

**TOWN OF EAST MILLINOCKET, MAINE**

**Annual Financial Report**

**For the Year Ended June 30, 2020**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2020**

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## Independent Auditor's Report

Board of Selectmen  
Town of East Millinocket, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Millinocket, Maine, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of East Millinocket, Maine's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Millinocket, Maine, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules related to pension and OPEB liabilities, as listed in the table of contents, 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 East Millinocket, Maine's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2021, on our consideration of the Town of East Millinocket, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Millinocket, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Raymond Kristen Ouellette". The signature is written in a cursive style with a large initial 'R'.

January 4, 2021  
South Portland, Maine

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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The Town of East Millinocket's annual financial report is hereby submitted for fiscal year 2020, which covers the period of July 1, 2019 to June 30, 2020. The Town is the responsible party to ensure the accuracy, completeness, and fairness of the data and other information presented. It is the belief of management that all the information contained herein is accurate, in all material respects, and reflects fairly the financial position and operations of the Town. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis introduces the Town's basic financial statements. The Town's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information (RSI) and other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide the readers with an overview of the Town of East Millinocket, Maine's finances in a manner similar to a private-sector business.

The *Statement of Net Position*, Statement 1, presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *Statement of Activities*, Statement 2, presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of East Millinocket, Maine 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 governmental activities of the Town include general government, public safety, roads, health, social services and recreation, library, and education. The Town has three business-type activities, which are the Wastewater, Water Works, and Ambulance funds.

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**

As previously noted, the statement of net position balances all of the Town's assets and deferred outflows of resources, the resources the Town can use to provide services and operate the government, against all of its liabilities and deferred inflows of resources, its obligations to turn over resources to other organizations or individuals, with the difference being reported as net position. Net position is what the Town would have left over after satisfying all of its liabilities.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis, Continued**

**CONDENSED PRESENTATION OF FINANCIAL INFORMATION**

The following information is condensed from Statement 1, Statement of Net Position, for the years ended June 30, 2020 and June 20, 2019. It distinguishes between capital and other assets, notes the Town's general liabilities and debt service, and shows the Town's net position by restricted and unrestricted amounts. This information is also separated by the Town's Governmental Activities and Business-type Activities.

	Governmental Activities		Business-type Activities		Total	
	2020	2019 Restated	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 6,135,964	5,791,908	773,951	1,013,601	6,909,915	6,805,509
Capital assets	5,521,367	5,047,904	15,360,050	13,120,443	20,881,417	18,168,347
<b>Total assets</b>	<b>11,657,331</b>	<b>10,839,812</b>	<b>16,134,001</b>	<b>14,134,044</b>	<b>27,791,332</b>	<b>24,973,856</b>
Deferred outflows of resources						
related to pensions	331,233	284,757	-	-	331,233	284,757
Deferred outflows of resources						
related to OPEB	309,251	291,329	-	-	309,251	291,329
<b>Total deferred outflows</b>	<b>640,484</b>	<b>576,086</b>	<b>-</b>	<b>-</b>	<b>640,484</b>	<b>576,086</b>
Liabilities:						
Current liabilities	375,806	456,421	5,326,304	5,868,755	5,702,110	6,325,176
Noncurrent liabilities	4,343,077	4,791,055	490,642	536,281	4,833,719	5,327,336
<b>Total liabilities</b>	<b>4,718,883</b>	<b>5,247,476</b>	<b>5,816,946</b>	<b>6,405,036</b>	<b>10,535,829</b>	<b>11,652,512</b>
Deferred inflows of resources						
related to pensions	191,169	181,278	-	-	191,169	181,278
Deferred inflows of resources						
related to OPEB	433,825	75,985	-	-	433,825	75,985
<b>Total deferred inflows</b>	<b>624,994</b>	<b>257,263</b>	<b>-</b>	<b>-</b>	<b>624,994</b>	<b>257,263</b>
Net position:						
Net investment in capital assets	5,340,562	4,756,622	9,731,125	7,605,804	15,071,687	12,362,426
Restricted	1,515,805	1,237,123	-	-	1,515,805	1,237,123
Unrestricted	97,571	(82,586)	585,930	123,204	683,501	40,618
<b>Total net position</b>	<b>\$ 6,953,938</b>	<b>5,911,159</b>	<b>10,317,055</b>	<b>7,729,008</b>	<b>17,270,993</b>	<b>13,640,167</b>

The Town of East Millinocket, Maine's governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$6,953,938 and business-type activities assets exceeded its liabilities by \$10,317,055 for total net position of \$17,270,993 at the close of the most recent fiscal year.

A large portion of the Town's net position, \$15,071,687 (87%), reflects its investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding and adding back any unspent bond proceeds. The Town of East Millinocket, Maine 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.

It should be noted that the Town's unrestricted net position, which is the amount available to be used to meet the Town's ongoing obligations to its citizens and creditors is now \$97,571.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis, Continued**

**TYPES OF ACTIVITIES BY FISCAL YEAR**

The information in the following chart is drawn from Statement 2, Statement of Activities. Total expenses of the primary government were \$9,102,064; however, after considering all program revenues and other revenues, the net amount raised by property taxes was \$2,440,286. Put another way, property taxes financed 27% of the total costs of providing municipal, school, county, wastewater, water works, and ambulance expenses in FY 2020.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019 Restated	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,297,956	1,204,566	2,040,558	2,151,392	3,338,514	3,355,958
Operating grants and contribution	2,216,226	2,134,533	-	-	2,216,226	2,134,533
Capital grants and contributions	666,876	827,447	3,031,145	3,806,207	3,698,021	4,633,654
General revenues:						
Property taxes	2,440,286	2,498,620	-	-	2,440,286	2,498,620
Motor vehicle excise taxes	283,425	265,840	-	-	283,425	265,840
Interest and lien costs	21,269	18,530	-	-	21,269	18,530
State revenue sharing	402,984	243,391	-	-	402,984	243,391
Homestead and BETE exemptions	208,411	222,226	-	-	208,411	222,226
Other State aid	19,489	17,876	-	-	19,489	17,876
Unrestricted investment earnings	21,230	20,434	12,004	14,275	33,234	34,709
Miscellaneous	71,031	79,822	-	-	71,031	79,822
Loss on disposal of capital assets	-	(8,160)	-	(44,613)	-	(52,773)
Transfers	53,520	60,640	(53,520)	(60,640)	-	-
<b>Total revenues</b>	<b>7,702,703</b>	<b>7,585,765</b>	<b>5,030,187</b>	<b>5,866,621</b>	<b>12,732,890</b>	<b>13,452,386</b>
<b>Expenses:</b>						
General government	430,799	266,711	-	-	430,799	266,711
Public safety	691,253	665,964	-	-	691,253	665,964
Roads	397,464	469,575	-	-	397,464	469,575
Health, social services and recreation	312,247	470,532	-	-	312,247	470,532
Library	237	460	-	-	237	460
Education	4,240,323	4,251,069	-	-	4,240,323	4,251,069
Maine State retirement - on-behalf	283,591	221,734	-	-	283,591	221,734
Special projects	-	2,000	-	-	-	2,000
Cemetery	21,226	20,776	-	-	21,226	20,776
County tax	88,276	90,914	-	-	88,276	90,914
Capital maintenance expenses	188,526	28,150	-	-	188,526	28,150
Interest on debt	5,982	1,404	-	-	5,982	1,404
Wastewater fund	-	-	373,887	342,051	373,887	342,051
Water Works fund	-	-	286,488	267,856	286,488	267,856
Ambulance fund	-	-	1,781,765	1,760,329	1,781,765	1,760,329
<b>Total expenses</b>	<b>6,659,924</b>	<b>6,489,289</b>	<b>2,442,140</b>	<b>2,370,236</b>	<b>9,102,064</b>	<b>8,859,525</b>
Change in net position	1,042,779	1,096,476	2,588,047	3,496,385	3,630,826	4,592,861
Net position - beginning (restated)	5,911,159	4,814,683	7,729,008	4,232,623	13,640,167	9,047,306
<b>Net position - ending</b>	<b>\$ 6,953,938</b>	<b>5,911,159</b>	<b>10,317,055</b>	<b>7,729,008</b>	<b>17,270,993</b>	<b>13,640,167</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis, Continued**

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The Town of East Millinocket's governmental activities net position increased by \$1,042,779 and its business-type activities net position increased by \$2,588,047, which resulted in an overall increase to the primary government's net position from the prior fiscal year of \$3,630,826. However, after restating beginning net position required by implementing GASB 84, beginning net position was increased by \$79,257.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds:**

As of the end of the current fiscal year, the Town of East Millinocket, Maine's governmental funds reported combined ending fund balances of \$5,595,861, an increase of \$540,700 in comparison with the prior year. Approximately 62% of this total amount (\$3,459,307) constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance (\$2,136,554) is not available for new spending because it is either in a nonspendable form (\$46,000), is restricted for education and grants (\$1,515,805), has already been committed for various capital purposes (\$477,640), or has been assigned to specific uses (\$97,109).

As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total governmental funds expenditures. Unassigned fund balance (\$3,459,307) (Statement 3) represents 47.59% of the total governmental funds expenditures (\$7,285,139) (Statement 4); total governmental fund balance (\$5,595,861) (Statement 3) represents 76.81% of total governmental funds expenditures.

**Business-type Activities:**

The Town operates three business-type activities classified as enterprise funds. Enterprise funds are self-sustaining funds designed to be mostly funded through user fees and grants. The Town's enterprise funds, Wastewater, Water Works, and Ambulance, account for all activity related to the sewer, water, and ambulance services.

For a detailed look at both the fiscal year 2020 balance sheet and statement of revenues, expenses, and changes in net position, please see pages 19 and 20 of the audited financial statements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As usual, there were a number of variances between final budgeted amounts and amounts recorded as revenues or expenditures. In total, revenues were over budget by \$289,078. Expenditures were under budget by \$750,845. After considering other financing sources and uses, the total change in the general fund's fund balance was an increase of \$383,631. Some of the more significant variances between budget and actual that caused the increase, as shown on Statement 6, were as follows:

- Intergovernmental revenues were over budget by \$57,320, primarily due to higher-than-expected State revenue sharing of \$52,984.
- Tax revenues were over budget by \$143,033, primarily due to collection of taxes associated with the mill and increased value associated with hydro-electric facilities.
- Tuition and other charges for education were over budget by \$80,240, primarily due to an increase in the tuition rate, as well as more students attending from Medway than what was budgeted.
- General government expenditures were under budget by \$139,949, primarily due to savings in insurances and benefits.
- Health, social service, and recreation expenditures were under budget by \$38,924, primarily due to non-expended funds due to COVID-19.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis, Continued**

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- Education expenditures were under budget by \$360,317, primarily due to savings in salaries, out-of-district placement, facilities maintenance expenditures, and program costs that were not utilized due to COVID-19.

**SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

**CAPITAL ASSETS**

At the end of 2020, the Town of East Millinocket's governmental activities capital assets totaled \$10,877,920. The accumulated depreciation for the Town's governmental activities for 2020 totaled \$5,356,553. This results in a net capital assets total of \$5,521,367, which is comprised of land, buildings and improvements, equipment, furniture and vehicles.

At the end of 2020, the Town of East Millinocket's business-type activities capital assets totaled \$20,276,835. The accumulated depreciation for the Town's business-type activities for 2020 totaled \$4,916,785. This results in a net capital assets total for the Town's business-type activities of \$15,360,050, which is comprised of land, infrastructure, buildings and improvements, equipment, furniture, and vehicles.

During 2020, the Town's governmental activities invested \$696,471 in new capital asset additions. This included:

- Library entryway roof (\$8,398)
- Cafeteria doors (\$4,500)
- Fire panel upgrade (\$25,815)
- Heat pumps (\$7,878)
- Playground equipment (\$8,825)
- Pool and school auditorium renovations (\$641,055)

During 2020, the Town's business-type activities invested \$2,475,545 in new capital asset additions. This was for the new Wastewater Treatment Plant that is included in construction in progress (\$2,413,665) at year-end as well as a new truck for Water Works (\$61,880).

