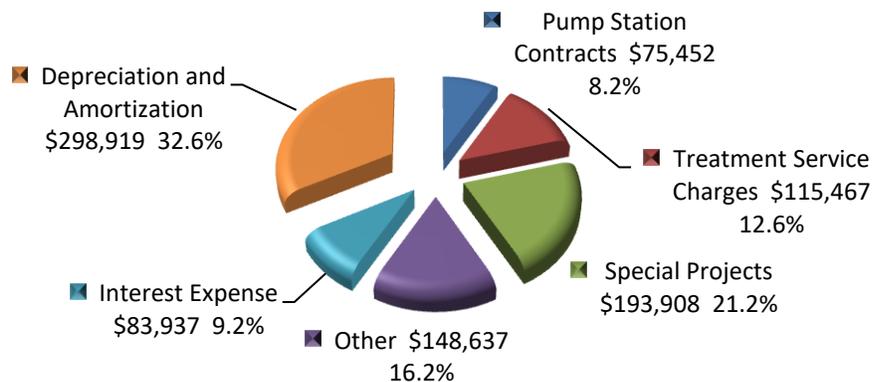
## Expenditures By Source - Governmental Activities



## Revenues By Source - Business-type Activities



## Expenditures By Source - Business-type Activities



### **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 \$4,471,143, an increase of \$247,494 in comparison with the prior year. Approximately 47 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.

### **Proprietary Funds**

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$169,982 positive variance in auto excise. The variance is due to Emera moving their fleet vehicles into Town, H.O. Bouchard buying a few new trucks, and conservative budgeting.
- \$41,142 positive variance in recreation fee revenue. The variance is due to conservative budgeting in nine programs.
- \$75,711 positive variance in sale of tax acquired property. The revenue was from property on the Old County Road that was sold after foreclosure.
- \$30,840 positive variance in police department expenditures. The variance is due to under spending the wage lines.
- \$37,416 positive variance in fire department expenditures. The variance is due to under spending the wage lines.
- \$41,218 positive variance in recreation program expenditures. The variance is due to under spending the wage line and conservative budgeting.
- \$28,948 negative variance in solid waste. The variance is due to underestimating the tonnage disposed.
- \$57,232 positive variance in overlay. The variance is due to only issuing \$9,911 in abatements.
- \$81,284 negative variance in sewer charges for services revenues. The variance is due to the capital charge being removed from the fees and water consumption was down.
- \$47,543 positive variance in sewer treatment service charges. The variance is due to less consumption and conservative budgeting.
- \$67,897 positive variance in sewer special projects. The variance is due to not using the funds in this fiscal year.

### **CAPITAL ASSET ADMINISTRATION**

#### **Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities amounts to \$57,328,445, net of accumulated depreciation of \$33,300,002 leaving a net book value of \$24,028,443. Current year additions include \$5,200 pool shower tiles, \$41,350 for a garage roof, \$8,810 for a server, \$26,820 for a copier, \$9,238 for a thermal imaging camera, \$6,200 for a crosswalk system, \$123,351 for a plow truck, \$131,021 for a freightliner truck, \$8,675 pool sidewalk and parking paving, \$27,000 for Coldbrook Rd storm drain project, \$517,930 in paving, and \$28,670 for marina floats.

Additional information on the Town's capital assets can be found in Note 3D of the notes to the financial statements on pages 29-30 of this report.

### **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. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Hampden, 106 Western Ave., Hampden, ME 04444.

**TOWN OF HAMPDEN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

**Exhibit A**

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Assets</b>			
Cash and Equivalents	2,942,976	335,577	3,278,553
Investments	701,656	6,527	708,183
Receivables			
Taxes	367,361		367,361
Liens	86,382		86,382
Sewer User Fees/Liens		73,866	73,866
Solid Waste	1,748		1,748
Ambulance	155,109		155,109
Other	220,099	7,307	227,406
Internal Balances	600,443	(600,443)	-
Capital Assets:			
Land	1,656,858		1,656,858
Other Capital Assets, Net of Depreciation	15,622,049	6,749,536	22,371,585
<b>Total Assets</b>	<b>22,354,681</b>	<b>6,572,370</b>	<b>28,927,051</b>
 <b>Deferred Outflows of Resources:</b>			
Related to Pensions	559,944		559,944
Related to Other Post Employment Benefits	49,176		49,176
<b>Total Deferred Outflow of Resources</b>	<b>609,120</b>	<b>-</b>	<b>609,120</b>
 <b>Total Assets and Deferred Outflows of Resources</b>	<b>22,963,801</b>	<b>6,572,370</b>	<b>29,536,171</b>
 <b>Liabilities</b>			
Accounts Payable and Tax Increment Financing Payable	105,023	128,025	233,048
Accrued Salaries Payable	72,950		72,950
Accrued Interest Payable		13,179	13,179
Project Escrows	72,707		72,707
Due to Other Governments	10,923		10,923
Compensated Absences Payable	359,971		359,971
Long-term Liabilities:			
Net Pension Liability	980,471		980,471
Net Other Post Employment Benefits Liability	351,560		351,560
Due Within One Year	384,760	285,928	670,688
Due in More Than One Year	1,785,286	2,713,065	4,498,351
<b>Total Liabilities</b>	<b>4,123,651</b>	<b>3,140,197</b>	<b>7,263,848</b>
 <b>Deferred Inflows of Resources:</b>			
Property Taxes Collected in Advance	42,991		42,991
Related to Pensions	2,041		2,041
Related to Other Post Employment Benefits	478,015		478,015
<b>Total Deferred Inflows of Resources</b>	<b>523,047</b>	<b>-</b>	<b>523,047</b>
 <b>Net Position</b>			
Net Investment in Capital Assets	15,108,861	3,737,364	18,846,225
Restricted	534,150	303,957	838,107
Unrestricted	2,674,092	(609,148)	2,064,944
<b>Total Net Position</b>	<b>18,317,103</b>	<b>3,432,173</b>	<b>21,749,276</b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>22,963,801</b>	<b>6,572,370</b>	<b>29,536,171</b>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit B*

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
<u>Primary Government</u>						
<u>Governmental Activities</u>						
General Government	1,316,542	118,169		(1,198,373)		(1,198,373)
Public Safety	3,177,391	179,633	149,927	(2,847,831)		(2,847,831)
Public Works	2,361,742	8,581		(2,353,161)		(2,353,161)
Solid Waste	415,493	45,410		(370,083)		(370,083)
Recreation and Culture	1,279,967	610,197		(669,770)		(669,770)
The Bus	97,467			(97,467)		(97,467)
Buildings and Grounds	230,866			(230,866)		(230,866)
General Assistance	2,253		2,305	52		52
Debt Service & Capital Outlay	165,326			(165,326)		(165,326)
RSU #22 Assessment	7,215,228			(7,215,228)		(7,215,228)
Assessments and Tax Increment Financing	323,088			(323,088)		(323,088)
<u>Total Governmental Activities</u>	<u>16,585,363</u>	<u>961,990</u>	<u>152,232</u>	<u>(15,471,141)</u>		<u>(15,471,141)</u>
<u>Business-type Activities</u>						
Sewer Department	916,320	1,042,802			126,482	126,482
<u>Total Business-type Activities</u>	<u>916,320</u>	<u>1,042,802</u>	<u>-</u>		<u>126,482</u>	<u>126,482</u>
<u>Total Primary Government</u>	<u>17,501,683</u>	<u>2,004,792</u>	<u>152,232</u>	<u>(15,471,141)</u>	<u>126,482</u>	<u>(15,344,659)</u>
<u>General Revenues:</u>						
Taxes						
Property				11,643,796		11,643,796
Auto				2,061,606		2,061,606
Boat				10,958		10,958
Intergovernmental Revenues				903,741		903,741
Departmental Revenues				110,000		110,000
Investment Income				25,378	15,903	41,281
Fair Value Increases/(Decreases)				(1,373)	(112)	(1,485)
Other Local Sources				459,994	57,119	517,113
<u>Total Revenues, Special Items and Transfers</u>				<u>15,214,100</u>	<u>72,910</u>	<u>15,287,010</u>
<u>Changes in Net Position</u>				<u>(257,041)</u>	<u>199,392</u>	<u>(57,649)</u>
<u>Net Position - Beginning</u>				<u>18,574,144</u>	<u>3,232,781</u>	<u>21,806,925</u>
<u>Net Position - Ending</u>				<u>18,317,103</u>	<u>3,432,173</u>	<u>21,749,276</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

*Exhibit C*  
*Page 1 of 2*

<i>Assets</i>	<i>General Fund</i>	<i>Capital Improvement Program</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	1,784,068	1,072,708	86,200	2,942,976
Investments	172,088	72,713	456,855	701,656
Receivables				
Taxes	367,361			367,361
Liens	86,382			86,382
Solid Waste	1,748			1,748
Ambulance	155,109			155,109
Other	172,430	47,669		220,099
Due from Other Funds	600,397	82,735	6,068	689,200
<b>Total Assets</b>	<b>3,339,583</b>	<b>1,275,825</b>	<b>549,123</b>	<b>5,164,531</b>
 <i>Liabilities</i>				
Accounts Payable	94,428	1,410		95,838
Tax Increment Financing Payable	9,185			9,185
Accrued Salaries Payable	72,950			72,950
Project Escrows	72,707			72,707
Due to Other Funds	82,109		6,648	88,757
Due to Other Governments	10,923			10,923
<b>Total Liabilities</b>	<b>342,302</b>	<b>1,410</b>	<b>6,648</b>	<b>350,360</b>
 <i>Deferred Inflows of Resources:</i>				
Property Taxes Collected in Advance	42,991			42,991
Advanced Recreation Summer Fees	50,293			50,293
Unavailable Property Tax Revenue	249,744			249,744
<b>Total Deferred Inflows of Resources</b>	<b>343,028</b>	<b>-</b>	<b>-</b>	<b>343,028</b>
 <i>Fund Balances</i>				
Nonspendable			331,921	331,921
Restricted	161,734		40,495	202,229
Committed	343,005	1,274,415		1,617,420
Assigned	34,500		170,059	204,559
Unassigned	2,115,014			2,115,014
<b>Total Fund Balances</b>	<b>2,654,253</b>	<b>1,274,415</b>	<b>542,475</b>	<b>4,471,143</b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>3,339,583</b>	<b>1,275,825</b>	<b>549,123</b>	<b>5,164,531</b>

The notes to financial statements are an integral part of this statement.

