


ANNUAL REPORT

OF THE

MUNICIPAL OFFICERS

OF THE TOWN OF

ISLE AU HAUT, MAINE



  
2014

Also included:  
Annual Town Meeting Warrant





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**OFFICERS 2014**

First Selectman – Landon DeWitt

Second Selectman – Daniel MacDonald    Third Selectman – John Dewitt

Town Clerk – Susan MacDonald

Treasurer – Kirsten Barter

Tax Collector – Lisa Turner

Tax Assessors:

Debra Schrader, Chair

William Stevens

Kendra Chubbuck

Fire Chief – Michael Maxcy

Road Commissioner – William Stevens

Election Clerks:

Bernadine Barter – Republican

Benjamin MacDonald – Democrat

School board:	Susan MacDonald, Chair	2017
	Jason Barter	2016
	Bernadine Barter	2015
	Kirsten Barter	2015
	Nancy Calvert	2016

Planning Board:	Albert Gordon, Chair	2017
	William Clark	2016
	William Calvert	2017
	Daniel MacDonald	2015
	Steve Schaffer	2015

Planning Board Alt:	Jeffrey Burke	2017
	Waylan Small	2016

TOWN OF ISLE AU HAUT

Planning Board of Appeals, Appointed:

Kendra Chubbuck	2015
Brenda Clark	2017
Lisa Turner	2018
Judy Burke	2014
Greg Runge	2015

Lighthouse Committee, Appointed:

Lisa Turner, Chair	2017
Jeffery Burke	2016
Albert Gordon	2017
Marshall Chapman	2018
Bernadine Barter	2015

Lighthouse Committee Alt. Appointed:

Kathie Fiveash	2015
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Colwell Ramp Committee:

Daniel MacDonald, Sel Rep	2015
Jason Barter	2016
John DeWitt	2015

Animal Control Officer, Appointed:

Waylan Small	2015
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Maine Islands Coalition, Appointed

Rudi Graf	2015
Kendra Chubbuck	2016

Local Plumbing Inspector: Roger Stone LPI 2015

Code Enforcement Officer: Douglas Stover 2015

Overseers of the Poor: Selectmen 2015

Sealers of Weights and Measures: Selectmen 2015

Surveyors of Wood and Lumber: Selectmen 2015

TOWN OF ISLE AU HAUT

ANGUS S. KING, JR.  
MAINE

359 DIRKSEN SENATE OFFICE BUILDING  
(202) 224-5344  
Website: <http://www.King.Senate.gov>

United States Senate  
WASHINGTON, DC 20510

COMMITTEES:  
ARMED SERVICES  
BUDGET  
INTELLIGENCE  
RULES AND ADMINISTRATION

Town of Isle Au Haut  
PO Box 71  
Isle Au Haut, ME 04645-007

Dear Friends,

It has been a privilege to serve the State of Maine since being sworn into the U.S. Senate in January of 2013. First off, I want to make sure you know how to reach my offices, as I welcome your thoughts, questions, or concerns. You can call our toll-free, in-state line at 1-800-432-1599. In addition, our local numbers are as follows: Augusta (207) 622-8292, Presque Isle (207) 764-5124, Scarborough (207) 883-1588, and Washington D.C. (202) 224-5344. You can also provide your input on our website at [www.king.senate.gov](http://www.king.senate.gov).

Maine is a large state; I know that traveling to our offices can present logistical and financial challenges, which is why our team implemented an outreach program, **Your Government Your Neighborhood**. My staff has been traveling to communities throughout the state for two years now, hosting office hours for local residents. Since we began, we have made over 400 trips and plan to increase that throughout 2015.

If we haven't yet been to your town office, community library, or school, or hosted an information table at a local non-profit, please let us know!

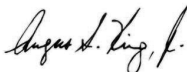
My work in Washington this year has been broad reaching, and I am committed to continue this work in a transparent and nonpartisan manner.

My projects have included:

- Overseeing national security and defense issues from ISIS to cybersecurity
- Continuing efforts to simplify student loans and make higher education more affordable
- Easing the regulatory burdens facing Maine businesses, farms, and schools
- Co-sponsoring budget initiatives for a smarter economic direction
- Supporting vital infrastructure and highway investments
- Tackling climate change mitigation and its long-term impacts
- Ensuring financial transparency in politics through campaign finance reform
- Promoting the growth of rural internet access
- Co-sponsoring legislation to help working families get paid leave to care for loved ones

I am tremendously grateful for the opportunity to serve you and will keep you informed of my activities in Maine and Washington.

Sincerely,



ANGUS S. KING, JR  
UNITED STATES SENATOR

AUGUSTA  
4 Gabriel Drive, Suite F1  
Augusta, ME 04330  
(207) 622-8292

PRESQUE ISLE  
169 Academy Street, Suite A  
Presque Isle, ME 04769  
(207) 764-5124

SCARBOROUGH  
383 US Route 1, Suite 1C  
Scarborough, ME 04074  
(207) 883-1588

In Maine call toll-free 1-800-432-1599  
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TOWN OF ISLE AU HAUT



**STATE OF MAINE**  
HOUSE OF REPRESENTATIVES  
CLERK'S OFFICE  
2 State House Station  
Augusta, Maine 04333-0002

**Robert B. Hunt**  
*Clerk of the House*

TO: Municipal Officers - Isle Au Haut  
Editor, Annual Report

FROM: Robert B. Hunt (RA)  
Clerk of the House

DATE: January, 2015

Many municipal annual reports include the category of "Representative to Legislature" at the conclusion of the listing of Municipal Officers.

In the belief you may want to aid your residents to more readily contact their Representative, we are hopeful that you will include the following information in the Municipal Officers section of your Annual Report:

Representative to the Legislature  
(Term expires December 7, 2016)

Representative: Walter A. Kumiega III

Address: 36 Cedar Lane  
Little Deer Isle, ME 04650

Cell Phone: (207) 479-5459  
E-Mail: Walter.Kumiega@legislature.maine.gov

House website: <http://www.maine.gov/legis/house/hsebios/kumiwa.htm>

Capitol Address: House of Representatives  
2 State House Station  
Augusta, ME 04333-0002

State House Telephone: (207) 287-1400 (Voice)  
State House Message Phone: 1-800-423-2900  
State House TTY Line: (207) 287-4469

TOWN OF ISLE AU HAUT



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: (207) 287-4469

**Walter A. Kumiega III**

36 Cedar Lane  
Little Deer Isle, ME 04650  
Residence: (207) 348-2548  
Cell Phone: (207) 479-5459  
Walter.Kumiega@legislature.maine.gov

Dear Isle Au Haut Residents,

It is an honor to begin a third term serving as your State Representative. I intend to work hard to retain your trust and build upon the work I've done over the past four years.

We are going to take on a number of big issues in Augusta this year, from the state budget, to strengthening our schools, supporting senior citizens, property tax relief, jobs, wages, entrepreneurship, veterans, agriculture, the social safety net, access to affordable health care, energy costs, student debt, the environment and many more.

I'm also happy to report that I have been reappointed as the House chair of the Legislature's Marine Resources Committee. As someone who represents Maine's island communities, I want to make sure Maine manages its resources in a way that better balances harvesting and sustainability and also puts more emphasis on maximizing the economic gains for harvesters. A lot of people depend on marine life to make a living, and it's important to be a voice for them in Augusta. The committee clerk maintains a list of interested parties that get email notification of the committee schedule. Please let me know if you would like to be added to that list.

Whether we are dealing with the above issues or any other topic, I stand ready to work with all of my colleagues, regardless of party affiliation, to make sure we're doing the best work we can for the people of our district and all the people of Maine.

Please contact me if I can be of any help or if you want to discuss or testify on any legislation. My email is [wkumiega36@gmail.com](mailto:wkumiega36@gmail.com). My cellphone is 207-479-5459 for voice or text message. I also send out e-newsletters from time to time. Let me know if you would like to receive them.

Respectfully,

A handwritten signature in cursive that reads 'Walter A. Kumiega III'.

Walter Kumiega  
State Representative



## Assessor's Report 2014

Local Taxable Real Estate Valuation	\$76,854,598
Local Taxable Personal Property Value	27,450
Total Taxable Valuation	77,012,048
Total Homestead Exemption Valuation	<u>130,000</u>
Total Valuation Base	\$77,012,048

### Appropriations

County Tax	\$80,303
Municipal Appropriations	270,112
School Appropriations	180,999
Overlay	<u>1,432</u>
Total Appropriations	\$532,846

### Deductions

State Municipal Revenue Sharing	\$1,411
Homestead Reimbursement	879
Tree Growth	2,187
In Lieu of Taxes	8,630
Veterans Exemption	<u>16</u>
Total Deductions	\$13,123

To be raised by local property taxes \$519,723

Mil Rate: .00676

**LETTER FROM THE SELECTMEN**

Things were busy on the home front on Isle au Haut in 2014, as two new families with school aged children moved to the island last April. We welcomed Shane Leary and Kelly Jo Merrill, and their daughter and four boys, Hannah, Tanner, Luke, Preston, and Remy; and arriving the same day were Dan and Karen Teague and their two daughters, Gabby and Isabelle. Shane and Dan have joined the fishing fleet, and Kelly Jo and Karen are busy in the community . We apologize to Harpswell for stealing them all away.

This year the Selectmen propose a change to a long standing tradition on the island - the Annual Town Meeting. For many, many years it has been held on the last Monday in March. There are a number of people who have asked if town meeting could be held a month later(or even later than that) so that the weather might be better for traveling to the island to attend the meeting. Also, it would give a longer time between town books closing and the meeting. It has always been a scramble for town officials to get the books closed, to the auditor and back, then to the printer and back for the town reports, send the reports out, all in seven weeks. An article on this year's town meeting warrant asks if the town wants to change the date of the annual meeting from the last Monday in March to the last Monday in April.

Our town's parking needs have been growing at an increasing rate in recent years, and we're running out of space. Our wonderful town landing has floats that you can hardly squeeze another skiff into, and a parking lot that overflows all the way down the road to the post office at times. The harbor in our thorofare is over crowded with moored (and anchored) boats in the summer. The barges that bring our vehicles, building and road materials, and construction equipment can barely navigate through to the landing ramp, and have even said they may not try to service Isle au Haut if it gets worse. Our library has packed shelves and boxes of books on the floor. The Historical Society doesn't even have it's own space, let alone one with the proper environmental conditions for preserving the valuable documents. As well as it serves us, there is no more room in Revere Memorial Hall. Also, there has also been discussion about the possibility of a small medical center/telemedicine facility, but there is no place for it. The Town needs to find and acquire some new space suitable to accommodate all of its growing needs, and the selectmen have started to look into future possibilities.

*TOWN OF ISLE AU HAUT*

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This past year the Town received the Preliminary Flood Maps for Knox County from FEMA . Several areas (homeowners) on the island will be seriously affected if and when these maps are approved the way they are now drawn. The Town is currently in the appeals process with FEMA. We cannot thank Bob Gerber enough for his expertise and willingness to assist the Town in trying to lessen the impact these maps will have on us.

And we are so pleased that our Island Fellow, Meghan Cooper, has decided to stay with us for a second year ! She has been very productive this past year with all of her projects to help our town and community.

Respectfully submitted,

The Selectmen

**SELECTMEN'S REPORT**

**INTEREST**

February 1, 2014 Balance Forward	\$5,011.66
<b>INCOME:</b>	
Camden National Bank – Now Interest	\$11.47
Camden National Bank – Sweeps Repo.	\$109.56
2013 prop. Tax interest	\$835.35
2014 Prop. Tax Interest	\$557.87
Total Income	\$1,514.25
<b>EXPENSES:</b>	
Transfer to Fire Dept.	\$5,000.00
Total Expenses	\$5,000.00
January 31, 2015 Balance	\$1,525.91

**STATE MUNICIPAL REVENUE SHARING**

February 1, 2014 Balance Forward	\$1,411.29
<b>INCOME:</b>	
State of Maine	\$703.96
Total Income	\$703.96
<b>EXPENSES:</b>	
Assessment Sheet	\$1,411.00
Total Expenses	\$1,411.00
January 31, 2015 Balance	\$704.25

**TREE GROWTH REIMBURSEMENT**

February 1, 2014 Balance Forward	\$2,186.71
<b>INCOME:</b>	
State of Maine	\$2,197.08
Total Income	\$2,197.08
<b>EXPENSES:</b>	
Assessment Sheet	\$2,187.00
Total Expenses	\$2,187.00
January 31, 2015 Balance	\$2,196.79

**PAYMENT IN LIEU OF TAXES**

February 1, 2014 Balance Forward	\$6,561.93
<b>INCOME:</b>	
(Nathan's & Bills Island)	\$1,250.00
United states Treasury (ANP)	\$6,921.00
United states Treasury (Little Spoon)	\$368.00
ICDC	\$1,600.00
Total Income	\$10,139.00
<b>EXPENSES:</b>	
Assessment Sheet	\$8,630.00
Total Expenses	\$8,630.00
January 31, 2015 Balance	\$8,070.93

**PROPERTY TAX RELIEF**

February 1, 2014 Balance Forward	\$246.27
January 31, 2015 Balance	\$246.27

**VETERAN'S TAX BENEFIT**

February 1, 2014 Balance Forward	\$16.00
<b>INCOME:</b>	
State of Maine	\$18.00
Total Income	\$18.00
<b>EXPENSES:</b>	
Assessment Sheet	\$16.00
Total Expenses	\$16.00
January 31, 2015 Balance	\$18.00

**HOMESTEAD EXEMPTION**

February 1, 2014 Balance Forward	\$133.00
<b>INCOME:</b>	
State of Maine	\$663.00
Total Income	\$663.00
<b>EXPENSES:</b>	
Assessment Sheet	\$879.00
Total Expenses	\$879.00
January 31, 2015 Balance	-\$83.00

**TAX ACQUIRED PROPERTY**

February 1, 2014 Balance Forward	-\$171.78
January 31, 2015 Balance	-\$171.78

**SURPLUS/ UNDESIGNATED**

February 1, 2014 Balance Forward	\$5,712.00
<b>INCOME:</b>	
Assessment Sheet -Closeout from Overlay	\$1,432.00
Total Income	\$1,432.00
<b>EXPENSES:</b>	
Total Expenses	\$0.00
January 31, 2015 Balance	\$7,144.00

**OVERLAY**

February 1, 2014 Balance Forward	\$0.00
<b>INCOME:</b>	
Assessment Sheet	\$1,432.00
Total Income	\$1,432.00
<b>EXPENSES:</b>	
Closeout to surplus	\$1,432.00
Total Expenses	\$1,432.00
January 31, 2015 Balance	\$0.00

**COUNTY TAX**

February 1, 2014 Balance Forward	\$9.59
<b>INCOME:</b>	
Assessment Sheet	\$80,303.00
Total Income	\$80,303.00
<b>EXPENSES:</b>	
Knox County Treasurer –County Tax	\$78,413.00
Knox County Treasurer –Communication fee	\$1,890.00
Total Expenses	\$80,303.00
January 31, 2015 Balance	\$9.59

**GENERAL GOVERNMENT**

February 1, 2013 Balance Forward	\$5,724.76
<b>INCOME:</b>	
Appropriation	\$75,000.00
Lisa Turner–Tax Coll.–Agent fees	\$192.00
Lisa Turner–Tax Coll.–Filing fees	\$18.98
Memic	\$414.19
Total Income	\$75,625.17
<b>REGULAR EXPENSES:</b>	
Downeast Graphics	\$1,673.55
EFTPS – 941 Match	\$2,206.28
Full Circle Printing	\$243.44
Hanover Ins.	\$9,206.54
IAH Boat Services – Fares	\$19.00
Island Institute – Island Fellow	\$800.00



*TOWN OF ISLE AU HAUT*

John DeWitt – Reimbursement for keys	\$7.96
John DeWitt – Reimbursement for Website	\$69.33
Lisa Turner–Tax Coll. – Supplies	\$104.45
Lisa Turner–Tax Coll. –Agent Fees	\$192.00
Marks Printing	\$449.50
Maine Labor Law Poster Service	\$67.25
Merle B. Grindle	\$3,554.00
Postmaster – Postage	\$886.31
TDS Telecom	\$844.56
Treasurer– State of Maine	\$45.00
Memic	\$2,324.00
Landon DeWitt – Reimbursement for Antivirus	\$49.95
Total Regular Expenses	\$22,743.12

COMPENSATIONS:

Landon DeWitt – First Selectman	\$12,000.00
Daniel MacDonald – Second Selectman	\$4,000.00
John DeWitt – Third Selectman	\$4,000.00
Kirsten Barter – Treasurer	\$6,000.00
Lisa Turner – Tax Collector	\$5,000.00
Susan MacDonald – Town Clerk	\$2,000.00
Kendra Chubbuck– Tax Assessor	\$172.50
Geneva MacDonald– Ballot Clerk	\$202.50
William Stevens – Road Commissioner	\$300.00
Ted Hoskins – Moderator	\$97.50
Albert Gordon – Moderator	\$30.00
Bernadine Barter – Rep. Ballot Clerk	\$195.00
Kirsten Barter – Outgoing Ballot Clerk	\$397.50
Ben MacDonald – Dem. Ballot Clerk	\$397.50
Landon DeWitt – Warden	\$363.75
Susan MacDonald – Registrar	\$397.50

Total Compensations	\$35,553.75
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January 31, 2014 Balance	\$23,053.06
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**ASSETS**

**MISCELLANEOUS BUILDINGS**

February 1, 2014 Balance Forward	\$12,951.84
INCOME:	
Ed White	\$1,092.00
Dan Teague	\$1,900.00
Karen Teague	\$2,500.00
Total Income	\$5,492.00
EXPENSES:	
Barter Lumber	\$3,415.95
M.D. Joyce	\$752.13
Elmer B. Eaton & Son	\$159.40
Stevens' Sawmill	\$2,579.43
IAH Elec. Po. Co.	\$817.68
Island Store	\$2,336.56
John DeWitt	\$1,508.06
Isle au Haut Boat Services	\$387.00
Michael Maxcy	3378.75
Robert Gray	\$475.00
Dan Teague	82.5
Karen Teague	\$450.48
Treasurer of State	\$77.00
Gross Gas Inc.	\$900.00
Kendra Chubbuck	\$460.00
Ed White	\$50.00
Landon DeWitt	\$178.79
Total Expenses	\$18,008.73
January 31, 2015 Balance	\$435.11

**MUNICIPAL OWNED LANDS**

February 1, 2014 Balance Forward	\$10,255.75
<b>EXPENSES:</b>	
Bar Harbor Bank	\$30.00
Bernstein Shur	\$9,853.11
Camden National Bank	\$20.00
Debra Schrader	\$100.00
Gartly and Dorsky	\$959.45
Postmaster	\$45.73
Total Expenses	\$11,008.29
January 31, 2015 Balance	-\$752.54

**FIRE DEPARTMENT**

February 1, 2014 Balance Forward	-\$6,260.43
<b>INCOME:</b>	
Transfer From Interest	\$5,000.00
Appropriation	\$6,000.00
Total Income	\$11,000.00
<b>EXPENSES:</b>	
Island Store	\$3,766.24
Power Company	\$496.39
TDS	\$815.56
Total Expenses	\$5,078.19
January 31, 2015 Balance	-\$338.62

**REVERE MEMORIAL HALL**

February 1, 2014 Balance Forward	\$2,071.59
INCOME:	
Appropriation	\$15,000.00
Total Income	\$15,000.00
EXPENSES:	
Robert Gray	\$165.95
V&S Variety	\$35.99
Landon DeWitt	\$112.84
IAH Boat Services	\$12.00
IAH Elec. Po. Co.	\$1,420.90
Island Store	\$8,004.66
Lisa Turner	\$320.00
M.D. Joyce	\$78.33
Total Expenses	\$10,150.67
January 31, 2015 Balance	\$6,920.92

**REVERE MEMORIAL HALL ANNIVERSARY FUND**

February 1, 2014 Balance Forward	\$6,461.82
January 31, 2015 Balance	\$6,461.82

*TOWN OF ISLE AU HAUT*

**PLANNING BOARD**

February 1, 2014 Balance Forward	\$2,868.06
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January 31, 2015 Balance	\$2,868.06
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## REPORT OF THE ISLE AU HAUT PLANNING BOARD

It is with great regret that we announce the resignation, for health reasons, of Albert Gordon who has served as Chairman of the Board for over 10 years and been a resident of the Town for 40 years. Albert has always shown a great concern for both the economic and environmental health of the Town and his amiable character and background in law were very helpful in guiding the Board through the years. We thank him, we will miss his voice of reason on the Board, and we wish him well in his struggle to hold on to this earth.

The Board processed several local building applications in 2014 and a 4-lot subdivision on Long Pond. The Board has rarely dealt with subdivisions and it was a challenge for all concerned.

