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JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Hope
Hope, Maine

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Hope, as of and for the years ended June 30, 2020 and 2019, 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town of Hope as of June 30, 2020 and 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedule - General Fund; Schedule of Town's Proportionate Share of Net Pension Liability; and Schedule of Town Contributions information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the Information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hope's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Bath, Maine

June 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Hope, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Hope for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

Government-wide Highlights

Net Position - The Town's assets and deferred outflows of \$5,550,595 exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$4,795,421. Of this amount, \$882,385 is reported as "unrestricted net position". 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 increased by \$1,847 as shown below:

Increase in Cash	\$ 151,142
Increase in Investments	40,240
Decrease in Accounts Receivable	(15,975)
Increase in Taxes Receivable	67,792
Decrease in Other Current Assets	(20,626)
Increase in Deferred Outflows	104
Increase in Accounts Payable and Accrued Expenses	(59,440)
Increase in Pension Liability	(13,833)
Debt Principal Payments	36,831
Decrease in Deferred Inflows	9,031
Depreciation of Capital Assets	(193,419)
Total	<u>\$ 1,847</u>

Fund Highlights

Governmental Funds - Fund Balances - The Town's governmental funds (Exhibit E) reported a combined ending fund balance of \$1,298,746 as of June 30, 2020. Of this amount, \$575,501 is unassigned and represents 11% of the general fund expenditures for the year.

Long-Term Debt

The Town's total long-term debt obligations decreased by \$36,831 during the fiscal year as a result of a principal payment on the fire station bond.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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).

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. This is similar to the presentation used by private-sector businesses. Government-wide financial statements present governmental activities and business-type activities separately. The School Lunch Program is the Town's only business-type activity.

The Statements of Net Position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by this integrated approach.

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

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

The Town maintains eight individual governmental funds - the General Fund, Capital Projects Fund, Cemetery Maintenance Fund, Solar Reserve, Cemetery Perpetual Care Fund, and three Special Revenue funds related to Hope Elementary School - Federal and State Programs (e.g. Federal Title Programs), the Pre-K Program, and Other Grants. Financial statements for fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. These 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. The Town of Hope has only one fiduciary fund - the Student Activity fund at the Hope Elementary School.

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 immediately following the fund financial statements.

Required Supplementary Information

This section includes a schedule comparing budgeted revenue and expenditures with actual amounts.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$4,795,421 at the close of the most recent fiscal year.

Current Assets	\$ 1,892,518
Capital Assets	3,579,366
Deferred Outflows	78,711
Total Assets and Deferred Outflows	<u>\$ 5,550,595</u>
Accounts Payable and Accrued Expenses	\$ 561,950
Debt Related to Capital Assets	184,155
Deferred Inflows	9,069
Total Liabilities and Deferred Inflows	<u>\$ 755,174</u>
Net Position:	
Invested in Capital Assets	\$ 3,385,759
Restricted	527,277
Unrestricted	882,385
Total Net Position	<u>\$ 4,795,421</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, roads and equipment), less any related outstanding debt used to acquire these assets. 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.

Change in Net Position

Total Revenues	\$ 5,575,675
Total Expenses	(5,573,828)
Change in Net Position	<u>\$ 1,847</u>

62% of the Town's total revenue came from property and excise taxes; 29% came from state and federal funding; and 9% came from services, interest income, and other sources.

FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,298,746. Of this total amount, 44% constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending because it has already been committed or is restricted for various purposes. The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$575,618, while its total fund balance was \$926,530. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 11% of total general fund expenditures.

General Fund Budgetary Highlights

The fund balance of the Town's general fund increased by \$96,203 during the fiscal year ending June 30, 2020. The unassigned portion of this fund balance decreased by \$84,858 during the same period. The detail by category can be seen in Schedule A-2 in the Supplemental Information to the accompanying financial statements.

Capital Assets and Long-Term Debt

Capital Assets The Town's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$3,579,366, net of accumulated depreciation. This investment in capital assets includes land, buildings, roads, and equipment. Additional information can be found in Note I in the accompanying financial statements. The only major capital assets event during the fiscal year was total depreciation of \$193,419.

Long-Term Debt At the end of the fiscal year, the Town had total debt outstanding of \$184,155. Additional information on the Town's long-term debt can be found in Note D to the accompanying financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Samantha Mank, Town Administrator, Town of Hope, 441 Camden Road, Hope, Maine 04847.