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

Total Fund Balance	4,471,143
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$26,624,184	17,278,907
Deferred outflows of resources related to pension plans	559,944
Deferred outflows of resources related to other post employment benefits	49,176
Deferred inflows of resources related to pension plans	(478,015)
Deferred inflows of resources related to other post employment benefits	(2,041)
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Net Pension Liability	(980,471)
Net Other Post Employment Benefits Liability	(351,560)
Advanced Recreation Summer Fees	50,293
Unavailable Property Tax Revenue	249,744
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(1,793,450)
Leases Payable	(376,596)
Accrued Compensated Absences	(359,971)
Net Position of Governmental Activities	18,317,103

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit D*  
*Page 1 of 2*

	<i>General Fund</i>	<i>Capital Improvement Program</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	13,705,106			13,705,106
Intergovernmental Revenues	1,055,973			1,055,973
Departmental Revenues	994,772			994,772
Investment Income	20,877	4,934	(433)	25,378
Fair Value Increases (Decreases)	(17,524)	(1,410)	17,561	(1,373)
Other Local Sources	377,881	117,453	33,537	528,871
<b>Total Revenues</b>	<b>16,137,085</b>	<b>120,977</b>	<b>50,665</b>	<b>16,308,727</b>
Expenditures				
Current:				
General Government	1,215,998		1,473	1,217,471
Public Safety	2,942,645		7,702	2,950,347
Public Works	1,926,957			1,926,957
Solid Waste	405,462			405,462
Recreation and Culture	1,141,907		26,765	1,168,672
The Bus	97,467			97,467
Buildings and Grounds	220,469			220,469
General Assistance	2,253			2,253
Tax Increment Financing	323,088			323,088
Assessments	7,215,228			7,215,228
Debt Service	315,964			315,964
Capital Outlay		217,855		217,855
<b>Total Expenditures</b>	<b>15,807,438</b>	<b>217,855</b>	<b>35,940</b>	<b>16,061,233</b>
Excess of Revenues Over (Under) Expenditures	329,647	(96,878)	14,725	247,494
Other Financing Sources (Uses)				
Transfers In	121,885	862,733	3,000	987,618
Transfers Out	(866,776)	(7,961)	(112,881)	(987,618)
<b>Total Other Financing Sources (Uses)</b>	<b>(744,891)</b>	<b>854,772</b>	<b>(109,881)</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(415,244)	757,894	(95,156)	247,494
Fund Balance - July 1	3,069,497	516,521	637,631	4,223,649
<b>Fund Balance - June 30</b>	<b>2,654,253</b>	<b>1,274,415</b>	<b>542,475</b>	<b>4,471,143</b>

(Continued)

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds	247,494
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	934,265
Capital asset disposals	(14,333)
Depreciation expense	(1,231,760)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Property Taxes	11,254
Advanced Recreation Summer Fees	8,341
Bond proceeds proved current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Lease principal payments	117,509
New Lease	(281,191)
General obligation bond principal payments	265,550
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Deferred Outflows of Pension Expense	16,557
Deferred Inflows of Pension Expense	337
Net Pension Liability	(1,585)
Deferred Outflows of Other Post Employment Benefits	49,176
Deferred Inflows of Other Post Employment Benefits	(2,041)
Net Other Post Employment Benefits Liability	(351,560)
Accrued compensated absences	(25,054)
	<hr/>
Change in net position of governmental activities	<u><u>(257,041)</u></u>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2018**

**Exhibit E**

	<b><i>Sewer Enterprise</i></b>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and Equivalents	335,577
Investments	6,527
User Fees/Liens Receivable	73,866
Accounts Receivable	7,307
Capital Assets:	
Other Capital Assets, Net of Depreciation	6,749,536
<b>Total Assets</b>	<b>7,172,813</b>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	128,025
Accrued Interest Payable	13,179
Retainage Payable	
Due to Other Funds	600,443
Long-term Liabilities:	
Due Within One Year	285,928
Due in More Than One Year	2,713,065
<b>Total Liabilities</b>	<b>3,740,640</b>
<b>Net Position</b>	
Net Investment in Capital Assets	3,737,364
Restricted	303,957
Unrestricted	(609,148)
<b>Total Net Position</b>	<b>3,432,173</b>
<b>Total Liabilities and Net Position</b>	<b>7,172,813</b>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit F*

	<i>Budget</i>	<i>Sewer Enterprise</i>	<i>Variance Favorable (Unfavorable)</i>
<b>Operating Revenues:</b>			
Charges for Services	1,124,086	1,042,802	(81,284)
<b>Total Operating Revenues:</b>	<b>1,124,086</b>	<b>1,042,802</b>	<b>(81,284)</b>
<b>Operating Expenses:</b>			
Repairs	5,500	13,233	(7,733)
Utilities/Fuel	33,400	35,128	(1,728)
Pump Station Contracts	59,002	75,452	(16,450)
Treatment Service Charges	163,010	115,467	47,543
Special Projects	261,805	193,908	67,897
Operation & Maintenance Contingency	5,000	1,000	4,000
Abatements	4,500	4,943	(443)
Wages	60,000	60,000	-
Supplies	14,810	10,472	4,338
Professional Services	24,120	19,932	4,188
Bond Council	800	3,569	(2,769)
Debit Card Fees	348	360	(12)
Interfund General Fund	100,000		100,000
Depreciation and Amortization		298,919	(298,919)
<b>Total Operating Expenses</b>	<b>732,295</b>	<b>832,383</b>	<b>(100,088)</b>
<b>Net Operating Income (Loss)</b>	<b>391,791</b>	<b>210,419</b>	<b>(181,372)</b>
<b>Non-operating Revenues (Expenses)</b>			
Interest Revenue	10,400	15,903	5,503
Change in Fair Market Value	(5)	(112)	(107)
Miscellaneous Income	56,783	57,119	336
Interest Expense	(458,969)	(83,937)	375,032
<b>Total Non-operating Revenues (Expenses)</b>	<b>(391,791)</b>	<b>(11,027)</b>	<b>380,764</b>
<b>Net Income (Loss)</b>	<b>-</b>	<b>199,392</b>	<b>199,392</b>
<b>Total Net Position - Beginning</b>		<b>3,232,781</b>	
<b>Total Net Position - Ending</b>		<b>3,432,173</b>	

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit G**

	<u>Sewer Enterprise</u>
<b><i>Cash Flows from Operating Activities;</i></b>	
Received from Customers	1,042,802
Payments to Suppliers	(468,521)
Payments to Employees	(60,000)
Other Receipts (Payments)	98,219
	<hr/>
<b><i>Net Cash Provided by (Used in) Operating Activities</i></b>	<b>612,500</b>
	<hr/>
<b><i>Cash Flows from Capital and Related Financing Activities</i></b>	
Principal Paid on Capital Debt	(373,670)
Interest Paid on Capital Debt	(83,937)
	<hr/>
<b><i>Net Cash Used in Capital and Related Financing Activities</i></b>	<b>(457,607)</b>
	<hr/>
<b><i>Cash Flows from Investing Activities</i></b>	
Net Purchases / Sales of Investments	58,572
Interest and Dividends	15,903
	<hr/>
<b><i>Net Cash Provided by (Used in) Investing Activities</i></b>	<b>74,475</b>
	<hr/>
<b><i>Net Increase (Decrease) in Cash and Cash Equivalents</i></b>	<b>229,368</b>
	<hr/>
<b><i>Balances - beginning of the year</i></b>	<b>106,209</b>
	<hr/>
<b><i>Balances - end of the year</i></b>	<b>335,577</b>
	<hr/> <hr/>
<b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</i></b>	
Operating Income (Loss)	210,419
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	298,919
Changes in Assets and Liabilities;	
Receivables, net	(29,592)
Accounts Payable	84,116
Accrued Interest	(1,362)
Due to Other Funds	50,000
	<hr/>
<b><i>Net Cash Provided by (Used in) Operating Activities</i></b>	<b>612,500</b>
	<hr/> <hr/>

The notes to financial statements is an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2018**

**Exhibit H**

	<u><i>Private Purpose Trust Fund Environmental Trust</i></u>
<b>Assets</b>	
Cash and Equivalents	656,651
Investments	<u>3,012,139</u>
<b>Total Assets</b>	<u><u>3,668,790</u></u>
<b>Net Position</b>	
Restricted	<u>3,668,790</u>
<b>Total Net Position</b>	<u><u>3,668,790</u></u>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit I**

	<u><i>Private Purpose Trust Fund Environmental Trust</i></u>
Additions	
Fair Value Increases (Decreases)	(62,129)
Investment Income	73,743
Other Local Sources	
	<hr/>
Total Additions	11,614
	<hr/>
Deductions	
Reimbursements	53,099
Professional Fees	11,380
	<hr/>
Total Reductions	64,479
	<hr/>
Change in Net Position	(52,865)
	<hr/>
Net Position - July 1	3,721,655
	<hr/>
<b>Net Position - June 30</b>	<b>3,668,790</b>
	<hr/> <hr/>

The notes to financial statements are an integral part of this statement.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Hampden have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Financial Reporting Entity**

The Town of Hampden operates under an elected Town Council and Town Manager form of government. The Town's major operations include public works, public safety and general administrative services.