Looking forward to 2015, the Board hopes to provide input to a revision of the 2009 Comprehensive Plan. The economic shock of the fall 2008 banking crisis was not fully reflected in the 2009 plan. In addition, the lobster fishery, which had many years of continued increase in landings and generally provided a good living to a hard-working fisherman, is finally beginning to show some worrisome signs of change. Market prices decreased sharply after 2008 and have only recently begun to rebound, and biologists are seeing a possible plateau in the abundance of juveniles. Meanwhile, several new families that depend on lobster fishing have been attracted to the island through the activities of the Town and ICDC. The Town needs to make itself resilient to possible significant changes in the fishery by attracting new families and a diversity of employment opportunities. In addition, there is a need for a new library space, a need for the historical society to keep and display its documents, and a need for some type of telemedicine capability on the island. The Fire Department and Emergency Response volunteers need to attract more trained volunteer staff. Meanwhile, single-family house development—most of which is seasonal—is slowly taking place on a lot-by-lot basis, particularly on the east side of the island, putting more of a burden on parking near the Town Dock. All of this points to the need for a new land base that can accommodate new municipal services and new marine-related job opportunities.

Finally, the Board will propose some major changes to the two Ordinances that govern land use in the Town, to be voted on in March 2016. The first is the Town Zoning Ordinance, originally enacted in 1975 and last amended in 2012. The second is a state-mandated Shoreland Zone Ordinance first imposed on the Town as an overlay on the Town's Ordinance in 1993. The Town's Ordinance is particularly out of date and does not incorporate requirements of the State Subdivision Statute. There are also major discrepancies between the zone designations and permitted land uses in the two sets of Zoning Maps. Furthermore, although the state Shoreland Zoning Ordinance allows for General Development Districts and

Commercial Fisheries/Maritime Activity Districts, none are currently defined on Isle au Haut. The state-mandated Ordinance zones the entire shoreline as either Limited Residential or Resource Protection. Under the current zoning, for example, no shore-based maritime industry such as a seaweed harvesting operation would be permitted. No new non-residential uses of the shoreline can take place within 250 feet of the shore. In addition, the Federal Emergency Management Agency has finally proposed the location of coastal flood zones within the Town for the first time. The state Ordinance defines all coastal flood zones, both AE and VE to be Resource Protection. So the Town needs to use the Comprehensive Plan update process to define where less restrictive Districts should be located and ask the State for a change in their Ordinance.

Respectfully submitted,  
Robert G. Gerber, Chair

**REVERE MEMORIAL LIBRARY**

February 1, 2014 Balance Forward	\$10,864.42
<b>INCOME:</b>	
Appropriation	\$3,500.00
Joan Tilney	\$250.00
Francis Wagner	\$100.00
Bernadette Dehut	\$20.00
William Landers	\$500.00
Gordon Austin	\$100.00
Grady Watts	\$100.00
Kenneth Dunham	\$100.00
Total Income	\$4,670.00
<b>EXPENSES:</b>	
Baker and Taylor	\$505.77
Bangor Public Library	\$150.00
Brenda Clark	\$124.56
Library World	\$425.00
Literary Guild	\$297.99
Book of the Month	\$88.92
Island Store	\$12.22
Total Expenses	\$1,604.46
January 31, 2015 Balance	\$13,929.96



## Revere Memorial Library Report 2014

Here it is, another year past. I want to thank everyone who has supported the Revere Memorial Library with your donations of money, time and books. It all helps our library continue to thrive and be an essential part of our community. We are always looking for ways to grow and meet the needs of our patrons.

We are continuing to update and organize our collections and weed out older and duplicate books. This year we have donated a number of books to Matinicus, as they do not have a library. We have adopted a new updated internet safety policy as well.

We also hosted a Book Signing with Author Kathie Fiveash. Kathie discussed and answered questions about her new book, *Island Naturalist*. It was a great success!

Special thanks to Marie Hamly for volunteering on Fridays and to Megan Wibberly for keeping the library going while we were on vacation!

Many thanks again for your continued support!

Respectfully Submitted,  
Brenda Clark, Librarian

Library board:

Marie Hamly, Meg Gailey, Tim Gailey, Judi Burke, Sharen Wilson, Jean Archibald, Sue MacDonald, Linda Giragosian, Kelly Jo Merrill, Brenda Clark

**LIGHTHOUSE FUND RESERVE**

February 1, 2014 Balance Forward	\$869.54
<b>INCOME:</b>	
Donations	\$25,547.00
<b>TOTAL INCOME:</b>	\$25,547.00
<b>EXPENSES:</b>	
Esurgence Engineering & Preservation	\$480.00
Full Circle Printing	\$550.38
Jeff Burke	\$77.39
Lisa Turner	\$156.80
<b>TOTAL EXPENSES:</b>	\$1,264.57
January 31, 2015 Balance	\$25,151.97

## REPORT FROM THE LIGHTHOUSE COMMITTEE

This past year several additional structural issues in the lighthouse have reached the point where they must be addressed: the steel girders supporting both interior levels have rusted badly inside the masonry walls, the brickwork surrounding the area we replaced in 1999 is spalling and in spots there is significant rust-jacking in the cast iron lantern room, prohibiting the steel doors from operating smoothly and causing several of the lantern room windows to crack. Our perennial problem with failing mortar in the granite base is also severe and the entire black steel lantern room is in need of re-painting. Scaffolding will be needed to do the job properly, which will give us a golden opportunity to restore the historic fog bell and the twin wood doors that gave access to it, an original goal deferred in 1999 due to lack of funds.

We are working with the State Historic Preservation Office for approval for the work and have hired a structural engineer to draw up plans and specifications. In addition to the State Historical Preservation Office, the Selectmen have given us full support, as well as the Isle au Haut Historical Society.

It has always been the mandate of the Lighthouse Committee to raise all funds needed for our work from sources other than Town tax appropriations. To that end we are working on a comprehensive plan of grants and collaborative efforts to raise funds over a protracted period, possibly having the work done in phases. This past fall citizens, seasonal residents, friends and renters kicked off this campaign by donating \$15,000. Please join us for fun and celebration this coming August when the Lighthouse Committee will hold its "Keep the Light Shining" auction, and consider what item you might provide to make that event rewarding.

Our warmest thanks to all of you for supporting our island legacy, the cement that brings us joy and holds us all together.

Keep the light shining!

For the Lighthouse Committee,  
Jeff Burke, Chair

**JACK AND ALICE CROWELL MEMORIAL TRUST FUND**

February 1, 2014 Balance Forward	\$290.27
INCOME:	
Camden National Bank	\$1.61
Total Income	\$1.61
January 31, 2015 Balance	\$291.88

**ISLE AU HAUT HISTORICAL SOCIETY**

February 1, 2014 Balance Forward	\$4,411.41
INCOME:	
Appropriation	\$1,000.00
Dues & Donations	\$100.00
Other Donations	\$345.00
Total Income	\$1,445.00
EXPENSES:	
Postmaster	\$155.00
Total Expenses	\$155.00
January 31, 2015 Balance	\$5,856.41

**2014 Isle au Haut Historical Society Report**

ISLE AU HAUT HISTORICAL SOCIETY 2014

February 1, 2014 Balance forward	\$4,411.41
Income:	
Dues / Donations	\$100.00
Albert R. Gordon – Donation	\$20.00
Burke Family – Donation	\$100.00
Douglas Archibald - Donation	\$50.00
Craig & Jennifer Donaldson- Donation	\$50.00
Marjorie D. Nelson – Donation	\$100.00
Travers C. Nelson – Donation	\$25.00
Total Income:	\$445.00
Expenses:	
Postmaster	\$155.00
Total Expenses:	\$155.00
January 31, 2015 Balance	\$4,701.41

\*\* Appropriation for 2014 in the amount of \$1,000.00 was deposited after January 31, 2015

Jerry Kriegel has generously donated two matted framed copies of 1775 maps of the Island. His gift underscores the pressing need for a space of our own, as other people would also like to donate materials but as it stands, we are unable to accept them.

We are continuing to work on organizing our archival information so it can be accessible to the general public with specific emphasis on easy availability for the Island school students. This involves a lot of scanning, and we have the equipment but need all the help we can get, so please consider helping us this worthwhile project. If you are not a member, we invite you to consider joining us and learn more about this little Island with an interesting past.

Respectfully submitted,

Harold S. van Doren, Chairman

**COLWELL RAMP WATERFRONT ACCESS**

February 1, 2014 Balance Forward	\$2,786.20
<b>INCOME:</b>	
Appropriation	\$2,000.00
Total Income	\$2,000.00
<b>EXPENSES:</b>	
Colwell Ramp	\$2,000.00
Total Expenses	\$2,000.00
January 31, 2015 Balance	\$2,786.20

**MAINE ISLAND COALITION**

February 1, 2014 Balance Forward	\$113.04
<b>INCOME:</b>	
Appropriation	\$600.00
TOTAL INCOME:	\$600.00
<b>EXPENSES:</b>	
Reimbursement For Travel Expense	\$265.50
Dues	\$300.00
Total Expenses	\$565.50
January 31, 2015 Balance	\$147.54

## Maine Islands Coalition - 2014 Annual Report

The Maine Islands Coalition (MIC) was officially formed in March 2004 to represent and advocate for the concerns and interests of the 14 year-round Maine Coast Island communities. Each island's municipal governing body or primary civic organization sends an elected or appointed representative to the quarterly meetings in Rockland at the Island Institute or Augusta at the State Capitol.

There are two constant components on each Meeting's agenda. The first is Island Check-ins, we each speak at some length about current matters, issues and events on our own island and field questions from other island representatives; it is an invaluable exchange of information. The second is Legislative Check-ins; there are usually a couple of legislators present and they inform us about anything happening in Augusta which could affect our communities. Often there is at least one legislator from the House and one from the Senate; often there is both a Republican and a Democrat, so that we can enjoy both comprehensive and balanced reporting from the Capitol.

At each four-hour meeting we prepare and address a Keynote Topic, in a panel format. Our first 2014 meeting took place on January 23 at the State House in Augusta. Eight legislators enjoyed lunch and offered their commentary on what involvements each of them has where there could be impacts on the year-round Maine islands. They invited feedback and citizen involvement so they can better do their jobs. Following their presentations, we discussed Town Governance and fuel delivery challenges among other current issues.

The May 9 meeting focused on Emergency Services. On August 8 there was an intensive concentration on Energy - efficiency, distribution, cost, weatherization and innovative initiatives. Ticks and Lyme disease were the overwhelming topic on November 14. But, as at many meetings, we also touched on: lobstering, ground-fishing, aquaculture, ferry service (a serious problem in Pen Bay), recycling, economic and community development, solid waste, junk cars, elder health care, public assistance, and fire and EMT training and service.



*TOWN OF ISLE AU HAUT*

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We welcome any questions about what happens at the MIC meetings as well as suggestions for what needs addressing from an Island viewpoint. Also, anyone is welcome to attend these meetings. The three 2015 Rockland meeting dates are Friday, May 8, Friday, August 7, and Friday, November 13. The meetings will be held at the offices of the Island Institute, Main St, Rockland.

Sincerely,

Kendra P. Chubbuck  
MIC Representative

Rudi Graf  
MIC Alternate

**HEALTH AND SANITATION**

**PLUMBING CODE ENFORCEMENT**

February 1, 2014 Balance Forward	\$2,275.18
EXPENSES:	0
Total Expenses	\$0.00
January 31, 2015 Balance	\$2,275.18

**SOLID WASTE AND RECYCLING**

February 1, 2014 Balance Forward	\$1,765.95
INCOME:	
Appropriation	\$26,000.00
Total Income	\$26,000.00
EXPENSES:	
William Clark	\$21,000.00
Total Expenses	\$21,000.00
January 31, 2015 Balance	\$6,765.95

**EMERGENCY MEDICAL SERVICES**

February 1, 2014 Balance Forward	\$3,818.91
<b>INCOME:</b>	
Appropriation	\$3,500.00
Total Income	\$3,500.00
<b>EXPENSES:</b>	
John DeWitt	\$176.48
Matheson Tri-Gas Inc.	\$985.99
Isle au Haut Boat Services	\$47.00
Total Expenses	\$1,209.47
January 31, 2015 Balance	\$6,109.44

**OTHER ASSETS**

**TOWN LANDING**

February 1, 2014 Balance Forward	\$15,626.37
<b>INCOME:</b>	
Appropriation	\$5,000.00
Transfer From Boat Excise Tax	\$1,553.80
Total Income	\$6,553.80
<b>EXPENSES:</b>	
John DeWitt	\$305.00
IAH Elec. Po. Co.	\$1,174.63
Landon DeWitt	\$90.00
Daniel MacDonald	\$105.00
Isle au Haut Boat Services	\$9.00
Napa	\$246.48
Barter Lumber	\$279.20

*TOWN OF ISLE AU HAUT*

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M.D. Joyce	\$50.91
Total Expenses	\$2,260.22
January 31, 2015 Balance	\$19,919.95

**TOWN LANDING WHARF REPLACEMENT**

February 1, 2014 Balance Forward	\$0.36
January 31, 2015 Balance	\$0.36

**TOWN LANDING PARKING LOT**

February 1, 2014 Balance Forward	\$4,683.50
INCOME:	
Appropriation	\$5,316.50
TOTAL INCOME:	\$5,316.50
January 31, 2015 Balance	\$10,000.00

**TOWN ROADS, BRIDGES AND TRUCKS**

**TRUCKS AND PLOWS**

February 1, 2014 Balance Forward	\$2,350.64
INCOME:	
Appropriation	\$2,500.00
Total Income	\$2,500.00

*TOWN OF ISLE AU HAUT*

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**EXPENSES:**

Island Store	\$1,451.73
Napa Auto Parts	\$27.27
Daniel MacDonald	\$30.00
IAH Boat services	\$75.50
On The Road	\$3,386.17
Landon DeWitt	\$170.00
Darlings	\$608.40
M.D. Joyce	\$30.68
Total Expenses	\$5,779.75
January 31, 2015 Balance	-\$929.11

**TRUCK RESERVE**

February 1, 2014 Balance Forward	\$1,765.50
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**INCOME:**

Appropriation	\$1,000.00
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<b>TOTAL INCOME:</b>	\$1,000.00
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January 31, 2015 Balance	\$1,865.50
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**SNOW REMOVAL**

February 1, 2014 Balance Forward	\$0.10
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**INCOME:**

Appropriation	\$8,000.00
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Total Income	\$8,000.00
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**EXPENSES:**

Daniel MacDonald	\$585.00
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*TOWN OF ISLE AU HAUT*

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IAH Boat services	\$36.00
M.D. Joyce	\$76.50
Stevens' Sawmill	\$4,360.00
Nathan Clark	\$1,162.50
EBS	\$149.80
Total Expenses	\$6,369.80
January 31, 2015 Balance	\$1,630.30

**SALT AND SAND SHED RESERVE**

February 1, 2014 Balance Forward	\$12,500.50
January 31, 2015 Balance	\$12,500.50

**TOWN ROADS AND BRIDGES**

February 1, 2014 Balance Forward	\$748.30
INCOME:	
Appropriation	\$30,000.00
Stevens' Sawmill & Const.	\$200.00
State of Maine	\$487.88
Transfer from Vehicle Excise Tax	\$6,011.80
Total Income	\$36,699.68
EXPENSES:	
Wayne Barter	\$1,230.00
Lane Construction	\$2,417.80
Stevens' Sawmill & Construction	\$30,911.00
EBS	\$1,412.00
Isle au Haut Boat Services	\$100.00
Total Expenses	\$36,070.80
January 31, 2015 Balance	\$1,377.18

**DOT LOCAL ROADS ASSISTANCE (DOTLRA)**

February 1, 2014 Balance Forward	\$55,112.00
INCOME:	
State of Maine – LRAP	\$9,648.00
Total Income	\$9,648.00
January 31, 2015 Balance	\$64,760.00

**DOT TRANSPORTATION ACCOUNT (DOTTA)**

February 1, 2014 Balance Forward	\$39,031.45
January 31, 2015 Balance	\$39,031.45

**VEHICLES AND BOATS VEHICLE EXCISE TAX**

February 1, 2014 Balance Forward	\$6,011.80
INCOME:	
Lisa Turner-Tax Coll.	\$8,260.40
Total Income	\$8,260.40
EXPENSES:	
Secretary of State	\$8.00
Transfer to Roads&Bridges	\$6,011.80
Total Expenses	\$6,019.80
January 31, 2015 Balance	\$8,252.40

**VEHICLE STATE REGISTRATION FEES**

February 1, 2014 Balance Forward	\$1,088.25
<b>INCOME:</b>	
Lisa Turner-Tax Coll.	\$2,067.00
Total Income	\$2,067.00
<b>EXPENSES:</b>	
Secretary of State	\$2,059.00
Total Expenses	\$2,059.00
January 31, 2015 Balance	\$1,096.25

**VEHICLE STATE SALES TAX**

February 1, 2014 Balance Forward	\$675.15
January 31, 2015 Balance	\$675.15

**VEHICLE STATE TITLE FEES**

February 1, 2014 Balance Forward	\$0.00
January 31, 2015 Balance	\$0.00



**BOAT EXCISE TAX**

February 1, 2014 Balance Forward	\$1,553.80
<b>INCOME:</b>	
Lisa Turner-Tax Coll.	\$1,566.50
Total Income	\$1,566.50
<b>EXPENSES:</b>	
Transfer to Town Landing	\$1,553.80
Total Expenses	
January 31, 2015 Balance	\$1,566.50

**BOAT STATE REGISTRATION FEES**

February 1, 2014 Balance Forward	-\$250.50
January 31, 2015 Balance	-\$250.50

**BOAT STATE SALES TAX**

February 1, 2014 Balance Forward	\$675.00
January 31, 2015 Balance	\$675.00

**PAYROLL**

**FEDERAL WITHHOLDING TAX**

February 1, 2014 Balance Forward	\$1,277.88
INCOME:	
Ben MacDonald	\$24.00
Common Schools	\$10,427.74
Daniel MacDonald	\$30.00
Wayne Barter	\$11.00
John DeWitt	\$32.00
Kirsten Barter	\$431.00
Landon DeWitt	\$1,121.00
Lisa Turner	\$308.00
Geneva MacDonald	\$12.00
Nate Clark	\$145.00
Total Income	\$12,541.74
EXPENSES:	
EFTPS	\$6,625.71
Total Expenses	\$6,625.71
January 31, 2015 Balance	\$7,193.91

**SOCIAL SECURITY (FICA) WITHHOLDING TAX**

February 1, 2014 Balance Forward	\$2,027.92
INCOME:	
Albert Gordon	\$1.86
Ben MacDonald	\$24.65
Bernadine Barter	\$12.09
Common Schools	\$4,086.50

*TOWN OF ISLE AU HAUT*

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Dan Teague	\$4.77
Daniel MacDonald	\$294.53
Geneva MacDonald	\$12.56
John DeWitt	\$256.40
Kendra Chubbuck	\$10.69
Kirsten Barter	\$396.65
Landon DeWitt	\$780.04
Lisa Turner	\$312.88
Nathan Clark	\$72.07
Susan MacDonald	\$24.65
Ted Hoskins	\$6.04
Wayne Barter	\$12.09
Total Income	\$6,308.47
EXPENSES:	
EFTPS	\$3,516.33
Total Expenses	\$3,516.33
January 31, 2015 Balance	\$4,820.06

**MEDICARE WITHHOLDING TAX**

February 1, 2014 Balance Forward	\$442.84
INCOME:	
Albert Gordon	\$0.43
Ben MacDonald	\$5.77
Bernadine Barter	\$2.83
Common Schools	\$2,772.98
Daniel MacDonald	\$68.44
Dan Teague	\$1.11
Geneva MacDonald	\$2.94
John DeWitt	\$59.52
Kirsten Barter	\$92.77
Kendra Chubbuck	\$2.50

*TOWN OF ISLE AU HAUT*

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Landon DeWitt	\$182.44
Lisa Turner	\$72.50
Nathan Clark	\$16.85
Susan MacDonald	\$5.77
Ted Hoskins	\$1.41
Wayne Barter	\$2.82
Total Income	\$3,291.08
EXPENSES:	
EFTPS	\$1,798.57
Total Expenses	\$1,798.57
January 31, 2015 Balance	\$1,935.35

**STATE WITHHOLDING TAX**

February 1, 2014 Balance Forward	-\$2,049.69
INCOME:	
Common Schools	\$3,801.76
Kirsten Barter	\$18.00
Landon DeWitt	\$295.00
Lisa Turner	\$18.00
Nathan Clark	\$59.00
Total Income	\$4,191.76
EXPENSES:	
EFT	\$2,070.24
Total Expenses	\$2,070.24
January 31, 2015 Balance	\$71.83

**EDUCATION**

**COMMON SCHOOLS**

February 1, 2014 Balance Forward	\$31,652.17
<b>INCOME:</b>	
Appropriation	\$193,688.00
State of Maine – EPS Subsidy	\$3,427.57
IAH Elementary School– Reap	\$6,365.12
State of Maine – Special Ed Grant	\$1,790.45
Transition Grant Program	\$64.78
<b>Total Income</b>	<b>\$205,335.92</b>
<b>EXPENSES:</b>	
School Payroll	\$190,393.39
<b>Total Expenses</b>	<b>\$190,393.39</b>
January 31, 2015 Balance	\$46,594.70

