

Town of Mount Desert
Board of Selectmen
Agenda

Special Meeting
Wednesday, April 20, 2022

Location: Public can now attend meeting in person. Meetings will continue to be offered via Zoom see end of agenda for connection details

I. Call to order at 6:30 p.m.

II. New Business

A. Review and Approve Annual Audit Report for the fiscal year ended June 30, 2021, prepared by James W. Wadman, C.P.A.

III. Treasurer's Warrants

A. Approve & Sign Treasurer's Warrant as shown below:]

Town Invoices	AP#2260	4/21/2022	\$98,317.40
Total			\$98,317.40

IV. Other Business

A. Such other business as may be legally conducted

V. Adjournment

The next meeting is the annual organizational meeting, Tuesday, May 3, 2022 immediately following the Open Floor Town Meeting at MDES on Joy Road, NEH6:

The Town of Mount Desert is inviting you to a scheduled Zoom meeting. You can call in through any of the listed phone numbers or connect with a computer via the web link. You will need to enter the meeting ID to get access to the meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/248566175?pwd=RmozZjBOVWhtUTQrRXR5QzFEZEEyQT09>

Meeting ID: 248 566 175

Password: 919872

One tap mobile

+13126266799,,248566175#,,,0#,,919872# US (Chicago)

+16468769923,,248566175#,,,0#,,919872# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Germantown)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 248 566 175

Password: 919872

If you are new to teleconferencing, we suggest connecting 15 minutes early so we can troubleshoot if you have difficulty.

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

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

Communications with Those Charged with Governance

April 1, 2022

Members of the Board of Selectmen
Town of Mount Desert
Mount Desert, ME 04463

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mount Desert, Maine (the Town) for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Mount Desert are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Town's financial statements was:

Management's estimate of the capital asset depreciation is based on estimated useful lives of the assets at the date of construction or acquisition. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriated level of management. Management has corrected all such misstatements. There were no material misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 1, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors.

Other Matters

We applied certain limited procedures to management discussion and analysis, budgetary comparison schedule, pension schedules, and other post-employment benefits schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on individual fund statements, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the

financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.

TOWN OF MOUNT DESERT, MAINE

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT***

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2021***

**TOWN OF MOUNT DESERT
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**TOWN OF MOUNT DESERT
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

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Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

April 1, 2022

Members of the Board of Selectmen
Town of Mount Desert
Mount Desert, ME 04662

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 Mount Desert, Maine as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mount Desert, Maine as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other post-employment benefits schedules on pages 3-9, 56, 57-60, and 61-64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mount Desert, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine Department of Education.

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

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA

TOWN OF MOUNT DESERT, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Management of the Town of Mount Desert, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the year ended June 30, 2021. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of the Town of Mount Desert, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net position – The assets of the Town exceeded its liabilities at year ending June 30, 2021 by \$41,994,462 (presented as “net position”). Of this amount, \$11,712,077 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net position – The Town's total net position increased by \$3,612,092 (a 9 % increase) for the year ended June 30, 2021. Net position of governmental activities increased by \$3,295,410 (a 9.5% increase), while net position of business-type activities showed an increase of \$316,682 (a 9% increase).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the year ended June 30, 2021; the Town's governmental funds reported a combined ending fund balance of \$14,493,199 with \$3,778,672 being general unassigned fund balance. This unassigned fund balance represents approximately 20% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$2,629,162 for the year ended June 30, 2021. A new loan was issued for Rte. #198 Stage 3 town portion in the amount of \$295,000. Existing debt obligations were retired according to schedule. Additional information on the Town's long-term debt can be found in Note 3G of the notes to the financial statements on pages 32-35 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables. The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for

the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach. The basic governmental fund financial statements can be found on pages 12-15 of this report. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 19-55 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). This section also includes a schedule of proportionate share of net pension liability and schedule of employer contributions in relation to GASB Statement #68. This section also includes OPEB schedules related to GASB Statement #75. Required supplementary information can be found on pages 56-64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

67% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

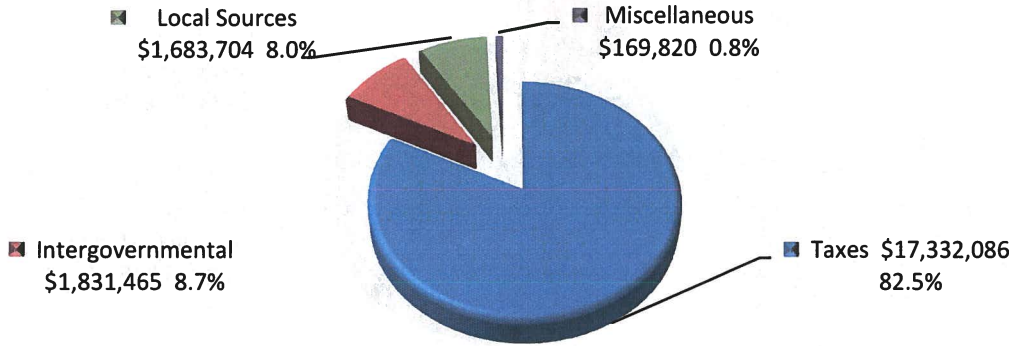
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>June 30, 2021 Total</i>	<i>June 30, 2020 Total</i>
Current Assets	16,603,592	1,862,898	18,466,490	16,497,702
Capital Assets	39,474,367	3,133,115	42,607,482	43,336,130
Total Assets	56,077,959	4,996,013	61,073,972	59,833,832
 <i>Total Deferred Outflows of Resources</i>			 649,950	 622,110
			649,950	622,110
 <i>Total Assets and Deferred Outflows of Resources</i>			 56,727,909	 60,455,942
Current Liabilities	4,229,866	148,626	4,378,492	4,185,352
Other Liabilities	14,349,480	990,000	15,339,480	17,641,200
Total Liabilities	18,579,346	1,138,626	19,717,972	21,826,552
 <i>Total Deferred Inflows of Resources</i>			 211,488	 461,552
			211,488	461,552
Net Investment in Capital Assets	25,855,400	2,033,115	27,888,515	25,957,479
Restricted	1,389,345	804,525	2,193,870	1,821,082
Unrestricted	10,692,330	1,019,747	11,712,077	10,389,277
Total Net Position	37,937,075	3,857,387	41,794,462	38,167,838
 <i>Total Liabilities, Deferred Inflows, and Net Position</i>			 56,727,909	 60,455,942
			56,727,909	60,455,942

Changes in Net Position

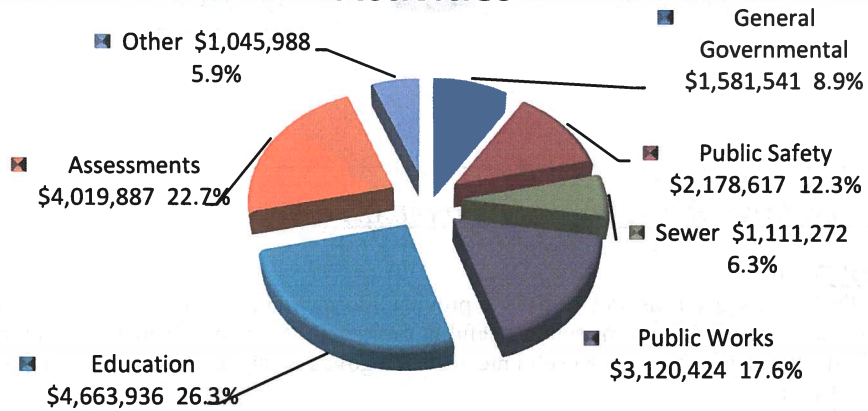
Approximately 83% of the Town's total revenue came from property and excise taxes, approximately 8% came from State subsidies and grants, and approximately 9% came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-type activity assets represents \$1,936,104 of the total expenses for the fiscal year.

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>June 30, 2021 Total</i>	<i>June 30, 2020 Total</i>
<i>Revenues:</i>				
Taxes	17,332,086		17,332,086	16,586,865
Intergovernmental Revenues	1,831,465		1,831,465	927,669
Local Sources	442,285	1,009,203	1,451,488	1,558,132
Fair Value Increase (Decrease)	1,241,419		1,241,419	196,685
Transfers In / Out	48,959	(48,959)	-	-
Miscellaneous	120,861		120,861	160,914
<i>Total</i>	21,017,075	960,244	21,977,319	19,430,265
<i>Expenses:</i>				
General Government	1,581,541		1,581,541	1,427,626
General Assistance	801		801	2,490
Rural Wastewater Support	184,292		184,292	177,244
Street Lights	5,818		5,818	7,321
Public Safety	2,178,617		2,178,617	2,274,231
Public Works	3,120,424		3,120,424	3,069,897
Sewer	1,111,272		1,111,272	1,472,030
Marine Dept.		643,562	643,562	687,458
Community Development	6,000		6,000	13,709
Debt Service	271,902		271,902	347,491
Other	305,158		305,158	339,634
Assessments	4,019,887		4,019,887	3,818,735
Education Programs	4,663,936		4,663,936	4,255,721
Capital Outlay	272,017		272,017	295,543
<i>Total</i>	17,721,665	643,562	18,365,227	18,189,130
<i>Changes in Net Position</i>	3,295,410	316,682	3,612,092	1,241,135

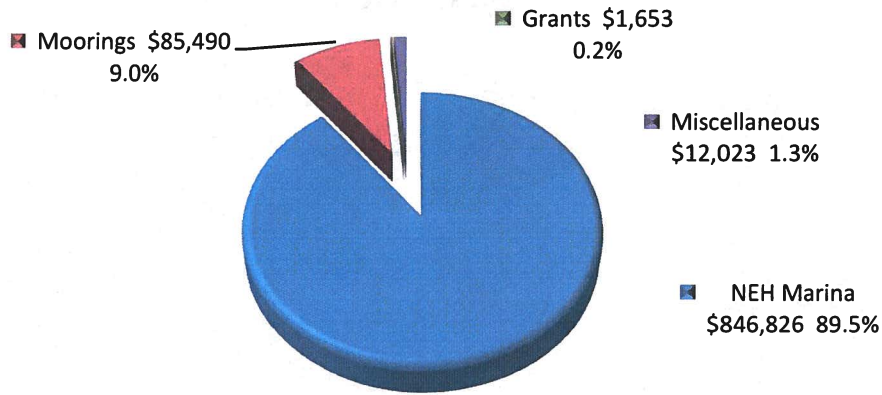
Revenues By Source - Governmental Activities