**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 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 various 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 segments 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual 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 and trust fund financial statements. Revenues are recognized when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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, as well as expenditure related to compensated absences and claims and judgments are recorded only when payment is due.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Property taxes, sales taxes, interdepartmental charges and intergovernmental revenues are considered susceptible to accrual. Special assessments are recorded as revenues in the year the assessment become current. Annual installments not yet due are reflected as special assessment receivables and deferred revenues. Other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The General Fund is used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

The Town reports the following major enterprise fund:

The sewer fund accounts for the activities of the sewerage operations. The Town operates the sewer collection system and related administrative costs.

Additionally, the Town reports the following fund types:

Nonexpendable trust funds account for monies held in trust by the Town, the investment earnings from which may only be used for the operation of the program.

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Town's own programs.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the Statement of Activities, amounts reported as program revenue 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 and of the government's internal service 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 expenses 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.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Assets, Liabilities and Net Position or Fund Equity***

***1. 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 three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Maine Statute 5705 Title 30-A and as provided in the authorized investment guidelines of the Maine Statutes 5711 through 5719 in effect on the date the investment is made.

Investments in the Pension Trust Fund are carried at fair value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

***2. Receivables and Payables***

Transactions between funds that result in outstanding balances are reported as due to/from other funds.

Property taxes receivable not expected to be collected within 60 days from year-end are classified as unavailable property tax revenue. At June 30, \$249,744 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on August 21 on property values assessed on April 1. Taxes were due in two installments due on October 5 and April 5, with interest at 7% beginning October 6 and April 6. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2016 fiscal year levy on August 23, 2017. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.

***3. Inventories***

Inventories are valued at cost using the first in, first out method.

***4. Capital Assets***

Capital assets, which 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.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**4. Capital Assets (continued)**

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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	18-50
Equipment	5-50

**5. Deferred Inflows/Outflows of Resources**

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The Town has an item that qualifies as deferred outflows of resources, and it has an item that qualifies as a deferred inflow. Both items are related to pensions. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and an inflow of resources (revenue) in the period that the amounts become available.

**6. 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 Employees Retirement System (System) 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.

**7. Compensated Absences**

Town employees generally earn vacation days at a variable rate based on years of service. In the event of termination, an employee is reimbursed for all accumulated vacation time.

Employees earn sick leave at a rate of one work day for each full calendar month of service, accumulative to a maximum of one 120 working days. Upon retirement or resignation, an employee in good standing is entitled to payment for 25% of accrued sick time up to a maximum of 30 days.

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**8. Long-term Obligations**

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

Under State Law, no municipality can incur debt, which would cause its total outstanding debt, exclusive of debt incurred for Town, storm or sanitary sewer, energy facilities, or municipal airports, to exceed 7.50% of its last full state valuation. A municipality may incur debt for Towns not exceeding 10%, storm or sanitary sewers 7.50%, and municipal airports, water districts and special purpose districts 3% of its last full state valuation. In no event can the total debt exceed 15% of its last full valuation. Full state valuation is the valuation of taxable property as certified by the State Tax Assessor, adjusted to 100%.

At June 30, the Town of Hampden is in compliance with the above requirements.

**9. Fund Balances/Net Position**

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, 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 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 government through town council voting and does not lapse at year-end.

*Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Manager.

*Unassigned* – includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balance in other governmental funds.

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

The Town does not have a formal minimum fund balance policy.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

The Town has identified June 30, 2018 fund balances on the balance sheet as follows:

	<b>General</b>	<b>Capital</b>	<b>Other</b>	
	<b>Fund</b>	<b>Improvement</b>	<b>Governmental</b>	
		<b>Program</b>	<b>Funds</b>	<b>Total</b>
<u><i>Nonspendable</i></u>				
Dyer Library Principal			275,893	275,893
Cemetery Principal			55,828	55,828
Diane Marshall Book Fund Principal			200	200
<u><i>Restricted</i></u>				
Pool Donations			186	186
Public Safety Donation			2,014	2,014
Library			2,917	2,917
Lura Hoit Pool Scholarship			34,477	34,477
Wellness Fund			579	579
Pink Garden			322	322
Municipal Revenue Sharing	161,734			161,734
<u><i>Committed</i></u>				
Capital Improvement Program		1,274,415		1,274,415
Town Reserves	194,571			194,571
Voting Machine	18,492			18,492
Bronco Youth Football	13,523			13,523
Bronco Travel Basketball	12,775			12,775
Bronco Little League	12,467			12,467
Lura Hoit Pool	91,177			91,177
<u><i>Assigned</i></u>				
Dyer Library			135,662	135,662
Cemetery			34,121	34,121
Diane Marshall Book Fund			276	276
Encumbrances	34,500			34,500
<u><i>Unassigned</i></u>				
General Fund	1,612,321			1,612,321
Host Community Benefit	502,693			502,693
<b><u>Total Fund Balance</u></b>	<b>2,654,253</b>	<b>1,274,415</b>	<b>542,475</b>	<b>4,471,143</b>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**9. Fund Balances/Net Position (continued)**

Net Position

Net position are 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. If there are significant unspent related debt proceeds at year-end, the portions of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital 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.

*Unrestricted* – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at fiscal year end to the extent that they have not been encumbered.

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2017-2018, \$300,000 of the beginning General Fund fund balance was applied for this purpose.

Reserve funds, once established by the Town Council, may be expended with approval of the Council for the purpose for which the reserve was established.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. 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 of state law.

State Statute 5706 require banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town Treasurer in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Corporation (FDIC).

One or more of the financial institutions holding the Town's cash accounts are participating in the FDIC Transaction Account Guarantee Program. For all accounts, the Town's cash deposits, including certificates of deposits, are insured up to \$250,000 per custodian by the FDIC. Any cash deposits or certificates of deposits in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the Town and thus no custodial risk exists.

At year-end, the carrying value of the Town's deposits was \$3,935,204 and the bank balance was \$4,173,371. Of the bank balance, \$501,020 was covered by federal depository insurance. The remaining \$3,672,351 was covered by a FHLB irrevocable letter of credit.

**B. Investments**

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the town's mission, the town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a narrative format for the fair value disclosures.

The Town categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2018:

- U.S. Treasury securities and common stock of \$3,720,322 are valued using quoted market prices (Level 1 inputs)

**Investment Policies**

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with the investment policy adopted by the Town Council complying with state statutes. The Town may invest in securities permitted under 30-A MRSA 5712, 5713, 5714, 5715, and 5716. Upon approval of the Town Council, the treasurer of the trustee(s) of a trust fund of the town, may enter into safekeeping and investment management agreements and/or investment advisory agreements in accordance with 30-A MRSA 5706(4) and the investment funds pursuant to any such agreements shall be governed by the rule prudence as set forth in 18-A MRSA 7-302.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Property Taxes**

Property taxes were levied for the fiscal year as follows:

Assessed Value		630,858,600
Tax Rate (per \$1,000)		<u>18.40</u>
Commitment		<u><u>11,607,798</u></u>
Appropriations		16,187,311
Less:		
State Municipal Revenue Sharing	393,636	
Estimated Revenues	3,771,558	
BETE Reimbursement	82,274	
Homestead Reimbursement	<u>332,045</u>	
		<u>4,579,513</u>
Net Assessment for Commitment		<u><u>11,607,798</u></u>

Uncollected taxes at June 30 for the current year commitment totaled \$342,700. Unpaid liens at June 30 totaled \$86,382.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities;</b>				
<i>Capital assets not being depreciated</i>				
Land	1,656,858			1,656,858
<i>Capital assets being depreciated</i>				
Buildings	6,028,479	46,550		6,075,029
Equipment	4,081,005	305,440	(111,234)	4,275,211
Infrastructure	31,313,717	582,275		31,895,992
<i>Total capital assets being depreciated</i>	41,423,201	934,265	(111,234)	42,246,232
<i>Less accumulated depreciation for</i>				
Buildings	2,545,645	141,905		2,687,550
Equipment	2,077,209	279,570	(96,901)	2,259,878
Infrastructure	20,866,470	810,285		21,676,755
<i>Total accumulated depreciation</i>	25,489,324	1,231,760	(96,901)	26,624,183
<i>Net capital assets being depreciated</i>	15,933,877	(297,495)	(14,333)	15,622,049
<b>Governmental Activities Capital Assets, net</b>	<b>17,590,735</b>	<b>(297,495)</b>	<b>(14,333)</b>	<b>17,278,907</b>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (continued)**

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b><i>Business-type Activities;</i></b>				
<i>Capital assets being depreciated</i>				
Sewer System	13,425,355			13,425,355
<i>Total capital assets being depreciated</i>	13,425,355	-	-	13,425,355
 <i>Less accumulated depreciation for</i>				
Sewer System	6,376,899	298,920		6,675,819
<i>Total accumulated depreciation</i>	6,376,899	298,920	-	6,675,819
<i>Net capital assets being depreciated</i>	7,048,456	(298,920)	-	6,749,536
<b><i>Business-type Activities Capital Assets, net</i></b>	<b>7,048,456</b>	<b>(298,920)</b>	<b>-</b>	<b>6,749,536</b>

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

Governmental Activities

General Government	53,044
Public Safety	127,481
Recreation and Culture	56,048
Public Works, including depreciation of general infrastructure assets	995,187
	<hr/>
Total Depreciation Expense - Governmental Activities	1,231,760
	<hr/> <hr/>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables and Payables**

Individual fund interfund receivable and payable at June 30, 2018, were as follows:

	<i><b>Interfund Receivable</b></i>	<i><b>Interfund Payable</b></i>
General Fund	600,397	82,109
Special Revenue Funds	6,018	
Capital Projects	82,735	
Permanent Funds		
Dyer Library		1,648
Cemetery	50	5,000
Enterprise Fund		
Sewer		600,443
	<u>689,200</u>	<u>689,200</u>
Totals	<u><u>689,200</u></u>	<u><u>689,200</u></u>

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 payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. The above balances represent cash that has been deposited into the general fund checking account for those funds. The Town Council and Town Manager are aware of the interfund balances and are working on a multi-year payback plan.