**LONG-TERM DEBT**

The State allows municipalities to borrow up to 15% of their total state valuation. Since the value of the Town was \$65,500,000 in FY 2020, the Town's debt limit is at \$9,825,000. The Town's current bonded debt is \$504,366, which is well below the debt limit. This debt includes \$46,441 for governmental activities and \$457,925 for business-type activities (Wastewater). The Wastewater debt is repaid through user fees, not property tax revenues.

The Town issued no new bonds, but did issue a new financed purchase of \$7,107 during FY 2020, and repaid \$167,310 in principal between governmental and business-type activities. Also, the Town still has a bond anticipation note with an outstanding balance of \$5,241,000 in its wastewater fund relating to the construction of the new treatment plant.

The Town of East Millinocket has always been judicious in its debt management. Other than the cafeteria project bond, with its last payment in November 2020, The Town has no outstanding long-term debt supported by property tax revenue.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Management's Discussion and Analysis, Continued**

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**FUTURE SIGNIFICANT IMPACTS**

The East Millinocket Board of Selectmen continues its work seeking to develop economic opportunities on behalf of the Town. The Board secured grant/gift monies totaling \$1,450,000 to purchase the former GNP mill site which was completed in July 2020. The citizens of East Millinocket authorized \$250,000 from surplus and have also secured over \$750,000 in various grants to aid in the redevelopment. The EMI Board continues to work closely with the Board to identify and make improvements for potential lease holders.

The Katahdin area Comprehensive Plan is in the final stages of approval which will be completed in January 2021.

The majority of the wastewater treatment plant project has been completed with the new plant up and running as of October 2019. There is approximately \$400,000 in grant money still available for the project. The bid project for demolition was put on hold due to COVID-19. The Town held a bid opening in November and the project should be awarded for completion in the coming weeks.

The Broadband study commissioned by the tri-town area was completed in November 2020. Members of the Broadband Utility and the communities recently received the finished report and are identifying what next steps should be taken.

The last payment on our municipal indebtedness (Schenck High School Renovations) was made in November of 2020. Management has been working on capital improvement needs with department heads in hopes to start replacing needed equipment and infrastructure.

**REQUEST FOR INFORMATION**

This financial report is presented to provide a general overview of the Town of East Millinocket, Maine for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Assistant, Town of East Millinocket, 53 Main Street, East Millinocket, Maine 04430 or at [acote@gwi.net](mailto:acote@gwi.net).

Respectfully submitted,

Angela Cote  
Administrative Assistant  
Town of East Millinocket, Maine

Beverly J. MacLeod  
Treasurer  
Town of East Millinocket, Maine

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Net Position**  
**June 30, 2020**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,084,220	1,173,886	4,258,106
Cash held in escrow	-	70,000	70,000
Investments	352,599	931,363	1,283,962
Receivables:			
Accounts, net of allowance (\$1,401,936)	77,532	727,072	804,604
Intergovernmental	50,134	-	50,134
Taxes receivable - current year	157,193	-	157,193
Taxes receivable - prior years	25,673	-	25,673
Tax liens	174,282	-	174,282
Loan receivable	46,000	-	46,000
Internal balances	2,157,061	(2,157,061)	-
Inventory	11,270	28,691	39,961
Capital assets, not being depreciated	924,761	11,994,600	12,919,361
Capital assets, net of accumulated depreciation	4,596,606	3,365,450	7,962,056
Total assets	11,657,331	16,134,001	27,791,332
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	331,233	-	331,233
Deferred outflows of resources related to OPEB	309,251	-	309,251
Total deferred outflows of resources	640,484	-	640,484
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	37,392	41,332	78,724
Taxes paid in advance	10,677	-	10,677
Accrued wages and benefits payable	327,737	6,679	334,416
Advance for construction	-	37,293	37,293
Bond anticipation note	-	5,241,000	5,241,000
Noncurrent liabilities:			
Due within one year	88,719	58,484	147,203
Due in more than one year	4,254,358	432,158	4,686,516
Total liabilities	4,718,883	5,816,946	10,535,829
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	191,169	-	191,169
Deferred inflows of resources related to OPEB	433,825	-	433,825
Total deferred inflows of resources	624,994	-	624,994
<b>NET POSITION</b>			
Net investment in capital assets	5,340,562	9,731,125	15,071,687
Restricted for:			
Education	759,142	-	759,142
Grants and programs	756,663	-	756,663
Unrestricted	97,571	585,930	683,501
<b>Total net position</b>	<b>\$ 6,953,938</b>	<b>10,317,055</b>	<b>17,270,993</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2020**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 430,799	18,759	7,118	-	(404,922)	-	(404,922)
Public safety	691,253	182,684	-	20,000	(488,569)	-	(488,569)
Roads	397,464	-	14,648	20,000	(362,816)	-	(362,816)
Health, social services and recreation	312,247	49,184	3,305	31,407	(228,351)	-	(228,351)
Library	237	-	-	-	(237)	-	(237)
Education	4,240,323	1,047,329	1,907,564	145,469	(1,139,961)	-	(1,139,961)
Maine State retirement - on-behalf payments	283,591	-	283,591	-	-	-	-
Cemetery	21,226	-	-	-	(21,226)	-	(21,226)
County tax	88,276	-	-	-	(88,276)	-	(88,276)
Capital maintenance expenses	188,526	-	-	450,000	261,474	-	261,474
Interest on debt	5,982	-	-	-	(5,982)	-	(5,982)
Total governmental activities	6,659,924	1,297,956	2,216,226	666,876	(2,478,866)	-	(2,478,866)
Business-type activities:							
Wastewater fund	373,887	370,510	-	3,031,145	-	3,027,768	3,027,768
Water Works fund	286,488	252,710	-	-	-	(33,778)	(33,778)
Ambulance fund	1,781,765	1,417,338	-	-	-	(364,427)	(364,427)
Total business-type activities	2,442,140	2,040,558	-	3,031,145	-	2,629,563	2,629,563
<b>Total primary government</b>	<b>\$ 9,102,064</b>	<b>3,338,514</b>	<b>2,216,226</b>	<b>3,698,021</b>	<b>(2,478,866)</b>	<b>2,629,563</b>	<b>150,697</b>
General revenues:							
Property taxes, levied for general purposes					\$ 2,440,286	-	2,440,286
Motor vehicle excise taxes					283,425	-	283,425
Interest and lien costs					21,269	-	21,269
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					402,984	-	402,984
Homestead and BETE reimbursements					208,411	-	208,411
Other State aid					19,489	-	19,489
Unrestricted investment earnings					21,230	12,004	33,234
Miscellaneous revenues					71,031	-	71,031
Transfers					53,520	(53,520)	-
Total general revenues and transfers					3,521,645	(41,516)	3,480,129
Change in net position					1,042,779	2,588,047	3,630,826
Net position - beginning, restated					5,911,159	7,729,008	13,640,167
<b>Net position - ending</b>					<b>\$ 6,953,938</b>	<b>10,317,055</b>	<b>17,270,993</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General	Capital Reserve Funds	Mill Site Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,011,061	-	-	73,159	3,084,220
Investments	350,385	-	-	2,214	352,599
Receivables:					
Accounts	77,532	-	-	-	77,532
Intergovernmental	-	-	-	50,134	50,134
Taxes receivable - current year	157,193	-	-	-	157,193
Taxes receivable - prior years	25,673	-	-	-	25,673
Tax liens	174,282	-	-	-	174,282
Loan receivable	46,000	-	-	-	46,000
Inventory	-	-	-	11,270	11,270
Interfund loans receivable	1,052,573	404,481	663,480	93,794	2,214,328
<b>Total assets</b>	<b>4,894,699</b>	<b>404,481</b>	<b>663,480</b>	<b>230,571</b>	<b>6,193,231</b>
<b>LIABILITIES</b>					
Accounts payable	23,274	-	5,951	8,167	37,392
Taxes paid in advance	10,677	-	-	-	10,677
Accrued wages and benefits	327,322	-	-	415	327,737
Interfund loans payable	-	-	-	57,267	57,267
<b>Total liabilities</b>	<b>361,273</b>	<b>-</b>	<b>5,951</b>	<b>65,849</b>	<b>433,073</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	164,297	-	-	-	164,297
<b>Total deferred inflows of resources</b>	<b>164,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,297</b>
<b>FUND BALANCES</b>					
Nonspendable	46,000	-	-	-	46,000
Restricted	759,142	-	657,529	99,134	1,515,805
Committed	-	404,481	-	73,159	477,640
Assigned	97,109	-	-	-	97,109
Unassigned	3,466,878	-	-	(7,571)	3,459,307
<b>Total fund balances</b>	<b>4,369,129</b>	<b>404,481</b>	<b>657,529</b>	<b>164,722</b>	<b>5,595,861</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,894,699</b>	<b>404,481</b>	<b>663,480</b>	<b>230,571</b>	

Amounts 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.	5,521,367
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.	164,297
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Compensated absences payable	(58,070)
Other postemployment benefits, including related deferred outflows and inflows	(3,508,298)
Financed purchases	(134,364)
Net pension liability, including related deferred outflows and inflows	(580,414)
Bonds payable	(46,441)

**Net position of governmental activities** **\$ 6,953,938**

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2020**

	General	Capital Reserve Funds	Mill Site Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 2,849,512	-	-	11,497	2,861,009
Licenses and permits	18,759	-	-	-	18,759
Intergovernmental	2,104,328	-	450,000	362,142	2,916,470
Intergovernmental on-behalf payments	283,591	-	-	-	283,591
Tuition and other charges for services - education	1,029,577	-	-	-	1,029,577
Charges for services	231,868	-	-	17,752	249,620
Unclassified	71,031	46,528	-	267,397	384,956
Investment earnings	7,689	13,407	-	134	21,230
<b>Total revenues</b>	<b>6,596,355</b>	<b>59,935</b>	<b>450,000</b>	<b>658,922</b>	<b>7,765,212</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	358,000	8,882	-	7,267	374,149
Public safety	671,916	-	-	-	671,916
Roads	379,503	-	-	-	379,503
Health, social service and recreation	289,234	-	-	2,289	291,523
Library	237	-	-	-	237
Education	3,680,506	-	-	521,576	4,202,082
On-behalf payments - Maine PERS	283,591	-	-	-	283,591
Cemetery	21,226	-	-	-	21,226
County tax	88,276	-	-	-	88,276
Capital outlay	137,982	7,614	42,471	696,929	884,996
Debt service	87,640	-	-	-	87,640
<b>Total expenditures</b>	<b>5,998,111</b>	<b>16,496</b>	<b>42,471</b>	<b>1,228,061</b>	<b>7,285,139</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>598,244</b>	<b>43,439</b>	<b>407,529</b>	<b>(569,139)</b>	<b>480,073</b>
<b>Other financing sources (uses):</b>					
Proceeds from financed purchases	7,107	-	-	-	7,107
Transfers from other funds	28,520	-	250,000	51,815	330,335
Transfers to other funds	(250,240)	-	-	(26,575)	(276,815)
<b>Total other financing sources (uses)</b>	<b>(214,613)</b>	<b>-</b>	<b>250,000</b>	<b>25,240</b>	<b>60,627</b>
<b>Net change in fund balances</b>	<b>383,631</b>	<b>43,439</b>	<b>657,529</b>	<b>(543,899)</b>	<b>540,700</b>
<b>Fund balances, beginning of year, restated</b>	<b>3,985,498</b>	<b>361,042</b>	<b>-</b>	<b>708,621</b>	<b>5,055,161</b>
<b>Fund balances, end of year</b>	<b>\$ 4,369,129</b>	<b>404,481</b>	<b>657,529</b>	<b>164,722</b>	<b>5,595,861</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2020**