TOWN OF HOPE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	GOVERNMENTAL FUNDS	BUSINESS-TYPE ACTIVITIES	2020 TOTAL	2019 TOTAL
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash (Note B)	\$ 879,364	\$ -	\$ 879,364	\$ 728,222
Investments (Note N)	693,629		693,629	653,389
Accounts Receivable (Note C)	50,907	10,699	61,606	77,581
Taxes Receivable	225,309		225,309	157,517
Tax Liens	17,233		17,233	43,998
Inventory		2,494	2,494	3,146
Due From Other Funds		8,415	8,415	2,830
Prepaid Expenses	4,468		4,468	3,262
Total Current Assets	<u>\$ 1,870,910</u>	<u>\$ 21,608</u>	<u>\$ 1,892,518</u>	<u>\$ 1,669,945</u>
PROPERTY, PLANT, AND EQUIPMENT:				
Net Property, Plant, and Equipment (Note I)	3,579,366		3,579,366	3,772,785
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pension	78,711		78,711	78,607
Total Assets and Deferred Outflows	<u>\$ 5,528,987</u>	<u>\$ 21,608</u>	<u>\$ 5,550,595</u>	<u>\$ 5,521,337</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES:				
Notes and Bonds Payable (Note D)	\$ 36,831	\$ -	\$ 36,831	\$ 36,831
Accounts Payable - Trade	113,732	1,691	115,423	20,943
Accrued Wages	135,850		135,850	184,366
Other Accrued Expenses	216,548		216,548	230,136
Unearned revenues	21,479		21,479	-
Due To Other Funds	8,415		8,415	2,830
Total Current Liabilities	<u>\$ 532,855</u>	<u>\$ 1,691</u>	<u>\$ 534,546</u>	<u>\$ 475,106</u>
LONG-TERM LIABILITIES:				
Pension Liability	\$ 64,235	\$ -	\$ 64,235	\$ 50,402
Notes and Bonds Payable - Net of Current Portion (Note D)	147,324		147,324	184,155
Total Long-Term Liabilities	<u>\$ 211,559</u>	<u>\$ -</u>	<u>\$ 211,559</u>	<u>\$ 234,557</u>
Total Liabilities	<u>\$ 744,414</u>	<u>\$ 1,691</u>	<u>\$ 746,105</u>	<u>\$ 709,663</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to Pension	\$ 9,069	\$ -	\$ 9,069	\$ 18,100
NET POSITION:				
Net Invested in Capital Assets	\$ 3,385,759	\$ -	\$ 3,385,759	\$ 3,542,354
Restricted for:				
Nonspendable Perpetual Care	22,040		22,040	21,905
Capital Projects	141,668		141,668	118,670
Other Purposes	363,569		363,569	346,350
Unrestricted	862,468	19,917	882,385	764,295
Total Net Position	<u>\$ 4,775,504</u>	<u>\$ 19,917</u>	<u>\$ 4,795,421</u>	<u>\$ 4,793,574</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 5,528,987</u>	<u>\$ 21,608</u>	<u>\$ 5,550,595</u>	<u>\$ 5,521,337</u>

TOWN OF HOPE
STATEMENTS OF ACTIVITIES
JUNE 30, 2020 AND 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2020 TOTAL	2019 TOTAL
Primary Government:							
Governmental Activities:							
General Government	\$ 544,077	\$ 24,559	\$ -	\$ (519,518)	\$ -	\$ (519,518)	\$ (492,616)
Public Safety	167,318			(167,318)		(167,318)	(145,261)
Public Works	522,242		35,468	(486,774)		(486,774)	(478,765)
Sanitation	57,386			(57,386)		(57,386)	(52,462)
Culture and Recreation	8,508			(8,508)		(8,508)	(6,231)
Education	3,956,383		1,110,062	(2,846,321)		(2,846,321)	(2,699,473)
Cemeteries	3,692	450		(3,242)		(3,242)	(4,841)
Interest	9,854			(9,854)		(9,854)	(9,912)
Intergovernmental on Behalf Payments	229,539		229,539				
Total Governmental Activities	\$ 5,498,999	\$ 25,009	\$ 1,375,069	\$ (4,098,921)	\$ -	\$ (4,098,921)	\$ (3,889,561)
Business-Type Activities:							
School Lunch Program	74,829	27,135	58,202		10,508	10,508	(2,079)
Total Primary Government	\$ 5,573,828	\$ 52,144	\$ 1,433,271	\$ (4,098,921)	\$ 10,508	\$ (4,088,413)	\$ (3,891,640)
General Revenues:							
Taxes:							
Property Taxes				\$ 3,462,430	\$ -	\$ 3,462,430	\$ 3,185,459
Excise Taxes				331,812		331,812	341,695
Interest and Costs on Taxes				16,078		16,078	15,960
Intergovernmental:							
State Revenue Sharing				116,270		116,270	71,432
Homestead Exemption				105,001		105,001	95,191
Tree Growth Reimbursement				8,315		8,315	8,607
Veterans' Exemption				1,238		1,238	1,180
General Assistance Reimbursement							336
Burn Permit Revenue Sharing				72		72	158
BETE Reimbursement				68		68	70
Restricted Interest							736
Unrestricted Interest				25,729		25,729	9,223
Investment Earnings				19,008		19,008	8,161
Unrealized Gain (Loss)				(226)		(226)	8,622
Miscellaneous				4,465		4,465	894
Total General Revenues				\$ 4,090,260	\$ -	\$ 4,090,260	\$ 3,747,724
Change in Net Position				\$ (8,661)	\$ 10,508	\$ 1,847	\$ (143,916)
Net Position, July 1				4,784,165	9,409	4,793,574	4,937,490
Net Position, June 30				\$ 4,775,504	\$ 19,917	\$ 4,795,421	\$ 4,793,574

TOWN OF HOPE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
GOVERNMENTAL FUND BALANCES:		
Total Governmental Fund Balances (Exhibit E)	\$ 1,298,746	\$ 1,134,069
Amounts reported for governmental activities in the Statements of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,579,366	3,772,785
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Deferred Tax Revenues	84,479	89,683
Accrued Interest on Taxes Receivable	1,113	7,954
Deferred outflows are deferred as expense in the fund financial statements and in the government-wide financial statements as expense in the year following the year paid.	78,711	78,607
Pension liability is not due and payable in the current period and therefore is not reported in the funds.	(64,235)	(50,402)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	(184,155)	(220,986)
Interest Payable	(9,452)	(9,445)
Deferred inflows are deferred revenues related to pension expenses that are amortized in the government-wide financial statements.	(9,069)	(18,100)
Net Position of Governmental Activities (Exhibit A)	<u>\$ 4,775,504</u>	<u>\$ 4,784,165</u>

TOWN OF HOPE
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Net Change in Fund Balances - Total Governmental Funds (Exhibit F)	\$ 164,677	\$ (21,240)
Amounts reported for governmental activities in the Statements of Activities (Exhibit B) are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of:		
Depreciation expense in the current period	(193,419)	(193,421)
Revenues in the Statements of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred Property Tax Revenue	(5,204)	(10,220)
Accrued Property Tax Interest	(6,841)	736
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position.		
Long-term debt repaid in the current period	36,831	70,165
Pension expense is adjusted for changes in earnings contributions and contribution subsequent to the measurement date.		
	(4,698)	10,333
Some expenses reported in the Statements of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
	(7)	1,810
Change in Net Position of Governmental Activities (Exhibit B)	\$ (8,661)	\$ (141,837)

