

Eastport School Department

**Independent Auditors' Reports
and
Management's Financial Schedule**

June 30, 2017

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

EASTPORT SCHOOL DEPARTMENT

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH MAINE STATE STATUTE REQUIREMENTS

To the School Board of
City of Eastport, Maine
Eastport, Maine

We have audited the financial statements of City of Eastport, Maine as of and for the year ended June 30, 2017, and have issued our report thereon dated May 01, 2018.

The management of City of Eastport, Maine is responsible for the Department's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the Department's compliance with laws and regulations, noncompliance with which could have a material effect on the financial statements of the City of Eastport, Maine.

Title 20-A §6051 requires certain written assurances with respect to school audits. Our audit of compliance with the laws and regulations consisted of, at a minimum, the following:

- 1) A determination of whether or not the school has complied with budget content requirements pursuant to §15693.
- 2) A determination of whether or not the school has complied with transfer limitations between budget cost centers pursuant to §1485.
- 3) A determination of whether or not the school has exceeded its authority to expend funds.
- 4) A determination of whether or not the annual financial data submitted to the department is correct.
- 5) A determination of whether or not the Department was in compliance with applicable provisions of the Essential Programs and Services Funding Act.

The results of my tests indicate that, for the items tested, City of Eastport, Maine complied with those provisions of Maine laws and regulations, except for the annual financial data submitted to the department. The data submitted did not balance. See reconciliation on page 2 for out of balance amounts. Excluding item number 4 above, nothing came to our attention that caused us to believe that, for the items not tested, City of Eastport, Maine was not in compliance with Maine Laws and regulations.

Ron L. Beaulieu & Co.

Portland, Maine
May 01, 2018

EASTPORT SCHOOL DEPARTMENT
RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
SUBMITTED TO THE MEDMS FINANCIAL SYSTEM
YEAR ENDED JUNE 30, 2017

	General Fund (Fund 1000)	Special Revenue Funds (Fund 1500 and 2000's)	School Lunch (Fund 5000)	Totals
June 30 balance per MEDMS financial system	\$ 4,179	\$ 867,095	\$ (133,026)	\$ 738,248
Revenue Adjustments:				
None	-	-	-	-
Expenditure Adjustments:				
Inventory	-	-	(1,466)	(1,466)
Accounts payable	5,654	-	-	5,654
Accrued summer wages	18,818	-	-	18,818
Due to City	11,357	-	(10,518)	839
School lunch transfer	(173,139)	-	173,139	-
MEDMS balance sheet out of balance	677,709	(770,727)	(38,647)	(131,665)
Adjusted GAAP basis fund balance June 30	<u>\$ 544,578</u>	<u>\$ 96,368</u>	<u>\$ (10,518)</u>	<u>\$ 630,428</u>

See independent auditors' report on compliance with Maine State Statute requirements.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION REQUIRED BY MAINE STATE STATUTE

To the City Council of
City of Eastport, Maine
Eastport, Maine

We have audited the financial statements of City of Eastport, Maine as of and for the year ended June 30, 2017, and the related notes to the financial statements. We issued our report thereon dated May 01, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Maine State Statute, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ron L. Beaulieu & Co.

Portland, Maine
May 01, 2018

CITY OF EASTPORT, MAINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor Pass-through Grantor Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct Award			
National School Lunch Program	10.555	N/A	\$ 65,300
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Award			
Community Development Block Grants	14.228	N/A	450,950
U.S. DEPARTMENT OF EDUCATION			
State of Maine Department of Education			
Title I Grants to Local Educational Agencies	84.010	13-05A-3107-13-6306-3107CDG-F2017	75,697
Special Education - Grants to States	84.027	13-05A-3046-12-6306-3046SLG-F2016	33,216
Improving Teacher Quality Grants	84.367	13-05A-3042-11-6306-3042ITG-F2017	41,443
Subtotal			<u>150,356</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Award			
Homeland Security Grant Program	97.067	N/A	6,162
Total Federal Awards Expended			<u>\$ 672,768</u>

See independent auditors' report and notes to schedule of expenditures of federal awards.

CITY OF EASTPORT, MAINE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Eastport, Maine, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of City of Eastport, Maine, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Eastport, Maine.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City of Eastport, Maine has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.