Net change in fund balances - total governmental funds (from Statement 4)	\$	540,700
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$696,470) exceeded depreciation expense (\$223,007).</p>		473,463
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue - property taxes.</p>		(116,029)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the increase in the net pension liability with related deferred inflows and outflows of resources (\$17,394), the decrease in other postemployment benefits and related deferred inflows and outflows of resources (\$38,964), and the decrease in accrued compensated absences (\$12,598).</p>		34,168
<p>Proceeds from financed purchases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which principal repayments (\$71,143) exceeded proceeds (\$7,107).</p>		64,036
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of bond principal repayments.</p>		46,441
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>1,042,779</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2020**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,706,479	2,706,479	2,849,512	143,033
Licenses and permits	16,700	16,700	18,759	2,059
Intergovernmental	2,047,008	2,047,008	2,104,328	57,320
Tuition and other charges for services - education	949,337	949,337	1,029,577	80,240
Charges for services	235,937	235,937	231,868	(4,069)
Unclassified	63,225	63,225	71,031	7,806
Investment earnings	5,000	5,000	7,689	2,689
Total revenues	6,023,686	6,023,686	6,312,764	289,078
Expenditures:				
Current:				
General government	484,551	497,949	358,000	139,949
Public safety	774,159	776,359	671,916	104,443
Roads	424,238	435,801	379,503	56,298
Health, social service and recreation	318,213	328,158	289,234	38,924
Library	-	3,551	237	3,314
Education	4,025,023	4,040,823	3,680,506	360,317
Cemetery	21,235	21,235	21,226	9
County tax	88,276	88,276	88,276	-
Capital outlay	84,714	178,466	130,875	47,591
Debt service	87,640	87,640	87,640	-
Total expenditures	6,308,049	6,458,258	5,707,413	750,845
Excess (deficiency) of revenues over (under) expenditures	(284,363)	(434,572)	605,351	1,039,923
Other financing sources (uses):				
Overlay	(103,339)	(103,339)	-	103,339
Budgeted use of surplus - school	249,377	265,177	-	(265,177)
Budgeted use of surplus - town	110,000	165,600	-	(165,600)
Use of assigned fund balance - town	-	78,809	-	(78,809)
Transfers from other funds	28,325	28,325	28,520	195
Transfers to other funds	-	-	(250,240)	(250,240)
Total other financing sources	284,363	434,572	(221,720)	(656,292)
Net change in fund balance	-	-	383,631	383,631
Fund balance, beginning of year			3,985,498	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>4,369,129</b>	

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Wastewater</b>	<b>Water Works</b>	<b>Ambulance</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 948,908	224,978	-	1,173,886
Cash held in escrow	70,000	-	-	70,000
Investments	131,068	800,295	-	931,363
Accounts receivable, net of allowance (\$1,401,936)	363,782	39,039	324,251	727,072
Inventory	-	28,691	-	28,691
Total current assets	1,513,758	1,093,003	324,251	2,931,012
Noncurrent assets:				
Capital assets	5,397,338	2,129,945	754,953	8,282,236
Capital assets, not being depreciated	11,963,644	30,956	-	11,994,600
Less accumulated depreciation	(3,338,399)	(1,147,685)	(430,702)	(4,916,786)
Total noncurrent assets	14,022,583	1,013,216	324,251	15,360,050
Total assets	15,536,341	2,106,219	648,502	18,291,062
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other current liabilities	13,397	222	27,713	41,332
Accrued wages	724	670	5,285	6,679
Advance for construction	-	37,293	-	37,293
Bonds payable	58,484	-	-	58,484
Bond anticipation note	5,241,000	-	-	5,241,000
Interfund loans payable	541,246	329,642	1,286,173	2,157,061
Total current liabilities	5,854,851	367,827	1,319,171	7,541,849
Noncurrent liabilities:				
Accrued compensated absences	6,824	6,007	19,886	32,717
Bonds payable	399,441	-	-	399,441
Total noncurrent liabilities	406,265	6,007	19,886	432,158
Total liabilities	6,261,116	373,834	1,339,057	7,974,007
<b>NET POSITION</b>				
Net investment in capital assets	8,393,658	1,013,216	324,251	9,731,125
Unrestricted	881,567	719,169	(1,014,806)	585,930
Total net position	\$ 9,275,225	1,732,385	(690,555)	10,317,055

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Wastewater</b>	<b>Water Works</b>	<b>Ambulance</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 367,226	251,918	1,379,807	1,998,951
Other	3,284	792	37,531	41,607
<b>Total operating revenues</b>	<b>370,510</b>	<b>252,710</b>	<b>1,417,338</b>	<b>2,040,558</b>
<b>Operating expenses:</b>				
Personnel costs	162,219	118,983	1,058,488	1,339,690
Employee benefits	21,470	46,145	235,885	303,500
Purification costs	6,376	2,238	-	8,614
Utilities	41,158	25,290	11,473	77,921
Repairs and maintenance	3,163	1,270	87,206	91,639
General expenses	13,362	28,782	109,429	151,573
Insurance	4,601	13,749	65,735	84,085
Transportation	2,534	4,448	-	6,982
Landfill and waste disposal costs	18,339	-	-	18,339
Capital improvements	1,061	10,778	-	11,839
Bad debt (recovery) expense	(13,000)	(19,000)	139,273	107,273
Depreciation	107,856	53,805	74,276	235,937
<b>Total operating expenses</b>	<b>369,139</b>	<b>286,488</b>	<b>1,781,765</b>	<b>2,437,392</b>
<b>Operating income (loss)</b>	<b>1,371</b>	<b>(33,778)</b>	<b>(364,427)</b>	<b>(396,834)</b>
<b>Nonoperating revenue (expense):</b>				
Intergovernmental	3,019,335	-	-	3,019,335
Sale of equipment and scrap metal (net)	11,810	-	-	11,810
Interest income	1,886	10,118	-	12,004
Interest expense	(4,748)	-	-	(4,748)
<b>Total nonoperating revenue (expense)</b>	<b>3,028,283</b>	<b>10,118</b>	<b>-</b>	<b>3,038,401</b>
<b>Income (loss) before transfers</b>	<b>3,029,654</b>	<b>(23,660)</b>	<b>(364,427)</b>	<b>2,641,567</b>
<b>Transfers In (out)</b>	<b>-</b>	<b>-</b>	<b>(53,520)</b>	<b>(53,520)</b>
<b>Change in net position</b>	<b>3,029,654</b>	<b>(23,660)</b>	<b>(417,947)</b>	<b>2,588,047</b>
<b>Total net position, beginning of year</b>	<b>6,245,571</b>	<b>1,756,045</b>	<b>(272,608)</b>	<b>7,729,008</b>
<b>Total net position, end of year</b>	<b>\$ 9,275,225</b>	<b>1,732,385</b>	<b>(690,555)</b>	<b>10,317,055</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Cash Flows - Proprietary Funds**  
**For the year ended June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Wastewater</b>	<b>Water Works</b>	<b>Ambulance</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 252,464	257,890	1,272,030	1,782,384
Payments to suppliers	(604,362)	(79,729)	(264,228)	(948,319)
Payments to employees	(186,984)	(169,185)	(1,321,255)	(1,677,424)
Net cash provided by (used in) operating activities	(538,882)	8,976	(313,453)	(843,359)
<b>Cash flows from noncapital financing activities:</b>				
Transfer to other funds	-	-	(53,520)	(53,520)
Net change in interfunds	(710,036)	(225,115)	366,973	(568,178)
Net cash provided by (used in) noncapital financing activities	(710,036)	(225,115)	313,453	(621,698)
<b>Cash flows from capital and related financing activities:</b>				
Capital asset purchases	(2,413,665)	(61,879)	-	(2,475,544)
Proceeds from sale of property	11,810	-	-	11,810
Proceeds from bonds	164,012	-	-	164,012
Grant/contribution monies received for capital assets	3,019,335	-	-	3,019,335
Principal payments on bonds	(49,726)	-	-	(49,726)
Interest payments on bonds	(4,748)	-	-	(4,748)
Net cash provided by (used in) capital and relating financing activities	727,018	(61,879)	-	665,139
<b>Cash flows from investing activities:</b>				
Purchase (sale) of investments	(8,755)	43,811	-	35,056
Investment income	1,886	10,118	-	12,004
Net cash provided by (used in) investing activities	(6,869)	53,929	-	47,060
Increase (decrease) in cash and cash equivalents	(528,769)	(224,089)	-	(752,858)
Cash and cash equivalents, beginning of year	1,477,677	449,067	-	1,926,744
<b>Cash and cash equivalents, end of year</b>	<b>\$ 948,908</b>	<b>224,978</b>	<b>-</b>	<b>1,173,886</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,371	(33,778)	(364,427)	(396,834)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	107,856	53,805	74,276	235,937
Bad debt (recovery) expense	(13,000)	(19,000)	139,273	107,273
(Increase) decrease in assets:				
Accounts receivable	(118,046)	5,180	(145,308)	(258,174)
Inventory	-	6,803	-	6,803
Increase (decrease) in liabilities:				
Accounts payable	(513,768)	23	9,615	(504,130)
Accrued wages and benefits payable	(3,834)	(4,536)	(29,951)	(38,321)
Accrued compensated absences	539	479	3,069	4,087
Net cash provided by (used in) operating activities	\$ (538,882)	8,976	(313,453)	(843,359)

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

			Private-purpose Trusts <hr/> Scholarship Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$		60,779
Investments			12,305
<b>Total assets</b>			<b>73,084</b>
<b>LIABILITIES</b>			
Due to student groups			-
Total liabilities			-
<b>NET POSITION</b>			
Held in trust	\$		<b>73,084</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2020**

		Private-purpose Trusts Scholarship Funds
Additions:		
Contributions	\$	11,185
Investment earnings:		
Interest and dividends		1,201
Realized and unrealized gain		166
Investment fees		(623)
Total additions		11,929
Deductions:		
Scholarships		8,651
Total deductions		8,651
Change in net position		3,278
Net position, beginning of year		69,806
<b>Net position, end of year</b>	<b>\$</b>	<b>73,084</b>

*See accompanying notes to basic financial statements.*

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The Town of East Millinocket, Maine was incorporated as a Town in 1907 under the laws of the State of Maine. The Town operates under a Board of Selectmen form of government.

**A. Reporting Entity**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Town of East Millinocket, Maine. The decision to include a potential component unit was made by applying the criteria set forth in accounting principles generally accepted in the United States of America which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Additionally, certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or component unit. Based on the application of these criteria, there were no potential component units required to be included in this report.

**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 Town. For the most part, the 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. The Town has elected not to allocate indirect costs among the programs, functions, and segments. 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 as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

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

The *Capital Reserve Funds* account for resources obtained and expended for the acquisition or construction of major capital facilities and projects (other than those financed by proprietary funds, special assessment funds, and trust funds).

The *Mill Site Fund* to account for resources obtained and expended for the acquisition of the former paper mill.

The Town reports the following major proprietary funds:

The *Wastewater Fund* accounts for the operation of a sewer system in East Millinocket.

The *Water Works Fund* accounts for the operation of the water system.

The *Ambulance Fund* accounts for the operations of the ambulance and emergency services for the Towns of East Millinocket, Medway, Woodville, and Lincoln.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Additionally, the Town reports the following fund types:

*Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

*Fiduciary Funds* account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund type:

*Private-purpose trust funds* are funds held by the Town in a trustee capacity accounted for in essentially the same manner as proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and are readily convertible to cash. State statutes authorize the Town to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value, unless otherwise indicated. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**E. Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories in the governmental funds (consisting of food and supplies) include the value of government surplus items donated to the School Lunch Program. The Town also reports inventory in the Water Works Fund, which consists of spare parts and supplies. The costs of all other governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The Town utilizes the consumption method for prepaid items in which items purchased are recorded as an asset and the recognition of the expenditure is deferred until the period the prepaid items is actually consumed or used.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, vehicles, and infrastructure, 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 acquisition value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

For the primary government, straight-line depreciation is computed using the following estimated useful lives:

Buildings and improvements	15-50 years
Equipment and furniture	8-20 years
Vehicles	5-15 years
Infrastructure	20-100 years

**G. Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accrued vacation and sick leave are accrued when incurred in the governmental-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**H. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to government-wide financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**I. Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

**J. Interfund Transactions**

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers.

**K. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is employed by the School Department. Encumbrances have all lapsed at year-end.

**L. Use of Estimates**

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**M. Fund Equity**

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Board of Selectmen has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the Board of Selectmen or a body or official delegated by the Board of Selectmen may assign fund balance, including unspent budgeted amounts, for specific purposes in the General Fund at year-end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town’s intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town’s practice to use committed or assigned resources first, and then unassigned resources as they are needed.