TOWN OF HOPE
BALANCE SHEETS - GOVERNMENTAL FUNDS
JUNE 30, 2020 AND 2019

	GOVERNMENTAL FUND TYPES		SPECIAL REVENUE			CEMETERY MAINTENANCE	PERMANENT	2020 TOTAL	2019 TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	FEDERAL AND STATE PROGRAMS	PRE-K PROGRAM	OTHER GRANTS		CEMETERY PERPETUAL CARE		
ASSETS:									
Cash	\$ 879,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 879,364	\$ 728,222
Investments	527,569	131,198				12,822	22,040	693,629	653,389
Receivables:									
Taxes	225,309							225,309	153,748
Liens	17,233							17,233	39,813
Governmental Agencies	35,244		11,421					46,665	69,130
Other	3,129							3,129	4,338
Due From Other Funds	179	10,470	15,817	145,364	57,149			228,979	190,987
Prepaid Expenses	4,468							4,468	3,262
Total Assets	<u>\$ 1,692,495</u>	<u>\$ 141,668</u>	<u>\$ 27,238</u>	<u>\$ 145,364</u>	<u>\$ 57,149</u>	<u>\$ 12,822</u>	<u>\$ 22,040</u>	<u>\$ 2,098,776</u>	<u>\$ 1,842,889</u>
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Accounts Payable	\$ 113,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,732	\$ 20,943
Accrued Payroll	133,795		1,822	233				135,850	183,686
Other Accrued Expenses	196,744			10,352				207,096	220,690
Due To Other Funds	237,215					179		237,394	193,818
Deferred Revenues (Note G)	84,479		21,479					105,958	89,683
Total Liabilities	<u>\$ 765,965</u>	<u>\$ -</u>	<u>\$ 23,301</u>	<u>\$ 10,585</u>	<u>\$ -</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 800,030</u>	<u>\$ 708,820</u>
Fund Balance:									
Nonspendable	\$ 4,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,040	\$ 26,508	\$ 21,905
Restricted	154,944		4,054	134,779	57,149			350,926	179,829
Committed	16,500	141,668				12,643		170,811	145,191
Assigned	175,000							175,000	140,000
Unassigned	575,618		(117)					575,501	647,144
Total Fund Balance	<u>\$ 926,530</u>	<u>\$ 141,668</u>	<u>\$ 3,937</u>	<u>\$ 134,779</u>	<u>\$ 57,149</u>	<u>\$ 12,643</u>	<u>\$ 22,040</u>	<u>\$ 1,298,746</u>	<u>\$ 1,134,069</u>
Total Liabilities and Fund Balance	<u>\$ 1,692,495</u>	<u>\$ 141,668</u>	<u>\$ 27,238</u>	<u>\$ 145,364</u>	<u>\$ 57,149</u>	<u>\$ 12,822</u>	<u>\$ 22,040</u>	<u>\$ 2,098,776</u>	<u>\$ 1,842,889</u>

TOWN OF HOPE
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	GOVERNMENTAL FUND TYPE		SPECIAL REVENUE				PERMANENT	2020 TOTAL	2019 TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	FEDERAL AND STATE PROGRAMS	PRE-K PROGRAM	OTHER GRANTS	CEMETERY MAINTENANCE	CEMETERY PERPETUAL CARE		
REVENUES:									
Property and Excise Taxes	\$ 3,657,025	\$ -	\$ -	\$ 158,499	\$ -	\$ -	\$ -	\$ 3,815,524	\$ 3,537,374
Licenses and Permits	14,077							14,077	13,187
Intergovernmental Revenues	1,264,192		112,302					1,376,494	1,181,334
Grants and Donations									1,550
Interest Income	28,206	3,431				322	611	32,570	22,477
Investment Income	17,679	1,052				96	181	19,008	8,161
Unrealized Gains (Losses)	-	(170)				(22)	(34)	(226)	8,622
Charges for Services	10,482					315	135	10,932	9,286
Other Revenues	4,465							4,465	3,599
State Retirement Contribution	229,539							229,539	144,506
Total Revenues	\$ 5,225,665	\$ 4,313	\$ 112,302	\$ 158,499	\$ -	\$ 711	\$ 893	\$ 5,502,383	\$ 4,930,096
EXPENDITURES:									
ADMINISTRATION:									
Town Administration - Salaries and Benefits	\$ 167,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,953	\$ 142,477
General Administration	54,329	615				58	110	55,112	62,978
Municipal Building	18,569	2,300						20,869	26,977
Professional Services	21,542							21,542	20,435
General Assistance									481
PUBLIC SAFETY:									
Animal Control	5,951							5,951	5,950
Fire Department	92,420							92,420	69,404
Ambulance Services	38,659							38,659	38,658
PUBLIC WORKS:									
Recreation Department	8,508							8,508	6,231
Street Lights	1,469							1,469	1,462
Roads	449,978							449,978	442,446
Sanitation	57,385							57,385	52,462
Cemeteries	3,513					179		3,692	6,374
COUNTY TAX	268,048							268,048	249,954
EDUCATION	3,643,321		95,033	130,799	750			3,869,903	3,598,654
DEBT SERVICE	46,678							46,678	81,887
STATE RETIREMENT CONTRIBUTION	229,539							229,539	144,506
Total Expenditures	\$ 5,107,862	\$ 2,915	\$ 95,033	\$ 130,799	\$ 750	\$ 237	\$ 110	\$ 5,337,706	\$ 4,951,336
Excess of Revenues Over (Under) Expenditures	\$ 117,803	\$ 1,398	\$ 17,269	\$ 27,700	\$ (750)	\$ 474	\$ 783	\$ 164,677	\$ (21,240)
OTHER FINANCING SOURCES (USES):									
Operating Transfers - In	\$ -	\$ 21,600	\$ -	\$ -	\$ -	\$ 648	\$ -	\$ 22,248	\$ 12,470
Operating Transfers - Out	(21,600)						(648)	(22,248)	(12,470)
Total Other Financing Sources (Uses)	\$ (21,600)	\$ 21,600	\$ -	\$ -	\$ -	\$ 648	\$ (648)	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses									
	\$ 96,203	\$ 22,998	\$ 17,269	\$ 27,700	\$ (750)	\$ 1,122	\$ 135	\$ 164,677	\$ (21,240)
Fund Balance, July 1	830,327	118,670	(13,332)	107,079	57,899	11,521	21,905	1,134,069	1,155,309
Transfers - In									17,137
Transfers - Out									(17,137)
Fund Balance, June 30	\$ 926,530	\$ 141,668	\$ 3,937	\$ 134,779	\$ 57,149	\$ 12,643	\$ 22,040	\$ 1,298,746	\$ 1,134,069