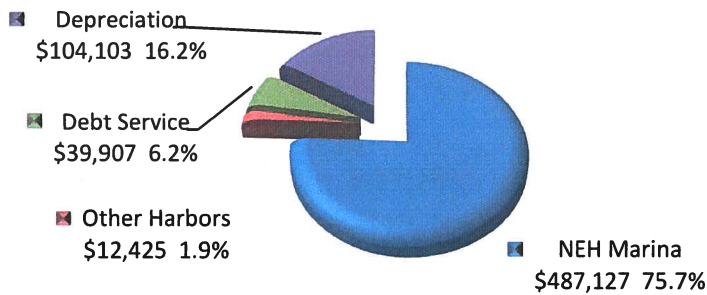
Expenditures By Source - Governmental Activities



Revenues By Source - Business-type Activities



Expenditures By Source - Business-type Activities



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the year, the Town's governmental funds reported ending fund balances of \$14,493,199, an increase of \$1,543,401 in comparison with the prior year. Approximately 27 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

Proprietary Funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$122,542 positive variance in property taxes. The variance is due to adjustment of unavailable property taxes to actual based on 60-day collections after year end.
- \$41,559 positive variance in motor vehicle excise. Largely appears to be offsetting negative variance experienced in FY 2020 due to COVID extensions that caused registrations that otherwise would have been due in FY 2020 to be completed and recognized in FY 2021. Any additional variance is caused by the budgeted amount being a good-faith estimate that cannot completely anticipate the fluctuations in conditions beyond the Town's control (i.e.: number of cars being purchased/sold, type of cars being recognized, etc.)
- \$40,916 negative variance in interest on investments. Good faith budget estimate was unable to completely account for volatile market conditions during the year. The FY 2021 budgeted checking interest revenue was increased after FY 2020 checking interest greatly exceeded expectations. However, record low interest rates during FY 2021 hurt checking account returns and, therefore, lead to actual checking interest underperforming budgeted expectations.
- \$40,363 positive variance in code enforcement. The variance is primarily due to non-utilization of deputy CEO position and budgeted expectations for legal expenditures and planning consultant work exceeding actual.
- \$43,068 positive variance in general government – unallocated. The variance is primarily caused by health reimbursement account expenditures only reaching 63% of anticipated cost.
- \$51,902 negative variance in technology. The variance is primarily caused by implementation of new cash receipting software and email/internet expenditures exceeding budget expectation.
- \$47,127 positive variance in police department. The variance is primarily caused by police sharing agreement with Bar Harbor, which reduces police chief expense to Mount Desert. Additional causes of variance are budgeted expectations for part-time seasonal, health insurance, and other expense lines exceeding actual requirements.
- \$149,864 positive variance in highways. The variance is primarily caused by budgeted expectations for snowplow overtime, worker's compensation insurance, salt/sand, and vehicle fuel exceeding actual requirements.
- \$67,371 positive variance in sewer operations. In addition to other cost categories, caused by budgeted expectations for sludge expenditures exceeding actual costs.
- \$37,845 positive variance in Seal Harbor Plant. The variance is primarily caused by budgeted expectations for PH control, heating fuel, and electricity expenditures exceeding actual costs.
- \$66,786 positive variance on interest on bonds/notes. The variance is primarily caused by Series 2018 road projects actual interest payment being less than budgeted amount based on original amortization documents. As noted in the FY 2020 audit, the first payment date was incorrectly defined as 6/15/19n instead of 7/1/20, leading to a discrepancy between budget and actual performance.
- \$66,786 positive variance in overlay. For the 2020-2021 tax commitment, a .53% overlay was raised in the amount of \$88,189. The overlay was raised to avoid a fractional mil rate, and in accordance with Article 26 in the 2019 Town Meeting, "to pay any tax abatements granted by the Assessor, Board of Assessment Review, or Board of Selectmen together with any interest due thereon from the Town, during the fiscal year beginning July 1, 2020, in an aggregate amount not to exceed the property tax commitment overlay". During FY 2020-2021, there were 4 abatements granted by the assessor, leaving the remaining balance of overlay largely unspent.
- \$264,798 positive variance in NEH marina revenues and \$20,373 positive variance in launch services. The variance in the operating revenues is attributed to Covid-19. The NEH marina had a busy year with Covid-19 with so many people taking to boating and renting slips.
- \$21,510 negative variance in moorings. The moorings were down because of the late decision by the Governor in setting rules for Covid-19, so it was too late for the mooring renters to transit to Maine.
- \$62,234 positive variance in NEH marina expenses. The variance is due to Covid-19. We paid out less in wages, fuel, and repairs mostly for the lack of moorings rented.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities amounts to \$77,445,544, net of accumulated depreciation of \$34,838,062, leaving a net book value of \$42,607,482. Current additions include \$629,567 in construction work in progress, \$9,960 for Seal Harbor fire station repair/replace siding, \$67,190 for a fire crew cab truck, \$35,254 for a police Ford SUV, \$21,817 for a wastewater grinder, \$446,139 for paving and culverts, \$33,006 for marina upgrade, \$15,580 for marina security cameras, \$7,563 for marina pedestal and wiring pump out, and \$7,525 in marina construction work in progress. Additional information on the Town's capital assets can be found in Note 3E of the notes to the financial statements on pages 29-30 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Mount Desert, P.O. Box 248, Northeast Harbor, ME 04662.