**N. Pensions**

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

**O. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan’s actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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**A. Budgetary vs. GAAP Basis of Accounting**

As required by accounting principles generally accepted in the United States of America (GAAP), the Town has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the Town of East Millinocket School Department. These amounts have not been budgeted and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$283,591. These amounts have been included as an intergovernmental revenue and an education expenditure/expense in the General Fund on Statement 4 (GAAP basis) and on the Statement of Activities (Statement 2). There is no effect on the fund balance/net position at the end of the year.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

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**Budget Information**

The Town utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund. These budgets are established in accordance with the various laws of the State of Maine which govern the Town's operations. The budget has been prepared consistent with the modified accrual basis of accounting.

Generally, all unexpended appropriations lapse at the close of the fiscal year unless specific approval is granted at a Board of Selectmen meeting to carry such amounts forward.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2020, expenditures exceeded appropriations in the following category:

Assessing/code enforcement	\$ 100
Christmas lights and receptacles	1,944

**C. Deficit Fund Balance/Net Position**

The Ambulance Fund had a deficit net position of (\$690,555) at June 30, 2020.

The following Special Revenue Funds had a deficit fund balance of at June 30, 2020:

School Lunch Program	\$ 4,085
Title IA	23
Mackenzie Grants (Town)	3,463

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DEPOSITS AND INVESTMENTS

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*Custodial credit risk - deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal policy with respect to custodial credit risk. As of June 30, 2020, the Town reported deposits of \$4,318,885 with a bank balance of \$4,488,507. Of the bank balance at June 30, 2020, \$1,136,392 was exposed to custodial credit risk as it was not covered by F.D.I.C. or by additional insurance.

At June 30, 2020, deposits have been reported as follows:

Reported in governmental funds	\$ 3,084,220
Reported in proprietary funds	1,173,886
<u>Reported in fiduciary funds</u>	<u>60,779</u>
<b><u>Total deposits</u></b>	<b><u>\$ 4,318,885</u></b>

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Town's investments at June 30, 2020 are level 1 inputs.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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*Custodial credit risk - investments* – 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 if its investments or collateral securities that are in the possession of an outside party. At June 30, 2020, the Town’s investments were not exposed to custodial credit risk.

*Credit risk* – Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town currently does not have an investment policy for credit risk. At June 30, 2020, all of the Town’s investments in government securities were rated AA by Standard & Poor’s.

*Interest rate risk* – The Town does not have a deposit policy for interest rate risk.

At June 30, 2020, investments and maturities have been reported as follows:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Maturity</u>		
			<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>More than 5 Years</u>
<b>Governmental Activities:</b>					
Money market	\$ 83,929	83,929	-	-	-
Mutual funds	268,670	268,670	-	-	-
<b>Total governmental</b>	<b>\$ 352,599</b>	<b>352,599</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Business-type Activities:</b>					
Money market	\$ 362,825	362,825	-	-	-
Governmental securities	393,446	-	100,000	293,446	-
Mutual funds	175,092	175,092	-	-	-
<b>Total business-type</b>	<b>\$ 931,363</b>	<b>537,917</b>	<b>100,000</b>	<b>293,446</b>	<b>-</b>
<b>Fiduciary Funds:</b>					
Money market	\$ 277	277	-	-	-
Mutual funds	12,028	12,028	-	-	-
<b>Total fiduciary</b>	<b>\$ 12,305</b>	<b>12,305</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**PROPERTY TAX**

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The Town's property tax was levied December 3, 2019 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. The assessed value for the list as of April 1, 2019 upon which the current levy was based was \$80,604,667.

Taxes are billed annually and were due one-half on January 2, 2020 and one-half on February 20, 2020 with interest charged at 9% per annum on taxes unpaid after that date. Tax liens placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remained unpaid.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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PROPERTY TAX, CONTINUED

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The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$103,339 for the year ended June 30, 2020.

The following summarizes the tax levies:

	<u>2020</u>	<u>2019</u>
Assessed value	\$ 80,604,667	77,478,500
Tax rate (per \$1,000)	30.25	32.25
Commitment	2,438,291	2,498,682
Less:		
Collections and abatements	2,281,098	2,330,030
<b>Receivable at end of period</b>	<b>\$ 157,193</b>	<b>168,652</b>
Collection rate	93.55%	93.25%

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CAPITAL ASSETS

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Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2020</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 96,266	-	-	96,266
Construction in progress	187,440	641,055	-	828,495
Total capital assets, not being depreciated	283,706	641,055	-	924,761
Capital assets, being depreciated:				
Buildings and improvements	7,387,483	12,898	-	7,400,381
Equipment and furniture	1,187,123	42,518	-	1,229,641
Vehicles	1,343,124	-	19,987	1,323,137
Total capital assets being depreciated	9,917,730	55,416	19,987	9,953,159
Less accumulated depreciation for:				
Buildings and improvements	2,963,272	164,969	-	3,128,243
Equipment and furniture	1,086,325	16,632	-	1,102,957
Vehicles	1,103,936	41,405	19,987	1,125,352
Total accumulated depreciation	5,153,533	223,007	19,987	5,356,553
Total capital assets being depreciated, net	4,764,197	(167,591)	-	4,596,606
<b>Governmental activities capital assets, net</b>	<b>\$ 5,047,903</b>	<b>473,464</b>	<b>-</b>	<b>5,521,367</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**CAPITAL ASSETS, CONTINUED**

	Balance June 30, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2020</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,456	-	-	1,456
Organization costs	29,500	-	-	29,500
Construction in progress	9,549,979	2,413,665	-	11,963,644
<b>Total capital assets, not being depreciated</b>	<b>9,580,935</b>	<b>2,413,665</b>	<b>-</b>	<b>11,994,600</b>
Capital assets, being depreciated:				
Infrastructure	6,954,877	-	-	6,954,877
Buildings and improvements	112,377	-	-	112,377
Equipment and furniture	450,804	-	-	450,804
Vehicles	722,305	61,880	20,008	764,177
<b>Total capital assets being depreciated</b>	<b>8,240,363</b>	<b>61,880</b>	<b>20,008</b>	<b>8,282,235</b>
Less accumulated depreciation for:				
Infrastructure	3,934,234	130,870	-	4,065,104
Buildings and improvements	105,850	1,300	-	107,150
Equipment and furniture	332,802	19,212	-	352,014
Vehicles	327,970	84,555	20,008	392,517
<b>Total accumulated depreciation</b>	<b>4,700,856</b>	<b>235,937</b>	<b>20,008</b>	<b>4,916,785</b>
<b>Total capital assets being depreciated, net</b>	<b>3,539,507</b>	<b>(174,057)</b>	<b>-</b>	<b>3,365,450</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 13,120,442</b>	<b>2,239,608</b>	<b>-</b>	<b>15,360,050</b>

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

Governmental activities:	
General government	\$ 17,647
Public safety	16,617
Roads	30,007
Health, social services and recreation	20,918
Education	137,818
<b>Total depreciation expense - governmental activities</b>	<b>\$ 223,007</b>
Business-type activities:	
Wastewater	\$ 107,856
Water Works	53,805
Ambulance	74,276
<b>Total depreciation expense - business-type activities</b>	<b>\$ 235,937</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 92,882	-	46,441	46,441	46,441
Financed purchases	198,400	7,107	71,143	134,364	42,278
Net pension liability	666,499	53,979	-	720,478	-
Other post-employment benefits	3,762,606	-	378,882	3,383,724	-
Accrued compensated absences	70,668	-	12,598	58,070	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 4,791,055</b>	<b>61,086</b>	<b>509,064</b>	<b>4,343,077</b>	<b>88,719</b>
<b>Business-type activities:</b>					
General obligation bonds	507,651	-	49,726	457,925	58,484
Accrued compensated absences	28,630	4,087	-	32,717	-
<b>Business-type activities long-term liabilities</b>	<b>\$ 536,281</b>	<b>4,087</b>	<b>49,726</b>	<b>490,642</b>	<b>58,484</b>

Bonds payable at June 30, 2020 are comprised of the following:

	Date of issue	Original amount issued	Date of maturity	Interest rate	Balance June 30, 2020
<b>Governmental activities:</b>					
2000 GOB	10/26/00	\$ 928,813	11/1/20	0.00%	46,441
<b>Total governmental activities</b>					<b>\$ 46,441</b>
<b>Business-type activities:</b>					
2003 Sewer GOB	11/13/03	\$ 918,000	10/1/23	2.25%	205,983
2019 Sewer (CWSRF) GOB	9/24/18	725,642*	10/1/47	1.00%	251,942
<b>Total business-type activities</b>					<b>\$ 457,925</b>

\* \$473,700 of this bond was forgiven at closing.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2020 are as follows:

June 30,	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 46,441	-	46,441	58,484	4,239	62,723
2022	-	-	-	59,269	3,476	62,745
2023	-	-	-	59,791	2,871	62,662
2024	-	-	-	60,280	2,241	62,521
2025	-	-	-	8,160	2,160	10,320
2026-2030	-	-	-	42,040	9,555	51,595
2031-2035	-	-	-	44,185	7,399	51,584
2036-2040	-	-	-	46,438	5,134	51,572
2041-2045	-	-	-	48,808	2,754	51,562
2046-2048	-	-	-	30,470	459	30,929
<b>Total</b>	<b>\$ 46,441</b>	<b>-</b>	<b>46,441</b>	<b>457,925</b>	<b>40,288</b>	<b>498,213</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT, CONTINUED**

The Town is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the Town. The Town's outstanding long-term debt at June 30, 2020 was within the statutory limit.

**FINANCED PURCHASES**

The Town and School have entered into lease agreements for the financing and acquisition of copiers, laptops, a van, and a street sweeper. These lease agreements qualify as financed purchases for accounting purposes (title transfers at the end of the lease terms) and therefore have been recorded at the present value of the future minimum lease payments at the date of inception.

The following items have been capitalized under financed purchases as of June 30, 2020:

Copier	\$ 7,107
2019 Dodge Caravan	23,642
2019 Street Sweeper	190,642

The following is a schedule of future minimum lease payments under financed purchases and the present value of the minimum lease payments at June 30, 2020/6/30/2020:

Fiscal year ending	<u>Payments</u>
<u>June 30,</u>	
2021	\$ 47,870
2022	47,870
2023	47,870
2024	1,649
<u>2025</u>	<u>687</u>
Total minimum lease payments	145,946
<u>Less: amount representing interest</u>	<u>(11,582)</u>
 <b><u>Present value minimum lease payments</u></b>	 <b><u>\$ 134,364</u></b>

**SHORT-TERM DEBT**

The Town issued a bond anticipation note within the Wastewater Fund for interim financing until long-term bonds are issued. The bond anticipation note was for \$5,241,000 with an interest rate of 1.02% and is due on September 24, 2020. Bond anticipation note activity for the year ended June 30, 2020 was as follows:

	<u>Beginning</u> <u>balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>balance</u>
Bond anticipation note	\$ 5,241,000	-	-	5,241,000

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**RISK MANAGEMENT**

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The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association and the School Department participates in a public entity risk pool sponsored by the Maine School Management Association for workers' compensation coverage. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2020.

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**FUND BALANCE**

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The General Fund unassigned fund balance total of \$3,466,878 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. A negative unassigned fund balance totaling (\$7,571) is also reported for Other Governmental Funds as of June 30, 2020 (see Statement 3).