Transfers To/From Other Funds at June 30, 2018, were as follows:

	<i><b>Transfers From</b></i>	<i><b>Transfers To</b></i>
General Fund	121,885	866,776
Special Revenue Funds	3,000	
Capital Projects	862,733	117,842
Trust Funds		3,000
Totals	<u>987,618</u>	<u>987,618</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer funds to general fund to cover expenditures voted on per Council.

**TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Capital Leases**

The town is obligated under certain leases accounted for as capital leases. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30:

<i>Year Ended</i>	<i>Minimum Lease Payment</i>
<i>June 30,</i>	
2019	131,319
2020	131,319
2021	131,319
2022	5,364
2023	5,364
Total Minimum Lease Payments	404,685
Less: Amount Representing Interest	(28,089)
Present Value of Future Minimum Lease Payments	<u>376,596</u>

**G. Long-Term Debt**

**1. General Obligation Bonds and Notes.**

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes currently outstanding are as follows:

<i>Purpose Proprietary</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount</i>
2006 Sewer Construction Bond	11/1/2025	2.55-6.00%	631,583
2010 Rt 1A Sewer Bond	7/29/2029	0-1.13%	1,159,467
2014 Sewer Project	11/1/2034	.41-4.02	766,743
2017 Sewer Bill Loan	1/23/2024	2.61%	213,100
2017 Sewer Project	5/16/2024	2.47%	228,100
			<u>2,998,993</u>
<i>General Obligation</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount</i>
2000 Road Construction & Line Extensions	11/1/2020	4.676-5.751%	270,000
2002 Fire Station	11/1/2021	3.25-5.125%	337,200
2011 Mayo Rd Bond	11/1/2030	.831-5.094%	1,186,250
			<u>1,793,450</u>

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (continued)**

**1. General Obligation Bonds and Notes (continued)**

Annual debt service requirements to maturity for general obligation and proprietary bonds and notes are as follows:

<i>Year Ended</i> <i>June 30,</i>	<i>General Obligation Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	265,550	56,191	321,741
2020	265,550	44,896	310,446
2021	265,550	33,550	299,100
2022	175,550	24,716	200,266
2023	91,250	20,556	111,806
2024-2028	456,250	69,724	525,974
2029-2031	273,750	11,728	285,478
Total	<u>1,793,450</u>	<u>261,361</u>	<u>2,054,811</u>

<i>Year Ended</i> <i>June 30,</i>	<i>Proprietary Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	285,928	69,414	355,342
2020	288,772	62,205	350,977
2021	291,725	55,527	347,252
2022	294,712	48,418	343,130
2023	297,763	40,353	338,116
2024-2028	1,020,113	115,812	1,135,925
2029-2033	429,775	41,998	471,773
2034-2035	90,205	3,620	93,825
Total	<u>2,998,993</u>	<u>437,347</u>	<u>3,436,340</u>

**2. Changes in Long-Term Liabilities**

The following summary of long-term debt transactions of the Town of Hampden for the fiscal year ended June 30, 2018:

	<i>General</i> <i>Fund</i>	<i>Proprietary</i> <i>Fund</i>	<i>Capital</i> <i>Leases</i>
<i>Long-term Debt payable July 1, 2017</i>	2,059,000	3,372,663	212,914
Debt Issued			281,191
Debt Retired	(265,550)	(373,670)	(117,509)
<i>Long-term Debt payable June 30, 2018</i>	<u>1,793,450</u>	<u>2,998,993</u>	<u>376,596</u>

**TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (continued)**

**3. Overlapping Debt**

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town is summarized as follows:

<i>Units</i>	<i>Net debt outstanding June 30, 2018</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
Regional School Unit No. 22	42,547,288	62.25%	26,486,051
Penobscot County	-	5.60%	-
	<hr/>		<hr/>
Totals	<u>42,547,288</u>		<u>26,486,051</u>

The Town's proportionate share of the above debt is paid through annual assessments by the receptive units.

**NOTE 4 - OTHER INFORMATION**

**A. Contingent Liabilities**

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

**B. Permanent Funds and Fiduciary Funds**

The principal amount of all Nonexpendable Fiduciary Funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The government's Permanent Funds and Fiduciary Funds at June 30 are detailed as follows:

<b><i>Fiduciary Funds</i></b>	<b><i>Principal</i></b>	<b><i>Income</i></b>	<b><i>Total</i></b>
Hampden Environmental		3,668,790	3,668,790
		<hr/>	<hr/>
<b><i>Permanent Funds</i></b>			
Dyer Library	275,893	135,662	411,555
Cemetery	55,828	34,121	89,949
Diane Marshall Book Fund	200	276	476
	<hr/>	<hr/>	<hr/>
	<u>331,921</u>	<u>170,059</u>	<u>501,980</u>

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan**

***Plan Description***

Qualifying personnel of the Town participate in the Maine Public Employees Retirement System (System) Participating Local District Consolidated (PLD) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of town employees, while towns contribute the normal cost, calculated actuarially, for their members.

***Pension Benefits***

Benefit terms are established in Maine Statute, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them. 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) occur upon the earning of five years of service credit for PLD employees (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years. 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 PLD employees is age 60 or 65. 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 contract with other participating employers under applicable statutory provisions.

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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

***Member and Employer Contributions***

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or by the System's Board of Trustees 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, 2018, the member contribution rate was 8% for regular – AC plan and 9.5% for special – 3C plan of applicable member compensation. The employer contribution rate was 9.6% for regular –AC plan and 12.2% for Special – 3C plan of applicable member compensation.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

The required contributions paid into the System for the year ended June 30, 2018 and the previous two years are as follows:

			<i>Applicable</i>			
<i>For the year ended</i>	<i>Employee</i>	<i>Employer</i>	<i>Member</i>			
<i>June 30,</i>	<i>Contributions</i>	<i>Contributions</i>	<i>Compensation</i>			
2018	\$ 108,774	\$ 138,614	\$ 1,170,186			
2017	\$ 102,402	\$ 122,738	\$ 1,100,814			
2016	\$ 93,591	\$ 117,929	\$ 1,057,122			

*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 PLD consolidated plan, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by the local employers on behalf of their employees. These leave 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 employers contributing towards the net pension liability of the plan using grant funding.

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

As of June 30, 2018, the Town reported a net pension liability of \$980,471. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2017, the Town’s proportion was .239467%, which was an increase of 0.000387% from its proportion measured at June 30, 2016.

For the fiscal year ended June 30, 2018, the Town recognized pension expense of \$138,614. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience		47,104
Changes in Assumption	83,432	-
Net Difference between projected between projected and actual earnings on pension plan investments	337,898	364,858
Changes in proportion and differences between employer contributions and proportionate share of contributions		66,053
Employer Contributions made subsequent to measurement date	138,614	
	<u>559,944</u>	<u>478,015</u>

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

<i>Year ended June 30,</i>						
2018		<u>(60,716)</u>				
2019		<u>64,206</u>				
2020		<u>6,578</u>				
2021		<u>(66,754)</u>				

*Actuarial Assumptions*

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75%-9%
Investment Rate of Return	6.875%, per annum, compounded annually
Cost of Living Benefit Increases	2.20%

For the Town employees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females is used.

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 (UAL) 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 his expected future salary. The normal cost of each employee is the product of his pay and his normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

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 liability.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates 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 Plan's target asset allocation as of June 30, 2017 are summarized in the following table.

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 6.875% for 2017. The projection of cash flows used to determine the discount rate assumed the 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 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.

The following table shows how the collective net pension liability/ (asset) as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

	<i>1% Decrease (5.875%)</i>	<i>Current Discount Rate (6.875%)</i>	<i>1% Increase (7.875%)</i>
Proportionate Share of the Net Pension Liability	\$ 1,967,126	\$ 980,471	\$ 237,673

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**C. Defined Benefit Employee Pension Plan (continued)**

*Pension Plan Financial and Actuarial Information*

Additional financial information and actuarial information can be found in the System's 2017 Comprehensive Annual Financial Reports available online at [www.maineopers.org](http://www.maineopers.org) or contacting the System at (207) 512-3100.

**D. Pension Plans**

The government's full-time employees have the option of coverage under the ICMA or Maine Public Employees Retirement Systems.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan is administered by an independent company, and the Town remits all compensation deferred to this administrator for investment as requested by the participant employees. All assets and income of the plans are held in trust for the exclusive benefit of participants and their beneficiaries.

The Town offers its employees a Money Purchase Pension Plan and Trust, which is administered by an independent provider. The Town shall contribute on behalf of each participant 8.40% of earnings plus another .5% of earnings if the employee contributes an additional 2% to a 457 deferred compensation plan for the plan year. Each participant is not required but can make voluntary contributions up to 10% of earnings for the plan year. All full-time employees not on the Maine Public Employees Retirement System are eligible to participate. Normal retirement age shall be 55 (not to exceed age 65). Participant's vesting requirements are fulfilled as follows: 3 years-20%; 4 years-40%; 5 years-60%; 6 years-80%; and 7 years and over-100%.

A participant may direct the investment without restriction among various options available under the trust. Loans are not permitted under the plan.