TOWN OF HOPE
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUND TYPE
ENTERPRISE - SCHOOL LUNCH PROGRAM
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES:		
Sales	\$ 27,135	\$ 34,970
Subsidy	53,554	32,062
Donated Commodities (Note M)	4,648	5,601
Total Revenues	<u>\$ 85,337</u>	<u>\$ 72,633</u>
EXPENSES:		
Food and Supplies	\$ 32,919	\$ 33,733
Labor	38,443	36,313
Other Expenses	3,467	4,666
Total Expenses	<u>\$ 74,829</u>	<u>\$ 74,712</u>
Net Income (Loss)	<u>\$ 10,508</u>	<u>\$ (2,079)</u>
Net Position, July 1	9,409	11,488
Net Position, June 30	<u><u>\$ 19,917</u></u>	<u><u>\$ 9,409</u></u>

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE
ENTERPRISE - SCHOOL LUNCH PROGRAM
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from Customers	\$ 30,410	\$ 34,076
Received from the State	42,855	36,441
Payments to Suppliers for Goods and Services	(30,046)	(66,523)
Payments to Employees	(38,443)	
Net Amount Transferred From (To) Town	(4,776)	(3,994)
Net Cash Provided by Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWN OF HOPE
 STATEMENTS OF FIDUCIARY NET POSITION - AGENCY FUNDS
 FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

STUDENT ACTIVITY FUND

	2020	2019
ASSETS:		
Cash (Note B)	\$ 19,768	\$ 20,787
Total Assets	\$ 19,768	\$ 20,787
 LIABILITIES:		
Accounts Payable	\$ 19,768	\$ 20,787
Total Liabilities	\$ 19,768	\$ 20,787

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of Hope conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Town of Hope was incorporated in 1804. The Town operates under a town meeting form of government.

In evaluating the Town of Hope as a reporting entity, management has addressed all potential component units. The primary criteria for including a component reporting entity is the exercise of financial accountability by the Town of Hope's municipal officials.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

2. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Town's fire protection, recreation, public works, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net invested in capital assets; restricted; and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (fire, public works, administrative, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (fire, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

1. General Fund:

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Capital Projects Fund:

This fund is used to segregate resources for major capital acquisitions or construction.

3. Special Revenue Funds:

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. The Town has special revenue funds for federal and state educational grants, the Pre-K program, other private grants, and cemetery maintenance.

4. Permanent Funds:

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The Cemetery Perpetual Care Fund is the Town's only permanent fund.

b. Proprietary Funds:

Proprietary funds are used to account for a government's business-type activities. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The School Lunch Program is the Town's only proprietary fund.

c. Fiduciary Funds:

Fiduciary Funds are used to account for resources that are held by a government in a trustee or agency capacity for others and therefore are not available to support the government's own programs. The Town's only fiduciary fund is the Student Activity Fund.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. Accrual:

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

b. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer of the Town, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment, in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Accounts Receivable:

Receivables include federal grants, state subsidies, town assessments and reimbursements. Based on prior year collections, management has determined that an allowance for doubtful accounts is not considered necessary at June 30, 2020.

c. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value (quoted market price or the best available estimate).

d. Inventory

Inventory consists of school lunch food and is recorded at cost on the first-in, first-out basis.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

e. Capital Assets:

Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50-75 Years
Machinery and Equipment	10-30 Years
Improvements	25-40 Years
Other Infrastructure	50 Years

f. Revenues:

Substantially, all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

g. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

h. Fund Balance:

The Town's unrestricted net position is maintained to lessen the need for borrowing, protect the Town's credit rating, and provide the funds necessary to meet the Town's financial operating obligations. It is the Town's policy that the unassigned fund balance shall be an amount equal to at least 9% of the total annual budget comprising the proposed operating budget to be voted on at town meeting, the County assessment, the school assessments, and the estimated property tax abatements and overlay. Subject to approval by the voters, excess funds may be used to stabilize the tax rate, fund capital reserve accounts, or to fund a contingency reserve fund for non-recurring or extraordinary unanticipated expenditures.

In accordance with GASB Statement No. 54, the Town employs terminology and classifications for fund balance items as follows:

Nonspendable fund balances include amounts that are not expected to be converted to cash, or that are legally required to be maintained intact. The fund balance of the Town's Cemetery Perpetual Care Fund is classified as nonspendable.

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The school budget carryforward amount and the fund balances of the Special Revenue Funds are classified as restricted.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statements Amounts (Cont'd)

h. Fund Balance (Cont'd):

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. Budget carryforward amounts (other than the school budget) and the fund balances in the Capital Projects Fund and the Cemetery Maintenance Fund are in this category.