As of June 30, 2020, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Loan receivable	\$ 46,000	-	-	-
Restricted for education	-	759,142	-	-
Assigned for:				
Admin computer	-	-	-	210
Library – books and gifts	-	-	-	3,314
Hot top	-	-	-	33,721
Town celebration	-	-	-	4,680
Town buildings improvements	-	-	-	1,842
DARE	-	-	-	2,200
Public safety building repair	-	-	-	5,401
Economic development	-	-	-	5,838
Children's Christmas party	-	-	-	1,295
Festival of trees	-	-	-	931
Admin insurance reimbursement	-	-	-	1,609
Admin municipal building	-	-	-	7,067
Senior citizen's meals	-	-	-	830
Server upgrade	-	-	-	2,158
Broadband study	-	-	-	26,013
Total general fund	46,000	759,142	-	97,109
Capital Reserve Funds	-	-	404,481	-
Mill Site Fund	-	657,529	-	-

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**FUND BALANCE, CONTINUED**

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	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Other Governmental Funds:				
Education funds - grants	\$ -	89,079	-	-
Education funds - student activity funds	-	-	73,159	-
Town grants	-	7,841	-	-
Ministerial fund	-	2,214	-	-
Total other governmental	-	99,134	73,159	-
<b>Grand totals</b>	<b>\$ 46,000</b>	<b>1,515,805</b>	<b>477,640</b>	<b>97,109</b>

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**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund receivables and payables balances and transfers at June 30, 2020 arising from these transactions were as follows:

	<u>Receivables</u>	<u>Payables</u>	<u>Net transfers in (out)</u>
General fund	\$ 1,052,573	-	(221,720)
Capital reserve funds	404,481	-	-
Mill Site fund	663,480	-	250,000
Proprietary funds:			
Wastewater fund	-	541,246	-
Water Works fund	-	329,642	-
Ambulance fund	-	1,286,173	(53,520)
Nonmajor special revenue funds:			
Education grants	78,686	38,401	20,000
Town grants	15,108	3,463	-
School lunch program	-	15,403	5,240
<b>Totals</b>	<b>\$ 2,214,328</b>	<b>2,214,328</b>	<b>-</b>

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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***General Information about the Pension Plan***

**Plan Description** - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the Town are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineipers.org](http://www.maineipers.org).

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

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

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

**PLD Plan** - Employees are required to contribute 8.1% of their annual pay for the Regular AC Plan and 8% for the Special 2C (Police) Plan. The Town's contractually required contribution rates for the year ended June 30, 2020 was 10.0% of annual payroll for the Regular AC Plan and 10.6% for the Special 2C (Police) Plan. Contributions to the pension plan from the Town were \$151,877 for the year ended June 30, 2020.

**SET Plan** - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$65,004 for the year ended June 30, 2020.

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

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

**PLD Plan** - At June 30, 2020, the Town reported a liability of \$601,038 for its proportionate share of the net pension liability. At June 30, 2019, the Town's proportion of the PLD Plan was .1966%.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

**SET Plan** - At June 30, 2020, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 119,440
State's proportionate share of the net pension liability	
<u>associated with the Town</u>	<u>1,708,930</u>
 <b>Total</b>	 <b><u>\$ 1,828,370</u></b>

At June 30, 2019, the Town's proportion of the SET Plan was .0081%.

For the year ended June 30, 2020, the Town recognized pension expense of \$166,892 for the PLD Plan and pension expense of \$291,194 for the SET Plan with revenue of \$223,811 for support provided by the State. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>PLD Plan</u>		<u>SET Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 71,165	-	9,291	-
Changes of assumptions	30,438	-	3,458	-
Net difference between projected and actual earnings on pension plan investments	-	150,544	-	16,859
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	19,185	-	4,581
Town contributions subsequent to the measurement date	151,877	-	65,004	-
 <b>Total</b>	 <b><u>\$ 253,480</u></b>	 <b><u>169,729</u></b>	 <b><u>77,753</u></b>	 <b><u>21,440</u></b>

An amount of \$216,881 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>PLD Plan</u>	<u>SET Plan</u>
2021	10,859	4,992
2022	(66,852)	(9,945)
2023	(12,038)	(3,789)
2024	(95)	51

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

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

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% for the PLD Plan and the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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**Sensitivity of the Town’s Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate -** The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.75% for the PLD Plan and the SET Plan, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town’s proportionate share of the net pension liability	\$ 1,369,127	601,038	(117,435)
 <u>SET Plan</u>	 1% Decrease <u>(5.75%)</u>	 Current Discount Rate <u>(6.75%)</u>	 1% Increase <u>(7.75%)</u>
Town’s proportionate share of the net pension liability	\$ 215,944	119,440	39,021

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

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

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OTHER POSTEMPLOYMENT BENEFITS

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**General Information about the OPEB Plan – Group Term Life Insurance (School Department)**

**Plan Description** - The School Department sponsors a post-retirement benefit plan providing group term life insurance to retiring Teachers. The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at [www.maineipers.org](http://www.maineipers.org).

**Benefits Provided** - MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions** - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The State of Maine is required to remit the total dollar amount of each year’s annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the School Department were \$4,179 for the year ended June 30, 2020. Employers and employees are not required to contribute to the OPEB plan.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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

At June 30, 2020, the School Department reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the School Department was \$45,401 as of June 30, 2020. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School Department's proportion of the net OPEB liability was based on a projection of the School Department's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the School Department's proportion was 0.00%.

For the year ended June 30, 2020, the School Department recognized OPEB expense of \$4,179 and also revenues of \$4,179 for support provided by the State. At June 30, 2020, the School Department reported no deferred outflows of resources nor deferred inflows of resources related to the OPEB plan.

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

Inflation	2.75%
Salary increases	2.75% - 14.50%
Investment rate of return	6.75%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US Government Securities	10.0%	2.3%
Total	100.0%	

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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**Discount Rate** - The rate used to measure the total OPEB liability for the plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

***General Information about the OPEB Plan - Group Term Life Insurance (Town and School Department)***

**Plan Description** - The Town sponsors a post-retirement benefit plan providing group term life insurance to retiring employees. The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees' average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions** - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The Town is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the OPEB plan from the Town and School Department were \$7,857 and \$1,620 respectively for the year ended June 30, 2020. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2020, the Town reported a liability of \$4,902 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.3594%.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

For the year ended June 30, 2020, the Town recognized OPEB expense of \$8,139. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	3,647
Net difference between projected and actual earnings on OPEB plan investments	-	3,440
Changes in proportion and differences between Town contributions and proportionate share of contributions	37	-
Difference between expected and actual experience	4,902	-
Town contributions subsequent to the measurement date	9,477	-
Total	\$ 14,416	7,087

\$9,477 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2021	\$ (1,359)
2022	(1,359)
2023	(640)
2024	1,841
2025	(631)

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 9.00%
Investment rate of return	6.75%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US Government Securities	10.0%	2.3%
Total	100.0%	

**Discount Rate** - The rate used to measure the total OPEB liability for the plan was 4.98% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.5%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2019. Projections of the plan’s fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of the future projected benefit payments after 2050 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

**Sensitivity of the Town’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the Town’s proportionate share of the net OPEB liability calculated using the discount rate of 4.98%, as well as what the Town’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.98%) or 1 percentage-point higher (5.98%) than the current rate:

	1% Decrease (3.98%)	Discount Rate (4.98%)	1% Increase (5.98%)
Net OPEB liability	\$ 101,574	4,902	57,475

**OPEB Plan Fiduciary Net Position** - Detailed information about the OPEB plan’s fiduciary net position is available in a separately issued MPERS financial report.

**General Information about the OPEB Plan – Health Insurance - Town**

**Plan Description** - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Board of Selectmen has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

**Benefits Provided** - MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees with 10 years of continuous service are allowed to participate in the plan. The Town will pay 25% of the cost of a single adult coverage premium for up to seven years until the employee is eligible for Medicare.

**Employees Covered by Benefit Terms** - At June 30, 2020, the following employees were covered by the Health Plan benefit terms:

Town:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employee entitled to but not yet receiving benefits	-
Active employees	11
Total	16

**Total OPEB Liability**

The Town's total Health Plan OPEB liability of \$576,015 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

**Actuarial Assumptions – Town Health Plan** - The total OPEB liability in the January 1, 2020 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	2.75% per annum
Discount rate	2.74% per annum
Healthcare cost trend rates	8.50% for 2020, decreasing to 3.53% for 2040
Retirees' share of the benefit related costs	75% of projected health insurance premiums

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher tax-exempt, high quality 20-year municipal bonds.

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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**Changes in the Total Health Plan OPEB Liability - Town**

		Total OPEB <u>Liability</u>
Balance at June 30, 2019	\$	997,398
Changes for the year:		
Service cost		13,021
Interest		40,424
Changes of benefit terms		(11,415)
Differences between expected and actual experience		(533,422)
Changes in assumptions or other inputs		119,426
Benefit payments		(49,417)
Net changes		<u>(421,417)</u>
Balance at June 30, 2020	\$	<u>576,015</u>

Change in assumptions reflects a change in the discount rate from 4.10% to 2.74%.

**Sensitivity of the Town's Total Health Plan OPEB Liability to Changes in the Discount Rate** - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.74%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

		1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$	<u>657,343</u>	576,015	<u>508,229</u>

**Sensitivity of the Town's Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	<u>500,070</u>	576,015	<u>669,658</u>

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

For the year ended June 30, 2020, The Town recognized OPEB expense of \$25,940 related to the Health Plan. At June 30, 2020, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	426,738
Changes of assumption or other inputs	67,972	-
Town contributions subsequent to the measurement date	1,597	-
Total	\$ 69,569	426,738

\$1,597 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (110,368)
2022	(82,799)
2023	(82,799)
2024	(82,800)

***General Information about the OPEB Plan – Health Insurance - School Department***

**Plan Descriptions** - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The Town Board of Selectmen has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MEABT provides postemployment benefits for health care for eligible retirees and their spouses. Teachers hired prior to September 1, 1998 who have 25 years in the East Millinocket School System or 30 years or more teaching experience with 20 of those years in the East Millinocket School System may receive reimbursement up to an annual total of \$2,200 for a single adult coverage of an eligible plan. Additionally, under other bargaining agreements the Town may pay between 35.5% and 100% of the premium for retired employees and 0.0% to 100% for spouses. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected less any employer contributed amounts. Spouses must contribute 100% of the blended premium amounts less any employer contributed amounts.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

**Employees Covered by Benefit Terms** – At June 30, 2020, the following school employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employee entitled to but not yet receiving benefits	-
Active employees	23
Total	73

**Total OPEB Liability**

The School Department’s total Health Plan OPEB liability of \$2,802,807 was measured as of June 30, 2019, and was determined by roll-forward of the June 30, 2018 actuarial valuation.

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.50%
Healthcare cost trend rates - Pre-Medicare	5.55% for 2020 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2020 grading over 15 years to 2.81%
Retirees’ share of the benefit related costs	55% of the blended premium rate less any employer contributed amounts.

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher tax-exempt, high quality 20-year municipal bonds.

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study covering the period from June 30, 2012 through June 30, 2015.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

*Changes in the Total Health Plan OPEB Liability - School*

	<b>Total OPEB Liability</b>
Balance at June 30, 2019	\$ 2,758,538
Changes for the year:	
Service cost	7,787
Interest	103,692
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	108,333
Benefit payments	<u>(175,543)</u>
Net changes	44,269
Balance at June 30, 2020	\$ <u>2,802,807</u>

Change in assumptions reflects a change in the discount rate from 3.87% to 3.50%.

**Sensitivity of the School department's Total Health Plan OPEB Liability to Changes in the Discount Rate** - The following presents the School's total OPEB liability related to the Health Plan calculated using the discount rate of 3.50%, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50%) or 1 percentage-point higher (4.50%) than the current rate:

	1%	Discount	1%
	Decrease	Rate	Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB liability	\$ 3,133,957	2,802,807	2,525,219

**Sensitivity of the School Department's Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the School's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates schedule described above, as well as what the School's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

		Healthcare Cost	
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$ 2,591,651	2,802,807	3,056,015

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

For the year ended June 30, 2020, The School Department recognized OPEB gain of \$64,223 related to the Health Plan. At June 30, 2020, The School Department reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 42,838	-
School contributions subsequent to the measurement date	182,428	-
Total	\$ 225,266	-

\$182,428 is reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 6,727
2022	36,111

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**NET POSITION**

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Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at June 30, 2020:

	Governmental activities	Business-type activities
Capital assets	\$ 10,877,920	20,276,836
Accumulated depreciation	(5,356,553)	(4,916,786)
Bonds payable	(46,441)	(457,925)
Bond anticipation note	-	(5,241,000)
Unspent bond proceeds	-	70,000
Financed purchases	(134,364)	-
<b>Total net investment in capital assets</b>	<b>\$ 5,340,562</b>	<b>9,731,125</b>

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**NEW PRONOUNCEMENT**

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For the fiscal year ended June 30, 2020, the Town has elected to implement Statement No. 84 of the Government Accounting Standards Board – *Fiduciary Activities*. As a result of implementing GASB Statement No. 84, the Town has restated beginning net position of the governmental activities and beginning fund balance in the nonmajor governmental funds to account for certain activities that were previously reported as fiduciary funds. Net position and fund balance were increased as of July 1, 2019 by \$79,257.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**TAX INCREMENT FINANCING DISTRICT**

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The Town has established a tax increment financing district under the terms of applicable state laws. The following is the financial activity in fiscal year 2020.