TOWN OF MOUNT DESERT
STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit A

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets			
Cash and Equivalents	7,727,485		7,727,485
Investments	7,780,798	808,626	8,589,424
Taxes and Liens Receivables	141,971		141,971
Bonds Receivables	404,704		404,704
Accounts Receivable	544,101		544,101
Internal Balances		1,054,272	1,054,272
Inventory	4,533		4,533
Capital Assets:			
Land	2,624,097		2,624,097
Construction Work in Progress	3,297,168		3,297,168
Other Capital Assets, Net of Depreciation	33,553,102	3,133,115	36,686,217
Total Assets	56,077,959	4,996,013	61,073,972
Deferred Outflows of Resources:			
Related to Pensions and Other Post Employment Benefits	461,768		461,768
Related to Pensions and Other Post Employment Benefits	188,182		188,182
Total Deferred Outflow of Resources	649,950	-	649,950
Total Assets and Deferred Outflows of Resources	56,727,909	4,996,013	61,723,922
Liabilities			
Accounts Payable	464,943		464,943
Retainage Payable	93,009		93,009
Accrued Interest Payable		30,585	30,585
Accrued Compensated Absences	346,527	8,041	354,568
Accrued Salaries Payable	362,746		362,746
Internal Balances	1,054,272		1,054,272
Long-term Liabilities:			
Net Pension Liability	1,256,736		1,256,736
Net Other Post Employment Benefits Liability	1,382,146		1,382,146
Due Within One Year	1,908,369	110,000	2,018,369
Due in More Than One Year	11,710,598	990,000	12,700,598
Total Liabilities	18,579,346	1,138,626	19,717,972
Deferred Inflows of Resources:			
Property Taxes Collected in Advance	98,520		98,520
Related to Pensions	31,141		31,141
Related to Other Post Employment Benefits	81,827		81,827
Total Deferred Inflows of Resources	211,488	-	211,488
Net Position			
Net Investment in Capital Assets	25,855,400	2,033,115	27,888,515
Restricted	1,389,345	804,525	2,193,870
Unrestricted	10,692,330	1,019,747	11,712,077
Total Net Position	37,937,075	3,857,387	41,794,462
Total Liabilities, Deferred Inflows of Resources, and Net Position	56,727,909	4,996,013	61,723,922

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

TOWN OF MOUNT DESERT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Primary Government</u>						
<u>Governmental Activities</u>						
General Government	1,581,541	143,422		(1,438,119)		(1,438,119)
General Assistance	801			(801)		(801)
Rural Wastewater Support	184,292			(184,292)		(184,292)
Street Lights	5,818			(5,818)		(5,818)
Public Safety	2,178,617	1,880		(2,176,737)		(2,176,737)
Public Works	3,120,424	209		(3,120,215)		(3,120,215)
Sewer	1,111,272	0		(1,111,272)		(1,111,272)
Community Development	6,000			(6,000)		(6,000)
Debt Service	271,902			(271,902)		(271,902)
Other	305,158			(305,158)		(305,158)
Education	4,663,936	42,082	878,795	(3,743,059)		(3,743,059)
Assessments	4,019,887			(4,019,887)		(4,019,887)
Capital Outlay	272,017			(272,017)		(272,017)
<u>Total Governmental Activities</u>	<u>17,721,665</u>	<u>187,593</u>	<u>878,795</u>	<u>(16,655,277)</u>		<u>(16,655,277)</u>
<u>Business-type Activities</u>						
Marina	643,562	991,787	1,653		349,878	349,878
<u>Total Business-type Activities</u>	<u>643,562</u>	<u>991,787</u>	<u>1,653</u>		<u>349,878</u>	<u>349,878</u>
<u>Total Primary Government</u>	<u>18,365,227</u>	<u>1,179,380</u>	<u>880,448</u>	<u>(16,655,277)</u>	<u>349,878</u>	<u>(16,305,399)</u>
<u>General Revenues:</u>						
<u>Taxes</u>						
Property				16,610,849		16,610,849
Auto Excise				691,559		691,559
Boat Excise				29,678		29,678
Intergovernmental Revenues				877,606		877,606
Increase (Decrease) in Fair Market Value				1,241,419		1,241,419
Other Local Sources				450,617	15,763	466,380
Transfers Marina				48,959	(48,959)	-
<u>Total Revenues, Special Items and Transfers</u>				<u>19,950,687</u>	<u>(33,196)</u>	<u>19,917,491</u>
<u>Changes in Net Position</u>				<u>3,295,410</u>	<u>316,682</u>	<u>3,612,092</u>
<u>Net Position - Beginning, Restated</u>				<u>34,641,665</u>	<u>3,540,705</u>	<u>38,182,370</u>
<u>Net Position - Ending</u>				<u>37,937,075</u>	<u>3,857,387</u>	<u>41,794,462</u>