**SCHOOL ROOF RESERVE**

February 1, 2014 Balance Forward	\$3,390.00
<b>INCOME:</b>	
Appropriation	\$2,000.00
<b>TOTAL INCOME:</b>	<b>\$2,000.00</b>
January 31, 2015 Balance	\$5,390.00

**ARTHUR E. BARTER SCHOLARSHIP FUND**

February 1, 2014 Balance Forward	\$900.64
INCOME:	
Comcast – Dividend	\$18.92
AT&T – Dividend	\$299.00
Total Income	\$317.92
January 31, 2015 Balance	\$1,218.56

## 2015-2016 Isle au Haut School Budget Revenue

	Budget 13-14	Budget 14-15	Budget 15-16
<b>State Share</b>			
State Educ Subsidy	\$9,751	\$5,000	\$7,845.00
<b>Total State Share</b>	<b>\$9,751</b>	<b>\$5,000</b>	<b>\$7,845.00</b>
<b>Local Share</b>			
Local EPS Allocation	\$65,937	\$65,937	\$65,937.00
Additional Local Funds	\$97,297	\$127,751	\$157,078.00
<b>Total Local Share</b>	<b>\$163,234</b>	<b>\$193,688</b>	<b>\$223,015.00</b>
<b>Local Other Revenues</b>			
Oper Revenue from Reserve	\$0	\$0	\$0.00
<b>Total Local Other Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0.00</b>
<b>Balance Forward</b>			
Bal Frwd/Audit	\$22,808	\$24,000	\$21,155.00
<b>Total Balance Forward</b>	<b>\$22,808</b>	<b>\$24,000</b>	<b>\$21,155.00</b>
<b>TOTAL EPS REVENUE</b>	<b>\$195,793</b>	<b>\$222,688</b>	<b>\$252,015.00</b>
<b>Local Allocation to Reserve</b>			
Roof Replacement Reserve	\$0	\$2,000	\$2,000.00
<b>TOTAL REVENUE</b>	<b>\$195,793</b>	<b>\$224,688</b>	<b>\$254,015.00</b>
	Increase	\$28,895	\$29,327.00
	% Change	14.76%	13.05%
<b>Total to be Raised from Taxes</b>			
	\$163,234	\$195,688	\$225,015
	Increase	\$32,454	\$29,327
	% Change	19.88%	14.99%

## Isle au Haut School 2015-16 School Budget Summary

	Budget 13-14	Budget 14-15	Proposed 15-16	Incr/Decr	% Change
<b>Total Reg Programs - Elem</b>	\$111,187	\$91,001	\$84,218	(\$6,783)	(7.45%)
<b>Total Reg Programs - Secondary</b>	\$9,100	\$9,400	\$20,092	\$10,692	113.74%
<b>Total Spec Educ Instr</b>	\$15,568	\$58,039	\$69,961	\$11,922	20.54%
<b>Total Special Educ Ofc</b>	\$1,401	\$1,458	\$1,498	\$40	2.74%
<b>Total Other Instruction</b>	\$722	\$738	\$0	(\$738)	(100.00%)
<b>Total Instr Staff Training</b>	\$600	\$200	\$200	\$0	0.00%
<b>Total School Committee Srvc</b>	\$4,107	\$3,182	\$5,099	\$1,917	60.26%
<b>Total Superintendent Ofc</b>	\$5,326	\$5,555	\$5,601	\$46	0.84%
<b>Total Central Services</b>	\$1,630	\$1,669	\$1,716	\$47	2.81%
<b>Total School Administration</b>	\$975	\$975	\$975	\$0	0.00%
<b>Total Student Transportation</b>	\$20,472	\$27,504	\$29,422	\$1,918	6.97%
<b>Total Operations/Maint</b>	\$18,870	\$22,968	\$33,233	\$10,265	44.69%
<b>Total Contingency</b>	\$4,500	\$0	\$0	\$0	0.00%
<b>TOTAL EPS EXPENSE</b>	\$194,459	\$222,688	\$252,015	\$29,327	13.17%
<b>Total Reserve Accounts</b>	\$0	\$2,000	\$2,000	\$0	0.00%
<b>TOTAL EXPENSE</b>	\$194,459	\$224,688	\$254,015	\$29,327	13.05%



**DEBTS**

**BOND TO FUND PURCHASE OF G. L. PROPERTY**

February 1, 2013 Balance Forward	\$5,000.00
INCOME:	
Appropriation	\$5,000.00
Total Income	\$5,000.00
EXPENSES:	
Paid to BHBT	5,000.00
Total Expenses	\$5,000.00
January 31, 2014 Balance	\$5,000.00

**INTEREST ON BOND TO FUND PURCHASE  
OF G. L. PROPERTY**

February 1, 2014 Balance Forward	\$104.52
INCOME:	
Appropriation	\$90.00
TOTAL INCOME:	\$90.00
EXPENSE:	
BHBT (interest)	\$353.84
Total Expenses:	\$353.84
January 31, 2015 Balance	(\$159.32)

**BOND LOAN TO FUND PURCHASING G. L. PROPERTY**

February 1, 2014 Balance Forward	(\$10,000.00)
INCOME:	\$5,000.00
TOTAL INCOME:	\$5,000.00
EXPENSE:	
BHBT	\$5,000.00
Total Expenses:	\$5,000.00
January 31, 2015 Balance	\$5,000.00

**TREASURER'S REPORT 2014 - 2015**

**INCOME**

Beginning Balance February 1, 2014 \$ 261,849.79

**GENERAL GOVERNMENT**

Lisa Turner, Tax Collector \$ 19.48  
MEMIC Dividend/Refund 414.19  
**Total Received \$ 433.67**

**MISCELLANEOUS TOWN BUILDINGS**

MLH Daniel & Karen Teague - Dep. \$ 475.00  
MLH Daniel & Karen Teague - Rent 2,850.00  
MB#3 Daniel & Karen Teague - Rent 1,075.00  
HHS Edward White - Rent 875.00  
**Total Received \$ 5,275.00**

**REVERE MEMORIAL LIBRARY**

Joan Tilney \$ 250.00  
Francis Wagner 100.00  
William Landers 500.00  
Gordon Austin 100.00  
Grady Watts 100.00  
Kenneth Dunham 100.00  
Bernadehe Dehut 20.00  
**Total Received \$ 1,170.00**

**JACK & ALICE CROWELL FUND INTEREST**

Library Books for Children  
Interest Earned \$ 186.81  
**Total Received \$ 186.81**

**MAINE STATE REVENUE SHARING**

State Treasurer \$ 703.96

**VETERAN'S EXEMPTION**

State Treasurer \$ 18.00

**TREE GROWTH REIMBURSEMENT**

State Treasurer \$ 2,197.08

**HOMESTEAD EXEMPTION**

State Treasurer \$ 663.00

**TRANSITION GRANT PRO**

State Treasurer \$ 64.78

**PAYMENT IN LIEU OF TAXES**

United States Treasury:

Acadia Nat.Park/Lit-.Spoon Isl. \$ 7,289.00

Maine Coast Heritage Trust 1,250.00

Island Community Dev.Corp 1,600.00

**Total Received \$ 10,139.00**

**FIRE DEPARTMENT**

Transfer from Interest \$ 5,000.00

**TOWN LANDING**

Transfer from Boat Excise Tax \$ 1,553.80

**TOWN ROADS AND BRIDGES**

Transfer from Vehicle Excise Tax \$ 6,011.80

MEMA (Severe Winter Storm) 487.88

Stavan's Sawmill & Const. (sand) 200.00

**Total Received \$ 6,699.68**

**DOT LOCAL ROAD ASSISTANCE**

State Treasurer \$ 9,648.00

**COMMON SCHOOLS**

Isle au Haut Elementary REAP	\$ 6,365.12	
State of Maine Special Ed Gran	1,790.45	
State of Maine EPS Subsidy	3,427.57	
<b>Total Received</b>		<b>\$ 11,583.14</b>

**ARTHUR J. H. BARTER TRUST FUND**

**Given to 8th grade graduates**

AT&T	\$ 70.84	
Comcast	14.19	
<b>Total Received</b>		<b>\$ 85.03</b>

**2005 PROPERTY TAX**

Lisa Turner, Tax Collector		<b>\$ 906.72</b>
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**2013 PROPERTY TAX**

Lisa Turner, Tax Collector	\$ 16,395.14	
2013 Interest Collected	903.97	
<b>Total Received</b>		<b>\$ 17,299.11</b>

**2014 PROPERTY TAX**

Lisa Turner, Tax Collector	\$ 589,319.87	
2014 Interest Collected	268.59	
<b>Total Received</b>		<b>\$ 590,088.46</b>

**VEHICLE EXCISE TAX**

Lisa Turner, Tax Collector		
<b>Total Received</b>		<b>\$ 8,736.50</b>

**VEHICLE REGISTRATION**

Lisa Turner, Tax Collector		
<b>Total received</b>		<b>\$ 2,400.00</b>

**BOAT EXCISE TAX**

Lisa Turner, Tax Collector.		
<b>Total Received</b>		<b>\$ 1,614.30</b>

TOWN OF ISLE AU HAUT

**AGENT FEES**

Lia Turner, Tax Collector

**Total Received** **\$ 219.00**

**CLERK FEES**

Susan MacDonald, Town Clerk

**Total Received** **\$ 167.00**

**FEDERAL TAX WITHHOLDING**

**Total Received** **\$ 12,541.74**

**SOCIAL SECURITY WITHHOLDING**

**Total Received** **\$ 6,318.47**

**MEDICARE WITHHOLDING**

**Total Received** **\$ 3,263.98**

**STATE WITHHOLDING**

**Total Received** **\$ 6,215.70**

**CASH ACCOUNT**

Camden National Bank:

Interest earned, Now Acct.	\$ 12.46	
Interest earned, Sweeps-Repo	114.38	
Service Charges	( 135.00 )	
<b>Total Received</b>		<b>\$ ( 8.16 )</b>

**TOTAL RECEIPTS** **\$ 967,033.56**

**WARRANTS DRAWN** **537,255.77**

Balance February 1, 2015 **\$ 429,777.79**

Respectfully

Submitted ,

Kirsten L. Barter Treasurer of Isle au Haut

**2014 TAX COLLECTOR'S REPORT**

2014 Tax Commitment to Tax Collector	\$519,723.00
Amount Collected as of January 31, 2014	\$533,180.77

**Uncollected Taxes as of January 31, 2014**

**Unpaid 2014 Property Taxes**

*Isle au Haut Lobsterman's Assoc.	1,116.78
*Isle au Haut Lobsterman's Assoc.	60.00
Benjamin E. MacDonald	1,135.09
*Arlena Tully	6,398.81
Ian Tully	3,126.34
Theresa Cousins	895.07
*Heirs of Ava & Walter Rich	600.75
Total	\$13,332.84

\*taxes paid after February 1, 2014

**Unpaid 2013 Property Taxes**

Benjamin E. MacDonald	\$1,029.30
Total	\$1,029.30

**Unpaid 2012 Property Taxes**

Benjamin E. MacDonald	\$905.64
Total	\$905.64

**Unpaid 2011 Property Taxes**

Benjamin E. MacDonald	\$1,990.39
Total	\$1,990.39

**Unpaid 2010 Property Taxes**

Benjamin E. MacDonald	\$1,118.34
Total	\$1,118.34

**Unpaid 2008 Property Taxes**

Benjamin E. MacDonald	\$1,062.25
Theresa Cousins	933.44
Total	\$1,995.69

**Unpaid 2007 Property Taxes**

Benjamin E. MacDonald	\$175.65
Total	\$175.65

**Taxes Committed to Previous Tax Collector**

**Unpaid 2006 Property Taxes**

Benjamin E. MacDonald	\$801.16
John & Theresa Cousins	\$690.15
Total	\$1,491.31

**Unpaid 2005 Property Taxes**

Paul & Judy Greenlaw	\$851.94
Total	\$851.94

**Itemized Monies Collected During 2014**

2014 property taxes	\$506,389.36
2014 property tax interest	556.22
2013 property taxes	12,388.24
2013 property tax interest	835.35
2005 property taxes	906.72
2014 vehicle registration	2,067.00
2014 agent fee	192.00
2014 vehicle excise	8,260.40
2014 boat excise	1,566.50
2014 general government	18.98
Total	\$533,380.77
Total Taxes Collected and Paid to the Treasurer	\$533,380.77

Respectfully Submitted  
Lisa Louise Turner  
Tax Collector



**OFFICE OF TOWN CLERK  
ISLE AU HAUT, ME 04645**

FEBRUARY 1, 2014 TO JANUARY 31, 2015

**VITAL STATISTICS**

Births	0
Deaths	1
Marriages	2
Certified Copies	3
Total Copies	5

**DOG LICENSE**

Spayed Female	1
Total Licenses	1

**FEES COLLECTED AND DEPOSITED WITH TREASURER**

Marriage Licenses	\$ 80.00
Certified Copies	45.00
Dog License	4.00
Burial Permit Fee	20.00
Tip	2.00
Total	\$167.00

RESPECTFULLY SUBMITTED,

\_\_\_\_\_  
SUSAN MACDONALD/TOWN CLERK

**CHARITABLE CONTRIBUTIONS**

**AMERICAN RED CROSS**

**\$150.00**

**DOWNEAST AIDS NETWORK**

**\$100.00**

**DOWNEAST TRANSPORTATION**

**\$55.00**

**ISLE AU HAUT BOAT SERVICES**

**\$45,000.00**

**ISLAND MEDICAL CENTER**

**\$500.00**

**MAINE PUBLIC BROADCASTING**

**\$150.00**

**MEMORIAL AMBULANCE CORPS**

**\$1,000.00**

**ISLAND STORE ASSOCIATION**

**\$30,000.00**

**WERU**

**\$150.00**

## ISLAND FELLOW 2014 ANNUAL REPORT

As Isle au Haut's fifth and the Island Institute's one-hundredth Island Fellow, I am honored by the opportunity to serve on Isle au Haut. The Island Fellows Program, now in its sixteenth year, is an Island Institute and AmeriCorps program, sponsored in part by the Maine Commission of Community Service. Each Island Fellow's project (or projects) is different, based on the needs of his or her host community. In my first year of service, my efforts have primarily been focused with the Historical Society, the Town of Isle au Haut, and the Isle au Haut School.

By request of the Isle au Haut Historical Society, I am attempting to make Isle au Haut's history more accessible to the general public, as well as working to improve preservation methods in the archives to ensure that important documents and photos are preserved for future generations. Over the past few months, I have received training in preservation methods and strategies for archive organization. I have also visited local historical societies in Deer Isle and Swan's Island to tour their archives and solicit advice on methods of preservation and organization. My current priorities for the Isle au Haut Historical Society are to digitize the town's reports, to ensure that archives are sorted and stored in a method best suited for long-term preservation and access, and to create a cataloging system for easy identification of records.

For the Town, I have created a municipal website, [IsleauHautMaine.us](http://IsleauHautMaine.us). This website is primarily intended as a resource for residents, though it includes resources for visitors to the island as well. In an effort to improve access and transparency in local government, meeting minutes and agendas, as well as information about local committees and boards, are published online for the public's perusal, and a Google calendar is maintained to coordinate and publicize activities of interest on Isle au Haut. It is our hope that this website will be regularly updated and sustained into the future, becoming an essential resource and a convenience for residents of Isle au Haut.

Additionally, I have recently collaborated with the selectmen to conduct research in preparation for the Town's hire of a harbormaster. I reached out to many local harbormasters, especially those belonging to other year-round island communities. Through this, I gauged typical duties and compensation of harbormasters in other Maine communities similar to Isle au Haut, as well as gathered contacts for potential applicants when the town advertises the harbormaster position. I also conducted further research into the typical job description of a harbormaster in Maine and other New England states.

My third project with the Town of Isle au Haut, updating the town's comprehensive plan, is still in its beginning stages, though with the return of many of the town's residents in the upcoming months, I look forward to an exciting and productive spring and summer. We will form a comprehensive planning commit-

*TOWN OF ISLE AU HAUT*

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tee, and with the town's opinions and input, we hope to soon revise the existing comprehensive plan to reflect residents' current views of Isle au Haut, both for its present and its future.

At the Isle au Haut School, in partnership with Paula Greatorex and Lisa Turner, I have been facilitating a service-learning project with the students relating to scrap metal disposal on islands. The students are in the process of researching the impacts of improper metal disposal and contacting residents of other islands for ideas on waste disposal policy and solutions to the problem of metal waste. Through this project, the students are learning about the environmental and human impacts of metal waste, as well as practicing writing, research, and interview skills.

While the above covers my official projects as an Island Fellow, my report would be incomplete without a mention of the fulfillment I have found in becoming part of Isle au Haut's community. Whether volunteering with the Lighthouse Committee, recruiting cooks for Tuesday's Table, doing arts and crafts at Sunday School, or eating way too much food at a potluck, I have enjoyed getting to know all of you and being an extra set of hands to help out as needed. I am currently in the process of writing my application to extend my fellowship to a second year. I hope, with your continued support, to fulfill and exceed your expectations and continue making progress on projects that will make the difference you want to see in your community.

Respectfully submitted,  
Meghan Cooper, Town of Isle au Haut Island Fellow



# MEMORIAL AMBULANCE CORPS

February 11, 2015

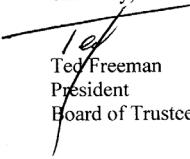
Ms. Kirsten Barter  
Town Treasurer  
P.O. Box 51  
Isle au Haut, ME 04645

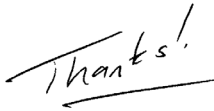
Dear Kirsten:

On behalf of all of the volunteers of Memorial Ambulance Corps (MAC), and the communities we serve, I want to thank you and the entire Town for the \$1000 gift. Fees for service are insufficient to cover our operational costs in this rural area, and therefore the generous grants and gifts we receive are essential. We are currently in the process of ordering a new ambulance to replace our aging Ford, so this gift is particularly timely.

Again, thank you for the gift and your support of our work to serve our residents and visitors.

Sincerely,

  
Ted Freeman  
President  
Board of Trustees



*Isle au Haut • Stonington • Deer Isle*  
P.O. BOX 387 DEER ISLE ME 04627

TOWN OF ISLE AU HAUT



Maine Public Broadcasting Network

63 Texas Avenue, Bangor, Maine 04401-4324 · 800-884-1717 · 207-941-1010 · Fax 207-942-2857

March 18, 2015

Mr. Landon DeWitt  
Town of Isle Au Haut  
P.O. Box 71  
Isle Au Haut, ME 04645-007

Dear Mr. DeWitt,

Thank you very much for the gift of \$150.00 this fiscal year. We are delighted to receive this show of support from the residents of Isle Au Haut. It is heartening to learn that your community uses and values the services MPBN provides including television and radio broadcasting, online services, and of course, the Emergency Alert System on our network. Your generous support allows us not only to continue to serve Maine, but to be responsive to the ever changing needs of Maine's communities.

We continue to increase the depth of our Maine news coverage with the expansion of our afternoon call-in news show, *Maine Calling*, the growth of Weekend Edition with host Jennifer Mitchell, and reinventing our *Maine Things Considered* program to have a greater presence on weekday afternoons while providing all Maine's citizens with greater access to world topics as well.

We are so pleased that you responded to our request this year, and we truly appreciate your interest and support for our efforts.

Sincerely,

A handwritten signature in black ink that reads 'P. Smart'.

Pamela J. Smart  
Director of Membership

Television • Radio • Education • Internet

With offices and studios in Bangor, Lewiston and Portland  
mpbn.net

**James W. Wadman**

**CERTIFIED PUBLIC ACCOUNTANT**

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

February 1, 2016

Members of the Board of Selectmen  
Town of Isle au Haut  
Isle au Haut, Maine 04645

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Town of Isle au Haut (the Town) as of and for the fiscal year ended January 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Isle au Haut's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the Town's internal control to be material weaknesses:

**2015-001 Segregation of Duties**

*Criteria:* Segregation of duties involves the assignment of responsibilities in such a way that different employees handle different parts of the same transaction. Appropriate segregation of duties helps to detect errors in a timely manner and helps deter improper activities.

*Condition:* Because of the experience level and size of the Town's staff, ideal segregation of duties is not always possible and is likely cost prohibitive. Certain functions, ideally performed by separate individuals, cannot be accomplished and therefore, accounting controls are not as strong as they might otherwise be.

*Effect:* Anyone who records transactions and/or has access to assets ordinarily is in a position to perpetrate errors or irregularities.

TEL (207)667-6500  
FAX (207)667-3636

295 MAIN STREET  
P.O. BOX 889  
ELLSWORTH, ME 04605

*Recommendation:* We recommend that the Board of Selectmen perform cautious review of the financial transactions on a consistent basis. We also recommend that monthly financial reports and bank statement reconciliations be carefully reviewed by the Board of Selectmen to identify financial fluctuations of an unusual nature.

*Management's Response:* Management concurs with the finding and is working to resolve this issue as soon as possible.

**2015-002 Bank Reconciliations**

*Criteria:* Performance of monthly bank reconciliations

*Condition:* During our review of the cash accounts, it was noted that bank reconciliations were not done on a monthly basis and that the selectmen's ledger balance did not reconcile to the bank balances or the bank reconciliation done as part of the audit.