<b>TIF Name</b>	<b>Original Value</b>	<b>Increase in Value</b>	<b>TIF Cap</b>	<b>Captured Value</b>	<b>TIF Property Tax Revenue</b>
Ellis Family Market	\$ 184,000	300,300	80%	240,240	7,267

The Town may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing district (TIF) in accordance with Chapter 260 of MRSA Title 30-A. The Board of Selectmen is authorized by statute to establish a Municipal Tax Increment Financing District and establish the Development Plan subject to the approval by the Commissioner of the Maine Department of Economic and Community Development.

Tax Increment Financing Districts allow the Town to “shelter” the increase property valuation from the computation of its State subsidies (General Purpose Aid to Education and Municipal Revenue Sharing) and Town tax assessments. The Town would lose 45% - 50% of all new property taxes due to reductions in State subsidies and increase in the Town’s share the County taxes.

The Development Plan may authorize the Town to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

The Town has approved a Tax Increment Financing District as of June 30, 2020. For fiscal year 2020, the Town captured \$9,084 in TIF tax revenues and disbursed \$7,267 in C.E.A. payments to the owners. The remaining \$1,817 was applied toward eligible local expenditures. The CEA became effective for FY 2020 and will continue until FY 2028.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Required Supplementary Information**

**Schedule of Town's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
 Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>PLD Plan</u></b>					
Town's proportion of the net pension liability	0.1966%	0.1990%	0.2092%	0.2055%	0.2132%
Town's proportionate share of the net pension liability	\$ 601,038	544,752	856,731	1,091,757	680,118
Town's covered payroll	1,201,115	1,141,578	1,134,436	1,098,769	1,130,641
Town's proportionate share of the net pension liability as a percentage of its covered payroll	50.04%	47.72%	75.52%	99.36%	60.15%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	81.61%	88.27%
<b><u>SET Plan</u></b>					
Town's proportion of the net pension liability	0.0081%	0.0090%	0.0083%	0.0084%	0.0079%
Town's proportionate share of the net pension liability	119,440	121,747	120,212	148,665	106,646
State's proportionate share of the net pension liability associated with the Town	1,708,930	1,495,481	1,568,847	1,881,993	1,620,807
<b>Total</b>	<b>\$ 1,828,370</b>	<b>1,617,228</b>	<b>1,689,059</b>	<b>2,030,658</b>	<b>1,727,453</b>
Town's covered payroll	\$ 1,485,698	1,253,266	1,302,145	1,250,476	1,362,182
Town's proportionate share of the net pension liability as a percentage of its covered payroll	8.04%	9.71%	9.23%	11.89%	7.83%
Plan fiduciary net position as a percentage of the total pension liability	82.73%	82.90%	80.78%	76.21%	81.18%

\* Only five years of information available.

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

**TOWN OF EAST MILLINOCKET, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Town Contributions – Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
 Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>PLD Plan</b>						
Contractually required contribution	\$ 151,877	120,984	110,391	134,152	109,171	89,965
Contributions in relation to the contractually required contribution	(151,877)	(120,984)	(110,391)	(134,152)	(109,171)	(89,965)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<hr/>						
Town's covered payroll	1,507,664	1,201,115	1,141,578	1,134,436	1,098,769	1,130,641
Contributions as a percentage of covered payroll	10.07%	10.07%	9.67%	11.83%	9.94%	7.96%
<b>SET Plan</b>						
Contractually required contribution	\$ 65,004	58,982	49,755	43,752	42,002	36,098
Contributions in relation to the contractually required contribution	(65,004)	(58,982)	(49,755)	(43,752)	(42,002)	(36,098)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<hr/>						
Town's covered payroll	\$ 1,561,835	1,485,698	1,253,266	1,302,145	1,250,476	1,362,182
Contributions as a percentage of covered payroll	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

\* Only six years of information available.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the Town's Total Health Plan - MMEHT OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 13,021	14,976	11,510
Interest	40,424	36,717	24,293
Changes of benefit terms	(11,415)	-	-
Differences between expected and actual experience	(533,422)	-	267,680
Changes of assumptions or other inputs	119,426	(82,709)	154,764
Benefit payments	(49,417)	(47,516)	(26,722)
Net change in total OPEB Liability	<u>(421,383)</u>	<u>(78,532)</u>	<u>431,525</u>
Total OPEB liability - beginning	<u>997,398</u>	<u>1,075,930</u>	<u>644,405</u>
<b>Total OPEB liability - ending</b>	<b>\$ <u>576,015</u></b>	<b><u>997,398</u></b>	<b><u>1,075,930</u></b>
Covered-employee payroll	\$ 733,048	491,545	491,545
Total OPEB liability as a percent of covered-employee payroll	78.6%	202.9%	218.9%

\*Only three years of information available.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the School Department's Total Health Plan - MEABT OPEB Liability and  
Related Ratios**

Last 10 Fiscal Years\*

	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 7,787	8,238
Interest	103,692	101,344
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	108,333	(88,154)
Benefit payments	(175,543)	(169,476)
Net change in total OPEB Liability	44,269	(148,048)
Total OPEB liability - beginning	2,758,538	2,906,586
<b>Total OPEB liability - ending</b>	<b>\$ 2,802,807</b>	<b>2,758,538</b>
Covered-employee payroll	\$ 1,097,516	1,097,516
Total OPEB liability as a percent of covered-employee payroll	255.4%	251.3%

\*Only two years of information available.

**TOWN OF EAST MILLINOCKET, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of School Department's Proportionate Share of the Net OPEB Liability – Group Term Life Insurance (SET)**  
 Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net OPEB liability	0.00%	0.00%	0.00%
School's proportionate share of the net OPEB liability	-	-	-
State's proportionate share of the net OPEB liability associated with the School Department	\$ 45,401	44,702	43,271
<b>Total</b>	<b>\$ 45,401</b>	<b>44,702</b>	<b>43,271</b>
Plan fiduciary net position as a percentage of the total OPEB liability	49.22%	48.04%	47.29%

**Schedule of the Town and School Department's Proportionate Share of the Net OPEB Liability – Group Term Life Insurance (PLD)**  
 Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.3594%	0.3913%	0.3776%
Town's proportionate share of the net OPEB liability	\$ 4,902	6,670	63,145
Town's covered-employee payroll	841,993	957,133	938,794
State's proportionate share of the net OPEB liability associated with the Town	0.58%	0.70%	6.73%
Plan fiduciary net position as a percentage of the total OPEB liability	43.18%	43.92%	47.42%

**Schedule of Town's Contributions Net OPEB Liability - Group Term Life Insurance (PLD)**  
 Last 10 Fiscal Years\*\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 9,477	7,759	8,179
Contributions in relation to contractually required contribution	(9,477)	(7,759)	(8,179)
Contribution deficiency (excess)	\$ -	-	-
Town's covered-employee payroll	\$ 1,148,118	841,993	957,133
Plan fiduciary net position as a percentage of the total OPEB liability	0.83%	0.92%	0.85%

\* Only three years of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

\*\*Only three years of information available

**TOWN OF EAST MILLINOCKET, MAINE**  
**Notes to Required Supplementary Information**

**Net Pension Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.75%	6.875%	7.125%	7.25%
Discount rate - SET	6.75%	6.875%	7.125%	7.125%
Inflation rate	2.75%	2.75%	3.50%	3.50%
Salary increases - PLD	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	2.20%	2.55%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

*\* This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

**OPEB Liabilities**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations regarding the MPERS life insurance plans:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate - SET	6.75%	6.75%	6.875%
Discount rate - PLD	4.98%	5.13%	5.410%

Under the Health Plan, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	MMEHT Discount Rate	MEABT Discount Rate
2020	2.74%	3.50%
2019	4.10%	3.87%
2018	3.44%	3.87%
2017	3.78%	unknown

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2019.

## **GENERAL FUND**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Comparative Balance Sheets - General Fund**  
**June 30, 2020**

(with comparative actual amounts for the year ended June 30, 2019)

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,011,061	1,947,785
Investments	350,385	292,672
Receivables:		
Accounts	77,532	290,819
Taxes receivable - current year	157,193	168,652
Taxes receivable - prior years	25,673	25,841
Tax liens	174,282	120,308
Loan receivable	46,000	54,000
Interfund loans receivable	1,052,573	1,808,158
<b>Total assets</b>	<b>4,894,699</b>	<b>4,708,235</b>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	23,274	43,700
Taxes paid in advance	10,677	5,184
Accrued wages and benefits	68,658	179,292
Accrued summer salaries	258,664	214,235
<b>Total liabilities</b>	<b>361,273</b>	<b>442,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	164,297	280,326
<b>Total deferred inflows of resources</b>	<b>164,297</b>	<b>280,326</b>
<b>FUND BALANCE</b>		
Nonspendable	46,000	54,000
Restricted	759,142	607,759
Assigned	97,109	78,808
Unassigned	3,466,878	3,244,931
<b>Total fund balance</b>	<b>4,369,129</b>	<b>3,985,498</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 4,894,699</b>	<b>4,708,235</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
**For the year ended June 30, 2020**  
**(with comparative actual amounts for the year ended June 30, 2019)**

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 2,426,779	2,544,818	118,039	2,469,481
Excise taxes	267,200	283,425	16,225	265,840
Interest and lien costs	12,500	21,269	8,769	18,530
Total taxes	2,706,479	2,849,512	143,033	2,753,851
Licenses and permits	16,700	18,759	2,059	18,037
Intergovernmental:				
Tree growth reimbursement	11,000	15,109	4,109	12,744
Veterans exemption reimbursement	4,500	4,380	(120)	5,132
State revenue sharing	350,000	402,984	52,984	243,391
General assistance	3,500	3,305	(195)	5,503
Homestead exemption reimbursement	201,715	201,715	-	212,508
BETE reimbursement	6,666	6,696	30	9,718
Local road assistance	14,136	14,648	512	14,236
Education subsidy	1,455,491	1,455,491	-	1,475,875
Total intergovernmental	2,047,008	2,104,328	57,320	1,979,107
Tuition and other charges for services - education	949,337	1,029,577	80,240	983,721
Charges for services:				
Police	182,684	182,684	-	120,000
Recreation	53,253	49,184	(4,069)	53,352
Total charges for services	235,937	231,868	(4,069)	173,352
Unclassified:				
KARE receipts (fiscal agent)	-	-	-	1,040
Other revenues	38,225	44,788	6,563	44,153
Unclassified - School	25,000	26,243	1,243	35,669
Total unclassified	63,225	71,031	7,806	80,862
Investment earnings	5,000	7,689	2,689	13,317
Total revenues	6,023,686	6,312,764	289,078	6,002,247

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis - General Fund, Continued**

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures:				
Current:				
General government:				
Selectmen's office	\$ 198,961	182,722	16,239	220,086
Insurance and benefits	288,750	165,356	123,394	255,177
Assessing/code enforcement	5,000	5,100	(100)	4,500
Planning and appeals board	5,238	4,822	416	2,744
Total general government	497,949	358,000	139,949	482,507
Public safety:				
Fire department	95,017	73,454	21,563	52,018
Police	445,860	395,002	50,858	358,161
Protective services	235,482	203,460	32,022	232,978
Total public safety	776,359	671,916	104,443	643,157
Roads:				
Public works	318,824	295,634	23,190	307,649
Hot top	116,977	83,869	33,108	124,815
Total roads	435,801	379,503	56,298	432,464
Health, social service, and recreation:				
Solid waste	153,804	136,259	17,545	138,092
Town celebration	14,536	9,599	4,937	4,196
General assistance	6,500	4,958	1,542	7,261
Recreation	142,793	131,488	11,305	131,806
Industrial park	10,525	6,930	3,595	5,955
Total health, social service, and recreation	328,158	289,234	38,924	287,310
Library				
Library	3,551	237	3,314	460
Total library	3,551	237	3,314	460
Education				
Education	4,040,823	3,680,506	360,317	3,740,203
Total education	4,040,823	3,680,506	360,317	3,740,203
Special projects:				
Veteran's Memorial	-	-	-	2,000
Total special projects	-	-	-	2,000