Additionally, the Town participates in a retirement health savings plan. Employees are allowed to contribute pre-tax wages to this account. The town will contribute the value of 8 hours per month to the program for employees who have reached the maximum allowable accrued sick time of 120 days. The Town's contribution to the health savings plan was \$36,800 for June 30, 2017, \$36,800 for June 30, 2016, and \$34,269 for June 30, 2015.

**E. Deficit Fund Balance**

As of June 30, 2018, the sewer fund has a negative unrestricted fund balance of \$609,148. The deficit is partially due to budgeting more expenses than revenues for the past several years. The Town Council did substantially raise sewer rates in February 2016 and adopted another rate increase in May 2017. These increases will gradually eliminate the deficit fund balance.

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**F. Tax Abatements**

The Town of Hampden negotiates tax increment financing agreements on an individual basis. The Town has tax increment financing agreements with three entities as of June 30, 2018:

<i>Purpose</i>	<i>Percentage of Taxes Returned during the Fiscal Year</i>	<i>Amount of Taxes Returned during the Fiscal Year</i>
Haverlock, Estey, & Curran built a new building in the business park and relocated to Hampden	50%	5,318.52
University Club/Dennis Paper is a grocery distributor located on the Mecaw Road. They have done two expansions over the last five years and now employ over 100 employee/owners	77%	9,467.06
Emera Maine - New facility for line workers relocated to Hampden in 2016 with the administrative offices to be relocated by 2019	50%	142,868.65

Each agreement was negotiated under a state law (the Economic Opportunity Act of 1964 as revised) allowing localities to rebate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. All Tax Increment Financing applications must be reviewed by and approved by the State of Maine Department of Economic Development and Community Development. The rebates may be granted to any business located within or promising to relocate to a government’s geographic area. Localities may grant rebates up to 100 percent of annual property taxes through a direct reimbursement of the entity’s property tax bill. The state law does provide for the recapture of the rebated taxes in the event that the recipient does not fulfill the commitment it makes in return for the reimbursement.

The Town of Hampden has adopted a Tax Increment Financing Policy. The Town of Hampden has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax rebate agreements entered into by other governmental agencies. The Town has chosen to disclose information about its tax rebate agreements individually.

**TOWN OF HAMPDEN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**G. Other Postemployment Benefits (OPEB)- Maine Municipal Employees Health Trust postretirement benefit plan**

**Plan description**

Qualifying personnel of the Town can participate in the Maine Municipal Employees Health Trust postretirement benefit plan. The plan is a single employer OPEB plan.

**Benefits provided**

*Medical/Prescription Drug:* The non-Medicare retirees are offered the same plans that are available to the active employees, as described in the benefits summaries. Medicare retirees are assumed to be enrolled in Medicare Part A and Part B which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage.

*Medicare:* Medicare benefits will be taken into account for any member or dependent while they are eligible to apply for Medicare. The Fund will determine a family member's benefit allowance, if any, based upon the applicable Medicare statutes and regulations. The Fund does not participate in the Medicare Retiree Drug Subsidy program.

*Duration of Coverage:* Medical benefits are provided for the life of the retiree and surviving spouses.

*Life Insurance:* The \$2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$2,000 life insurance benefit as well.

*Dental:* Current retirees do not have access to dental benefits. Future new retirees who retire on and after January 1, 2017 will have access to purchase dental coverage at the Plan COBRA rates. Since retirees pay for the coverage and rates are set to mirror plan experience costs, no additional obligation is anticipated. Program experience will be monitored with future valuations and updated as with all benefit provisions and assumptions.

**Employees covered by benefit terms:**

At June 30, 2018, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	52
Average age	44.48
Average service	11.52

**Net OPEB Liability**

The Town's net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:* The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**G. Other Postemployment Benefits (OPEB)- Maine Municipal Employees Health Trust postretirement benefit plan**

Discount Rate	3.44% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

Healthcare cost trend rates:

*Pre-Medicare Medical:* Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Pre-Medicare Drug:* Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Medicare Medical:* Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Medicare Drug:* Initial trend of 9.60% applied in FYE 2017 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2017 were used by the actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The actuary distributed the cost based on the current covered population and Cheiron's standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

This report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 related legislation and regulations.

*Discount Rate:* Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**G. Other Postemployment Benefits (OPEB) Maine Municipal Employees Health Trust postretirement benefit plan**

as of December 31, 2017 is based upon an earlier measurement date, as of December 29, 2016 and is 3.78% per annum. The discount rate as of December 31, 2018 is based upon an earlier measurement date, as of December 28, 2017 and is 3.44% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
<b>Balances at 1/1/17</b>	278,692	-	278,692
<b>Changes for the year:</b>			-
Service Cost	14,982		14,982
Interest	10,998		10,998
Changes of benefits	-		-
Differences between expected and actual experience	(2,268)		(2,268)
Changes of assumptions	54,640		54,640
Contributions - employer		5,484	(5,484)
Contributions - member			-
Net investment income			-
Benefit payments	(5,484)	(5,484)	-
Administrative expense			-
<b>Net Change</b>	72,868	-	72,868
<b>Balances at 1/1/18</b>	351,560	-	351,560

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Net OPEB liability (asset)	\$ 420,746	\$ 351,560	\$ 296,376

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.2% decreasing to 3%) or 1 percentage point higher (9.2% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease	Current Discount	1% Increase
Net OPEB liability (asset)	\$ 291,234	\$ 351,560	\$ 430,224

**TOWN OF HAMPDEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 - OTHER INFORMATION (Continued)**

**G. Other Postemployment Benefits (OPEB) Maine Municipal Employees Health Trust postretirement benefit plan**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The impact of experience gains or losses and assumption changes on the TOL are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 7 years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years, and thereafter.

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience		2,041
Changes in Assumption	49,176	
Net Difference between projected between projected and actual earnings on pension plan investments		
	<u>49,176</u>	<u>2,041</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:		
2019	5237	
2020	5237	
2021	5237	
2022	5237	
2023	5237	
Thereafter	20950	

**TOWN OF HAMPDEN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - UNASSIGNED FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit J**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b>Revenues</b>				
Taxes	13,542,864	13,542,864	13,705,106	162,242
Intergovernmental Revenues	640,705	648,022	655,947	7,925
Departmental Revenues	949,171	949,171	994,772	45,601
Other Local Sources	239,970	239,970	265,991	26,021
<b>Total Revenues</b>	<b>15,372,710</b>	<b>15,380,027</b>	<b>15,621,816</b>	<b>241,789</b>
<b>Expenditures (Net of Departmental Revenues)</b>				
General Government	1,166,486	1,166,486	1,162,179	4,307
Public Safety	3,001,324	3,001,324	2,931,781	69,543
Public Works	1,768,057	1,772,357	1,771,519	838
Solid Waste	376,514	376,514	405,462	(28,948)
Recreation and Culture	1,083,963	1,086,380	1,026,347	60,033
The Bus	89,911	89,911	97,467	(7,556)
Buildings and Grounds	233,092	233,692	220,469	13,223
General Assistance	7,000	7,000	2,253	4,747
Debt Service	314,398	314,398	315,964	(1,566)
Tax Increment Financing	323,085	323,085	323,088	(3)
Assessments	7,372,460	7,272,460	7,215,228	57,232
<b>Total Expenditures</b>	<b>15,736,290</b>	<b>15,643,607</b>	<b>15,471,757</b>	<b>171,850</b>
<b>Excess Revenues Over Expenditures</b>	<b>(363,580)</b>	<b>(263,580)</b>	<b>150,059</b>	<b>413,639</b>
<b>Other Financing Sources</b>				
Transfer In	515,521	515,521	515,521	-
Transfers Out	(451,941)	(551,941)	(551,941)	-
<b>Total Other Financing Sources (Uses)</b>	<b>63,580</b>	<b>(36,420)</b>	<b>(36,420)</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>113,639</b>	<b>413,639</b>
<b>Unassigned Fund Balance - July 1</b>			<b>1,498,682</b>	
Host Community Benefit			502,693	
<b>Unassigned Fund Balance - June 30</b>			<b>2,115,014</b>	

**TOWN OF HAMPDEN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit K**

Schedule 1 - Proportionate Share of the

Net Pension Liability:

**Participating Local Districts Plan**

	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension liability	0.239467%	0.239080%	0.261687%	0.284342%
Proportionate share of net pension liability	\$980,471	\$978,886	\$834,901	\$437,549
Covered employee payroll	\$1,170,186	\$1,100,814	\$1,057,122	\$995,645
Proportionate share of the net pension liability as a percentage of its covered employee payroll	83.79%	88.92%	78.98%	43.95%
Plan Total Pension Liability	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	\$2,607,223,644	\$2,358,409,925	\$2,401,889,308	\$2,455,776,671
Plan Net Pension Liability	\$409,437,077	\$531,330,709	\$319,046,701	\$153,881,174
Plan Fiduciary Net Position as a % Of the Total Pension Liability	86.427%	81.613%	88.274%	94.103%
Plan Covered Employee Payroll	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension Liability as a % Of the Covered Employee Payroll	75.462%	101.813%	64.115%	33.450%

\* Amounts presented for each fiscal year were determined as of June 30. A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of Town Contributions:

	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$138,614	\$122,738	\$117,929	\$106,968
Contribution in relation to the contractually required contribution	(\$138,614)	(\$122,738)	(\$117,929)	(\$106,968)
Contribution deficiency	\$0	\$0	\$0	\$0
Covered employee payroll	\$1,170,186	\$1,100,814	\$1,057,122	\$995,645
Contributions as a percentage of covered employee payroll	11.85%	11.15%	11.16%	10.74%

\* Amounts presented for each fiscal year were determined as of June 30. A full year schedule will be displayed as it becomes available.