*Effect:* Failure to reconcile bank statements to the selectmen's ledger balance allows for errors to go undetected and results in inaccurate and incomplete financial records.

*Recommendation:* The Town's checking account in the selectmen's ledger should be adjusted to the January 31, 2015 audited balance and should be reconciled to the bank statements on a monthly basis. The Board should require this and perform a monthly inspection of the bank statements and reconciliations to ensure they are done accurately. Also, the Board should implement policies and procedures to open, review and initial bank statements prior to reconciliation.

*Management's Response:* Management concurs with the finding and will try to implement the recommended procedures.

**2015-003 Availability of Records**

*Criteria:* Having immediate access to financial records, including bank and payroll records as well as vendor invoices is imperative to be able to provide proof of legitimate and necessary expenditures. Access to tax records is necessary to verify the accuracy of tax revenues.

*Condition:* Original audit documentation received was noted to be inadequate with several pieces of missing information. Missing documentation included bank statements and several warrant folders including invoices for expenditure testing. In addition, payroll and 941 records were incomplete. Federal and State quarterly returns were not filed timely and taxes had not been paid for the entire 2014 calendar year. Quarters 1 and 3 filings were completed in June 2015 with tax payments made at that time. Returns for quarters 2 and 4 were completed, along with corrections for quarters 1 and 3, in January 2016.

*Effect:* Inability to provide timely records gives rise to questioning of inappropriate controls and expenditures. Also, the Town risks facing penalties for failure to file and pay the calculated tax liabilities by the deadline.

*Recommendation:* The board should implement procedures to ensure that all records are maintained to back up any expenditure made during the course of the year and those records should be maintained orderly and together so the information brought in for audit review, or any other questions of expenditures, are all available upon request. Additionally, policies and procedures should be implemented to ensure that all records are accessible and available to be reviewed and monitored by a minimum of two selectmen at all times. Processes and procedures regarding the required quarterly Federal and State tax filings should be established for implementation by the Treasurer and review by the Selectmen. This is required to be performed on a quarterly basis. This will ensure that if replacement of key personnel becomes necessary, appropriate succession of documentation and required filing will occur on a timely basis.



TOWN OF ISLE AU HAUT

*Management Response:* Management concurs with the recommendation and will implement procedures to ensure that the records are properly maintained and are available upon request.

**2015-004 Procedure for Depositing Funds**

*Criteria:* Timely deposit of cash received minimizes the risk of misappropriation of assets; helps ensure proper account reconciliations and maintaining accurate records.

*Condition:* It was observed during audit work and bank reconciliation procedures that in multiple instances funds were held for over a month prior to depositing into the Town's checking account. Additionally, in performing receipt cutoff testing, the deposit detail did not tie to the receipts without variance.

*Effect:* A delay in making deposits increases the risk of theft and the risk of material misstatements.

*Recommendation:* Policies and procedures should be implemented regarding the deposit of funds. A minimum timeframe should be established for holding checks and cash received as well as a dollar threshold established, over which, the Treasurer will make a deposit. Additionally, deposits should be reconciled to receipts by including detailed receipt information on deposit tickets.

*Management Response:* Management concurs with the recommendation and will implement procedures to ensure that funds are deposited timely in the future.

This communication is intended solely for the information and use of management, the Board of Selectmen and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

*James W. Wadman, C.P.A.*

James W. Wadman, CPA

*TOWN OF ISLE AU HAUT*

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*TOWN OF ISLE AU HAUT, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JANUARY 31, 2014*

**TOWN OF ISLE AU HAUT**

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**TOWN OF ISLE AU HAUT, MAINE**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

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**James W.  
Wadman**

Certified Public Accountant

Telephone 207-667-6500  
Facsimile 207-667-3636

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

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Selectmen  
Town of Isle au Haut  
Isle au Haut, ME 04645

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Isle au Haut, Maine as of and for the fiscal year ended January 31, 2014, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Isle au Haut, Maine, as of January 31, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 19 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 Isle au Haut, Maine's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other supplementary information 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 and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has 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.

Respectfully Submitted,

*James W. Wadman, C.P.A.*

James W. Wadman, C.P.A.  
July 30, 2015

  
*TOWN OF ISLE AU HAUT*

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**TOWN OF ISLE AU HAUT, MAINE**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended January 31, 2014**

The management of the Town of Isle au Haut, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended January 31, 2014. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at the fiscal year ending January 31, 2014 by \$5,299,506 (presented as “net position”). Of this amount, \$226,980 was 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 decreased by \$95,901 (a 1.8% decrease) for the fiscal year ended January 31, 2014.

**Fund Highlights:**

*Governmental Funds – Fund Balances* – As of the close of the fiscal year ended January 31, 2014, the Town's governmental funds reported a combined ending fund balance of \$330,867, an increase of \$426 in comparison with the prior year. Of this total fund balance, \$(9,716) represents general unassigned fund balance. This unassigned fund balance represents approximately (1.9%) of the total general fund expenditures for the fiscal year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased \$5,000 (33.3%) during the current year. No new debt obligations were issued. Existing debt obligations were retired according to schedule.

**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) 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 and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement 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. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

**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 fund financial statements include statements for one category of activity – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

*TOWN OF ISLE AU HAUT*

balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 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 11 - 18 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 19 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

The largest portion of the Town's net position (93.2%) reflects its net 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 is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-like Activities	Total 2014	Total 2013
Current Assets	\$ 377,640	\$ 0	\$ 377,640	\$ 375,344
Capital Assets	\$ 4,951,237	\$ 0	\$ 4,951,237	\$ 5,058,164
<i>Total Assets</i>	\$ 5,328,877	\$ 0	\$ 5,328,877	\$ 5,433,508
Current Liabilities	\$ 24,370	\$ 0	\$ 24,370	\$ 28,100
Other Liabilities	\$ 5,000	\$ 0	\$ 5,000	\$ 10,000
Net Position:				
Invested in Capital Assets	\$ 4,941,237	\$ 0	\$ 4,941,237	\$ 5,043,164
Restricted	\$ 131,290	\$ 0	\$ 131,290	\$ 111,752
Unrestricted	\$ 226,980	\$ 0	\$ 226,980	\$ 240,492
<i>Total Liabilities and Net Position</i>	\$ 5,328,877	\$ 0	\$ 5,328,877	\$ 5,433,508

An additional portion of the Town's net position (2.5%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (4.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Changes in Net Position**

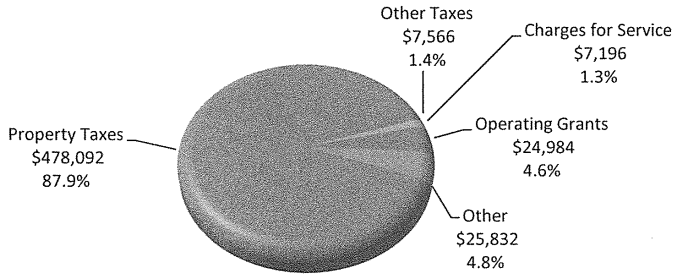
Governmental activities decreased the Town's net position by \$95,901. This decrease was primarily due to capital asset depreciation offset by an increase in deferred tax revenue.

	Governmental Activities	Business-like Activities	Total 2014	Total 2013
<i>Revenues:</i>				
Tax Revenues	\$ 485,658	\$ 0	\$ 485,658	\$ 433,243
Program Revenues	\$ 32,180	\$ 0	\$ 32,180	\$ 28,291
Investments	\$ 2,450	\$ 0	\$ 2,450	\$ 3,050
Revenue Sharing	\$ 1,411	\$ 0	\$ 1,411	\$ 1,934
Other	\$ 21,971	\$ 0	\$ 21,971	\$ 24,578
<i>Total Revenues</i>	\$ 543,670	\$ 0	\$ 543,670	\$ 491,096

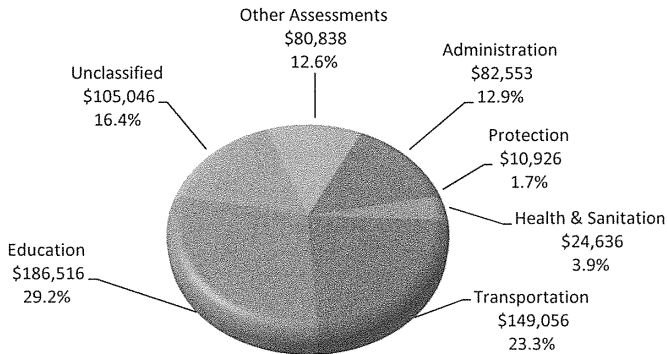
TOWN OF ISLE AU HAUT

<i>Expenses;</i>				
Administration	\$ 82,553	\$ 0	\$ 82,553	\$ 68,980
Protection	\$ 10,926	\$ 0	\$ 10,926	\$ 9,113
Health/Sanitation	\$ 24,636	\$ 0	\$ 24,636	\$ 24,653
Transportation	\$ 149,056	\$ 0	\$ 149,056	\$ 146,423
Education	\$ 186,516	\$ 0	\$ 186,516	\$ 183,012
Unclassified	\$ 105,046	\$ 0	\$ 105,046	\$ 106,035
Assessments and Debt Service	\$ 80,838	\$ 0	\$ 80,838	\$ 72,914
<i>Total Expenses</i>	\$ 639,571	\$ 0	\$ 639,571	\$ 611,131
Changes in Net Position	\$ (95,901)	\$ 0	\$ (95,901)	\$ (120,034)

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



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





  
*TOWN OF ISLE AU HAUT*  

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**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 spendable 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 \$330,867, a decrease of \$426 in comparison with the prior fiscal year. Approximately (2.9) percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$5,600 negative variance in real estate and personal property tax revenues. Actual collections were 97.0% of the levy as compared to 98.6% in the prior year. There was an increase in the unearned tax revenue due to little collections received right after year end.
- \$15,944 positive variance in local road assistance revenue. This is primarily due to the funds not being budgeted and used to fund a capital road project. Additionally, there was a one-time difference due to a change in the timing of when the funds are paid out.
- \$1,517 negative variance in all other revenues. This is primarily due to over budgeting.
- \$8,330 negative variance in protection expenditures. This is primarily due to the funds not being budgeted and expenses for repairs to the fire house.
- \$7,214 positive variance in all other expenditures. This is primarily due to budgeting to fund the town landing carry forward balance for future improvements as well as over budgeting in administration.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental activities amounts to \$7,080,211, net of accumulated depreciation of \$2,128,974, leaves a net book value of \$4,951,237. Current year additions include \$36,705 for town roads. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on pages 16 - 17 of this report.

**Debt**

The Town has total bonded debt outstanding of \$10,000 that is backed by the full faith and credit of the Town. The outstanding debt decreased \$5,000 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 17 - 18 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 Isle au Haut, P.O. Box 71, Isle au Haut, ME 04645.

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE  
STATEMENT OF NET POSITION  
JANUARY 31, 2014

(Exhibit I)

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$81,722
Investments, at Fair Market Value	\$264,714
Accounts Receivable	\$145
Taxes Due - Current Year	\$14,155
Taxes Due - Prior Year	\$16,904
<u>Capital Assets</u>	
Land	\$559,869
Other Capital Assets, net of Accumulated Depreciation	\$4,391,368
Total Capital Assets	<u>\$4,951,237</u>
<u>Total Assets</u>	<u>\$5,328,877</u>
<u>Liabilities and Net Position</u>	
<u>Liabilities</u>	
Accounts Payable	\$19,371
<u>Bond Payable</u>	
Due within one year	\$5,000
Due in more than one year	\$5,000
<u>Total Liabilities</u>	<u>\$29,371</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$4,941,237
Restricted	\$131,290
Unrestricted	\$226,980
<u>Total Net Position</u>	<u>\$5,299,506</u>
<u>Total Liabilities and Net Position</u>	<u>\$5,328,877</u>

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

TOWN OF ISLE AU HAUT

**TOWN OF ISLE AU HAUT, MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

(Exhibit II)

<u>Functions/Programs</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
<u>Primary Government</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Revenue and Changes</u>
<u>Governmental Activities</u>		<u>Services</u>	<u>in Net Position</u>
		<u>Operating</u>	<u>Governmental</u>
		<u>Grants</u>	<u>Activities</u>
Administration	\$82,553	\$5,775	(\$76,778)
Protection	\$10,926		(\$10,926)
Health & Sanitation	\$24,636		(\$24,636)
Transportation	\$149,056		(\$149,056)
Education	\$186,516		(\$161,532)
Unclassified	\$105,047	\$1,421	(\$103,626)
Assessments and Debt Service	\$80,838		(\$80,838)
<i>Total Governmental Activities</i>	<u>\$639,571</u>	<u>\$7,196</u>	<u>(\$607,392)</u>
<i>Total Primary Government</i>	<u>\$639,571</u>	<u>\$7,196</u>	<u>(\$607,392)</u>
 <i>General Revenues:</i>			
Real Estate Tax			\$470,353
Contributions & Other Revenue			\$3,824
Local Road Assistance			\$15,944
State Revenue Sharing			\$1,411
Excise Taxes			\$7,566
Interest Earned & Collected			\$2,450
Federal Government - In Lieu of Taxes			\$7,030
Homestead Exemption Reimbursement			\$709
Tree Growth Reimbursement			\$2,187
Veteran's Exemption Reimbursement			\$16
<i>Total Revenues</i>			<u>\$511,490</u>
<i>Changes in Net Position</i>			(\$95,901)
<i>Net Position - Beginning</i>			<u>\$5,395,408</u>
<i>Net Position - Ending</i>			<u>\$5,299,506</u>

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

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JANUARY 31, 2014**

(Exhibit III)

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Total Governmental Funds</u>
<i>Assets</i>			
Cash and Cash Equivalents	\$80,426	\$1,296	\$81,722
Investments, at Fair Market Value	\$219,438	\$45,276	\$264,714
Accounts Receivable	\$145		\$145
Due from Other Funds		\$1,189	\$1,189
Taxes Due - Current Year	\$14,155		\$14,155
Taxes Due - Prior Year	\$16,904		\$16,904
<b><u>Total Assets</u></b>	<b><u>\$331,068</u></b>	<b><u>\$47,761</u></b>	<b><u>\$378,829</u></b>
<i>Liabilities, Deferred Inflows &amp; Fund Balances</i>			
<i>Liabilities:</i>			
Accounts Payable	\$19,371		\$19,371
Due to Other Funds	\$1,189		\$1,189
<b><u>Total Liabilities</u></b>	<b><u>\$20,560</u></b>	<b><u>\$0</u></b>	<b><u>\$20,560</u></b>
<i>Deferred Inflows of Resources</i>			
Unearned Tax Revenue	\$27,403		\$27,403
<b><u>Total Deferred Inflows of Resources</u></b>	<b><u>\$27,403</u></b>	<b><u>\$0</u></b>	<b><u>\$27,403</u></b>
<i>Fund Balances:</i>			
Nonspendable		\$3,836	\$3,836
Restricted	\$127,454		\$127,454
Committed	\$165,367		\$165,367
Assigned		\$43,925	\$43,925
Unassigned	(\$9,716)		(\$9,716)
<b><u>Total Fund Balances</u></b>	<b><u>\$283,105</u></b>	<b><u>\$47,761</u></b>	<b><u>\$330,867</u></b>
<b><u>Total Liabilities, Deferred Inflows &amp; Fund Balances</u></b>	<b><u>\$331,068</u></b>	<b><u>\$47,761</u></b>	<b><u>\$378,829</u></b>
<b><u>Total Fund Balance - Governmental Funds</u></b>			<b><u>\$330,867</u></b>
<i>Net position reported for governmental activities in the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$4,951,237
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including bonds payable			(\$10,000)
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unearned revenue (a liability) in governmental funds			\$27,403
<b><u>Net Position of Governmental Activities</u></b>			<b><u>\$5,299,506</u></b>

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

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**

(Exhibit IV)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

	<i>General Fund</i>	<i>Permanent Funds</i>	<i>Total Governmental Funds</i>
<i>Revenues:</i>			
Real Estate Taxes	\$464,753		\$464,753
Contributions and Other Revenues	\$1,225	\$2,599	\$3,824
Local Road Assistance	\$15,944		\$15,944
State Revenue Sharing	\$1,411		\$1,411
Excise Taxes	\$7,566		\$7,566
Interest/Dividends Earned & Collected	\$1,111	\$1,339	\$2,450
Federal Government - In Lieu of Taxes	\$7,030		\$7,030
Homestead Exemption Reimbursement	\$709		\$709
Tree Growth Reimbursement	\$2,187		\$2,187
Veteran's Exemption Reimbursement	\$16		\$16
<i>Total Revenues</i>	<u>\$501,952</u>	<u>\$3,938</u>	<u>\$505,890</u>
<i>Expenditures (Net of Departmental Revenues):</i>			
General Government	\$74,290		\$74,290
Protection	\$8,330		\$8,330
Health & Sanitation	\$24,636		\$24,636
Highways & Bridges	\$52,504		\$52,504
Education	\$160,257		\$160,257
Unclassified	\$99,327	\$283	\$99,610
Assessments and Debt Service	\$85,838		\$85,838
<i>Total Expenditures</i>	<u>\$505,181</u>	<u>\$283</u>	<u>\$505,464</u>
<i>Excess Revenues Over Expenditures</i>	(\$3,230)	\$3,655	\$426
<i>Beginning Fund Balances</i>	<u>\$286,335</u>	<u>\$44,106</u>	<u>\$330,441</u>
<i>Ending Fund Balances</i>	<u>\$283,105</u>	<u>\$47,761</u>	<u>\$330,867</u>
<i>Reconciliation to Statement of Activities, change in Net Position:</i>			
Net Change in Fund Balances - Above			\$426
Unearned Revenue			\$5,600
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position			
This amount represents long-term debt payments			\$5,000
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.			\$36,705
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.			
<i>Changes in Net Position of Governmental Activities</i>			<u>(\$143,632)</u>
			<u>(\$95,901)</u>

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

# TOWN OF ISLE AU HAUT

**TOWN OF ISLE AU HAUT, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

**Note 1 - Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

The accompanying financial statements present the government of the Town of Isle au Haut, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*. The Town is governed under a Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

**B. Government-wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

## TOWN OF ISLE AU HAUT

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

The Town reports the following major governmental funds:

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

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

#### Deposits

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

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

#### Accounts Receivable and Accounts Payable

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

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

#### Capital Assets

Capital assets, which 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 record at estimated fair market value at the date of donation.

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

*TOWN OF ISLE AU HAUT*

<i>Assets</i>	<i>Years</i>
Buildings	50
Infrastructure	50
Equipment	5-30

Interfund Transactions

During the course of normal operations, the Town has various transactions between funds, including transfers of revenues and expenditures. The accompanying governmental fund financial statements reflect such transactions as operating transfers.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has applied GASB Statement No 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of its resources reported in governmental funds. As such, the Town has identified January 31, 2014 fund balances on the balance sheet as follows:

	General Fund	Permanent Fund	Total
<u>Nonspendable</u>			
Arthur Barter Educational Trust		\$2,540	\$2,540
Crowell Memorial Trust		\$1,296	\$1,296
<u>Restricted</u>			
State Road Assistance	\$55,199		\$55,199
Town Wharf Replacement Reserve	\$0		\$0
School Department	\$57,601		\$57,601
State Revenue Sharing	\$1,411		\$1,411
Vital Stats	\$261		\$261
Colwell Ramp	\$12,982		\$12,982
<u>Committed</u>			
General Government	\$10,135		\$10,135
Town Buildings	\$12,921		\$12,921
100th Anniversary	\$6,462		\$6,462
Town Owned Lands	\$10,422		\$10,422
Donald Furrow Land Purchase Bond	\$6,231		\$6,231
George Lamson Land Purchase Bond	(\$1,145)		(\$1,145)
Fire Department	(\$5,036)		(\$5,036)
Solid Waste Disposal	\$1,516		\$1,516
Plumbing & Code Enforcement	\$2,375		\$2,375
Town Roads & Bridges	\$2,098		\$2,098
Snow Removal	\$1,987		\$1,987
D.O.T. Transportation Account	\$29,151		\$29,151
Truck & Plow Account	\$2,209		\$2,209
Truck Reserve	\$1,757		\$1,757
Salt/Sand Shed Reserve	\$12,500		\$12,500
Waterfront Access	\$2,786		\$2,786
Town Landing	\$15,646		\$15,646
Town Parking Lot	\$4,684		\$4,684
School Roof Fund	\$3,390		\$3,390
Auto Excise Taxes	\$6,013		\$6,013



*TOWN OF ISLE AU HAUT*

Boat Excise Taxes	\$1,554	\$1,554
Sales Tax	\$675	\$675
Registration Fees	\$1,005	\$1,005
Interest	\$4,499	\$4,499
In Lieu of Taxes	\$6,312	\$6,312
Tree Growth	\$2,187	\$2,187
Veteran's Reimbursement	\$16	\$16
Homestead Tax Exemption	\$169	\$169
Supplemental Taxes	\$216	\$216
Revere Memorial Hall	\$2,145	\$2,145
Revere Memorial Library	\$11,064	\$11,064
Planning Board	\$2,868	\$2,868
Lighthouse Fund Reserve	\$870	\$870
Dog Fees	\$430	\$430
Emergency Medical Services	\$2,018	\$2,018
Comprehensive Planning	\$69	\$69
Property Tax Relief	\$246	\$246
Isle au Haut Historical Collections	\$608	\$608
Zone C/Perce Lobster Hatchery	\$500	\$500
Maine Islands Coalition	\$13	\$13
County Tax	\$1,802	\$1,802
<u>Assigned</u>		
Arthur Barter Educational Trust	\$43,633	\$43,633
Crowell Memorial Trust	\$292	\$292
<u>Unassigned</u>	(\$9,716)	(\$9,716)
<u>Total Fund Balances</u>	\$283,105	\$330,867

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

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

*Restricted* - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$131,290 of restricted net position, of which enabling legislation restricts \$0.