Assigned fund balances are resources that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

i. Compensated Absences:

The Town accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee.

j. Deferred Inflows and Outflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, and include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows relate to the net pension liability, and include the differences between expected and actual experience and changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

k. Use of Estimates:

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

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

6. Future Accounting Pronouncements

- a. Statement No. 84, "Fiduciary Activities" is effective for the fiscal year ended June 30, 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The town is currently evaluating whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists to determine if the fiduciary fund should be included in the basic financial statements of future years.
- b. Statement No. 87, "Leases" is effective for the fiscal year ended June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined that the impact of this statement is not material to the financial statements.
- c. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period" is effective for the fiscal year ended June 30, 2022. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Management has determined that the impact of this statement is not material to the financial statements.
- d. Statement No. 90, "Majority Equity Interests" - an amendment of GASB Statements No. 14 and No. 61 is effective for the fiscal year ended June 30, 2020. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Management has determined that the impact of this statement is not material to the financial statements.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

6. Future Accounting Pronouncements (Cont'd)

- e. Statement No. 91, "Conduit Debt Obligations" is effective for the fiscal year ended June 30, 2023. The objective of the statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required disclosures. Management has determined that this statement is not applicable.
- f. Statement No. 93, "Replacement of Interbank Offered Rates" is effective for the fiscal year ended June 30, 2023. The objective of this statement is to improve guidance regarding the governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Management has determined that this statement is not applicable.

7. Subsequent Events

During the current year, the Town of Hope was impacted by the COVID-19 Virus. The Town has reviewed their operations and is currently evaluating the impact of the crisis on their operations. While there is a financial impact to the Town, it is currently unknown the full extent this crisis will have on its operations and funding in future years (also see Note O).

NOTE B - CASH:

The Town's cash is categorized to give an indication of the level of risk assumed by the Town at year end. These Categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the Town or by its agent in the Town's name.

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Category #3 - Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Town's name.)

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Interest Bearing Accounts	\$ 879,014	\$ 959,397	\$ 250,000	\$ 709,397	\$ -
Non-Interest Bearing Accounts	350	350			350
	<u>\$ 879,364</u>	<u>\$ 959,747</u>	<u>\$ 250,000</u>	<u>\$ 709,397</u>	<u>\$ 350</u>

First National Bank provides daily confirmation of collateral specifying which securities have been assigned to collateralize deposits in excess of the FDIC limit of \$250,000.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE C - ACCOUNTS RECEIVABLE:

Accounts Receivable at June 30, 2020 consists of the following:

Due from State of Maine	\$ 57,365
Miscellaneous	<u>4,241</u>
	<u>\$ 61,606</u>

NOTE D - NOTES AND BONDS PAYABLE:

Notes and Bonds Payable at June 30, 2020 consists of the following:

	BALANCE JULY 1, 2019	INCREASES	DECREASES	BALANCE JUNE 30, 2020
First National Bank	\$ 220,986	\$ -	\$ 36,831	\$ 184,155
	INTEREST RATE	MATURITY DATE	BALANCE JUNE 30, 2020	
Construction Bond for Fire Station	1.766%	7/15/2024	\$ 147,324	
	PRINCIPAL	INTEREST		
Annual Amortization:				
Fiscal Year 2021	\$ 36,831	\$ 9,856		
2022	36,831	2,579		
2023	36,831	1,945		
2024	36,831	1,296		
2025	<u>36,831</u>	<u>650</u>		
	\$ 184,155	\$ 16,326		

NOTE E - GENERAL FUND BUDGET:

The Town operates on a net budget as compared with a gross budget. All revenues are not estimated, but are credited to the particular operating account.

NOTE F - ASSIGNED FOR OTHER PURPOSES:

Historically, the townspeople vote to authorize the Selectmen to carry certain departmental unexpended balances forward to the following year for expenditure. This is usually in lieu of additional appropriations in any particular account. Amounts carried forward to fiscal year 2021 are shown below:

Administration	\$ 15,000
Public Safety	<u>1,500</u>
Total	<u>\$ 16,500</u>

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE G - REVENUE RECOGNITION - PROPERTY TAXES:

The Town's property tax for the current year was levied July 23, 2019 on the assessed value listed as of April 1, 2019 for all taxable real and personal property located in the Town. Taxes were due October 1, 2019 and April 30, 2020. Interest accrued at 8.0% on October 2, 2019 and May 1, 2020.

Tax liens are filed against delinquent real estate taxpayers after eight months but within one year of the original tax commitment. If the tax, interest, and costs have not been paid eighteen months after the filing of a lien certificate then the lien is automatically foreclosed.

The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized only to the extent it will be collected within sixty days following the year end. The deferred tax revenue shown on the balance sheet represents property taxes not collected within sixty days after the year end.

Property taxes are recognized when they become available. Available includes those taxes expected to be collected within sixty days after year end as stated above. The amount of property taxes outstanding in excess of sixty days totals \$84,479.

NOTE H - EXPENDITURES IN EXCESS OF APPROPRIATIONS:

During the year expenditures exceeded appropriations in the following general fund categories:

FUNCTION	APPROPRIATION AND REVENUE	EXPENDITURES	VARIANCE
Public Works	\$ 516,766	\$ 520,854	\$ 4,088

This variance was due primarily to sand and salt purchased for winter road maintenance above the amount budgeted.