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

TOWN OF MOUNT DESERT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

Exhibit C
Page 1 of 2

	General Fund	Northeast Village Center	Capital Improvement Program	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Equivalents	7,727,485				7,727,485
Investments	5,215,777		2,538,681	26,340	7,780,798
Receivables					
Taxes	121,540				121,540
Tax Liens	20,431				20,431
Bonds				404,704	404,704
Other	328,969	15,557		199,575	544,101
Inventory	4,533				4,533
Due from Other Funds	43,735	2,316,103		697,053	3,056,891
Total Assets	13,462,470	2,331,660	2,538,681	1,327,672	19,660,483
Liabilities					
Accounts Payable	464,928	-	-	15	464,943
Retainage Payable		68,263		24,746	93,009
Accrued Salaries Payable	362,746				362,746
Due to Other Funds	3,982,357		8,994	119,812	4,111,163
Total Liabilities	4,810,031	68,263	8,994	144,573	5,031,861
Deferred Inflows of Resources:					
Property Taxes Collected in Advance	98,520				98,520
Unavailable Property Tax Revenue	36,903				36,903
Total Deferred Inflows of Resources	135,423	-	-	-	135,423
Fund Balances					
Nonspendable	1,886			23,073	24,959
Restricted	1,363,593			793	1,364,386
Committed	3,284,702	2,263,397	2,529,687	1,156,462	9,234,248
Assigned	88,163			2,771	90,934
Unassigned	3,778,672				3,778,672
Total Fund Balances	8,517,016	2,263,397	2,529,687	1,183,099	14,493,199
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	13,462,470	2,331,660	2,538,681	1,327,672	19,660,483

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

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

Total Fund Balance	14,493,199
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$33,851,561	39,474,367
Deferred outflows of resources related to pension plans	461,768
Deferred outflows of resources related to other post employment benefits	188,182
Deferred inflows of resources related to pension plans	(31,141)
Deferred inflows of resources related to other post employment benefits	(81,827)
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Net Pension Liability	(1,256,736)
Net Other Post Employment Benefits Liability	(1,382,146)
Property Taxes Collected in Advance	36,903
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(13,585,733)
Accrued Compensated Absences	(346,527)
Capital Leases Payable	(33,234)
Net Position of Governmental Activities	<u><u>37,937,075</u></u>

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

TOWN OF MOUNT DESERT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>Northeast Village Center</i>	<i>Capital Improvement Program</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues					
Taxes	17,454,511				17,454,511
Intergovernmental Revenues	1,654,397			177,068	1,831,465
Local Sources	345,950	15,557	76,001	4,777	442,285
Fair Value Increase (Decrease)	1,241,419				1,241,419
Miscellaneous	120,861				120,861
Total Revenues	20,817,138	15,557	76,001	181,845	21,090,541
Expenditures					
Current:					
General Government	1,469,645		11,332	22,169	1,503,146
General Assistance	801				801
Rural Wastewater Support	184,292				184,292
Street Lights	5,818				5,818
Public Safety	2,238,454		77,150	882	2,316,486
Public Works	2,576,104		15,860	8,838	2,600,802
Sewer	871,259		39,500		910,759
Community Development	6,000				6,000
All Other	304,803			355	305,158
Education Programs	4,921,716				4,921,716
Assessments	4,019,887				4,019,887
Debt Service	2,214,650				2,214,650
Capital Outlay		322,265		579,319	901,584
Total Expenditures	18,813,429	322,265	143,842	611,563	19,891,099
Excess of Revenues Over (Under) Expenditures	2,003,709	(306,708)	(67,841)	(429,718)	1,199,442
Other Financing Sources (Uses)					
Bond Proceeds				295,000	295,000
Transfers from Other Funds	547,527		585,389	526,750	1,659,666
Transfers to Other Funds	(1,286,820)		(73,256)	(250,631)	(1,610,707)
Total Other Financing Sources (Uses)	(739,293)	-	512,133	571,119	343,959
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,264,416	(306,708)	444,292	141,401	1,543,401
Fund Balance - July 1, Restated	7,252,600	2,570,105	2,085,395	1,041,698	12,949,798
Fund Balance - June 30	8,517,016	2,263,397	2,529,687	1,183,099	14,493,199

(Continued)

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

**TOWN OF MOUNT DESERT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Exhibit D
Page 2 of 2**

Net change in fund balances - total governmental funds 1,543,401

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	1,284,392
Capital asset disposals	(3,500)
Depreciation expense	(1,936,104)
	<u>(655,212)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Unavailable Property Tax Revenue	<u>(122,425)</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Capital lease obligation principal payments	30,522
New Bond	(295,000)
General obligation bond principal payments	2,814,162
	<u>2,549,684</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Deferred Outflows of Pension	(18,304)
Deferred Outflows of Other Post Employment Benefits	46,144
Deferred Inflows of Pension	216,181
Deferred Inflows of Other Post Employment Benefits	(21,693)
Net Pension Liability	(207,549)
Net Other Post Employment Benefit Liability	(7,801)
Accrued compensated absences	(27,016)
	<u>(20,038)</u>