*Unrestricted* - This component consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

E. Budgetary Accounting

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

*TOWN OF ISLE AU HAUT*

F. Endowments

In the permanent funds, there are established endowment funds of \$2,540 for the Arthur Barter Educational Trust Fund, and \$1,296 for the Jack & Alice Crowell Memorial Trust Fund. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is \$43,633 from the Arthur Barter Educational Trust Fund, and \$292 from the Jack & Alice Crowell Memorial Trust Fund, which is reported as unrestricted net position in the statement of net position. The initial endowment principal is reported as restricted net position in the statement of net position.

G. Estimates

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

Note 2 - Deposits and Investments

Deposits

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

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

The financial institution holding the Town's cash accounts participated in the FDIC Program. All cash accounts, including the Town's cash deposits, certificates of deposit, and non-interest bearing accounts, are aggregated and are insured up to \$250,000 in total by the FDIC. In order to avoid exceeding the \$250,000 FDIC limits, the bank purchases additional collateral to collateralize those funds.

At year end, the carrying value of the Town's deposits was \$81,472 and the bank balance was \$81,427. The Town has no uninsured and uncollateralized deposits as of January 31, 2014.

Investments

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

<i>Fair Market Value</i>	<i>Maturities (yrs)</i>		
	<i>Less than 1 yr</i>	<i>1-5 yrs</i>	<i>Long-term</i>
U.S. Treasury Securities	\$219,438	\$219,438	
Mutual Funds/Equity Sec.	\$45,276	\$4,976	\$40,301
	\$264,714	\$224,414	\$0
		\$0	\$40,301

Investments held in the Permanent Fund are carried at fair market value as of January 31, 2014. Fair market value is determined using the closing market price as of January 31, 2014. Some stock certificates are held by the Town and others by a trust department. A detailed schedule of investments is as follows:

*TOWN OF ISLE AU HAUT*

<u>Security</u>	<u># of shares</u>	<u>Market Value</u>
AT&T	130	\$4,332
Comcast Corp.	21	\$1,132
Vodafone	90	\$3,335
Vanguard Short-Term Bond Index Fund	949.14	\$9,994
Vanguard Total Bond Market Index Fund	936.5	\$10,021
Parnassus Equity Income Fund	290.95	\$10,274
Oakmark International Fund	47.75	\$1,213
Money Market Funds	4975.64	\$4,976
		<u>\$45,276</u>

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements.

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

*Interest rate risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term repurchase obligations and short-term investments held by a local banking institution. Money market, common stock and mutual funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

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

**Note 3 - Property Taxes**

Property taxes were assessed on April 1, 2013 and committed on July 4, 2013. Interest of 7.0% per annum is charges on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$27,403 of the property taxes receivable have been classified as unearned tax revenue on the general fund balance sheet.

**Note 4 - Capital Assets**

Capital asset activity for the year ended January 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated</i>				
Land	\$559,869			\$559,869
<i>Capital assets being depreciated</i>				
Buildings	\$403,402			\$403,402
Equipment	\$924,509			\$924,509
Infrastructure	\$5,155,725	\$36,705		\$5,192,430
<i>Total capital assets being depreciated</i>	<u>\$6,483,637</u>	<u>\$36,705</u>	<u>\$0</u>	<u>\$6,520,342</u>

*TOWN OF ISLE AU HAUT*

*Less accumulated depreciation for*

Buildings	\$171,942	\$9,265		\$181,207
Equipment	\$173,299	\$20,895		\$194,194
Infrastructure	\$1,640,100	\$113,472		\$1,753,572
<i>Total accumulated depreciation</i>	<i>\$1,985,341</i>	<i>\$143,632</i>	<i>\$0</i>	<i>\$2,128,974</i>
<i>Net capital assets being depreciated</i>	<i>\$4,498,296</i>	<i>(\$106,927)</i>	<i>\$0</i>	<i>\$4,391,369</i>
<i>Governmental Activities, Capital Assets, net</i>	<i>\$5,058,164</i>	<i>(\$106,927)</i>	<i>\$0</i>	<i>\$4,951,237</i>

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

Governmental Activities

General Government	\$2,488
Protection	\$2,596
Education	\$1,275
Unclassified	\$4,016
Highways, including depreciation of general infrastructure assets	\$133,257
Total Depreciation Expense - Governmental Activities	\$143,632

Note 5 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payable is classified as Due to Other Funds with an offsetting receivable classified as Due from Other Funds. At January 31, 2014, the offsetting receivable and payable balances were \$1,189. The change in the balance of the accounts during the current fiscal year represent \$253 of interest/dividends earned that was on the permanent fund cash and investment accounts that was deposited into the general fund checking account. The remaining funds are expected to be repaid upon need of the funds for the specified purpose of the trust funds that the interest is earned on.

Note 6 - Long-Term Debt

The following is a summary of long-term debt transactions of the Town of Isle au Haut, Maine for the fiscal year ended January 31, 2014.

<u>Long-Term Debt payable at February 1,</u>		\$15,000
	<i>Long-Term Debt Issued</i>	\$0
	<i>Long-Term Debt Retired</i>	(\$5,000)
<u>Long-Term Debt payable at January 31,</u>		\$10,000

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Isle au Haut, Maine. Outstanding bonds at January 31, 2014 are as follows:

In February 2008, the Town issued bonds for a land purchase with Bar Harbor Bank & Trust. The bonds were authorized by the Town for \$35,000. The bonds are to be repaid over a 7 year period with interest of 3.49%. The principal balance at January 31, 2014 was \$10,000.

Annual debt service requirements to maturity of the general obligation bonds including estimated interest are as follows:

*TOWN OF ISLE AU HAUT*

<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2015	\$5,000	\$349	\$5,349
2016	\$5,000	\$175	\$5,175
	\$10,000	\$524	\$10,524

**Note 7 - Defined Benefit Employee Pension Plan**

Most employees of the School Department participate in the Maine Public Employees Retirement System. The Maine Public Employees Retirement System is a multiple-employer, cost-sharing pension plan. Benefits provided by the Retirement System arise from employee and employer contributions determined on a statutory actuarial reserve basis.

School Department employees are eligible for normal retirement at age 60, provided that they have 25 years of services credited under the System. School Department employees over age 60 who become permanently disabled receive normal retirement benefits. School Department employees under the age of 60 who become permanently disabled receive 2/3 of their average final compensation, reduced by other forms of disability benefits received.

School District employees contribute 7.65% of their salaries to the Retirement System while the School District's share is the responsibility of the State of Maine. The School District is responsible for the employer contributions for employees paid with Federal funds. The cost of these benefits is charged to the applicable Federally funded program. The School District's total earnings covered by the program were \$66,900 for the fiscal year ended June 30, 2013. Employee contributions totaled \$5,118. Employer contributions made to the pooled account by the State, estimated at a rate of 14.32% are \$9,580. Employer contributions made by the School District for Federal programs totaled \$0. A financial report for the Maine Public Employees Retirement System can be obtained at: Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

**Note 8 - Restricted Net Position**

The Town reports restricted net position totaling \$131,290 on its statement of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

**Note 9 - Commitment and Contingencies**

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

**Note 10 - Risk Management**

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters for which the Town purchases municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at January 31, 2014.

**Note 11 - Pending Litigation**

According to management, there are no matters that would result in material adverse losses, claims or assessments against the Town of Isle au Haut, Maine through the date of the audit report.

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

(Exhibit V)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Tax Revenues, Including Homestead Exemption	\$471,150	\$471,150	\$465,462	(\$5,688)
Excise Taxes	\$8,649	\$8,649	\$7,566	(\$1,083)
State Revenue Sharing	\$1,935	\$1,935	\$1,411	(\$524)
Interest Earned	\$0	\$0	\$1,111	\$1,111
In Lieu of Taxes	\$8,809	\$8,809	\$7,030	(\$1,779)
Tree Growth Reimbursement	\$2,564	\$2,564	\$2,187	(\$377)
Veteran's Exemption Reimbursement	\$18	\$18	\$16	(\$2)
Local Road Assistance	\$0	\$0	\$15,944	\$15,944
Contributions & Other Revenue	\$0	\$0	\$1,225	\$1,225
<b><u>Total Revenues</u></b>	<b><u>\$493,125</u></b>	<b><u>\$493,125</u></b>	<b><u>\$501,952</u></b>	<b><u>\$8,826</u></b>
<b><u>Expenditures (Net of Departmental Revenues):</u></b>				
Administration	\$77,833	\$77,833	\$74,290	\$3,543
Protection	\$0	\$0	\$8,330	(\$8,330)
Health & Sanitation	\$26,000	\$26,000	\$24,636	\$1,364
Highways & Bridges	\$57,149	\$57,149	\$52,504	\$4,646
Education	\$158,497	\$158,497	\$160,257	(\$1,760)
Unclassified	\$98,293	\$98,293	\$99,327	(\$1,035)
Assessments	\$86,294	\$86,294	\$85,838	\$457
<b><u>Total Expenditures</u></b>	<b><u>\$504,066</u></b>	<b><u>\$504,066</u></b>	<b><u>\$505,181</u></b>	<b><u>(\$1,115)</u></b>
<b><u>Excess Revenues Over Expenditures</u></b>	<b><u>(\$10,941)</u></b>	<b><u>(\$10,941)</u></b>	<b><u>(\$3,230)</u></b>	<b><u>\$7,711</u></b>
<b><u>Beginning Fund Balances</u></b>	<b><u>\$286,335</u></b>	<b><u>\$286,335</u></b>	<b><u>\$286,335</u></b>	<b><u>\$0</u></b>
<b><u>Ending Fund Balances</u></b>	<b><u>\$275,394</u></b>	<b><u>\$275,394</u></b>	<b><u>\$283,105</u></b>	<b><u>\$7,711</u></b>

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

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**SCHEDULE OF DEPARTMENTAL OPERATIONS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

<i>Department</i>	<i>Beginning Designated</i>	<i>Appropriated</i>	<i>Revenues</i>	<i>Transfers In/ Other Revenue</i>
<i>Administration:</i>				
General Government	(\$1,867)	\$88,407	\$404	\$1,599
Town Buildings	\$20,574	\$0	\$6,319	\$0
Town Owned Lands	\$11,227	\$0	\$0	\$0
	<u>\$29,935</u>	<u>\$88,407</u>	<u>\$6,724</u>	<u>\$1,599</u>
<i>Protection:</i>				
Fire Department	\$3,294	\$0	\$131	\$4,669
	<u>\$3,294</u>	<u>\$0</u>	<u>\$131</u>	<u>\$4,669</u>
<i>Health &amp; Sanitation</i>				
Solid Waste Disposal	\$112	\$26,000	\$0	\$1,500
Plumbing & Code Enforcement	\$2,415	\$0	\$0	\$0
	<u>\$2,527</u>	<u>\$26,000</u>	<u>\$0</u>	<u>\$1,500</u>
<i>Highways &amp; Bridges</i>				
Town Roads & Bridges	\$1,703	\$40,287	\$2,463	\$0
Snow Removal	\$5,455	\$3,000	\$0	\$98
D.O.T. Transportation Account	\$29,133	\$0	\$0	\$18
State Road Assistance	\$39,241	\$0	\$15,944	\$14
Truck & Plow Account	\$5,408	\$2,500	\$0	\$622
Truck Reserve	\$1,757	\$0	\$0	\$0
Salt/Sand Shed Reserve	\$12,500	\$0	\$0	\$0
Waterfront Access	\$2,786	\$5,000	\$0	\$0
Town Landing	\$10,588	\$6,362	\$0	\$144
Town Parking Lot	\$4,684	\$0	\$0	\$0
Colwell Ramp	\$7,119	\$0	\$10,003	\$0
	<u>\$120,374</u>	<u>\$57,149</u>	<u>\$28,410</u>	<u>\$895</u>
<i>Education</i>				
School Department	\$59,361	\$158,497	\$24,984	\$8,025
School Roof Fund	\$3,390	\$0	\$0	\$0
	<u>\$62,751</u>	<u>\$158,497</u>	<u>\$24,984</u>	<u>\$8,025</u>
<i>Unclassified:</i>				
Excise Taxes	\$8,650	\$0	\$7,566	\$0
Sales Tax	\$675	\$0	\$0	\$0
State Revenue Sharing	\$1,934	\$0	\$1,411	\$0
Registration Fees	\$1,160	\$0	\$1,411	\$0
Vital Stats	\$261	\$0	\$0	\$0
Interest	\$3,439	\$0	\$1,131	\$0
In Lieu of Taxes	\$8,091	\$0	\$7,030	\$0
Tree Growth	\$2,564	\$0	\$2,187	\$0
Veteran's Reimbursement	\$18	\$0	\$16	\$0
Homestead Tax Exemption	\$257	\$0	\$853	\$0
Supplemental Taxes	\$216	\$0	\$0	\$0
Revere Memorial Hall	\$2,579	\$15,000	\$25	\$173
Revere Memorial Library	\$10,615	\$3,500	\$1,200	\$111
Planning Board	\$2,868	\$0	\$0	\$0
Lighthouse Fund Reserve	\$870	\$0	\$0	\$0
Dog Fees	\$424	\$0	\$10	\$0
Emergency Medical Service	(\$421)	\$3,500	\$200	\$0
Comprehensive Planning	\$1,747	\$0	\$0	\$0
Memorial Ambulance Corps	\$0	\$1,000	\$0	\$0
Property Tax Relief	\$246	\$0	\$0	\$0
100th Anniversary	\$6,462	\$0	\$0	\$0
Isle au Haut Boat Service	\$0	\$45,000	\$0	\$0
Isle au Haut Community Conservation	\$135	\$0	\$0	\$0
Maine Islands Coalition	\$300	\$0	\$0	\$0
Charitable Organizations	\$1,108	\$32,105	\$0	\$0
	<u>\$54,198</u>	<u>\$100,105</u>	<u>\$23,040</u>	<u>\$284</u>
<i>Assessments and Debt Service:</i>				
County Tax	\$1,802	\$80,307	\$0	\$0
Donald Furrow Land Purchase Bond	\$6,311	\$0	\$0	\$0
George Lamson Land Purchase Bond	(\$970)	\$5,355	\$0	\$0
Overlay	\$0	\$712	\$0	\$0
	<u>\$7,143</u>	<u>\$86,374</u>	<u>\$0</u>	<u>\$0</u>
<b><u>TOTALS</u></b>	<u>\$280,221</u>	<u>\$516,532</u>	<u>\$83,289</u>	<u>\$16,972</u>

*TOWN OF ISLE AU HAUT*

(Exhibit A-1)

<i>Total Available</i>	<i>Expenditures</i>	<i>Transfers Out/ Other Charges</i>	<i>Unexpended (Overdraft)</i>	<i>Ending Designated</i>
\$88,544	\$77,283	\$1,127	\$0	\$10,135
\$26,893	\$3,367	\$10,605	\$0	\$12,921
\$11,227	\$805	\$0	\$0	\$10,422
<u>\$126,664</u>	<u>\$81,455</u>	<u>\$11,731</u>	<u>\$0</u>	<u>\$33,478</u>
\$8,094	\$12,257	\$873	\$0	(\$5,036)
<u>\$8,094</u>	<u>\$12,257</u>	<u>\$873</u>	<u>\$0</u>	<u>(\$5,036)</u>
\$27,612	\$24,346	\$1,750	\$0	\$1,516
\$2,415	\$40	\$0	\$0	\$2,375
<u>\$30,027</u>	<u>\$24,386</u>	<u>\$1,750</u>	<u>\$0</u>	<u>\$3,891</u>
\$44,453	\$42,355	\$0	\$0	\$2,098
\$8,552	\$6,447	\$118	\$0	\$1,987
\$29,151	\$0	\$0	\$0	\$29,151
\$55,199	\$0	\$0	\$0	\$55,199
\$8,530	\$5,961	\$360	\$0	\$2,209
\$1,757	\$0	\$0	\$0	\$1,757
\$12,500	\$0	\$0	\$0	\$12,500
\$7,786	\$5,000	\$0	\$0	\$2,786
\$17,094	\$1,354	\$95	\$0	\$15,646
\$4,684	\$0	\$0	\$0	\$4,684
\$17,122	\$4,140	\$0	\$0	\$12,982
<u>\$206,829</u>	<u>\$65,257</u>	<u>\$573</u>	<u>\$0</u>	<u>\$140,999</u>
\$250,867	\$184,589	\$8,676	\$0	\$57,601
\$3,390	\$0	\$0	\$0	\$3,390
<u>\$254,257</u>	<u>\$184,589</u>	<u>\$8,676</u>	<u>\$0</u>	<u>\$60,991</u>
\$16,216	\$0	\$8,649	\$0	\$7,567
\$675	\$0	\$0	\$0	\$675
\$3,346	\$0	\$1,935	\$0	\$1,411
\$2,571	\$1,481	\$85	\$0	\$1,005
\$261	\$0	\$0	\$0	\$261
\$4,570	\$0	\$71	\$0	\$4,499
\$15,121	\$0	\$8,809	\$0	\$6,312
\$4,751	\$0	\$2,564	\$0	\$2,187
\$34	\$0	\$18	\$0	\$16
\$1,110	\$0	\$941	\$0	\$169
\$216	\$0	\$0	\$0	\$216
\$17,778	\$15,633	\$0	\$0	\$2,145
\$15,426	\$4,266	\$95	\$0	\$11,064
\$2,868	\$0	\$0	\$0	\$2,868
\$870	\$0	\$0	\$0	\$870
\$434	\$4	\$0	\$0	\$430
\$3,279	\$1,261	\$0	\$0	\$2,018
\$1,747	\$0	\$1,677	\$0	\$69
\$1,000	\$1,000	\$0	\$0	\$0
\$246	\$0	\$0	\$0	\$246
\$6,462	\$0	\$0	\$0	\$6,462
\$45,000	\$45,000	\$0	\$0	\$0
\$135	\$0	\$135	\$0	\$0
\$300	\$287	\$0	\$0	\$13
\$33,213	\$32,105	\$0	\$0	\$1,108
<u>\$177,627</u>	<u>\$101,037</u>	<u>\$24,980</u>	<u>\$0</u>	<u>\$51,611</u>
\$82,109	\$80,307	\$0	\$0	\$1,802
\$6,311	\$0	\$80	\$0	\$6,231
\$4,385	\$5,530	\$0	\$0	(\$1,145)
\$712	\$0	\$0	\$712	\$0
<u>\$93,517</u>	<u>\$85,838</u>	<u>\$80</u>	<u>\$712</u>	<u>\$6,887</u>
<u>\$897,015</u>	<u>\$554,819</u>	<u>\$48,662</u>	<u>\$712</u>	<u>\$292,821</u>



*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**SCHEDULE OF TREASURER'S CASH RECONCILIATION**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

(Exhibit A-2)

<i><u>Beginning Cash Balance</u></i>		\$311,199
<i><u>Receipts:</u></i>		
<i><u>Taxes Collected:</u></i>		
Property Taxes	\$461,207	
Auto Excise Tax	\$6,012	
Boat Excise Tax	\$1,554	
	\$468,773	
<i><u>State of Maine:</u></i>		
Revenue Sharing	\$1,411	
Road Assistance	\$15,944	
Homestead Exemption	\$853	
Tree Growth and Veteran's Reimbursement	\$2,203	
	\$20,411	
<i><u>Other Receipts:</u></i>		
Donations	\$1,225	
Interest	\$1,180	
Payroll Withholding	\$30,238	
Crowell Trust Interest	\$6	
Barter Trust Interest and Dividends	\$248	
Colwell Ramp	\$10,000	
In Lieu of Taxes	\$7,030	
General Government	\$404	
Town Buildings	\$6,319	
Common School	\$25,057	
Town Roads and Bridges	\$2,463	
Fire Department	\$131	
Registrations	\$1,411	
Miscellaneous	\$210	
	\$85,922	
		\$575,106
<i><u>Total Receipts</u></i>		\$575,106
<i><u>Total Available</u></i>		\$886,305
<i><u>Expenditures:</u></i>		
Less Warrants Drawn - Net of Transfers to Other Cash Accounts		(\$585,145)
		\$301,160
<i><u>Ending Cash Balance</u></i>		
<i><u>Cash Accounted For:</u></i>		
General Checking	\$244,438	
Petty Cash	\$250	
Crowell Trust Certificate of Deposit	\$1,296	
Colwell Ramp Savings	\$12,982	
Library Certificates of Deposit	\$11,769	
Local Road Assistance Certificate of Deposit	\$11,274	
DOT Transportation Certificate of Deposit	\$19,151	
	\$301,151	
		\$301,160