**TOWN OF EAST MILLINOCKET, MAINE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis - General Fund, Continued**

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Cemetery	\$ 21,235	21,226	9	20,776
Total cemetery	21,235	21,226	9	20,776
County tax	88,276	88,276	-	90,914
Total county tax	88,276	88,276	-	90,914
Capital projects:				
Mobile data unit - police	5,117	(3,167)	8,284	7,718
Tennis court repair	-	-	-	15,000
Mill acquisition - legal	55,600	55,600	-	19,400
Broadband Study	30,000	3,987	26,013	-
Christmas lights and receptacles	8,597	10,541	(1,944)	(409)
Town building improvements	1,842	-	1,842	30
Public safety building repairs	5,401	-	5,401	5,897
Server upgrade	30,000	27,843	2,157	-
Turnout gear - firefighters	11,000	11,000	-	-
Admin computers	71	71	-	-
Community and economic development	30,838	25,000	5,838	-
Total capital projects	178,466	130,875	47,591	47,636
Debt service:				
Town	41,199	41,199	-	42,498
Education	46,441	46,441	-	46,441
Total debt service	87,640	87,640	-	88,939
Total expenditures	6,458,258	5,707,413	750,845	5,836,366
Excess (deficiency) of revenues over (under) expenditures	(434,572)	605,351	1,039,923	165,881
Other financing sources (uses):				
Overlay	(103,339)	-	103,339	-
Budgeted use of surplus - school	265,177	-	(265,177)	-
Budgeted use of surplus - town	165,600	-	(165,600)	-
Use of assigned fund balance - town	78,809	-	(78,809)	-
Transfers in	28,325	28,520	195	60,640
Transfers out	-	(250,240)	(250,240)	(6,545)
Total other financing sources (uses)	434,572	(221,720)	(656,292)	54,095
Net change in fund balance	-	383,631	383,631	219,976
Fund balance, beginning of year		3,985,498		3,765,522
<b>Fund balance, end of year</b>	<b>\$</b>	<b>4,369,129</b>		<b>3,985,498</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Balance Sheet**  
**All Other Governmental Funds**  
**June 30, 2020**

	Education Funds	Town Funds	School Lunch Program	Ministerial Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 73,159	-	-	-	73,159
Investments	-	-	-	2,214	2,214
Intergovernmental receivables	49,671	-	463	-	50,134
Inventory	-	-	11,270	-	11,270
Interfund loans receivable	78,686	15,108	-	-	93,794
<b>Total assets</b>	<b>201,516</b>	<b>15,108</b>	<b>11,733</b>	<b>2,214</b>	<b>230,571</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	900	7,267	-	-	8,167
Accrued wages and benefits	-	-	415	-	415
Interfund loans payable	38,401	3,463	15,403	-	57,267
Total liabilities	39,301	10,730	15,818	-	65,849
Fund balances:					
Restricted	89,079	7,841	-	2,214	99,134
Committed	73,159	-	-	-	73,159
Unassigned	(23)	(3,463)	(4,085)	-	(7,571)
Total fund balances	162,215	4,378	(4,085)	2,214	164,722
<b>Total liabilities and fund balances</b>	<b>\$ 201,516</b>	<b>15,108</b>	<b>11,733</b>	<b>2,214</b>	<b>230,571</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**All Other Governmental Funds**  
**For the year ended June 30, 2020**

	Education Funds	Town Funds	School Lunch Program	Ministerial Fund	Total Other Governmental Funds
Revenues:					
Property tax revenue	\$ 4,230	7,267	-	-	11,497
Intergovernmental	275,231	-	86,911	-	362,142
Charges for services	-	-	17,752	-	17,752
Other	235,400	31,997	-	-	267,397
Investment earnings	-	-	-	134	134
<b>Total revenues</b>	<b>514,861</b>	<b>39,264</b>	<b>104,663</b>	<b>134</b>	<b>658,922</b>
Expenditures:					
Current:					
General government	-	7,267	-	-	7,267
Health, social services and recreation	-	2,289	-	-	2,289
Education	275,468	-	-	14,994	290,462
School lunch program	-	-	141,685	-	141,685
Student activities	89,429	-	-	-	89,429
Capital outlay	643,981	52,948	-	-	696,929
<b>Total expenditures</b>	<b>1,008,878</b>	<b>62,504</b>	<b>141,685</b>	<b>14,994</b>	<b>1,228,061</b>
Excess (deficiency) of revenues over (under) expenditures	(494,017)	(23,240)	(37,022)	(14,860)	(569,139)
Other financing sources (uses):					
Transfers from other funds	46,575	-	5,240	-	51,815
Transfers to other funds	(26,575)	-	-	-	(26,575)
<b>Total other financing sources</b>	<b>20,000</b>	<b>-</b>	<b>5,240</b>	<b>-</b>	<b>25,240</b>
<b>Net change in fund balances</b>	<b>(474,017)</b>	<b>(23,240)</b>	<b>(31,782)</b>	<b>(14,860)</b>	<b>(543,899)</b>
Fund balances, beginning of year, restated	636,232	27,618	27,697	17,074	708,621
<b>Fund balances (deficit), end of year</b>	<b>\$ 162,215</b>	<b>4,378</b>	<b>(4,085)</b>	<b>2,214</b>	<b>164,722</b>

**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**Education Funds**  
**June 30, 2020**  
 (with comparative totals for June 30, 2019)

	Title IA	High School	Local	Preschool	REAP	Title IIA	Title IV	PEPG	Adult	Galen Cole	Bridge	Maine	Mackenzie	Student	School	Total	
		Diploma	Entitlement		Grant			Education	Foundation	Community		Grants	Activity	Capital	2020	2019	
<b>ASSETS</b>																	
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	73,159	-	73,159	-
Intergovernmental receivables	28,629	-	2,353	-	900	289	900	-	-	6,600	-	-	-	-	10,000	49,671	38,827
Interfund loans receivable	-	1,326	-	-	-	-	-	1,312	5,970	-	-	4,062	16,331	-	49,685	78,686	184,054
<b>Total assets</b>	<b>28,629</b>	<b>1,326</b>	<b>2,353</b>	<b>-</b>	<b>900</b>	<b>289</b>	<b>900</b>	<b>1,312</b>	<b>5,970</b>	<b>6,600</b>	<b>-</b>	<b>4,062</b>	<b>16,331</b>	<b>73,159</b>	<b>59,685</b>	<b>201,516</b>	<b>222,881</b>
<b>LIABILITIES AND FUND BALANCES</b>																	
Liabilities:																	
Accounts payable	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	900	-
Interfund loans payable	28,652	-	2,353	-	900	289	-	-	-	6,207	-	-	-	-	-	38,401	38,827
<b>Total liabilities</b>	<b>28,652</b>	<b>-</b>	<b>2,353</b>	<b>-</b>	<b>900</b>	<b>289</b>	<b>900</b>	<b>-</b>	<b>-</b>	<b>6,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,301</b>	<b>38,827</b>
Fund balances:																	
Restricted	-	1,326	-	-	-	-	-	1,312	5,970	393	-	4,062	16,331	-	59,685	89,079	184,054
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	73,159	-	73,159	-
Unassigned	(23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23)	-
<b>Total fund balances (deficit)</b>	<b>(23)</b>	<b>1,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312</b>	<b>5,970</b>	<b>393</b>	<b>-</b>	<b>4,062</b>	<b>16,331</b>	<b>73,159</b>	<b>59,685</b>	<b>162,215</b>	<b>184,054</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,629</b>	<b>1,326</b>	<b>2,353</b>	<b>-</b>	<b>900</b>	<b>289</b>	<b>900</b>	<b>1,312</b>	<b>5,970</b>	<b>6,600</b>	<b>-</b>	<b>4,062</b>	<b>16,331</b>	<b>73,159</b>	<b>59,685</b>	<b>201,516</b>	<b>222,881</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Education Funds**  
**For the year ended June 30, 2020**  
**(with comparative totals for the year ended June 30, 2019)**

	Title IA	High School Diploma	Local Entitlement	Preschool	REAP Grant	Title IIA	Title IV	PEPG Grant	Adult Education	Galen Cole Foundation Grant	Bridge	Maine Community Foundation	Mackenzie Grants	Student Activity Funds	School Capital Reserve	Total		
																2020	2019	
<b>Revenues:</b>																		
Property tax revenue	\$ -	-	-	-	-	-	-	-	4,230	-	-	-	-	-	-	-	4,230	1,436
Intergovernmental	137,768	-	69,921	201	23,259	19,457	14,625	-	-	-	-	-	-	-	10,000	275,231	230,105	
Other	-	-	-	-	-	-	-	-	-	6,600	-	-	145,469	83,331	-	235,400	456,675	
<b>Total revenues</b>	<b>137,768</b>	<b>-</b>	<b>69,921</b>	<b>201</b>	<b>23,259</b>	<b>19,457</b>	<b>14,625</b>	<b>-</b>	<b>4,230</b>	<b>6,600</b>	<b>-</b>	<b>-</b>	<b>145,469</b>	<b>83,331</b>	<b>10,000</b>	<b>514,861</b>	<b>688,216</b>	
<b>Expenditures:</b>																		
<b>Current:</b>																		
Health, social services and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600
Education	163,466	-	69,921	201	24,159	7,507	-	-	1,230	6,600	2,384	-	-	-	-	275,468	253,953	
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	-	89,429	-	89,429	-	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	618,166	-	25,815	643,981	64,742	
<b>Total expenditures</b>	<b>163,466</b>	<b>-</b>	<b>69,921</b>	<b>201</b>	<b>24,159</b>	<b>7,507</b>	<b>-</b>	<b>-</b>	<b>1,230</b>	<b>6,600</b>	<b>2,384</b>	<b>-</b>	<b>618,166</b>	<b>89,429</b>	<b>25,815</b>	<b>1,008,878</b>	<b>319,295</b>	
Excess (deficiency) of revenues over (under) expenditures	(25,698)	-	-	-	(900)	11,950	14,625	-	3,000	-	(2,384)	-	(472,697)	(6,098)	(15,815)	(494,017)	368,921	
<b>Other financing sources (uses):</b>																		
Transfers from other funds	25,675	-	-	-	900	-	-	-	-	-	-	-	-	-	20,000	46,575	30,875	
Transfers to other funds	-	-	-	-	-	(11,950)	(14,625)	-	-	-	-	-	-	-	-	(26,575)	(26,875)	
<b>Total other financing sources (uses)</b>	<b>25,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>(11,950)</b>	<b>(14,625)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>4,000</b>	
Net change in fund balances	(23)	-	-	-	-	-	-	-	3,000	-	(2,384)	-	(472,697)	(6,098)	4,185	(474,017)	372,921	
Fund balances, beginning of year, restated	-	1,326	-	-	-	-	-	1,312	2,970	393	2,384	4,062	489,028	79,257	55,500	636,232	184,054	
<b>Fund balances (deficits), end of year</b>	<b>\$ (23)</b>	<b>1,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312</b>	<b>5,970</b>	<b>393</b>	<b>-</b>	<b>4,062</b>	<b>16,331</b>	<b>73,159</b>	<b>59,685</b>	<b>162,215</b>	<b>556,975</b>	

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**Town Funds**  
**June 30, 2020**  
**(with comparative totals for June 30, 2019)**