NOTE I - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in fixed assets for the year ended June 30, 2020:

	BALANCE JULY 1, 2019	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2020
Non-Depreciable Assets:				
Land and Land Improvements	\$ 341,319	\$ -	\$ -	\$ 341,319
Depreciable Assets:				
Buildings and Improvements	5,030,640			5,030,640
Equipment and Vehicles	492,513			492,513
Infrastructure	3,437,941			3,437,941
	\$ 9,302,413	\$ -	\$ -	\$ 9,302,413
Accumulated Depreciation	(5,529,628)	(193,419)		(5,723,047)
Net Property, Plant, and Equipment	\$ 3,772,785	\$ (193,419)	\$ -	\$ 3,579,366

Depreciation expense for the period totaled \$193,419. The expense for the period is broken down as follows:

General Government	\$ 10,553
Public Safety	\$ 30,288
Public Works	\$ 70,795
Education	\$ 81,783

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE J - RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE K - OVERLAPPING DEBT:

The Town of Hope is situated in Knox County and is therefore subject to annual assessment of its proportional share of county expenses. Long-term debt outstanding in Knox County for which the Town of Hope would be proportionally responsible in the event the County defaulted amounted to \$ 3,404,062 at December 31, 2019. The Town of Hope's share would be 2.7435% or approximately \$93,390.

The Town of Hope participates in the Mid-Coast Solid Waste Corporation and is subject to annual assessment of its proportional share of the Corporation's expenses. Long-term debt outstanding for which the Town of Hope would be proportionally responsible in the event the Corporation defaulted amounted to \$72,737 at June 30, 2020. The Town of Hope's share would be 9.81% or approximately \$7,135.

NOTE L - DONATED COMMODITIES:

The School Lunch Program received food with a value of \$4,648 from the U.S. Department of Agriculture during the year. This amount has been reflected in revenues and food expense.

NOTE M - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Summary of Significant Accounting Policies

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Maine Public Employees Retirement System

General Information about the Pension Plan

Plan Description - Teaching-certified employees of the Town of Hope are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE M - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

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

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town of Hope's contractually required contribution rate for the year ended June 30, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$55,400 for the year ended June 30, 2020.

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

The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The Town's proportion of the net pension liability was based on projections of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Administrative Units and the State (SET Plan), actuarially determined.

SET Plan - At June 30, 2019, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town of Hope's Proportionate Share of the Net Pension Liability	\$ 64,235
State's Proportionate Share of the Net Pension Liability Associated with the Town of Hope	<u>1,472,507</u>
Total	<u><u>\$ 1,536,742</u></u>

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE M - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

At June 30, 2019, the Town of Hope's proportion of the SET Plan was 0.004382%.

For the year ended June 30, 2020, the Town recognized pension expense of \$250,936 and revenue of \$190,838 for support provided by the State for the SET Plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,997	\$
Changes in Assumptions	1,860	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		9,069
Changes in Proportion and Differences between Town Contributions and Proportionate Share of Contributions	16,454	
Town Contributions Subsequent to the Measurement Date	55,400	
Total	\$ 78,711	\$ 9,069

\$55,400 reported as deferred outflows of resources related to pensions resulting from the Town of Hope's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 16,394
2022	\$ (141)
2023	\$ (2,039)
2024	\$ 28

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	SET Plan
Salary Increases (Inflation), per year	2.75% - 14.50%
Investment return, per annum, compounded annually	6.75%
Cost of living benefit increases, per annum	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females.

The actuarial assumptions used in the June 30, 2019 valuation were based on an actuarial cost method which takes into consideration the normal cost rate and the unfunded actuarial liability.

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE M - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the SET Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the 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.

Sensitivity of the Town of Hope's proportionate share of the net pension liability to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using the discount rate that is 1 percentage-point lower, or 5.75%, or 1 percentage-point higher, or 7.75%, than the current rate:

SET Plan	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town of Hope's Proportionate Share of the Net Pension Liability	\$ 116,135	\$ 64,235	\$ 20,985

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2020.

Changes of Benefit Terms - None

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE M - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

Changes of Assumptions - There were no changes in actuarial assumptions used in the most recent valuation:

	2019	2018
Discount rate	6.75%	6.75%
Inflation rate	2.75%	2.75%
Salary increases - SET Plan	2.75% to 14.5%	2.75% to 14.5%
Cost of living increase	2.20%	2.20%
Long-term expected real rate of return on assets:		
Real Estate	5.2%	5.2%
Infrastructure	5.3%	5.3%

NOTE N - INVESTMENTS:

Investments at June 30, 2020 consist of the following:

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Money Market	\$ 79,876	\$ 79,876	\$ 79,876	\$	\$
Mutual Funds	153,714	156,648	156,648		
Fixed Income	452,344	457,105	457,105		
	\$ 685,934	\$ 693,629	\$ 693,629	\$	\$

Investments

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. These categories are defined as follows:

Category #1 - Investments that are insured or registered, or securities held by the Town or its agent in the Town's name.

Category #2 - Uninsured and unregistered investments with securities held by the Counterparty's trust department or agent in the Town's name.

Category #3 - Uninsured and unregistered investments with securities held by the Counterparty, or by its trust department or agent but not in the Town's name.