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-3)

SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2014

Valuation:

Real Property	\$76,702,310	
Personal Property	\$27,450	
<u>Total Valuation</u>		\$76,729,760

<u>Mill Rate</u>		\$0.00613
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<u>Tax Commitment</u>		\$470,353
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Collections and Adjustments:

Cash Collections	\$456,198	
<u>Total Collections and Adjustments</u>		\$456,198

<u>Uncollected Taxes January 31</u>		\$14,155
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List of Uncollected Taxes

Barter, Wayne		\$163
Barthelme, Katherine & Fort, John F. III		\$738
Cousins, Theresa		\$812
French, Susannah		\$2,490
Greenlaw, Joanne		\$2,624
MacDonald, Benjamin		\$1,029
Tully, Ian		\$2,835
Heirs of Ava & Walter Rich		\$3,465

<u>Uncollected Taxes January 31</u>		\$14,155
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TOWN OF ISLE AU HAUT

**TOWN OF ISLE AU HAUT, MAINE**  
**SCHEDULE OF APPROPRIATIONS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

(Exhibit A-4)

Revenues:

Tax Commitment	\$470,353
Undesignated Fund Balance	\$10,941
Town Buildings Reserve	\$10,574
Loan Payment - Furrow Land Purchase	\$80
Auto Excise Tax	\$7,287
Boat Excise Tax	\$1,362
State Revenue Sharing	\$1,935
In Lieu of Taxes	\$8,809
Tree Growth Reimbursement	\$2,564
Veteran's Reimbursement	\$18
Homestead Reimbursement	\$797
Comprehensive Planning	\$1,677
Isle au Haut Community Conservation	\$135
	\$516,532

Total Revenues

\$516,532

Expenditures:

General Government	\$88,407
George Lamson Land Purchase Loan Payment	\$5,355
Solid Waste Disposal	\$26,000
Town Roads & Bridges	\$40,287
Snow Removal	\$3,000
Truck & Plow Account	\$2,500
Waterfront Access	\$5,000
Town Landing	\$6,362
School Department	\$158,497
Revere Memorial Hall	\$15,000
Revere Memorial Library	\$3,500
Emergency Medical Services	\$3,500
Memorial Ambulance Corps	\$1,000
American Red Cross	\$150
Downeast Aids Network	\$100
Downeast Transportation	\$55
Maine Public Broadcasting	\$150
WERU	\$150
Island Medical Center	\$500
Isle au Haut Boat Service	\$45,000
Isle au Haut Historical Society	\$1,000
Island Store	\$30,000
County Tax	\$80,307
Overlay	\$712
	\$516,532

Total Expenditures

\$516,532

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-5)

SCHEDULE OF CHANGES IN UNDESIGNATED FUND BALANCE  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2014

<u>Beginning Undesignated Fund Balance</u>		\$6,114
<u>Additions:</u>		
Tax Commitment Overlay	<u>\$712</u>	
<u>Total Additions</u>		\$712
<u>Reductions:</u>		
Appropriation	\$10,941	
Increase in Unearned Tax Revenue	<u>\$5,600</u>	
<u>Total Reductions</u>		<u>\$16,542</u>
<u>Ending Undesignated Fund Balance</u>		<u><u>(\$9,716)</u></u>

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE  
SCHEDULE OF COLWELL RAMP CASH RECONCILIATION  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2014

(Exhibit A-6)

<u>Beginning Checking Account Balance</u>	\$7,119
Deposits	\$10,000
Interest Earned	\$3
Expenditures	<u>\$4,140</u>
<u>Ending Checking Account Balance</u>	<u><u>\$12,982</u></u>

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE  
COMBINED BALANCE SHEET - PERMANENT FUNDS  
JANUARY 31, 2014

(Exhibit B-1)

<u>Assets</u>	<u>Arthur Barter Educational Trust</u>	<u>Crowell Memorial Trust</u>	<u>Total</u>
Cash and Cash Equivalents		\$1,296	\$1,296
Investments, at Fair Market Value	\$45,276		\$45,276
Due from General Fund	\$897	\$292	\$1,189
<u>Total Assets</u>	<u>\$46,173</u>	<u>\$1,588</u>	<u>\$47,761</u>
<u>Fund Balances</u>			
Reserve for Book Purchases		\$1,296	\$1,296
Reserve for Scholarships	\$2,540		\$2,540
Unrestricted	\$43,633	\$292	\$43,925
<u>Total Fund Balances</u>	<u>\$46,173</u>	<u>\$1,588</u>	<u>\$47,761</u>

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

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - PERMANENT FUNDS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

(Exhibit B-2)

	<i>Arthur Barter Educational Trust</i>	<i>Crowell Memorial Trust</i>	<i>Total</i>
<i>Revenues</i>			
Unrealized Gain/(Loss) on Marketable Securities	\$1,971	\$0	\$1,971
Gain on Sale of Investments	\$627	\$0	\$627
Interest and Dividends	\$1,334	\$6	\$1,339
<i>Total Revenues</i>	<u>\$3,932</u>	<u>\$6</u>	<u>\$3,938</u>
<i>Expenditures</i>			
Trust Fund Expenses	\$283	\$0	\$283
<i>Total Expenditures</i>	<u>\$283</u>	<u>\$0</u>	<u>\$283</u>
<i>Excess Revenues Over Expenditures</i>	\$3,650	\$6	\$3,655
<i>Beginning Fund Balances</i>	<u>\$42,523</u>	<u>\$1,582</u>	<u>\$44,106</u>
<i>Ending Fund Balances</i>	<u><u>\$46,173</u></u>	<u><u>\$1,588</u></u>	<u><u>\$47,761</u></u>

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

*TOWN OF ISLE AU HAUT*

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*TOWN OF ISLE AU HAUT, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JANUARY 31, 2015*



*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

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TOWN OF ISLE AU HAUT

**James W.  
Wadman**

Certified Public Accountant

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*INDEPENDENT AUDITOR'S REPORT*

To the Board of Selectmen  
Town of Isle au Haut  
Isle au Haut, ME 04645

*Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Isle au Haut, Maine as of and for the fiscal year ended January 31, 2015, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statement*

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

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Isle au Haut, Maine, as of January 31, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 19 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 Isle au Haut, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements and supplementary information 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 and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

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

Respectfully Submitted,

*James W. Wadman, C.P.A.*

James W. Wadman, C.P.A.  
February 1, 2016

# TOWN OF ISLE AU HAUT

## TOWN OF ISLE AU HAUT, MAINE Management's Discussion and Analysis For the Fiscal Year Ended January 31, 2015

The management of the Town of Isle au Haut, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended January 31, 2015. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

### FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

#### Government-wide Highlights:

*Net Position* – The assets of the Town exceeded its liabilities at the fiscal year ending January 31, 2015 by \$5,233,783 (presented as “net position”). Of this amount, \$264,159 was 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 decreased by \$65,724 (a 1.2% decrease) for the fiscal year ended January 31, 2015.

#### Fund Highlights:

*Governmental Funds – Fund Balances* – As of the close of the fiscal year ended January 31, 2015; the Town's governmental funds reported a combined ending fund balance of \$386,810, an increase of \$55,943 in comparison with the prior year. Of this total fund balance, \$1,181 represents general unassigned fund balance. This unassigned fund balance represents approximately 0.23% of the total general fund expenditures for the fiscal year.

#### Long-term Debt:

The Town's total long-term debt obligations had a net increase of \$180,000 (1800%) during the current fiscal year. New debt obligations of \$185,000 for the Schrader property purchase were issued. Existing debt obligations were retired according to schedule.

### 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) 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 and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement 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. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

#### 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 fund financial statements include statements for one category of activity – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

*TOWN OF ISLE AU HAUT*

balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 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 11 - 18 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 19 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

The largest portion of the Town's net position (92.3%) reflects its net 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 is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-like Activities	Total 2015	Total 2014
Current Assets	\$ 472,086	\$ 0	\$ 472,086	\$ 377,640
Capital Assets	\$ 5,019,034	\$ 0	\$ 5,019,034	\$ 4,951,237
<i>Total Assets</i>	\$ 5,491,120	\$ 0	\$ 5,491,120	\$ 5,328,877
Current Liabilities	\$ 81,605	\$ 0	\$ 81,605	\$ 24,370
Other Liabilities	\$ 175,732	\$ 0	\$ 175,732	\$ 5,000
Net Position;				
Invested in Capital Assets	\$ 4,829,034	\$ 0	\$ 4,829,034	\$ 4,941,237
Restricted	\$ 140,589	\$ 0	\$ 140,589	\$ 131,290
Unrestricted	\$ 264,160	\$ 0	\$ 264,160	\$ 226,980
<i>Total Liabilities and Net Position</i>	\$ 5,491,120	\$ 0	\$ 5,491,120	\$ 5,328,877

An additional portion of the Town's net position (2.7%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (5.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Changes in Net Position**

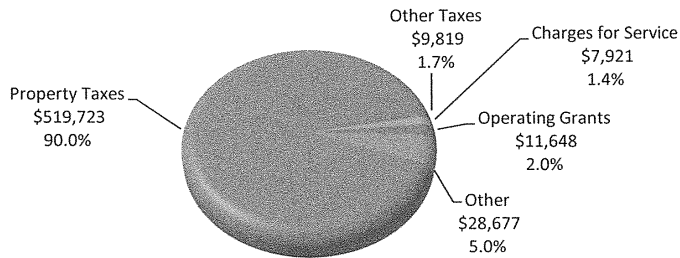
Governmental activities decreased the Town's net position by \$65,724. This decrease was primarily due to capital asset depreciation.

	Governmental Activities	Business-like Activities	Total 2015	Total 2014
<i>Revenues:</i>				
Tax Revenues	\$ 529,542	\$ 0	\$ 529,542	\$ 485,658
Program Revenues	\$ 19,569	\$ 0	\$ 19,569	\$ 32,180
Investments	\$ 2,684	\$ 0	\$ 2,684	\$ 2,450
Revenue Sharing	\$ 704	\$ 0	\$ 704	\$ 1,411
Other	\$ 25,289	\$ 0	\$ 25,289	\$ 21,971
<i>Total Revenues</i>	\$ 577,788	\$ 0	\$ 577,788	\$ 543,670

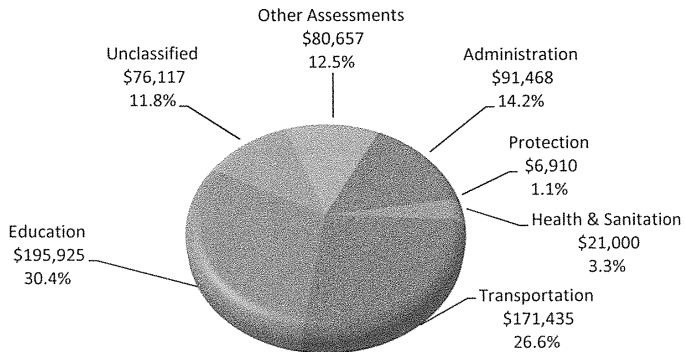
TOWN OF ISLE AU HAUT

<i>Expenses;</i>				
Administration	\$ 91,468	\$ 0	\$ 91,468	\$ 82,553
Protection	\$ 6,910	\$ 0	\$ 6,910	\$ 10,926
Health/Sanitation	\$ 21,000	\$ 0	\$ 21,000	\$ 24,636
Transportation	\$ 171,435	\$ 0	\$ 171,435	\$ 149,056
Education	\$ 195,925	\$ 0	\$ 195,925	\$ 186,516
Unclassified	\$ 76,117	\$ 0	\$ 76,117	\$ 105,046
Assessments and Debt Service	\$ 80,657	\$ 0	\$ 80,657	\$ 80,838
<i>Total Expenses</i>	\$ 643,512	\$ 0	\$ 643,512	\$ 639,571
Changes in Net Position	\$ (65,724)	\$ 0	\$ (65,724)	\$ (95,901)

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



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



  
*TOWN OF ISLE AU HAUT*  

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**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 spendable 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 \$386,810, an increase of \$55,943 in comparison with the prior fiscal year. Approximately 0.3 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$9,464 positive variance in real estate and personal property tax revenues. Actual collections were 97.3% of the levy as compared to 97.0% in the prior year. There was a decrease in the unavailable tax revenue due to higher collections received right after year end than in previous years.
- \$9,648 positive variance in local road assistance revenue. This is primarily due to the funds not being budgeted and used to fund a capital road project.
- \$728 positive variance in all other revenues.
- \$12,408 negative variance in general government expenditures. This is primarily due to a new roof on a town-owned building and legal costs to purchase the Schrader property.
- \$32,448 positive variance in unclassified expenditures. This is primarily due to an increase in lighthouse fund reserve receipts which offset expenditures.
- \$13,908 positive variance in all other expenditures. This is primarily due to budgeting to conservative budgeting and over budgeting in protection to fund a negative fund balance in the prior year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental activities amounts to \$7,296,781, net of accumulated depreciation of \$2,277,747, leaves a net book value of \$5,019,034. Current year additions include \$23,313 for town roads, \$8,258 for a new roof and \$185,000 for the purchase of the Schrader property. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on pages 16 - 17 of this report.

**Debt**

The Town has total bonded debt outstanding of \$190,000 that is backed by the full faith and credit of the Town. The outstanding debt had a net increase of \$180,000 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 17 - 18 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 Isle au Haut, P.O. Box 71, Isle au Haut, ME 04645.

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE  
STATEMENT OF NET POSITION  
JANUARY 31, 2015

(Exhibit I)

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$84,110
Investments, at Fair Market Value	\$355,230
Accounts Receivable	\$656
Taxes Due - Current Year	\$13,515
Taxes Due - Prior Year	\$18,576
<i>Capital Assets</i>	
Land	\$559,869
Other Capital Assets, net of Accumulated Depreciation	\$4,459,165
Total Capital Assets	\$5,019,034
<u>Total Assets</u>	\$5,491,120
<i>Liabilities, Deferred Inflows and Net Position</i>	
<i>Liabilities</i>	
Accounts Payable	\$61,362
<i>Bond Payable</i>	
Due within one year	\$14,268
Due in more than one year	\$175,732
Total Liabilities	\$251,362
<i>Deferred Inflows of Resources</i>	
Prepaid Property Taxes	\$5,976
<u>Total Deferred Inflows of Resources</u>	\$5,976
<i>Net Position</i>	
Net Investment in Capital Assets	\$4,829,034
Unrestricted	\$140,589
Total Net Position	\$5,233,783
<u>Total Liabilities, Deferred Inflows and Net Position</u>	\$5,491,120

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



*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2015**

(Exhibit II)

<u>Functions/Programs</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
<u>Primary Government</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Revenue and Changes</u>
<u>Governmental Activities</u>		<u>Services</u>	<u>in Net Position</u>
		<u>Operating</u>	<u>Governmental</u>
		<u>Grants</u>	<u>Activities</u>
Administration	\$91,468	\$5,854	(\$85,614)
Protection	\$6,910		(\$6,910)
Health & Sanitation	\$21,000		(\$21,000)
Transportation	\$171,435		(\$171,435)
Education	\$195,925		(\$184,277)
Unclassified	\$76,117	\$2,067	(\$74,050)
Assessments and Debt Service	\$80,657		(\$80,657)
<i>Total Governmental Activities</i>	<u>\$643,512</u>	<u>\$7,921</u>	<u>(\$623,943)</u>
<i>Total Primary Government</i>	<u>\$643,512</u>	<u>\$7,921</u>	<u>(\$623,943)</u>
 <i>General Revenues:</i>			
Real Estate Tax			\$519,723
Contributions & Other Revenue			\$2,408
Local Road Assistance			\$9,648
State Revenue Sharing			\$704
Excise Taxes			\$9,819
Interest Earned & Collected			\$2,684
Federal Government - In Lieu of Taxes			\$10,139
Homestead Exemption Reimbursement			\$879
Tree Growth Reimbursement			\$2,197
Veteran's Exemption Reimbursement			\$18
<i>Total Revenues</i>			<u>\$558,219</u>
<i>Changes in Net Position</i>			(\$65,724)
<i>Net Position - Beginning</i>			<u>\$5,299,506</u>
<i>Net Position - Ending</i>			<u>\$5,233,783</u>

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

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JANUARY 31, 2015

(Exhibit III)

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Total Governmental Funds</u>
<i>Assets</i>			
Cash and Cash Equivalents	\$82,814	\$1,296	\$84,110
Investments, at Fair Market Value	\$308,120	\$47,110	\$355,230
Accounts Receivable	\$656		\$656
Due from Other Funds		\$1,510	\$1,510
Taxes Due - Current Year	\$13,515		\$13,515
Taxes Due - Prior Years	\$18,576		\$18,576
<u>Total Assets</u>	<u>\$423,680</u>	<u>\$49,916</u>	<u>\$473,596</u>
<i>Liabilities, Deferred Inflows &amp; Fund Balances</i>			
<u>Liabilities:</u>			
Accounts Payable	\$61,362		\$61,362
Due to Other Funds	\$1,510		\$1,510
<u>Total Liabilities</u>	<u>\$62,873</u>	<u>\$0</u>	<u>\$62,873</u>
<u>Deferred Inflows of Resources</u>			
Prepaid Property Taxes	\$5,976		\$5,976
Unavailable Tax Revenue	\$17,939		\$17,939
<u>Total Deferred Inflows of Resources</u>	<u>\$23,914</u>	<u>\$0</u>	<u>\$23,914</u>
<u>Fund Balances:</u>			
Nonspendable		\$3,836	\$3,836
Restricted	\$136,754		\$136,754
Committed	\$198,959		\$198,959
Assigned		\$46,080	\$46,080
Unassigned	\$1,181		\$1,181
<u>Total Fund Balances</u>	<u>\$336,894</u>	<u>\$49,916</u>	<u>\$386,810</u>
<u>Total Liabilities, Deferred Inflows &amp; Fund Balances</u>	<u>\$423,680</u>	<u>\$49,916</u>	<u>\$473,596</u>
<u>Total Fund Balance - Governmental Funds</u>			\$386,810
Net position reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$5,019,034
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including bonds payable			(\$190,000)
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds			\$17,939
<u>Net Position of Governmental Activities</u>			<u>\$5,233,783</u>

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

TOWN OF ISLE AU HAUT

**TOWN OF ISLE AU HAUT, MAINE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2015**

(Exhibit IV)

	<i>General</i>	<i>Permanent</i>	<i>Total</i>
	<u>Fund</u>	<u>Funds</u>	<u>Governmental</u>
			<u>Funds</u>
<i>Revenues:</i>			
Real Estate Taxes	\$529,187		\$529,187
Contributions and Other Revenues	\$1,170	\$1,238	\$2,408
Local Road Assistance	\$9,648		\$9,648
State Revenue Sharing	\$704		\$704
Excise Taxes	\$9,819		\$9,819
Interest/Dividends Earned & Collected	\$1,491	\$1,193	\$2,684
Federal Government - In Lieu of Taxes	\$10,139		\$10,139
Homestead Exemption Reimbursement	\$879		\$879
Tree Growth Reimbursement	\$2,197		\$2,197
Veteran's Exemption Reimbursement	\$18		\$18
<u>Total Revenues</u>	<u>\$565,252</u>	<u>\$2,431</u>	<u>\$567,683</u>
<i>Expenditures (Net of Departmental Revenues):</i>			
General Government	\$87,408		\$87,408
Protection	\$4,314		\$4,314
Health & Sanitation	\$21,000		\$21,000
Highways & Bridges	\$60,325		\$60,325
Education	\$183,002		\$183,002
Unclassified	\$69,757	\$276	\$70,034
Assessments and Debt Service	\$85,657		\$85,657
<u>Total Expenditures</u>	<u>\$511,464</u>	<u>\$276</u>	<u>\$511,740</u>
<i>Excess Revenues Over Expenditures</i>	\$53,788	\$2,155	\$55,943
<i>Beginning Fund Balances</i>	\$283,105	\$47,761	\$330,867
<i>Ending Fund Balances</i>	<u>\$336,894</u>	<u>\$49,916</u>	<u>\$386,810</u>
<i>Reconciliation to Statement of Activities, change in Net Position:</i>			
Net Change in Fund Balances - Above			\$55,943
Unavailable Revenue			(\$9,464)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position			
This amount represents long-term debt proceeds			(\$185,000)
This amount represents long-term debt payments			\$5,000
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.			\$216,571
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.			(\$148,773)
<u>Changes in Net Position of Governmental Activities</u>			<u>(\$65,724)</u>

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

# TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Isle au Haut, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, as amended, *The Financial Reporting Entity*. The Town is governed under a Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and 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 intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

## TOWN OF ISLE AU HAUT

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

The Town reports the following major governmental funds:

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

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

#### Deposits

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

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

#### Accounts Receivable and Accounts Payable

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

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

#### 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. 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. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