		Mackenzie Grant	Stephen King Grants	Rudman Grant	Other Grants	TIF Fund	Total	
	\$						2020	2019
<b>ASSETS</b>								
Interfund loans receivable	-	-	2,228	445	5,168	7,267	15,108	27,618
<b>Total assets</b>		-	<b>2,228</b>	<b>445</b>	<b>5,168</b>	<b>7,267</b>	<b>15,108</b>	<b>27,618</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable		-	-	-	-	7,267	7,267	-
Interfund loans payable		3,463	-	-	-	-	3,463	-
<b>Total liabilities</b>		<b>3,463</b>	-	-	-	<b>7,267</b>	<b>10,730</b>	-
Fund balances:								
Restricted		-	2,228	445	5,168	-	7,841	27,618
Unassigned		(3,463)	-	-	-	-	(3,463)	-
<b>Total fund balances (deficit)</b>		<b>(3,463)</b>	<b>2,228</b>	<b>445</b>	<b>5,168</b>	-	<b>4,378</b>	<b>27,618</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	-	<b>2,228</b>	<b>445</b>	<b>5,168</b>	<b>7,267</b>	<b>15,108</b>	<b>27,618</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Town Funds**  
**For the year ended June 30, 2020**  
**(with comparative totals for the year ended June 30, 2019)**

	Mackenzie Grant	Stephen King Grants	Rudman Grant	Other Grants	TIF Fund	Total	
						2020	2019
<b>Revenues:</b>							
Property tax revenue	\$ -	-	-	-	7,267	7,267	-
Other	24,879	-	-	7,118	-	31,997	287,406
<b>Total revenues</b>	<b>24,879</b>	<b>-</b>	<b>-</b>	<b>7,118</b>	<b>7,267</b>	<b>39,264</b>	<b>287,406</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	7,267	7,267	290
Health, welfare and recreation	-	2,289	-	-	-	2,289	164,920
Capital outlay	50,998	-	-	1,950	-	52,948	205,722
<b>Total expenditures</b>	<b>50,998</b>	<b>2,289</b>	<b>-</b>	<b>1,950</b>	<b>7,267</b>	<b>62,504</b>	<b>370,932</b>
<b>Net change in fund balances</b>	<b>(26,119)</b>	<b>(2,289)</b>	<b>-</b>	<b>5,168</b>	<b>-</b>	<b>(23,240)</b>	<b>(83,526)</b>
Fund balances, beginning of year	22,656	4,517	445	-	-	27,618	111,144
<b>Fund balances (deficits), end of year</b>	<b>\$ (3,463)</b>	<b>2,228</b>	<b>445</b>	<b>5,168</b>	<b>-</b>	<b>4,378</b>	<b>27,618</b>

## **TOWN CAPITAL RESERVE FUNDS**

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Balance Sheet**  
**Town Capital Reserve Funds**  
**June 30, 2020**

(with comparative totals for June 30, 2019)

	Police	Salt/Sand	Ambulance	Fire	Administration	Public Works	School	Medway	Recreation	Retirement	Retirement	Totals		
	Equipment	Snowmobile	Storage	Equipment	Equipment	Equipment	Building	Police	Contract	Sick Pay	Vacation Pay	2020	2019	
<b>ASSETS</b>														
Interfund loans receivable	\$ 31,662	74,594	25	57,497	10,272	732	47,492	41,277	3,741	22,057	55,349	59,783	404,481	361,042
<b>Total assets</b>	<b>31,662</b>	<b>74,594</b>	<b>25</b>	<b>57,497</b>	<b>10,272</b>	<b>732</b>	<b>47,492</b>	<b>41,277</b>	<b>3,741</b>	<b>22,057</b>	<b>55,349</b>	<b>59,783</b>	<b>404,481</b>	<b>361,042</b>
<b>LIABILITIES AND FUND BALANCES</b>														
Liabilities:														
Interfund loans payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:														
Committed	31,662	74,594	25	57,497	10,272	732	47,492	41,277	3,741	22,057	55,349	59,783	404,481	361,042
<b>Total fund balances</b>	<b>31,662</b>	<b>74,594</b>	<b>25</b>	<b>57,497</b>	<b>10,272</b>	<b>732</b>	<b>47,492</b>	<b>41,277</b>	<b>3,741</b>	<b>22,057</b>	<b>55,349</b>	<b>59,783</b>	<b>404,481</b>	<b>361,042</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,662</b>	<b>74,594</b>	<b>25</b>	<b>57,497</b>	<b>10,272</b>	<b>732</b>	<b>47,492</b>	<b>41,277</b>	<b>3,741</b>	<b>22,057</b>	<b>55,349</b>	<b>59,783</b>	<b>404,481</b>	<b>361,042</b>

**TOWN OF EAST MILLINOCKET, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Town Capital Reserve Funds**  
**For the year ended June 30, 2020**  
*(with comparative totals for the year ended June 30, 2019)*

	Police		Salt/Sand	Ambulance	Fire	Administration	Public Works	School	Medway	Recreation	Retirement	Retirement	Totals	
	Equipment	Snowmobile	Storage	Equipment	Equipment	Equipment	Equipment	Building	Police	Contract	Sick Pay	Vacation Pay	2020	2019
<b>Revenues:</b>														
Other revenue	\$ 20,000	-	-	-	-	-	20,000	-	-	6,528	-	-	46,528	83,366
Investment earnings	367	353	-	888	186	12	606	8,442	63	338	1,104	1,048	13,407	6,525
<b>Total revenues</b>	<b>20,367</b>	<b>353</b>	<b>-</b>	<b>888</b>	<b>186</b>	<b>12</b>	<b>20,606</b>	<b>8,442</b>	<b>63</b>	<b>6,866</b>	<b>1,104</b>	<b>1,048</b>	<b>59,935</b>	<b>89,891</b>
<b>Expenditures:</b>														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	4,915	3,967	8,882	7,992
Capital outlay	2,282	5	-	15	13	-	2,613	1,518	-	1,168	-	-	7,614	76,818
<b>Total expenditures</b>	<b>2,282</b>	<b>5</b>	<b>-</b>	<b>15</b>	<b>13</b>	<b>-</b>	<b>2,613</b>	<b>1,518</b>	<b>-</b>	<b>1,168</b>	<b>4,915</b>	<b>3,967</b>	<b>16,496</b>	<b>84,810</b>
Excess (deficiency) of revenues over (under) expenditures	18,085	348	-	873	173	12	17,993	6,924	63	5,698	(3,811)	(2,919)	43,439	5,081
<b>Other financing sources (uses):</b>														
Transfers from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	2,545
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,545</b>
<b>Net change in fund balances</b>	<b>18,085</b>	<b>348</b>	<b>-</b>	<b>873</b>	<b>173</b>	<b>12</b>	<b>17,993</b>	<b>6,924</b>	<b>63</b>	<b>5,698</b>	<b>(3,811)</b>	<b>(2,919)</b>	<b>43,439</b>	<b>7,626</b>
Fund balances, beginning of year	13,577	74,246	25	56,624	10,099	720	29,499	34,353	3,678	16,359	59,160	62,702	361,042	353,416
<b>Fund balances, end of year</b>	<b>\$ 31,662</b>	<b>74,594</b>	<b>25</b>	<b>57,497</b>	<b>10,272</b>	<b>732</b>	<b>47,492</b>	<b>41,277</b>	<b>3,741</b>	<b>22,057</b>	<b>55,349</b>	<b>59,783</b>	<b>404,481</b>	<b>361,042</b>

## **SCHEDULES**

**TOWN OF EAST MILLINOCKET**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund - School Department**  
**For the year ended June 30, 2020**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property tax revenue	\$ 1,392,259	1,392,259	1,392,259	-
Intergovernmental revenue	1,455,491	1,455,491	1,455,491	-
Charges for services	931,337	931,337	1,014,607	83,270
Ministerial reimbursements	18,000	18,000	14,970	(3,030)
Other revenues	25,000	25,000	26,243	1,243
Total revenues	3,822,087	3,822,087	3,903,570	81,483
Expenditures:				
Current:				
Regular instruction	2,012,724	2,012,724	1,953,646	59,078
Special education instruction	611,258	611,258	484,105	127,153
Career and technical services	10,696	10,696	10,696	-
Other instruction	160,763	160,763	117,424	43,339
Student and staff support	306,624	306,624	303,255	3,369
System administration	211,785	211,785	196,204	15,581
School administration	247,303	247,303	223,422	23,881
Transportation	39,681	39,681	37,631	2,050
Facilities maintenance	423,939	439,739	354,113	85,626
Other	250	250	10	240
Debt service	46,441	46,441	46,441	-
Total expenditures	4,071,464	4,087,264	3,726,947	360,317
Excess (deficiency) of revenues over (under) expenditures	(249,377)	(265,177)	176,623	441,800
Other financing sources (uses):				
Transfer out	-	-	(25,240)	(25,240)
Use of surplus	249,377	265,177	-	(265,177)
Total other financing sources (uses)	249,377	265,177	(25,240)	(290,417)
Net change in fund balance	-	-	151,383	151,383
Fund balance, beginning of year			607,759	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>759,142</b>	

**TOWN OF EAST MILLINOCKET**  
**Student Activity Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2020**

		Fund Balances beginning of year	Cash Receipts	Cash Disbursements	Fund Balances end of year
Schenck High School					
Class Funds:					
2019	\$	1,113	44	1,157	-
2020		-	11,869	11,221	648
2021		-	556	-	556
Amazon sales		372	-	-	372
Opal Field Trips		600	-	-	600
Opal - Books for Kids		998	900	697	1,201
Close Up Washington		5,915	-	1,500	4,415
Yearbook #1 - savings		1,283	-	-	1,283
Yearbook		1,194	1,396	1,954	636
Dramatic Club		5,427	2,159	672	6,914
Student Council		4,053	1,205	1,526	3,732
General		6,645	11,462	8,451	9,656
National Honor Society		8	-	8	-
Biology Account		95	-	95	-
Foreign Language		680	-	-	680
Schenck @ 100		626	-	-	626
Scholarship		4,602	14,100	15,600	3,102
Playground Fund		7,620	1,267	4,964	3,923
Athletic - gate receipts		12,552	10,668	12,000	11,220
Chorus		106	362	88	380
Athletics		9,753	8,460	11,016	7,197
Athletic Activities		2,008	-	2,008	-
English		751	-	510	241
Vending Machine		187	-	-	187
Winter Carnival		1,427	275	-	1,702
Art Fund		125	760	-	885
Opal ress Down		95	-	95	-
Box Tops for Education		1,650	478	316	1,812
Opal School Store		370	-	105	265
Opal Wellness		921	-	-	921
Flex Spending Account		8,081	17,370	15,446	10,005
<b>Total</b>	<b>\$</b>	<b>79,257</b>	<b>83,331</b>	<b>89,429</b>	<b>73,159</b>

**TOWN OF EAST MILLINOCKET**  
**Private-purpose Trust Funds**  
**Schedule of Cash Receipts, Cash Disbursements, and Ending Balances - Scholarship Funds**  
**For the year ended June 30, 2020**

	<b>Balances beginning of year</b>	<b>Donations</b>	<b>Net Investment Earnings/Fees</b>	<b>Total Available</b>	<b>Scholarships</b>	<b>Balances end of year</b>
Mathew Dickinson	\$ 6,770	-	14	6,784	300	6,484
Brandon Pelkey	2,096	-	2	2,098	-	2,098
Lawrence Waltz Memorial	3,993	-	5	3,998	-	3,998
Edna Dunn Cousins	5,687	-	12	5,699	-	5,699
Leon Cousins	5,374	-	11	5,385	250	5,135
Dawn Rossignol	1,620	4,785	4	6,409	500	5,909
Heal Scholarship	2,486	-	2	2,488	100	2,388
Heal/Dentremont	4,882	-	5	4,887	1,000	3,887
E. Dean Parker	8,962	-	157	9,119	101	9,018
Thomas Cahill	3,694	-	4	3,698	200	3,498
East Millinocket Alumni Association	11,137	-	198	11,335	500	10,835
Edward & Eva Madden Scholarship	627	-	-	627	200	427
Karen Giberson Memorial Scholarship	-	696	-	696	-	696
Gage Hale Memorial Scholarship	-	5,704	3	5,707	5,000	707
Violette Family Scholarship	12,478	-	327	12,805	500	12,305
	<b>\$ 69,806</b>	<b>11,185</b>	<b>744</b>	<b>81,735</b>	<b>8,651</b>	<b>73,084</b>