Change in net position of governmental activities 3,295,410

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

TOWN OF MOUNT DESERT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2021

Exhibit E

	Marina Fund
Assets	
Current Assets:	
Investments	808,626
Due from Other Funds	1,054,272
Total Current Assets	1,862,898
Noncurrent Assets:	
Capital Assets, net	3,133,115
Total Noncurrent Assets	3,133,115
Total Assets	4,996,013
Liabilities and Net Position	
Liabilities	
Current Liabilities:	
Accrued Interest Payable	30,585
Accounts Payable	
Long-term Liabilities:	
Due Within One Year	110,000
Due in More Than One Year	990,000
Total Liabilities	1,130,585
Net Position	
Net Investment in Capital Assets	2,033,115
Restricted	804,525
Unassigned	1,027,788
Total Net Position	3,865,428
Total Liabilities and Net Position	4,996,013

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

Total Net Position	3,865,428
--------------------	-----------

Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

Accrued Compensated Absences	(8,041)
	<u>(8,041)</u>

Net Position of Business Activities	<u>3,857,387</u>
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The notes to financial statements are an integral part of this statement.

TOWN OF MOUNT DESERT

Exhibit F

PROPRIETARY FUND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<i>Marina Fund</i>			<i>Variance</i>
	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
Operating Revenues:				
NEH Marina	582,028	582,028	846,826	264,798
Moorings	107,000	107,000	85,490	(21,510)
Launch Services	20,000	20,000	40,373	20,373
Agent Fees	17,000	17,000	11,619	(5,381)
Pump Out Grant	2,000	2,000	1,653	(347)
Ticket Booth Fees	2,500	2,500	1,700	(800)
Marina Concessions	9,500	9,500	5,779	(3,721)
Total Operating Revenues:	<u>740,028</u>	<u>740,028</u>	<u>993,440</u>	<u>253,412</u>
Operating Expenditures:				
NEH Marina	544,855	544,855	482,621	62,234
Seal Harbor Marina	10,700	10,700	9,592	1,108
Bartlett Narrows Harbor	4,600	4,600	1,731	2,869
Somesville Harbor	500	500	1,102	(602)
Debt Service	44,165	44,165	39,907	4,258
Depreciation			104,103	(104,103)
Total Operating Expenditures	<u>604,820</u>	<u>604,820</u>	<u>639,056</u>	<u>(34,236)</u>
Net Operating Income	<u>135,208</u>	<u>135,208</u>	<u>354,384</u>	<u>219,176</u>
Non-operating Revenues (Expenses)				
Interest Revenue			15,763	15,763
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>15,763</u>	<u>15,763</u>
Net Income (Loss) before contributions and transfers	<u>135,208</u>	<u>135,208</u>	<u>370,147</u>	<u>234,939</u>
Transfer in Other Funds				-
Transfer to Other Funds	<u>(135,208)</u>	<u>(135,208)</u>	<u>(48,959)</u>	<u>86,249</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>321,188</u>	<u>321,188</u>
Total Net Position - Beginning			<u>3,544,240</u>	
Total Net Position - Ending			<u><u>3,865,428</u></u>	
Net change in fund balances - total business funds			321,188	
Amounts reported for business activities in the Statement of Activities are different because:				
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 business funds:				
Accrued compensated absences			(4,506)	
			<u>(4,506)</u>	
Change in net position of business activities			<u><u>316,682</u></u>	

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

TOWN OF MOUNT DESERT
ALL PROPRIETARY FUND TYPES
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit G

	Marina Fund
Cash Flows from Operating Activities	
Received from Customers	991,788
Payments to Suppliers	(286,189)
Payments to Employees	(231,999)
Other Receipts (Payments)	(322,133)
	<hr/>
Net Cash Provided by (Used in) Operating Activities	151,467
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Debt	(110,000)
Disposals of Capital Assets	
Purchases of Capital Assets	
	<hr/>
Net Cash Used in Capital and Related Financing Activities	(110,000)
	<hr/>
Cash Flows from Investing Activities	
Net Purchase/Sales of Investment	(57,230)
Interest and Dividends	15,763
	<hr/>
Net Cash Provided by (Used in) Investing Activities	(41,467)
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	-
	<hr/>
Balances - beginning of the year	-
	<hr/>
Balances - end of the year	-
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Net Operating Income (Loss)	321,188
Adjustment to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	104,103
(Increase) Decrease in Due from Other Funds	(242,248)
Increase (Decrease) in Accrued Interest Payable	(4,171)
Increase (Decrease) in Accounts Payable	(4,262)
	<hr/>
Net Cash Provided by (Used in) Operating Activities	174,610
	<hr/> <hr/>

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

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The Town of Mount Desert operates under an elected Board of Selectmen and Town Manager form of government. The Town's major operations include public works, public safety, fire protection, education, and general administrative services.

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recognized when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Town reports the following major governmental funds:

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

The Northeast Village Center accounts for all the Town funds designated for Northeast Village Center improvements project.

The Capital Improvement Program accounts for the Town capital purchases.

The Town reports the following major enterprise fund:

The marina fund accounts for the activities of the harbor department. The Town operates the harbor collection system and related administrative costs.