*TOWN OF ISLE AU HAUT*

<i>Assets</i>	<i>Years</i>
Buildings	50
Infrastructure	50
Equipment	5-30

Interfund Transactions

During the course of normal operations, the Town has various transactions between funds, including transfers of revenues and expenditures. The accompanying governmental fund financial statements reflect such transactions as operating transfers.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has identified January 31, 2015 fund balances on the balance sheet as follows:

	General Fund	Permanent Fund	Total
<u>Nonspendable</u>			
Arthur Barter Educational Trust		\$2,540	\$2,540
Crowell Memorial Trust		\$1,296	\$1,296
<u>Restricted</u>			
State Road Assistance	\$64,858		\$64,858
School Department	\$55,599		\$55,599
State Revenue Sharing	\$704		\$704
Vital Stats	\$261		\$261
Colwell Ramp	\$15,332		\$15,332
<u>Committed</u>			
General Government	\$23,764		\$23,764
Town Buildings	(\$2,108)		(\$2,108)
100th Anniversary	\$6,462		\$6,462
Town Owned Lands	(\$586)		(\$586)
Donald Furrow Land Purchase Bond	\$6,231		\$6,231
George Lamson Land Purchase Bond	(\$1,409)		(\$1,409)
Fire Department	\$1,650		\$1,650
Solid Waste Disposal	\$6,516		\$6,516
Plumbing & Code Enforcement	\$2,375		\$2,375
Town Roads & Bridges	(\$3,901)		(\$3,901)
Snow Removal	\$334		\$334
D.O.T. Transportation Account	\$29,166		\$29,166
Truck & Plow Account	(\$2,032)		(\$2,032)
Truck Reserve	\$2,757		\$2,757
Salt/Sand Shed Reserve	\$12,500		\$12,500
Waterfront Access	\$2,786		\$2,786
Town Landing	\$19,930		\$19,930
Town Parking Lot	\$10,000		\$10,000
Harbor Master	\$1,500		\$1,500
School Roof Fund	\$5,390		\$5,390
Auto Excise Taxes	\$8,253		\$8,253

*TOWN OF ISLE AU HAUT*

Boat Excise Taxes	\$1,567	\$1,567
Sales Tax	\$675	\$675
Registration Fees	\$1,048	\$1,048
Interest	\$952	\$952
In Lieu of Taxes	\$7,821	\$7,821
Tree Growth	\$2,197	\$2,197
Veteran's Reimbursement	\$18	\$18
Homestead Tax Exemption	\$169	\$169
Supplemental Taxes	\$216	\$216
Revere Memorial Hall	\$6,999	\$6,999
Revere Memorial Library	\$11,747	\$11,747
Planning Board	\$2,868	\$2,868
Lighthouse Fund Reserve	\$25,152	\$25,152
Dog Fees	\$430	\$430
Emergency Medical Services	\$4,251	\$4,251
Comprehensive Planning	\$69	\$69
Property Tax Relief	\$246	\$246
Isle au Haut Historical Collections	\$608	\$608
Zone C/Pere Lobster Hatchery	\$500	\$500
Maine Islands Coalition	\$48	\$48
County Tax	\$1,802	\$1,802
<i>Assigned</i>		
Arthur Barter Educational Trust	\$45,785	\$45,785
Crowell Memorial Trust	\$296	\$296
<i>Unassigned</i>	\$1,181	\$1,181
<i>Total Fund Balances</i>	\$336,894	\$49,916
		\$386,810

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

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

*Restricted* - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$140,589 of restricted net position, of which enabling legislation restricts \$0.

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

E. Budgetary Accounting

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

*TOWN OF ISLE AU HAUT*

F. Endowments

In the permanent funds, there are established endowment funds of \$2,540 for the Arthur Barter Educational Trust Fund, and \$1,296 for the Jack & Alice Crowell Memorial Trust Fund. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the accumulate so endowment is established. The current amount available for expenditure is \$45,785 from the Arthur Barter Educational Trust Fund, and \$296 from the Jack & Alice Crowell Memorial Trust Fund, which is reported as unrestricted net position in the statement of net position. The initial endowment principal is reported as restricted net position in the statement of net position.

G. Estimates

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

Note 2 - Deposits and Investments

Deposits

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

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

The financial institution holding the Town's cash accounts participated in the FDIC Program. All cash accounts, including the Town's cash deposits, certificates of deposit, and non-interest bearing accounts, are aggregated and are insured up to \$250,000 in total by the FDIC. In order to avoid exceeding the \$250,000 FDIC limits, the bank purchases additional collateral to collateralize those funds.

At year end, the carrying value of the Town's deposits was \$83,860 and the bank balance was \$83,860. The Town has no uninsured and uncollateralized deposits as of January 31, 2015.

Investments

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

	<i>Fair Market Value</i>	<i>Maturities (yrs)</i>		
		<i>Less than 1 yr</i>	<i>1-5 yrs</i>	<i>Long-term</i>
U.S. Treasury Securities	\$308,120	\$308,120		
Mutual Funds/Equity Sec.	\$47,110	\$5,571		\$41,539
	<u>\$355,230</u>	<u>\$313,691</u>	<u>\$0</u>	<u>\$41,539</u>

Investments held in the Permanent Fund are carried at fair market value as of January 31, 2015. Fair market value is determined using the closing market price as of January 31, 2015. Some stock certificates are held by the Town and others by a trust department. A detailed schedule of investments is as follows:



*TOWN OF ISLE AU HAUT*

Security	# of shares	Market Value
AT&T	130	\$4,280
Comcast Corp.	21	\$1,105
Vodafone	90	\$3,162
Vanguard Short-Term Bond Index Fund	949.14	\$10,042
Vanguard Total Bond Market Index Fund	936.5	\$10,395
Parnassus Equity Income Fund	290.95	\$11,440
Oakmark International Fund	47.75	\$1,115
Money Market Funds	5,571.33	\$5,571
		\$47,110

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements.

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

*Interest rate risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term repurchase obligations and short-term investments held by a local banking institution. Money market, common stock and mutual funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

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

**Note 3 - Property Taxes**

Property taxes were assessed on April 1, 2014 and committed on July 4, 2014. Interest of 7.0% per annum is charges on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$17,939 of the property taxes receivable have been classified as unavailable tax revenue on the general fund balance sheet.

**Note 4 - Capital Assets**

Capital asset activity for the year ended January 31, 2015 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated</i>				
Land	\$559,869			\$559,869
<i>Capital assets being depreciated</i>				
Buildings	\$403,402	\$193,258		\$596,660
Equipment	\$924,509			\$924,509
Infrastructure	\$5,192,430	\$23,313		\$5,215,743
<i>Total capital assets being depreciated</i>	\$6,520,342	\$216,571	\$0	\$6,736,912

*TOWN OF ISLE AU HAUT*

Less accumulated depreciation for

Buildings	\$181,207	\$13,240		\$194,448
Equipment	\$194,194	\$20,895		\$215,090
Infrastructure	\$1,753,572	\$114,638		\$1,868,210
<i>Total accumulated depreciation</i>	\$2,128,974	\$148,773	\$0	\$2,277,747
<i>Net capital assets being depreciated</i>	\$4,391,368	\$67,797	\$0	\$4,459,165
<i>Governmental Activities, Capital Assets, net</i>	\$4,951,237	\$67,797	\$0	\$5,019,034

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

Governmental Activities

General Government	\$6,463
Protection	\$2,596
Education	\$1,275
Unclassified	\$4,016
Highways, including depreciation of general infrastructure assets	\$134,422
Total Depreciation Expense - Governmental Activities	\$148,773

Note 5 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payable is classified as Due to Other Funds with an offsetting receivable classified as Due from Other Funds. At January 31, 2015, the offsetting receivable and payable balances were \$1,510. The change in the balance of the accounts during the current fiscal year represents \$321 of interest/dividends earned that was on the permanent fund cash and investment accounts that was deposited into the general fund checking account. The remaining monies are expected to be repaid upon need of the funds for the specified purpose of the trust funds that the interest is earned on.

Note 6 - Long-Term Debt

The following is a summary of long-term debt transactions of the Town of Isle au Haut, Maine for the fiscal year ended January 31, 2015.

<u>Long-Term Debt payable at February 1,</u>		\$10,000
	<i>Long-Term Debt Issued</i>	\$185,000
	<i>Long-Term Debt Retired</i>	( \$5,000 )
		\$190,000
<u>Long-Term Debt payable at January 31,</u>		\$190,000

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Isle au Haut, Maine. Outstanding bonds at January 31, 2015 are as follows:

In February 2008, the Town issued bonds for a land purchase with Bar Harbor Bank & Trust. The bonds were authorized by the Town for \$35,000. The bonds are to be repaid over a 7 year period with interest of 3.49%. The principal balance at January 31, 2015 was \$5,000. This loan is to be repaid with tax revenue.

In October 2014, the Town issued bonds for a land purchase with Bar Harbor Bank & Trust. The bonds were authorized by the Town for \$185,000. The bonds are to be repaid over a 20 year period with interest of 3.98%. The principal balance at January 31, 2015 was \$185,000. This loan is to be repaid with tax revenue.

Annual debt service requirements to maturity of the general obligation bonds including estimated interest are as follows:

*TOWN OF ISLE AU HAUT*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$14,268	\$7,538	\$21,805
2017	\$9,268	\$7,013	\$16,281
2018	\$9,268	\$6,625	\$15,893
2019	\$9,268	\$6,256	\$15,524
2020-2035	\$147,929	\$49,975	\$197,904
	<u>\$190,000</u>	<u>\$77,407</u>	<u>\$267,407</u>

**Note 7 - Defined Benefit Employee Pension Plan**

Most employees of the School Department participate in the Maine Public Employees Retirement System. The Maine Public Employees Retirement System is a multiple-employer, cost-sharing pension plan. Benefits provided by the Retirement System arise from employee and employer contributions determined on a statutory actuarial reserve basis.

School Department employees are eligible for normal retirement at age 60, provided that they have 25 years of services credited under the System. School Department employees over age 60 who become permanently disabled receive normal retirement benefits. School Department employees under the age of 60 who become permanently disabled receive 2/3 of their average final compensation, reduced by other forms of disability benefits received.

School District employees contribute 7.65% of their salaries to the Retirement System while the School District's share is the responsibility of the State of Maine. The School District is responsible for the employer contributions for employees paid with Federal funds. The cost of these benefits is charged to the applicable Federally funded program. The School District's total earnings covered by the program were \$76,714 for the fiscal year ended June 30, 2014. Employee contributions totaled \$5,869. Employer contributions made to the pooled account by the State, estimated at a rate of 13.03% are \$9,945. Employer contributions made by the School District for Earnable Compensation totaled \$2,033 and for Federal programs totaled \$53. A financial report for the Maine Public Employees Retirement System can be obtained at: Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

**Note 8 - Restricted Net Position**

The Town reports restricted net position totaling \$140,589 on its statement of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

**Note 9 - Commitment and Contingencies**

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

**Note 10 - Risk Management**

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters for which the Town purchases municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recognized at January 31, 2015.

**Note 11 - Pending Litigation**

According to management, there are no matters that would result in material adverse losses, claims or assessments against the Town of Isle au Haut, Maine through the date of the audit report.

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2015**

(Exhibit V)

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Revenues:</i>				
Tax Revenues, Including Homestead Exemption	\$520,602	\$520,602	\$530,066	\$9,464
Excise Taxes	\$7,566	\$7,566	\$9,819	\$2,253
State Revenue Sharing	\$1,411	\$1,411	\$704	(\$707)
Interest Earned	\$5,000	\$5,000	\$1,491	(\$3,509)
In Lieu of Taxes	\$8,630	\$8,630	\$10,139	\$1,509
Tree Growth Reimbursement	\$2,187	\$2,187	\$2,197	\$10
Veteran's Exemption Reimbursement	\$16	\$16	\$18	\$2
Local Road Assistance	\$0	\$0	\$9,648	\$9,648
Contributions & Other Revenue	\$0	\$0	\$1,170	\$1,170
<i>Total Revenues</i>	<u>\$545,411</u>	<u>\$545,411</u>	<u>\$565,252</u>	<u>\$19,841</u>
<i>Expenditures (Net of Departmental Revenues):</i>				
Administration	\$75,000	\$75,000	\$87,408	(\$12,408)
Protection	\$11,000	\$11,000	\$4,314	\$6,686
Health & Sanitation	\$26,000	\$26,000	\$21,000	\$5,000
Highways & Bridges	\$62,882	\$62,882	\$60,325	\$2,557
Education	\$182,999	\$182,999	\$183,002	(\$3)
Unclassified	\$100,705	\$100,705	\$69,757	\$30,948
Assessments	\$86,825	\$86,825	\$85,657	\$1,168
<i>Total Expenditures</i>	<u>\$545,411</u>	<u>\$545,411</u>	<u>\$511,464</u>	<u>\$33,948</u>
<i>Excess Revenues Over Expenditures</i>	\$0	\$0	\$53,788	\$53,788
<i>Beginning Fund Balances</i>	<u>\$283,105</u>	<u>\$283,105</u>	<u>\$283,105</u>	<u>\$0</u>
<i>Ending Fund Balances</i>	<u>\$283,105</u>	<u>\$283,105</u>	<u>\$336,894</u>	<u>\$53,788</u>

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE  
SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

<i>Department</i>	<i>Beginning Designated</i>	<i>Appropriated</i>	<i>Revenues</i>	<i>Transfers In/ Other Revenue</i>
<i>Administration:</i>				
General Government	\$10,135	\$75,000	\$362	\$1,776
Town Buildings	\$12,921	\$0	\$5,492	\$31
Town Owned Lands	\$10,422	\$0	\$0	\$0
	<u>\$33,478</u>	<u>\$75,000</u>	<u>\$5,854</u>	<u>\$1,807</u>
<i>Protection:</i>				
Fire Department	(\$5,036)	\$11,000	\$0	\$826
	<u>(\$5,036)</u>	<u>\$11,000</u>	<u>\$0</u>	<u>\$826</u>
<i>Health &amp; Sanitation</i>				
Solid Waste Disposal	\$1,516	\$26,000	\$0	\$1,750
Plumbing & Code Enforcement	\$2,375	\$0	\$0	\$0
	<u>\$3,891</u>	<u>\$26,000</u>	<u>\$0</u>	<u>\$1,750</u>
<i>Highways &amp; Bridges</i>				
Town Roads & Bridges	\$2,098	\$36,012	\$688	\$0
Snow Removal	\$1,987	\$8,000	\$0	\$118
D.O.T. Transportation Account	\$29,151	\$0	\$0	\$15
State Road Assistance	\$55,199	\$0	\$9,648	\$11
Truck & Plow Account	\$2,209	\$2,500	\$0	\$360
Truck Reserve	\$1,757	\$1,000	\$0	\$0
Salt/Sand Shed Reserve	\$12,500	\$0	\$0	\$0
Waterfront Access	\$2,786	\$2,000	\$0	\$0
Town Landing	\$15,646	\$6,554	\$0	\$95
Town Parking Lot	\$4,684	\$5,317	\$0	\$0
Harbor Master	\$0	\$1,500	\$0	\$0
Colwell Ramp	\$12,982	\$0	\$6,008	\$0
	<u>\$140,999</u>	<u>\$62,882</u>	<u>\$16,343</u>	<u>\$599</u>
<i>Education</i>				
School Department	\$57,601	\$180,999	\$11,648	\$13,299
School Roof Fund	\$3,390	\$2,000	\$0	\$0
	<u>\$60,991</u>	<u>\$182,999</u>	<u>\$11,648</u>	<u>\$13,299</u>
<i>Unclassified:</i>				
Excise Taxes	\$7,567	\$0	\$9,827	\$0
Sales Tax	\$675	\$0	\$0	\$0
State Revenue Sharing	\$1,411	\$0	\$704	\$0
Registration Fees	\$1,005	\$0	\$2,067	\$85
Vital Stats	\$261	\$0	\$0	\$0
Interest	\$4,499	\$0	\$1,616	\$19
In Lieu of Taxes	\$6,312	\$0	\$10,139	\$0
Tree Growth	\$2,187	\$0	\$2,197	\$0
Veteran's Reimbursement	\$16	\$0	\$18	\$0
Homestead Tax Exemption	\$169	\$0	\$663	\$216
Supplemental Taxes	\$216	\$0	\$0	\$0
Revere Memorial Hall	\$2,145	\$15,000	\$0	\$5
Revere Memorial Library	\$11,064	\$3,500	\$1,170	\$107
Planning Board	\$2,868	\$0	\$0	\$0
Lighthouse Fund Reserve	\$870	\$0	\$25,547	\$0
Dog Fees	\$430	\$0	\$0	\$0
Emergency Medical Service	\$2,018	\$3,500	\$0	\$0
Comprehensive Planning	\$69	\$0	\$0	\$0
Memorial Ambulance Corps	\$0	\$1,000	\$0	\$0
Property Tax Relief	\$246	\$0	\$0	\$0
100th Anniversary	\$6,462	\$0	\$0	\$0
Isle au Haut Boat Service	\$0	\$45,000	\$0	\$0
Maine Islands Coalition	\$13	\$600	\$0	\$0
Charitable Organizations	\$1,108	\$32,105	\$0	\$0
	<u>\$51,611</u>	<u>\$100,705</u>	<u>\$53,948</u>	<u>\$431</u>
<i>Assessments and Debt Service:</i>				
County Tax	\$1,802	\$80,303	\$0	\$0
Donald Furrow Land Purchase Bond	\$6,231	\$0	\$0	\$0
George Lamson Land Purchase Bond	(\$1,145)	\$5,090	\$0	\$0
Overlay	\$0	\$1,432	\$0	\$0
	<u>\$6,887</u>	<u>\$86,825</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTALS</b>	<u>\$292,821</u>	<u>\$545,411</u>	<u>\$87,794</u>	<u>\$18,712</u>

*TOWN OF ISLE AU HAUT*

(Exhibit A-1)

<i>Total Available</i>	<i>Expenditures</i>	<i>Transfers Out/ Other Charges</i>	<i>Unexpended (Overdraft)</i>	<i>Ending Designated</i>
\$87,273	\$58,297	\$5,212	\$0	\$23,764
\$18,444	\$18,009	\$2,543	\$0	(\$2,108)
\$10,422	\$11,008	\$0	\$0	(\$586)
\$116,139	\$87,314	\$7,755	\$0	\$21,070
\$6,790	\$5,078	\$62	\$0	\$1,650
\$6,790	\$5,078	\$62	\$0	\$1,650
\$29,266	\$21,000	\$1,750	\$0	\$6,516
\$2,375	\$0	\$0	\$0	\$2,375
\$31,641	\$21,000	\$1,750	\$0	\$8,891
\$38,798	\$36,071	\$6,628	\$0	(\$3,901)
\$10,105	\$6,370	\$3,402	\$0	\$334
\$29,166	\$0	\$0	\$0	\$29,166
\$64,858	\$0	\$0	\$0	\$64,858
\$5,069	\$5,780	\$1,322	\$0	(\$2,032)
\$2,757	\$0	\$0	\$0	\$2,757
\$12,500	\$0	\$0	\$0	\$12,500
\$4,786	\$2,000	\$0	\$0	\$2,786
\$22,294	\$2,260	\$104	\$0	\$19,930
\$10,000	\$0	\$0	\$0	\$10,000
\$1,500	\$0	\$0	\$0	\$1,500
\$18,989	\$3,657	\$0	\$0	\$15,332
\$220,823	\$56,138	\$11,456	\$0	\$153,229
\$263,547	\$190,393	\$17,556	\$0	\$55,599
\$5,390	\$0	\$0	\$0	\$5,390
\$268,937	\$190,393	\$17,556	\$0	\$60,989
\$17,394	\$8	\$7,566	\$0	\$9,820
\$675	\$0	\$0	\$0	\$675
\$2,115	\$0	\$1,411	\$0	\$704
\$3,157	\$2,059	\$50	\$0	\$1,048
\$261	\$0	\$0	\$0	\$261
\$6,134	\$0	\$5,182	\$0	\$952
\$16,451	\$0	\$8,630	\$0	\$7,821
\$4,384	\$0	\$2,187	\$0	\$2,197
\$34	\$0	\$16	\$0	\$18
\$1,048	\$0	\$879	\$0	\$169
\$216	\$0	\$0	\$0	\$216
\$17,150	\$10,151	\$0	\$0	\$6,999
\$15,841	\$1,604	\$2,490	\$0	\$11,747
\$2,868	\$0	\$0	\$0	\$2,868
\$26,417	\$1,265	\$0	\$0	\$25,152
\$430	\$0	\$0	\$0	\$430
\$5,518	\$1,209	\$58	\$0	\$4,251
\$69	\$0	\$0	\$0	\$69
\$1,000	\$1,000	\$0	\$0	\$0
\$246	\$0	\$0	\$0	\$246
\$6,462	\$0	\$0	\$0	\$6,462
\$45,000	\$45,000	\$0	\$0	\$0
\$613	\$566	\$0	\$0	\$48
\$33,213	\$32,105	\$0	\$0	\$1,108
\$206,695	\$94,967	\$28,468	\$0	\$83,261
\$82,105	\$80,303	\$0	\$0	\$1,802
\$6,231	\$0	\$0	\$0	\$6,231
\$3,945	\$5,354	\$0	\$0	(\$1,409)
\$1,432	\$0	\$0	\$1,432	\$0
\$93,712	\$85,657	\$0	\$1,432	\$6,624
\$944,738	\$540,547	\$67,046	\$1,432	\$335,713