At June 30, 2020 investments consisted of:

INVESTMENT TYPE	CARRYING AMOUNT	FAIR VALUE	CATEGORY		
			#1	#2	#3
Money Market	\$ 79,876	\$ 79,876	\$ 79,876	\$	\$
Mutual Funds	153,714	156,648	156,648		
Fixed Income	452,344	457,105	457,105		
	\$ 685,934	\$ 693,629	\$ 693,629	\$	\$

TOWN OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE O - COVID-19 RELIEF:

The Town has been allocated funds for Coronavirus Relief; the expenses have to be paid before reimbursement can be requested. The following is a schedule of the allocation from the Department of Education:

(1)	Coronavirus Relief Fund #1	\$ 233,839.29
(2)	Coronavirus Relief Fund #2	\$ 247,520.95
(3)	Elementary & Secondary School Emergency Relief Fund #1	\$ 20,905.69
(4)	Elementary & Secondary School Emergency Relief Fund #2	\$ 90,462.70

TOWN OF HOPE
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	CARRIED FORWARD	ACTUAL	LAPSED VARIANCE FAVORABLE (UNFAVORABLE)	CARRIED VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
General Property Taxes	\$ 3,318,946	\$ 3,318,946	\$ -	\$ 3,329,456	\$ 10,510	\$ -
Abatements	(20,793)	(20,793)		(4,243)	16,550	
Excise Taxes - Automobile	330,000	330,000		328,122	(1,878)	
Excise Taxes - Boats				3,690	3,690	
Dog Licenses				1,518	1,518	
Building and Plumbing Permits				12,559	12,559	
Intergovernmental:						
Education Subsidy	997,760	997,760		997,760		
Revenue Sharing	60,000	60,000		116,270	56,270	
Local Road Assistance	30,000	30,000		35,468	5,468	
Homestead Exemption Reimbursement	105,001	105,001		105,001		
Burn Permit Revenue Sharing				72	72	
BETE Reimbursement	68	68		68		
Veterans' Reimbursement				1,238	1,238	
Tree Growth Reimbursement				8,315	8,315	
General Assistance Reimbursement	525	525			(525)	
Interest:						
Delinquent Taxes				16,078	16,078	
Operating Funds				12,128	12,128	
Investment Earnings				17,679	17,679	
Charges for Services				10,482	10,482	
Miscellaneous	58,000	58,000		4,465	(53,535)	
Total Revenues	\$ 4,879,507	\$ 4,879,507	\$ -	\$ 4,996,126	\$ 116,619	\$ -
EXPENDITURES:						
ADMINISTRATION:						
Town Administration - Salaries and Benefits	\$ 161,891	\$ 161,891	\$ -	\$ 167,953	\$ (6,062)	\$ -
General Administration	61,553	61,553		54,329	7,224	
Municipal Building	16,514	16,514	1,000	18,569	(1,055)	
Professional Services	36,500	36,500		21,542	(42)	15,000
General Assistance	750	750			750	
PUBLIC SAFETY:						
Animal Control	6,567	6,567		5,951	616	
Fire Department	60,558	80,558	14,000	92,420	638	1,500
Ambulance Services	38,659	38,659		38,659		
PUBLIC WORKS:						
Recreation Department	9,275	9,275		8,508	767	
Street Lights	1,705	1,705		1,469	236	
Roads	443,211	443,211		449,978	(6,767)	
Sanitation	56,590	56,590		57,385	(795)	
Cemeteries	5,985	5,985		3,513	2,472	
COUNTY TAX	268,048	268,048		268,048		
EDUCATION - ELEMENTARY	2,915,263	2,915,263	14,851	2,775,170		154,944
EDUCATION - SECONDARY AND ADULT ED	868,151	868,151		868,151		
DEBT SERVICE	46,687	46,687		46,678	9	
Total Expenditures	\$ 4,997,907	\$ 5,017,907	\$ 29,851	\$ 4,878,323	\$ (2,009)	\$ 171,444
Excess of Revenues Over (Under) Expenditures	\$ (118,400)	\$ (138,400)	\$ 29,851	\$ 117,803	\$ 114,610	\$ 171,444
OTHER FINANCING SOURCES (USES):						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(21,600)	(21,600)		(21,600)		
Total Other Financing Sources (Uses)	\$ (21,600)	\$ (21,600)	\$ -	\$ (21,600)	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (140,000)	\$ (160,000)	\$ 29,851	\$ 96,203	\$ 114,610	\$ 171,444
Fund Balance, July 1, 2019	(54,408)	(94,408)		830,327		
Fund Balance (Deficit), June 30, 2020	\$ (194,408)	\$ (254,408)	\$ 29,851	\$ 926,530	\$ 114,610	\$ 171,444

TOWN OF HOPE
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN
LAST 10 FISCAL YEARS*

	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
Town's Proportion of the Net Pension Liability	.0044382%	.003735%	.001557%	.003949%	.004718%	.003680%
Town's Proportionate Share of the Net Pension Liability	\$ 64,235	\$ 50,402	\$ 22,616	\$ 69,765	\$ 63,699	\$ 39,756
Town's Covered-Employee Payroll	\$ 1,331,738	\$ 1,336,384	\$ 1,228,265	\$ 1,193,316	\$ 1,051,375	\$ 1,022,914
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	4.82%	3.77%	1.84%	5.85%	6.06%	3.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.73%	85.17%	83.35%	79.05%	83.55%	86.46%

* Only six years of information available.

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

SCHEDULE OF TOWN CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 55,400	\$ 53,054	\$ 48,762	\$ 40,095	\$ 35,326	\$ 27,107
Contributions in Relation to the Contractually Required Contribution	(55,400)	(53,054)	(48,762)	(40,095)	(35,326)	(27,107)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	\$ 1,331,738	\$ 1,336,384	\$ 1,228,265	\$ 1,193,316	\$ 1,051,375	\$ 1,022,914
Contributions as a percent of Covered-Employee Payroll	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

* Only six years of information available.