Additionally, the Town reports the following fund types:

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

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

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

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

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

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D. Assets, Liabilities and Net Position or Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

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

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

2. Receivables

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

Property taxes receivable not expected to be collected within 60 days from year's end are classified as unavailable property tax revenue. At June 30, \$36,903 had been so classified and reported on the general fund balance sheet. Property taxes were levied on July 1 on property values assessed on April 1. Taxes were due on July 1, with interest at 9% beginning September 1. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on August 2, 2021 for the 2020 commitment. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

3. Inventories

Inventories are valued at cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Capital assets, which property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Infrastructure	10-50
Equipment	3-20

5. Deferred Inflows/Outflows of Resources

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

6. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Employees Retirement System (System) and additions to/deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

7. 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 positions of the Maine Education Association Benefits Trust (MEABT) and Maine Municipal Employees Health Trust (MMEHT) and additions to / deductions from their fiduciary net position have been determined on the same basis as they are reported by MEABT and MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

8. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Compensated Absences

an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

9. Long-term Obligations

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

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

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

10. Fund Balances/Net Position

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, the Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through town meeting voting and does not lapse at year-end.

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

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

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

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

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balances/Net Position (continued)

Fund Balances

The Town has identified June 30, 2021 fund balances on the balance sheet as follows:

	<i>General</i>	<i>Northeast</i>	<i>Capital</i>	<i>Other</i>	
	<i>Fund</i>	<i>Village</i>	<i>Improvement</i>	<i>Governmental</i>	
	<i>Fund</i>	<i>Center</i>	<i>Program</i>	<i>Funds</i>	<i>Total</i>
<u>Nonspendable</u>					
School Inventory	4,533				4,533
Frank Stanley Principal				4,303	4,303
Cemetery Principal				4,350	4,350
Horace Reynolds Scholarship				14,420	14,420
<u>Restricted</u>					
School Department	1,242,623				1,242,623
Municipal Revenue Sharing	95,584				95,584
Planning Grant	22,739				22,739
Election Grant				793	793
<u>Committed</u>					
Town Reserves	3,284,702				3,284,702
NEH WW Collect System				354,471	354,471
Street Light Project				34,957	34,957
Northeast Village Center		2,263,397			2,263,397
Rte 3 Improvements				72,569	72,569
Fire Station				357,925	357,925
MD Crosswalks				88,186	88,186
Rte 198 DOT Phase 3				187,355	187,355
NEH Summit Road Improvements				16,000	16,000
Brookside Road				9,900	9,900
Dodge Point Bait House				9,038	9,038
Steamboat Wharf Rd Wall				26,061	26,061
Capital Imp. Program			2,529,687		2,529,687
<u>Assigned</u>					
Shellfish Fund	15,920				15,920
Encumbrances	72,243				72,243
Frank Stanley Income				2,771	2,771
<u>Unassigned</u>					
General Fund	3,778,672				3,778,672
Total Fund Balance	8,517,016	2,263,397	2,529,687	1,183,099	14,493,199

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Balances/Net Position (continued)

Net Position

Net position is required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portions of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the government’s general fund and school department operating fund except the Town does not budget for the revenues and expenditures associated with the employer’s teacher retirement contribution made by the State of Maine on behalf of the town to the Maine State Retirement System; and encumbrances which are considered to be expenditures for budgetary purposes.

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

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2020-2021, \$500,000 of the beginning General Fund fund balance was applied for this purpose.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year. The General Fund reserve for encumbrances totals \$72,243 at June 30 and is detailed in Exhibit A-2.

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions of state law. State Statute 5706 require banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town Treasurer in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Town (FDIC).

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

At June 30, the carrying amount of the Town's deposits was \$7,727,485 and the bank balance was \$8,018,675. Of the bank balance, \$2,854,582 was covered by federal depository insurance and \$5,128,048 was collateralized through Bar Harbor Bank & Trust and First Advisors.

B. Investments

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

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

The Town has the following recurring fair value measurements as of June 30, 2021:

- U.S. Treasury securities and common stock of \$8,589,424 are valued using quoted market prices (Level 1 inputs)

**TOWN OF MOUNT DESERT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		2,078,790,120
Tax Rate (per \$1,000)		<u>7.98</u>
Commitment		<u><u>16,588,745</u></u>
Appropriations		18,395,719
Less:		
State Municipal Revenue Sharing	50,000	
Homestead Reimbursement	77,227	
BETE Reimbursement	3,237	
Other Revenue	<u>1,676,510</u>	
		<u><u>1,806,974</u></u>
Net Assessment for Commitment		<u><u>16,588,745</u></u>

Uncollected taxes and liens at June 30 for the current year commitment totaled \$115,812. Unpaid liens for remainder of years at June 30 totaled \$20,431.

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2021 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	43,735	3,982,357
Special Revenue Funds	793	69,098
Capital Project Funds	3,012,363	59,227
Trust Funds		481
Marina Fund	<u>1,054,272</u>	
Totals	<u><u>4,111,163</u></u>	<u><u>4,111,163</u></u>

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental and Fiduciary Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental and Proprietary Fund financial statements. Of the balances above, the general fund receivable is expected to be repaid over the next year. The general fund payable is expected to be funded through future appropriations with a majority of the balance being paid through the next year's appropriations and funding.