**TOWN OF HAMPDEN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OPEB SCHEDULES - LAST 10 FISCAL YEARS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit L**

Schedule 1 - Schedule of Changes in Net OPEB Liability and Related Ratios

	<i>For the Fiscal Year Ended June 30, 2018</i>
<b><u>Total OPEB Liability</u></b>	
Service Cost (BOY)	\$14,982
Interest (includes interest on service cost)	\$10,998
Changes of benefit terms	
Differences between expected and actual experience	(\$2,268)
Changes in assumptions	\$54,640
Benefit payments, including refunds of member contributions	(\$5,484)
<b>Net Change in total OPEB liability</b>	<b>\$72,868</b>
<b>Total OPEB liability - beginning</b>	<b>\$278,692</b>
<b>Total OPEB liability - ending</b>	<b>\$351,560</b>
<b><u>Plan fiduciary net position</u></b>	
Contributions - employer	\$5,484
Contributions - member	
Net investment income	
Benefit payments, including refunds of member contributions	(\$5,484)
Administrative expense	
<b>Net change in plan fiduciary net position</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	
<b>Plan fiduciary net position - ending</b>	<b>-</b>
<b>Net OPEB liability - ending</b>	<b>\$351,560</b>
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.000%
Covered Employee Payroll	\$2,610,552
Net OPEB Liability as a % Of the Covered Employee Payroll	13.467%

Schedule 2 - Schedule of Contributions:

	<i>For the Fiscal Year Ended June 30, 2018</i>
Contractually required contribution	\$0
Contribution in relation to the contractually required contribution	\$0
Contribution deficiency	\$0

\* Amounts presented for each fiscal year were determined as of January 1. A full year schedule will be displayed as it becomes available.



**TOWN OF HAMPDEN  
NOTES TO HISTORICAL PENSION INFORMATION  
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2017, 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 for the group is the sum of the normal costs for all members.

**B. Asset Valuation Method**

The 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 actual assumption for investment return.

**C. Amortization**

The net pension liability is amortized on a level percentage of payrolls 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 costs accounting, reinforcing existing statutory requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 are as follows:

	<u><i>PLD Plan</i></u>
Investment Rate of Return:	6.875% per annum, compounded annually
Inflation Rate	2.75%
Rates of Salary Increase	2.75% to 9.0%
Cost of Living Benefit:	2.20%

For Town employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females for both the SET Plan and PLD Plan. 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.

**TOWN OF HAMPDEN  
NOTES TO OTHER POST EMPLOYMENT BENEFIT  
LIABILITY AND CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 – Actuarial Methods and Assumptions**

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

***Benefit Changes***

Claims costs and retiree contributions were updated to reflect current healthcare costs.

***Changes of Assumptions***

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

***Net OPEB Liability***

The Town’s net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	3.44% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.
Retirement Age	65
Healthcare cost trend rates	

*Pre-Medicare Medical:* Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Pre-Medicare Drug:* Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Medicare Medical:* Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.

*Medicare Drug:* Initial trend of 9.60% applied in FYE 2017 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2016.

**TOWN OF HAMPDEN  
GENERAL FUND  
STATEMENT OF ESTIMATED AND ACTUAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit A-1  
Page 1 of 2**

	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	11,608,718	11,611,156	2,438
Auto Excise	1,891,624	2,061,606	169,982
Boat Excise	10,000	10,958	958
Lien Interest and Fees	23,863	7,754	(16,109)
Interest on Taxes	8,659	13,632	4,973
	<u>13,542,864</u>	<u>13,705,106</u>	<u>162,242</u>
Intergovernmental Revenues			
General Assistance	3,500	2,305	(1,195)
Tree Growth	3,700	4,384	684
Veterans Reimbursement	6,900	7,030	130
Homestead Reimbursement	332,045	332,045	-
Business Equipment Tax Reimbursement	82,274	82,358	84
State Road Assistance	65,316	66,960	1,644
FEMA	7,317	7,317	-
DEA/School Reimb.	144,770	149,927	5,157
Highway Safety Grant		1,152	1,152
Snowmobile Reimbursement	2,200	2,469	269
	<u>648,022</u>	<u>655,947</u>	<u>7,925</u>
Departmental Revenues			
Ambulance Service	175,038	173,908	(1,130)
Police	2,332	1,541	(791)
Fire	5	34	29
Public Safety		4,150	4,150
Public Works		3,331	3,331
Solid Waste Recycling	7,518	13,155	5,637
Transfer Station	32,690	32,255	(435)
Sewer	60,000	60,000	-
Plumbing Fees	8,500	12,625	4,125
Re-Registration Fees	23,221	25,715	2,494
Town Clerk Fees	13,861	13,428	(433)
Public Works/Cemetery Fees	6,100	5,250	(850)
Code Enforcement Fees	20,000	39,300	19,300
TIF/Economic Development	50,000	50,000	-
Library	7,090	6,035	(1,055)
Animal Control	4,520	2,739	(1,781)
Pool Fees	165,819	156,493	(9,326)
Recreation Fees	329,309	370,451	41,142
Planning/Zoning Fees	43,168	24,362	(18,806)
	<u>949,171</u>	<u>994,772</u>	<u>45,601</u>

**TOWN OF HAMPDEN  
GENERAL FUND  
STATEMENT OF ESTIMATED AND ACTUAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit A-1  
Page 2 of 2**

	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Other Local Sources			
Interest on Investments	5,000	16,699	11,699
Fair Value Increases (Decreases)		(17,178)	(17,178)
Cable TV Franchise	39,000	21,788	(17,212)
Sale of Cemetery Lots	2,500	1,300	(1,200)
Rental Income	2,000	2,000	-
Fees and Permits	98	367	269
Service Charges	9,110	8,512	(598)
PERC Revenue	109,417	103,290	(6,127)
Sale of Tax Acquired Property		75,711	75,711
Environmental Trust	72,345	52,290	(20,055)
All Other	500	1,212	712
	<u>239,970</u>	<u>265,991</u>	<u>26,021</u>
Operating Transfers In			
Municipal Revenue Sharing	393,636	393,636	-
Mayo Road	109,881	109,881	-
Reserves	12,004	12,004	-
	<u>515,521</u>	<u>515,521</u>	<u>-</u>
Total Revenues and Transfers	15,895,548	<u><b>16,137,337</b></u>	<u><b>241,789</b></u>
Beginning Fund Balance Used To Reduce Tax Commitment	<u>300,000</u>		
<b>Total</b>	<u><b>16,195,548</b></u>		

**TOWN OF HAMPDEN**  
**GENERAL FUND**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit A-2*  
*Page 1 of 2*

	<i>Encumbered From 6/30/17</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered To 6/30/19</i>	<i>Under Budget</i>
General Government					
Administration		585,659	602,070		(16,411)
GIS/IT		116,195	117,055		(860)
Communications	1,889	22,342	24,200		31
Town Council		30,308	22,864		7,444
Municipal Building		103,579	100,755		2,824
Tax Collector		7,932	7,087		845
Elections		11,484	10,249		1,235
Planning/Assessing		285,487	276,288		9,199
Economic Development		3,500	3,500		-
	<u>1,889</u>	<u>1,166,486</u>	<u>1,164,068</u>	<u>-</u>	<u>4,307</u>
Public Safety					
Police Department		1,093,054	1,062,214		30,840
Fire Department		1,147,215	1,109,799		37,416
Public Safety		202,783	202,455		328
Non Department Utilities		558,272	557,313		959
	<u>-</u>	<u>3,001,324</u>	<u>2,931,781</u>	<u>-</u>	<u>69,543</u>
Public Works					
Public Works	171,811	1,649,927	1,821,798	7,500	(7,560)
Municipal Garage		50,085	47,210		2,875
Stormwater	5,240	72,345	45,062	27,000	5,523
	<u>177,051</u>	<u>1,772,357</u>	<u>1,914,070</u>	<u>34,500</u>	<u>838</u>
Solid Waste		376,514	405,462		(28,948)
Recreation and Culture					
Parks/Recreation		192,761	185,042		7,719
Recreation - Programs		194,876	153,658		41,218
Skeehan Center		123,234	116,921		6,313
Dyer Library		249,267	246,890		2,377
Marina		350	112		238
Lura Hoit Pool		325,892	323,724		2,168
	<u>-</u>	<u>1,086,380</u>	<u>1,026,347</u>	<u>-</u>	<u>60,033</u>

**TOWN OF HAMPDEN  
GENERAL FUND  
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit A-2  
Page 2 of 2*

	<i>Encumbered From 6/30/17</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered To 6/30/19</i>	<i>(Over) Under Budget</i>
The Bus		89,911	97,467		(7,556)
Buildings and Grounds		233,692	220,469		13,223
General Assistance		7,000	2,253		4,747
Debt Service		314,398	315,964		(1,566)
TIF		323,085	323,088		(3)
Assessments					
Regional School District		6,370,594	6,370,594		-
County Tax		834,723	834,723		-
Overlay		67,143	9,911		57,232
		<u>7,272,460</u>	<u>7,215,228</u>	-	<u>57,232</u>
Transfers To Other Funds					
Town Reserves		134,311	134,311		-
Capital Improvement Program		417,630	417,630		-
		<u>551,941</u>	<u>551,941</u>		<u>-</u>
<b>Totals</b>	<b><u>178,940</u></b>	<b><u>16,195,548</u></b>	<b><u>16,168,138</u></b>	<b><u>34,500</u></b>	<b><u>171,850</u></b>

**TOWN OF HAMPDEN  
GENERAL FUND  
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit A-3**

Unassigned Fund Balance, July 1	1,498,682	
Unassigned Fund Balance, June 30	<u>1,612,321</u>	
<b>Increase (Decrease)</b>		<b><u><u>113,639</u></u></b>