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-2)

SCHEDULE OF TREASURER'S CASH RECONCILIATION  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

<u>Beginning Cash Balance</u>		\$301,160
<u>Receipts:</u>		
<u>Taxes Collected:</u>		
Property Taxes	\$524,666	
Auto Excise Tax	\$8,260	
Boat Excise Tax	\$1,567	
	\$534,493	
<u>State of Maine:</u>		
Revenue Sharing	\$704	
Road Assistance	\$9,648	
Homestead Exemption	\$663	
Tree Growth and Veteran's Reimbursement	\$2,215	
	\$13,230	
<u>Other Receipts:</u>		
Donations	\$1,170	
Interest	\$1,499	
Payroll Withholding	\$28,672	
Crowell Trust Interest	\$3	
Barter Trust Interest and Dividends	\$318	
Colwell Ramp	\$6,000	
In Lieu of Taxes	\$10,139	
General Government	\$677	
Town Buildings	\$5,492	
Common School	\$16,020	
Town Roads and Bridges	\$688	
Registrations	\$2,067	
Lighthouse Fund Reserve	\$25,547	
Miscellaneous	\$147	
	\$98,439	
<u>Total Receipts</u>		\$646,162
<u>Total Available</u>		\$947,322
<u>Expenditures:</u>		
Less Warrants Drawn - Net of Transfers to Other Cash Accounts		(\$555,093)
<u>Ending Cash Balance</u>		\$392,229
<u>Cash Accounted For:</u>		
General Checking	\$333,120	
Petty Cash	\$250	
Crowell Trust Certificate of Deposit	\$1,296	
Colwell Ramp Savings	\$15,332	
Library Certificate of Deposit	\$11,781	
Local Road Assistance Certificate of Deposit	\$11,285	
DOT Transportation Certificate of Deposit	\$19,166	
	\$392,229	\$392,229

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-3)

SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

Valuation:

Real Property	\$76,854,598	
Personal Property	\$27,450	
<u>Total Valuation</u>		\$76,882,048

<u>Mill Rate</u>		\$0.00676
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<u>Tax Commitment</u>		\$519,723
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Collections and Adjustments:

Cash Collections	\$506,208	
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<u>Total Collections and Adjustments</u>		\$506,208
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<u>Uncollected Taxes January 31</u>		\$13,515
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List of Uncollected Taxes

Isle au Haut Lobster Association		\$1,117
Isle au Haut Lobster Association		\$60
Island Telephone		\$182
Cousins, Theresa		\$895
MacDonald, Benjamin		\$1,135
Tully, Arlena		\$6,399
Tully, Ian		\$3,126
Heirs of Ava & Walter Rich		\$601

<u>Uncollected Taxes January 31</u>		\$13,515
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TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE  
SCHEDULE OF APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

(Exhibit A-4)

Revenues:

Tax Commitment	\$519,723
Auto Excise Tax	\$6,012
Boat Excise Tax	\$1,554
State Revenue Sharing	\$1,411
Interest	\$5,000
In Lieu of Taxes	\$8,630
Tree Growth Reimbursement	\$2,187
Veteran's Reimbursement	\$16
Homestead Reimbursement	\$879
	\$879

Total Revenues

\$545,411

Expenditures:

General Government	\$75,000
George Lamson Land Purchase Loan Payment	\$5,090
Fire Department	\$11,000
Solid Waste Disposal	\$26,000
Town Roads & Bridges	\$36,012
Snow Removal	\$8,000
Truck & Plow Account	\$2,500
Truck Reserve	\$1,000
Waterfront Access	\$2,000
Town Landing	\$6,554
Town Parking Lot	\$5,317
Harbor Master	\$1,500
School Department	\$180,999
School Roof Fund	\$2,000
Revere Memorial Hall	\$15,000
Revere Memorial Library	\$3,500
Emergency Medical Services	\$3,500
Memorial Ambulance Corps	\$1,000
American Red Cross	\$150
Downeast Aids Network	\$100
Downeast Transportation	\$55
Maine Public Broadcasting	\$150
WERU	\$150
Island Medical Center	\$500
Isle au Haut Boat Service	\$45,000
Isle au Haut Historical Society	\$1,000
Maine Islands Coalition	\$600
Island Store	\$30,000
County Tax	\$80,303
Overlay	\$1,432
	\$1,432

Total Expenditures

\$545,411

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-5)

SCHEDULE OF CHANGES IN UNDESIGNATED FUND BALANCE  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

<u>Beginning Undesignated Fund Balance</u>			(S9,716)
<u>Additions:</u>			
Tax Commitment Overlay		\$1,432	
Decrease in Unavailable Tax Revenue		\$9,464	
		<hr/>	
<u>Total Additions</u>			\$10,896
<u>Reductions:</u>			
None		\$0	
		<hr/>	
<u>Total Reductions</u>			<hr/> \$0
<u>Ending Undesignated Fund Balance</u>			<hr/> <hr/> \$1,181

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE

(Exhibit A-6)

SCHEDULE OF COLWELL RAMP CASH RECONCILIATION  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

<u>Beginning Checking Account Balance</u>	\$12,982
Deposits	\$6,000
Interest Earned	\$8
Expenditures	<u>\$3,657</u>
<u>Ending Checking Account Balance</u>	<u><u>\$15,332</u></u>

*TOWN OF ISLE AU HAUT*

**TOWN OF ISLE AU HAUT, MAINE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2015**

(Exhibit A-7)

<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grantor Pass- Through Number</u>	<u>Program Award Amount</u>	<u>Expenditures</u>
<i>U.S. Department of Education;</i>				
<i>Passed through State of Maine</i>				
<i>Department of Education</i>				
Title IIA - Teacher Quality	84.367	013-05A-3042-11	\$363	\$0
Local Entitlement	84.027	013-05A-3046-12	\$3,978	\$3,978
Rural Education Achievement Program	84.213	013-05A-6336-13	\$17,503	\$10,570
			<u>\$21,843</u>	<u>\$14,548</u>
<i>Total State of Maine Department of Education</i>				
<i>Total U.S. Department of Education</i>			<u>\$21,843</u>	<u>\$14,548</u>
<b><u>Totals</u></b>			<u>\$21,843</u>	<u>\$14,548</u>

TOWN OF ISLE AU HAUT

TOWN OF ISLE AU HAUT, MAINE

(Exhibit B-1)

COMBINED BALANCE SHEET - PERMANENT FUNDS

JANUARY 31, 2015

<u>Assets</u>	<u>Arthur Barter Educational Trust</u>	<u>Crowell Memorial Trust</u>	<u>Total</u>
Cash and Cash Equivalents		\$1,296	\$1,296
Investments, at Fair Market Value	\$47,110		\$47,110
Due from General Fund	\$1,215	\$296	\$1,510
 <i>Total Assets</i>	 \$48,325	 \$1,591	 \$49,916
 <u>Fund Balances</u>			
Reserve for Book Purchases		\$1,296	\$1,296
Reserve for Scholarships	\$2,540		\$2,540
Unrestricted	\$45,785	\$296	\$46,080
 <i>Total Fund Balances</i>	 \$48,325	 \$1,591	 \$49,916

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

*TOWN OF ISLE AU HAUT*

TOWN OF ISLE AU HAUT, MAINE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - PERMANENT FUNDS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2015

(Exhibit B-2)

	<i>Arthur Barter Educational Trust</i>	<i>Crowell Memorial Trust</i>	<i>Total</i>
<i>Revenues</i>			
Unrealized Gain/(Loss) on Marketable Securities	\$1,238	\$0	\$1,238
Interest and Dividends	\$1,190	\$3	\$1,193
<i>Total Revenues</i>	<u>\$2,428</u>	<u>\$3</u>	<u>\$2,431</u>
<i>Expenditures</i>			
Trust Fund Expenses	\$276	\$0	\$276
<i>Total Expenditures</i>	<u>\$276</u>	<u>\$0</u>	<u>\$276</u>
<i>Excess Revenues Over Expenditures</i>	\$2,152	\$3	\$2,155
<i>Beginning Fund Balances</i>	<u>\$46,173</u>	<u>\$1,588</u>	<u>\$47,761</u>
<i>Ending Fund Balances</i>	<u>\$48,325</u>	<u>\$1,591</u>	<u>\$49,916</u>

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

**WARRANT  
COUNTY OF KNOX  
STATE OF MAINE**

To: Christine Hill, a citizen, in the Town of Isle au Haut: GREETINGS:

In the Name of the State of Maine, you are hereby required to notify the inhabitants of said Town of Isle au Haut, qualified to vote in town affairs, to assemble at Revere Memorial Hall in said Town on Monday, March , 2016, at eight thirty (8:30) A.M. in the morning to act on the following articles to wit:

Article 1. To choose a Moderator to preside at said meeting and vote his/her compensation.

Article 2. To choose a Town Clerk for the ensuing year and vote his/her compensation.

Article 3. To choose a First Selectman for the ensuing year and vote his/her compensation

Article 4. To choose a Second Selectman for the ensuing year and vote his/her compensation.

Article 5. To choose a Third Selectman for the ensuing year and vote his/her compensation.

Article 6. To choose a Treasurer for the ensuing year and vote his/her compensation.

Article 7. To choose a Collector of Taxes and Excise Taxes for the ensuing year and vote his/her compensation.

Article 8. To choose an Assessor of Taxes for the ensuing year and vote his/her compensation.

Article 9. To choose an Assessor of Taxes for the ensuing year and vote his/her compensation.

Article 10. To choose an Assessor of Taxes for the ensuing year and vote his/her compensation.

Article 11. To choose a member of the Planning Board to fill the remaining two years of a three-year term. (Outgoing – Albert Gordon)

*TOWN OF ISLE AU HAUT*

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- Article 12. To choose a member of the Planning Board for a three year term.  
(Outgoing – Daniel MacDonald)
- Article 13. To choose a member of the Planning Board for a three year term.  
(Outgoing – Steve Shaffer)
- Article 14. To choose a Road Commissioner for the ensuing year and vote his/  
her compensation.
- Article 15. To choose a Fire Chief for the ensuing year and vote his/her com-  
pensation.
- Article 16. To choose a member of the School Board for a three year term.  
(Outgoing – Bernadine Barter)
- Article 17. To choose a member of the School Board for a three year term.  
(Outgoing – Kirsten Barter)
- Article 18. To choose a member of the School Board to fill the remaining year,  
of a three year term. (Outgoing – Nancy Calvert)
- Article 19. To choose a member of the School Board to fill the remaining year  
of a three year term. (Outgoing – Jason Barter)
- Article 20. To choose a member of the Colwell Ramp Waterfront Access Board  
from the Board of Selectmen for a one year term. (Outgoing – Daniel  
MacDonald)
- Article 21. To choose a member of the Colwell Ramp Waterfront Access Board  
for a two year term. (Outgoing – John DeWitt)
- Article 22. To see if the Town will vote to maintain and operate the Isle au Haut  
Elementary School for the 2015-2016 school year.
- Article 23. To see if the Town will vote to hear a report from the Superintendent  
of Schools on education.
- Article 24. To see what sum the Town will authorize the School Committee to  
expend for K-12 Regular Instruction.  
School Committee Recommends: \$104,310
- Article 25. To see what sum the Town will authorize the School Committee to  
expend for Special Education.  
School Committee Recommends: \$71,459



TOWN OF ISLE AU HAUT

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Article 26. To see what sum the Town will authorize the School Committee to expend for Student and Staff Support.

School Committee Recommends: \$200

Article 27. To see what sum the Town will authorize the School Committee to expend for System Administration.

School Committee Recommends: \$12,416

Article 28. To see what sum the Town will authorize the School Committee to expend for School Administration.

School Committee Recommends: \$975

Article 29. To see what sum the Town will authorize the School Committee to expend for Transportation and Buses.

School Committee Recommends: \$29,422

Article 30. To see what sum the Town will authorize the School Committee to expend for Facilities Maintenance.

School Committee Recommends: \$33,233

Article 31. To see what sum the Town will appropriate for the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act. (School Committee Recommends: \$65,937) and to see what sum the town will raise as the municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes Title 20-A, § 15690, subsection 1.

School Committee Recommends: \$65,937

*Explanation: The town's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the town must raise in order to receive the full amount (\$7,845\* ) of state dollars.*

\*This is an estimate. State subsidy has not been approved by the legislature.

Article 32. To see what sum the Town will raise and appropriate in additional local funds as required to fund the budget recommended by the school committee.

The school committee recommends \$157,078 which exceeds the State's Essential Programs and Services funding model by \$157,078.

TOWN OF ISLE AU HAUT

*Explanation: The additional local funds are those locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act that will help achieve the town's budget for educational programs.*

*The school committee gives the following reasons for exceeding the State's Essential Programs and Services funding model.*

*Reasons: The additional local fund request exceeds the EPS funding model because the EPS funding model fails to adequately fund small schools. The school's teacher/student ratio is smaller than the EPS model as are most other costs such as transportation, building maintenance, special education, and system administration. EPS formulas are based on what works in larger schools - not what is realistic for a small, isolated island school.*

Article 33. To see what sum the Town will authorize the School Committee to expend for the fiscal year beginning July 1, 2015 and ending June 30, 2016 from the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, additional local funds for school purposes under the Maine Revised Statutes, Title 20 A, §1569, unexpended balances, tuition receipts, high school tuition reserve account, local appropriations, state subsidy and other receipts for the support of schools.

School Committee Recommends: \$252,015

Article 34. To see what sum the Town will raise and appropriate for the Roof Reserve Account. School Committee Recommends: \$2,000.

Article 35. Shall the Town vote to accept the categories of estimated funds listed below as provided by the Maine State Legislature?

Category	Anticipated Amount
State Subsidy	\$4,845
Special Education Local Entitlement	\$3,000

Article 36. To see if the Town will authorize the School Committee to expend grant monies in addition to expenditures approved in the regular school budget.

Article 37. To see what sum of money the Town will raise and appropriate for General Government Administration.

(Sel. Recommend \$70,000 - \$75,000 Last Year)

*TOWN OF ISLE AU HAUT*

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- Article 38. To see what sum of money the Town will raise and appropriate to support the activities of the Planning Board.  
(Sel. Recommend \$2,000)
- Article 39. To see what sum of money, if any, the Town will authorize the Selectmen to transfer from Boat Excise Taxes to Town Landing.  
(Sel. Recommend \$1,556.50)
- Article 40. To see what sum of money the Town will raise and appropriate for Town Landing.  
(No Recommendation - Last Year \$5,000)
- Article 41. To see what sum of money the Town will raise and appropriate for Town Landing Parking Lot.  
(No Recommendation - Last Year \$5,316.50)
- Article 42. To see what sum of money, if any, the Town will raise and appropriate for Isle au Haut Boat Services operations for the year 2015.  
(Board of Directors request \$50,000 - last year \$45,000)
- Article 43. To see what sum of money the Town will raise and appropriate for Revere Memorial Hall.  
(Sel. Recommend \$15,000 - Last Year \$15,000)
- Article 44. To see what sum of money the Town will raise and appropriate for Revere Memorial Library. (Last Year \$3,500)
- Article 45. To see what sum of money the Town will raise and appropriate for Isle au Haut Historical Society. (Last Year \$1,000)
- Article 46. To see what sum of money the Town will raise and appropriate for Solid Waste Disposal and Recycling.  
(Sel. Recommend \$26,000 - Last Year \$26,000)
- Article 47. To see what sum of money if any, the Town will authorize the Selectmen to transfer from surplus to trucks and plows.  
(Sel. Recommend \$2,000)
- Article 48. To see what sum of money, the Town will raise and appropriate for trucks and plows. (Sel. Recommend \$5,000 - Last Year \$2,500)
- Article 49. To see what sum of money, the Town will raise and appropriate for truck reserve. (Sel. Recommend \$1,000 - Last Year \$1,000)
- Article 50. To see what sum of money the Town will raise and appropriate for Snow Removal. (Sel. Recommend \$8,000 - Last Year \$8,000)

*TOWN OF ISLE AU HAUT*

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- Article 51. To see what sum, if any, the Town will authorize the Selectmen to transfer from Vehicle Excise Tax to Town Roads and Bridges.  
(Sel. Recommend \$8,252.40 - Last Year \$6,011.80)
- Article 52. To see what sum of money the Town will raise and appropriate for Town Roads and Bridges. (No Recommendation - Last Year \$33,000)
- Article 53. To see what sum of money, if any, the Town will authorize the Selectmen to transfer from Interest to Fire Department.  
(Sel. Recommend \$1,000 - Last Year \$5,000)
- Article 54. To see what sum of money the Town will raise and appropriate for the Fire Department. (No Recommendation - Last Year \$6,000)
- Article 55. To see what sum of money the Town will raise and appropriate for Colwell Ramp Waterfront Access. (Comm./Sel. Recommend \$2,000)
- Article 56. To see what sum of money the Town will raise and appropriate for Maine Island Coalition. (Sel. recommend \$800 - last year \$600)
- Article 57. To see if the Town will decide to have a Property Tax Revaluation, and how much to raise and appropriate for it.
- Article 58. To see what sum of money the Town will raise and appropriate for Municipal Owned Lands. (Sel. Recommend \$2000 - Last Year \$0)
- Article 59. To see what sum of money the Town will raise and appropriate for Miscellaneous Buildings. (No Recommendation – Last Year \$0)
- Article 60. To see what sum of money the Town will raise and appropriate for Emergency Medical Services.  
(Sel. Recommend \$1,000 - Last Year \$3,500)
- Article 61. To see what sum of money the Town will raise and appropriate for Harbormaster compensation.  
(Sel. Recommend \$500 - Last Year \$1,500)
- Article 62. To see what sum of money the Town will raise and appropriate for Bond to Fund Purchasing the Debra Schrader property.  
(Sel. Recommend \$9,250)
- Article 63. To see what sum of money the Town will raise and appropriate for Interest on Bond to Fund Purchasing the Debra Schrader property.  
(Sel. Recommend \$7,363)

*TOWN OF ISLE AU HAUT*

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- Article 64. To see if the Town will vote to change the date of the Annual Town Meeting to be on the last Monday in April of every year.
- Article 65. To see what sum of money the Town will raise and appropriate for American Red Cross. (\$250 Requested - Last Year \$150)
- Article 66. To see what sum of money the Town will raise and appropriate for Downeast AIDS Network. (Last Year \$100)
- Article 67. To see what sum of money the Town will raise and appropriate for Downeast Transportation, Inc. (Last Year \$55.00)
- Article 68. To see what sum of money the Town will raise and appropriate for Island Medical Center. (Last Year \$500)
- Article 69. To see what sum of money the Town will raise and appropriate for Maine Public Broadcasting. (Last Year \$150)
- Article 70. To see what sum of money the Town will raise and appropriate for Memorial Ambulance Corps. (Last Year \$1,000)
- Article 71. To see what sum of money the Town will raise and appropriate for Life-Flight of Maine. (\$500 Requested)
- Article 72. To see what sum of money the Town will raise and appropriate for WERU. (Last Year \$150)
- Article 73. To see if the Town will vote to retain any and all unexpended balances.
- Article 74. To see if the Town will vote to accept the funding of the categories listed below as provided by the Federal Legislatures and the Maine Legislatures:
- ANP Payment in Lieu of Taxes
  - State Tree Growth Reimbursement
  - State Municipal Revenue Sharing
  - Veteran's Tax Benefit
  - State Homestead Exemption Reimbursement
  - DOT Local Road Assistance
  - DOT Transporting Highway Construction and Maintenance Materials
  - Public Library Per Capita Grant
  - General Assistance Reimbursement Funds
  - State Aid to Education
  - State Grants and other Funds

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Article 75. To see if the Town will authorize the Selectmen to issue notes for temporary loans and what rate of interest to pay.

Article 76. To see if the Town will authorize the Selectmen to sell property taken for taxes.

Article 77. To see if the Town will bond the Town Treasurer, Town Clerk, Town Tax Collector and the Lighthouse Committee Treasurer and to pay all Town Officials job related expenses.

Article 78. To see if the Town will set a date on which all local taxes shall be paid and decide a rate of interest for all taxes unpaid after that date. ( Last year - September 1 and highest rate allowable by the State)

Article 79. To see if the Town will vote to increase the property tax levy limit of \$256,989 established for Town of Isle au Haut by State law because the municipal budget approved for 2015 - 2016 articles resulted in a Tax Commitment that is greater than the property tax levy limit.

The Registrar hereby gives notice that she will be in session for the purpose of revising the list of voters at Revere Memorial Hall at 8:15 A.M. in the morning on the date of said meeting.

Given under our hands at Isle au Haut this \_ day of March, 2016.

Landon DeWitt  
First Selectman

Daniel MacDonald  
Second Selectman

John DeWitt  
Third Selectman

Selectmen,  
Town of Isle au Haut

ATTESTED:

\_\_\_\_\_  
Town Clerk, Town of Isle au Haut