TOWN OF HOPE
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

Unassigned Fund Balance, July 1, 2019		\$	660,476
INCREASES:			
Actual over Estimated Revenue (Schedule A-1)		\$	116,619
Operating Account Balances Lapsed (Schedule A-1)			<u>(2,009)</u>
			114,610
DECREASES:			
Prepaid expenditures		\$	4,468
Appropriated at Special Town Meeting			20,000
Appropriated at Town Meeting			<u>175,000</u>
			199,468
Unassigned Fund Balance, June 30, 2020			<u><u>\$ 575,618</u></u>

TOWN OF HOPE
VALUATION, ASSESSMENT, AND COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2020

VALUATION:		
Real Estate	\$ 198,486,100	
Personal Property	253,200	
Total		<u>\$ 198,739,300</u>
ASSESSMENT:		
Valuation x Rate (\$198,739,300 x .01670)	\$ 3,318,946	
Supplemental Taxes	5,306	
		<u>\$ 3,324,252</u>
COLLECTIONS AND CREDITS:		
Cash Collections	\$ 3,088,205	
Abatements	15	
Uncollectible personal property taxes written off	4,228	
		<u>3,092,448</u>
2019-2020 Taxes Receivable, June 30, 2020		<u>\$ 231,804</u>

COMPUTATION OF ASSESSMENT

Tax Commitment	\$ 3,318,946	
Homestead Reimbursement	105,001	
BETE Reimbursement	68	
Local Road Assistance	30,000	
State Revenue Sharing	60,000	
Use of Fund Balance	140,000	
Miscellaneous	58,000	
Excise Taxes	330,000	
General Assistance Reimbursement	525	
		<u>\$ 4,042,540</u>
REQUIREMENTS:		
Appropriations	\$ 3,753,699	
County Tax	268,048	
		<u>4,021,747</u>
OVERLAY		<u>\$ 20,793</u>

TOWN OF HOPE
RECONCILIATION OF TREASURER'S CASH BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

GENERAL FUND CHECKING:

First National Bank - General Fund

Balance Per Bank Statement	\$ 876,894	
Add: Deposits in Transit	44,218	
Less: Outstanding Checks	43,298	
Balance, June 30, 2020	877,814	\$ 877,814

First National Bank - School Checking Account

Balance Per Bank Statement	\$ 81,303	
Less: Outstanding Checks	78,548	
Outstanding Transfer	2,755	
Balance, June 30, 2020	-	-

First National Bank - Health Reimbursement Account

Balance per Bank Statement June 30, 2020	1,200
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PETTY CASH & CHANGE FUND

350

Cash Balance, June 30, 2020

\$ 879,364

TOWN OF HOPE
SCHEDULE OF ACTIVITY - FIDUCIARY FUND TYPE - AGENCY
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BALANCE 7/1/2019	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/2020
CHECKING:				
Petty Cash	\$ (527)	\$ 5,062	\$ 4,535	\$ -
Integrated Studies 6-8	8			8
Class of 2017-2020	1,727	10,319	12,046	
Pre Kindergarten	829	1,235	860	1,204
0th Grade	83		47	36
1st Grade	327	691	374	644
2nd Grade	6		6	
3rd Grade	92		58	34
4th Grade	85			85
5th Grade	13			13
7th Grade	(76)			(76)
8th Grade	188			188
Camp Kieve Fund		3,058	3,635	(577)
Cheer Fund	281	610	520	371
Essentials Team	56			56
Fundraising	3,050	8,272	7,864	3,458
Guidance	73	1,200	800	473
Middle Level Fund		600		600
Laptop Insurance	4,003	1,750	1,468	4,285
Library	1,966	1,444	2,171	1,239
Math & Science	220			220
Middle School Athletics Fund	26			26
Music	2,412	125	1,276	1,261
Adv Math	148			148
Replacement Fund	100			100
Scholarship	892	887	400	1,379
Seeds of Hope	530		104	426
Student Council	352	491	528	315
French	25			25
Yearbook	527	564	615	476
Laptop Fund	660			660
Camp Kieve Scholarship	666			666
Lunch Fund	25			25
Helperin Camp Scholarship	2,000			2,000
Pennies for Patients	20		20	
Total Checking	<u>\$ 20,787</u>	<u>\$ 36,308</u>	<u>\$ 37,327</u>	<u>\$ 19,768</u>

TOWN OF HOPE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	FUND BALANCE JULY 1, 2019	REVENUES	EXPENDITURES	FUND BALANCE JUNE 30, 2020
U.S. DEPARTMENT OF AGRICULTURE:						
Passed Through State Department of Education:						
Donated Commodities (Note F)	10.560	N/A	\$ -	\$ 4,648	\$ 4,648	\$ -
School Breakfast and Lunch Program	10.553 & 10.555	013.3024.05		49,554	49,554	
Subtotal			<u>\$ -</u>	<u>\$ 54,202</u>	<u>\$ 54,202</u>	<u>\$ -</u>
U.S. DEPARTMENT OF EDUCATION:						
Rural Education Achievement Program	84.358	N/A	\$ 150	\$ 16,686	\$ 15,666	\$ 1,170
Passed Through State Department of Education:						
NCLB Title I - Basic Disadvantaged Program	84.010	013.3107.13		31,944	30,172	1,772
NCLB Title IIA - Teacher Quality	84.367	013.3042.13	(5,231)			(5,231)
Student Support and Academic Enrichment - Title IVA	84.424	013.3345.13	(1,525)	1,525		
IDEA Special Education - Grant to States (IDEA Part B)	84.027	013.3046.13	(7,839)	47,798	40,076	(117)
Subtotal			<u>\$ (14,445)</u>	<u>\$ 97,953</u>	<u>\$ 85,914</u>	<u>\$ (2,406)</u>
Total			<u><u>\$ (14,445)</u></u>	<u><u>\$ 152,155</u></u>	<u><u>\$ 140,116</u></u>	<u><u>\$ (2,406)</u></u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Town of Hope's Schedule of Expenditures of Federal Awards conforms to generally accepted accounting principles as applicable to governmental units. The modified accrual basis of accounting is followed. This method of accounting is defined as the basis of accounting under which expenditures are recorded as incurred, and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

NOTE 2 - DONATED COMMODITIES:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities consumed.

NOTE 3 - INDIRECT COST RATE:

Town of Hope has elected not to use the 10% de minimus indirect cost rate allowed under uniform guidance.