*Analysis of Change*

Budget Summary		
Revenue Surplus (Exhibit A-1)	241,789	
Unexpended Balance of Appropriations and Operating Transfers (Exhibit A-2)	<u>171,850</u>	
Budget Surplus		413,639
Deductions		
Beginning Fund Balance Used To Reduce Tax Commitment		<u>(300,000)</u>
<b>Increase (Decrease)</b>		<b><u><u>113,639</u></u></b>

**\*Reconciliation Between General Unassigned Fund Balance  
and Exhibit C Unassigned Fund Balance:**

General Fund Unassigned Fund Balance - Exhibit A-3	1,612,321	
Host Community Benefit	<u>502,693</u>	
Total Unassigned Fund Balance Exhibit C		<b><u><u>2,115,014</u></u></b>

**TOWN OF HAMPDEN  
ALL GENERAL RESERVES  
BALANCE SHEET  
JUNE 30, 2018**

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Town Reserves</i>	<i>Voting Machine</i>	<i>Bronco Youth Football</i>
Cash and Equivalents		124,492		
Investments		8,439		
Accounts Receivable		10,000		
Due from Other Funds	161,734	52,000	18,492	13,523
<b>Total Assets</b>	<b>161,734</b>	<b>194,931</b>	<b>18,492</b>	<b>13,523</b>
 <i>Liabilities &amp; Fund Balances</i>				
<i>Liabilities</i>				
Accounts Payable		360		
Due to Other Funds				
<b>Total Liabilities</b>	-	360	-	-
 <i>Fund Balances</i>				
Restricted	161,734			
Committed		194,571	18,492	13,523
Unassigned				
<b>Total Fund Balances</b>	<b>161,734</b>	<b>194,571</b>	<b>18,492</b>	<b>13,523</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>161,734</b>	<b>194,931</b>	<b>18,492</b>	<b>13,523</b>

**TOWN OF HAMPDEN  
ALL GENERAL RESERVES  
BALANCE SHEET  
JUNE 30, 2018**

*Exhibit A-4  
Page 2 of 2*

<i>Assets</i>	<i>Bronco Travel Basketball</i>	<i>Bronco Little League</i>	<i>Host Community Benefit</i>	<i>Lura Hoit Pool</i>	<i>Totals</i>
Cash and Equivalents				29,021	153,513
Investments				89,893	98,332
Accounts Receivable					10,000
Due from Other Funds	12,775	12,467	502,693		773,684
<b>Total Assets</b>	<b>12,775</b>	<b>12,467</b>	<b>502,693</b>	<b>118,914</b>	<b>1,035,529</b>
 <i>Liabilities &amp; Fund Balances</i>					
Liabilities					
Accounts Payable					360
Due to Other Funds				27,737	27,737
Total Liabilities	-	-	-	27,737	28,097
Fund Balances					
Restricted					161,734
Committed	12,775	12,467		91,177	343,005
Unassigned			502,693		502,693
Total Fund Balances	12,775	12,467	502,693	91,177	1,007,432
<b>Total Liabilities &amp; Fund Balances</b>	<b>12,775</b>	<b>12,467</b>	<b>502,693</b>	<b>118,914</b>	<b>1,035,529</b>

**TOWN OF HAMPDEN**  
**ALL GENERAL RESERVES**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit A-5*  
*Page 1 of 2*

	<i>Municipal Revenue Sharing</i>	<i>Town Reserves</i>	<i>Fire Training School</i>	<i>Voting Machine Recreation</i>	<i>Bronco Youth Football</i>
Revenues					
Intergovernmental Revenues	400,026				
Investment Income		1,408			
Fair Value Increases (Decreases)		(468)			
Other Local Sources		10,000			8,487
<b>Total Revenues</b>	<b>400,026</b>	<b>10,940</b>	<b>-</b>	<b>-</b>	<b>-</b>
Expenditures					
General Government		51,930			
Public Safety		10,864			
Public Works		2,651			
Recreation and Culture					5,992
<b>Total Expenditures</b>		<b>65,445</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	400,026	(54,505)	-	-	-
Other Financing Sources (Uses)					
Transfers In		164,311			
Transfers Out	(393,636)	(37,485)			(341,209)
<b>Total Other Financing Sources (Uses)</b>	<b>(393,636)</b>	<b>126,826</b>	<b>-</b>	<b>-</b>	<b>(341,209)</b>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	6,390	72,321	-	-	(341,209)
Fund Balance - July 1	155,344	122,250		18,492	341,209
<b>Fund Balance - June 30</b>	<b>161,734</b>	<b>194,571</b>	<b>-</b>	<b>18,492</b>	<b>-</b>

**TOWN OF HAMPDEN**  
**ALL GENERAL RESERVES**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit A-5*  
*Page 2 of 2*

	<i>Bronco Travel Basketball</i>	<i>Bronco Little League</i>	<i>Host Community Benefit</i>	<i>Lura Hoit Enterprise</i>	<i>Lura Hoit Pool</i>	<i>Totals</i>
<b>Revenues</b>						
Intergovernmental Revenues						400,026
Investment Income					2,770	4,178
Fair Value Increases (Decreases)					122	(346)
Other Local Sources	31,918	36,813	16,635		7,558	111,411
<b>Total Revenues</b>	<b>31,918</b>	<b>36,813</b>	<b>16,635</b>	<b>-</b>	<b>10,450</b>	<b>515,269</b>
<b>Expenditures</b>						
General Government						51,930
Public Safety						10,864
Public Works			10,236			12,887
Recreation and Culture	34,798	47,766	7,229		19,775	115,560
<b>Total Expenditures</b>	<b>34,798</b>	<b>47,766</b>	<b>17,465</b>	<b>-</b>	<b>19,775</b>	<b>191,241</b>
<b>Excess of Revenues Over (Under)</b>						
Expenditures	(2,880)	(10,953)	(830)	-	(9,325)	324,028
<b>Other Financing Sources (Uses)</b>						
Transfers In						164,311
Transfers Out				(100,452)		(872,782)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,452)</b>	<b>-</b>	<b>(708,471)</b>
<b>Excess of Revenues and Other Financing Sources (Uses) Over Expenditures</b>	<b>(2,880)</b>	<b>(10,953)</b>	<b>(830)</b>	<b>(100,452)</b>	<b>(9,325)</b>	<b>(384,443)</b>
<b>Fund Balance - July 1</b>	<b>15,655</b>	<b>23,420</b>	<b>503,523</b>	<b>100,452</b>	<b>100,502</b>	<b>1,391,875</b>
<b>Fund Balance - June 30</b>	<b>12,775</b>	<b>12,467</b>	<b>502,693</b>	<b>-</b>	<b>91,177</b>	<b>1,007,432</b>

**TOWN OF HAMPDEN  
GENERAL RESERVE FUNDS  
SCHEDULE OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit A-6*

<i>Reserve Fund</i>	<i>Balance July 1</i>	<i>Revenues</i>	<i>Interest</i>	<i>Increase (Decrease) In Fair Value</i>	<i>Transfers In</i>	<i>Expenditures</i>	<i>Transfers Out</i>	<i>Balance June 30</i>
Boat Fund/Public Safety	1,482		11	(3)				1,490
Buildings/Grounds	3,313		49	(16)	5,280			8,626
Contingency	620		4	(1)			(620)	3
Copier	243		2					245
Garage Modifications	17,845		134	(40)				17,939
Economic Development	1,563		27	(10)	6,730	(5,351)		2,959
EMS/Vaccine	1,198		9	(3)				1,204
Fire Department Building	1,643		19	(8)	2,361	(1,626)		2,389
Fire Training	2,357		18	(5)				2,370
Fire Truck Refurbishing	19,684		148	(44)				19,788
Fire Visual Aid	58		32	(18)	10,000	(9,238)		834
GIS Mapping	14,136		106	(32)				14,210
Library Grant	259		2					261
Matching Grants	12,438		132	(45)	40,000	(2,651)	(30,000)	19,874
Planning Board Development	120		1			(120)		1
Planning Board	753		4	(1)		(752)		4
Planning and Commissions	5,277		254	(108)	45,000	(12,052)		38,371
Police Cruiser/Communication	21,007	10,000	195	(41)	27,000			58,161
Town Properties Survey	7,607		57	(17)			(6,107)	1,540
Town Records Restoration	3		6	(2)	2,940	(2,540)		407
Wage Study and Implementation	10,644		198	(74)	25,000	(31,115)	(758)	3,895
	<b>122,250</b>	<b>10,000</b>	<b>1,408</b>	<b>(468)</b>	<b>164,311</b>	<b>(65,445)</b>	<b>(37,485)</b>	<b>194,571</b>

**TOWN OF HAMPDEN**  
**ALL SPECIAL REVENUE FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2018**

*Exhibit B-1*

<i>Assets</i>	<i>Pool Donation</i>	<i>Public Safety Donation</i>	<i>Library Fund</i>	<i>Lura Hoit Pool Scholarship</i>	<i>Wellness Fund</i>	<i>Pink Garden</i>	<i>Totals</i>
Cash and Equivalents				34,477			34,477
Due from Other Funds	186	2,014	2,917		579	322	6,018
<b>Total Assets</b>	<b>186</b>	<b>2,014</b>	<b>2,917</b>	<b>34,477</b>	<b>579</b>	<b>322</b>	<b>40,495</b>
 <i>Liabilities &amp; Fund Balances</i>							
Liabilities							
Due to Other Funds							-
Total Liabilities	-	-	-	-	-	-	-
Fund Balances							
Restricted	186	2,014	2,917	34,477	579	322	40,495
Unassigned							-
Total Fund Balances	186	2,014	2,917	34,477	579	322	40,495
<b>Total Liabilities &amp; Fund Balances</b>	<b>186</b>	<b>2,014</b>	<b>2,917</b>	<b>34,477</b>	<b>579</b>	<b>322</b>	<b>40,495</b>

**TOWN OF HAMPDEN**  
**ALL SPECIAL REVENUE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit B-2**  
**Page 1 of 3**

	<i>Pool Donation</i>	<i>Public Safety Donation</i>	<i>SCBA Masks MMA Grant</i>	<i>Scene Lights Grant</i>	<i>Trail Signs</i>	<i>Library Fund</i>	<i>Library Grant</i>
Revenues							
Intergovernmental Revenues							
Other Local Sources			3,000	2,500		11,788	
<b>Total Revenues</b>	-	-	3,000	2,500	-	11,788	-
Expenditures							
General Government							
Public Safety			3,000	2,500			
Recreation and Culture	99					16,428	12
<b>Total Expenditures</b>	99	-	3,000	2,500	-	16,428	12
Excess of Revenues Over (Under) Expenditures	(99)	-	-	-	-	(4,640)	(12)
Other Financing Sources (Uses)							
Transfers from Other Funds						3,000	
Transfers to Other Funds							
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	3,000	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	(99)	-	-	-	-	(1,640)	(12)
Fund Balance - July 1	285	2,014				4,557	12
<b>Fund Balance - June 30</b>	<b>186</b>	<b>2,014</b>	-	-	-	<b>2,917</b>	-

**TOWN OF HAMPDEN**  
**ALL SPECIAL REVENUE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Exhibit B-2**  
**Page 2 of 3**

	<i>Flag Project</i>	<i>Rescue Equipment</i>	<i>Children's Day Raffle</i>	<i>Turnout Gear Extractor</i>	<i>Lura Hoit Pool Scholarship</i>	<i>Maine Community Foundation</i>	<i>Wellness Fund</i>
Revenues							
Intergovernmental Revenues							
Other Local Sources	580	1,448	400	818	1,804	700	2,188
Total Revenues	580	1,448	400	818	1,804	700	2,188
Expenditures							
General Government							1,288
Public Safety		1,381		818			
Recreation and Culture			640		414	712	
Total Expenditures	-	1,381	640	818	414	712	1,288
Excess of Revenues Over (Under) Expenditures	580	67	(240)	-	1,390	(12)	900
Other Financing Sources (Uses)							
Transfers from Other Funds							
Transfers to Other Funds							
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	580	67	(240)	-	1,390	(12)	900
Fund Balance - July 1	(580)	(67)	240		33,087	12	(321)
<b>Fund Balance - June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,477</b>	<b>-</b>	<b>579</b>

**TOWN OF HAMPDEN**  
**ALL SPECIAL REVENUE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit B-2*  
*Page 3 of 3*

	<i>Pink Garden</i>	<i>Katahdin Trust Partnership</i>	<i>MRPA Tickets</i>	<i>EVOC Equipment Grant</i>	<i>Maine Community Heritage Grant</i>	<i>Totals</i>
Revenues						
Intergovernmental Revenues						-
Other Local Sources	76		8,235			33,537
<b>Total Revenues</b>	<b>76</b>	<b>-</b>	<b>8,235</b>	<b>-</b>	<b>-</b>	<b>33,537</b>
Expenditures						
General Government	185					1,473
Public Safety				3		7,702
Recreation and Culture		96	8,235		129	26,765
<b>Total Expenditures</b>	<b>185</b>	<b>96</b>	<b>8,235</b>	<b>3</b>	<b>129</b>	<b>35,940</b>
Excess of Revenues Over (Under) Expenditures	(109)	(96)	-	(3)	(129)	(2,403)
Other Financing Sources (Uses)						
Transfers from Other Funds						3,000
Transfers to Other Funds						-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	(109)	(96)	-	(3)	(129)	597
Fund Balance - July 1	431	96		3	129	39,898
<b>Fund Balance - June 30</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,495</b>

**TOWN OF HAMPDEN  
 ALL CAPITAL PROJECTS FUNDS  
 BALANCE SHEET  
 JUNE 30, 2018**

*Exhibit C-1*

	<b><i>Capital Improvement Program</i></b>
<b><i>Assets</i></b>	
Cash	1,072,708
Investments	72,713
Accounts Receivable	47,669
Due from Other Funds	82,735
	<hr/>
<b>Total Assets</b>	<b>1,275,825</b>
	<hr/> <hr/>
<b><i>Liabilities &amp; Fund Balances</i></b>	
Liabilities	
Accounts Payable	1,410
Due To Other funds	
	<hr/>
Total Liabilities	1,410
	<hr/>
Fund Balances	
Committed	1,274,415
	<hr/>
Total Fund Balances	1,274,415
	<hr/>
<b>Total Liabilities &amp; Fund Balances</b>	<b>1,275,825</b>
	<hr/> <hr/>

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit C-2*

	<i>Mayo Road</i>	<i>Capital Improvement Program</i>	<i>Totals</i>
Revenues			
Investment Income		4,934	4,934
Fair Value Increases (Decreases)		(1,410)	(1,410)
Other Local Sources		117,453	117,453
<b>Total Revenues</b>	-	120,977	120,977
Expenditures			
Capital Outlay		217,855	217,855
<b>Total Expenditures</b>	-	217,855	217,855
Excess of Revenues Over Expenditures	-	(96,878)	(96,878)
Other Financing Sources (Uses)			
Transfers from Other Funds		862,733	862,733
Transfers to Other Funds	(109,881)	(7,961)	(117,842)
<b>Total Other Financing Uses</b>	(109,881)	854,772	744,891
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	(109,881)	757,894	648,013
Fund Balance - July 1	109,881	516,521	626,402
<b>Fund Balance - June 30</b>	-	<b>1,274,415</b>	<b>1,274,415</b>

**TOWN OF HAMPDEN  
CAPITAL IMPROVEMENT PROGRAM  
SCHEDULE OF ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit C-3*

<i>Reserve Fund</i>	<i>Balance July 1</i>	<i>Revenues</i>	<i>Interest</i>	<i>Increase (Decrease) In Fair Value</i>	<i>Transfers In</i>	<i>Expenditures</i>	<i>Transfers Out</i>	<i>Balance June 30</i>
Ambulance	29,671		251	(63)	20,000			49,859
Bus	1,156		17	(10)	5,850	(7,003)		10
Cemetery	10,229	1,625	82	(25)				11,911
Communications	808		6	(2)			(808)	4
Computer	57,497	991	391	(109)	14,100	(16,810)	(3,711)	52,349
Equip. Replacement - Public Works	13,563	53,333	83	(23)	31,680	(34,580)		64,056
Fire Truck	137,557		1,105	(300)	50,000			188,362
Library	23,818		179	(54)				23,943
Marina	13,979	15,000	88	(32)	5,000	(28,670)		5,365
Municipal Building	24,815	7,969	510	(136)	114,000	(29,627)		117,531
Playground		18,713	23	3	5,000	(1,287)	(3,442)	19,010
Pool Facility	52,148	18,580	412	(115)	105,452	(28,460)		148,017
Recreation	8,893		54	(15)		(3,374)		5,558
Recreation Area	64,937	1,242	648	(164)	354,651	(14,991)		406,323
Solid Waste	76,751		791	(262)	90,000	(43,651)		123,629
Town Roads	699		294	(103)	67,000	(9,402)		58,488
	<b>516,521</b>	<b>117,453</b>	<b>4,934</b>	<b>(1,410)</b>	<b>862,733</b>	<b>(217,855)</b>	<b>(7,961)</b>	<b>1,274,415</b>

**TOWN OF HAMPDEN  
ALL PERMANENT FUNDS  
BALANCE SHEET  
JUNE 30, 2018**

*Exhibit D-1*

<i>Assets</i>	<i>Dyer Library</i>	<i>Cemetery</i>	<i>Diane Marshall Book Fund</i>	<i>Totals</i>
Cash and Equivalents	20,944	30,303	476	51,723
Investments	392,259	64,596		456,855
Due from Other Funds		50		50
<b>Total Assets</b>	<b>413,203</b>	<b>94,949</b>	<b>476</b>	<b>508,628</b>
 <i>Liabilities &amp; Fund Balances</i>				
Liabilities				
Due to Other Funds	1,648	5,000		6,648
Total Liabilities	1,648	5,000	-	6,648
 Fund Balances				
Nonspendable	275,893	55,828	200	331,921
Assigned	135,662	34,121	276	170,059
Total Fund Balances	411,555	89,949	476	501,980
<b>Total Liabilities &amp; Fund Balances</b>	<b>413,203</b>	<b>94,949</b>	<b>476</b>	<b>508,628</b>

**TOWN OF HAMPDEN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

*Exhibit D-2*

	<i>Dyer Library</i>	<i>Cemetery</i>	<i>Diane Marshall Book Fund</i>	<i>Totals</i>
Revenues				
Fair Value Increases (Decreases)	18,651	(1,090)		17,561
Investment Income	(1,662)	1,229		(433)
Other Local Sources				-
<b>Total Revenues</b>	<b>16,989</b>	<b>139</b>	<b>-</b>	<b>17,128</b>
Expenditures				
Cemetery Maintenance				-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	16,989	139	-	17,128
Other Financing Sources (Uses)				
Transfers to Other Funds	(3,000)			(3,000)
<b>Total Other Financing Uses</b>	<b>(3,000)</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	13,989	139	-	14,128
Fund Balance - July 1	397,566	89,810	476	487,852
<b>Fund Balance - June 30</b>	<b>411,555</b>	<b>89,949</b>	<b>476</b>	<b>501,980</b>