Transfers To/From Other Funds at June 30, 2021, were as follows:

	<u><i>Transfers From</i></u>	<u><i>Transfers To</i></u>
General Fund	547,527	1,286,820
Capital Projects	1,112,139	323,887
Marina Fund		48,959
Totals	<u><u>1,659,666</u></u>	<u><u>1,659,666</u></u>

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

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Governmental Activities;				
<i>Capital assets not being depreciated</i>				
Land	2,624,097			2,624,097
Construction Work in Progress	2,671,100	629,568	(3,500)	3,297,168
 <i>Capital assets being depreciated</i>				
Buildings	25,546,956	9,960		25,556,916
Equipment	6,438,712	198,725	(27,775)	6,609,662
Infrastructure	34,713,782	446,139		35,159,921
<i>Total capital assets being depreciated</i>	<u>66,699,450</u>	<u>654,824</u>	<u>(27,775)</u>	<u>67,326,499</u>
 <i>Less accumulated depreciation for</i>				
Buildings	9,700,557	432,064		10,132,621
Equipment	3,906,533	527,970	(27,775)	4,406,728
Infrastructure	18,257,978	976,070		19,234,048
<i>Total accumulated depreciation</i>	<u>31,865,068</u>	<u>1,936,104</u>	<u>(27,775)</u>	<u>33,773,397</u>
<i>Net capital assets being depreciated</i>	<u>34,834,382</u>	<u>(1,281,280)</u>	<u>-</u>	<u>33,553,102</u>
Governmental Activities Capital Assets, net	<u>40,129,579</u>	<u>(651,712)</u>	<u>(3,500)</u>	<u>39,474,367</u>

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Business-type Activities;</i>				
<i>Capital asset not being depreciated</i>				
Land	103,201			103,201
<i>Capital assets being depreciated</i>				
Marina	4,035,257	63,674	(82,516)	4,016,415
<i>Total capital assets being depreciated</i>	<u>4,035,257</u>	<u>63,674</u>	<u>(82,516)</u>	<u>4,016,415</u>
<i>Less accumulated depreciation for</i>				
Marina	931,907	104,104	(49,510)	986,501
<i>Total accumulated depreciation</i>	<u>931,907</u>	<u>104,104</u>	<u>(49,510)</u>	<u>986,501</u>
<i>Net capital assets being depreciated</i>	<u>3,103,350</u>	<u>(40,430)</u>	<u>(33,006)</u>	<u>3,029,914</u>
<i>Business-type Activities Capital Assets, net</i>	<u><u>3,206,551</u></u>	<u><u>(40,430)</u></u>	<u><u>(33,006)</u></u>	<u><u>3,133,115</u></u>

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

Governmental Activities

General Government	54,401
Public Safety	216,972
Public Works	915,465
Education	185,644
Sewer	<u>563,622</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>1,936,104</u></u>

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Capital Leases

The Town is obligated under certain leases accounted for as capital leases. The related obligations are accounted for in Statement of Net position. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30:

<i>Year-ended June 30,</i>	<i>Minimum Lease Payment</i>
2022	9,009
2023	9,010
2024	9,008
2025	8,382
Total Minimum Lease Payments	<u>35,409</u>
Less: Amount Representing Interest	<u>(2,175)</u>
Present Value of Future Minimum Lease Payments	<u><u>33,234</u></u>

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

The following is a summary of long-term debt transactions of the Town of Mount Desert for the year ended June 30, 2021:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Governmental activities:</i>					
<i>Loans payable:</i>					
2012 Somesville Sidewalk Loan	257,925		(257,925)	-	-
2013 Municipal Garage Loan	1,254,461		(156,807)	1,097,654	156,808
2016 Capital Improvements Loan	409,880		(150,370)	259,510	71,505
2018 Multi-Projects Loan	972,599		(303,705)	668,894	120,959
2018 Multi-Projects Loan	4,853,061		(657,765)	4,195,296	255,424
2018 Street Lights	97,384		(37,615)	59,769	15,000
2019 Crosswalk	428,920		(42,892)	386,028	42,892
2019 Street Sweeper	125,480		(29,962)	95,518	30,872
2020 Rte 198 #3 Loan		295,000		295,000	29,500
<i>Bonds payable:</i>					
2002 School Construction Bond	892,500		(297,500)	595,000	297,500
2004 Sewer Bond	1,100,000		(220,000)	880,000	220,000
2009 Sewer Bond	1,413,333		(353,333)	1,060,000	353,332
2013 WWTP Upgrade Bond	3,221,368		(247,798)	2,973,570	247,798
2018 Clean Water State Revolving Bond	129,358		(7,019)	122,339	7,089
2018 Clean Water State Revolving Bond	948,626		(51,471)	897,155	51,985
Governmental activities long-term obligations	<u>16,104,895</u>	<u>295,000</u>	<u>(2,814,162)</u>	<u>13,585,733</u>	<u>1,900,664</u>
<i>Marina:</i>					
2011 Marina Project	1,210,000		(110,000)	1,100,000	110,000
Marina long-term obligations	<u>1,210,000</u>	<u>-</u>	<u>(110,000)</u>	<u>1,100,000</u>	<u>110,000</u>

In 2012, the Town issued a loan for the Somesville sidewalk project with Machias Savings Bank. The loan was issued for \$1,500,000, with \$150,000 in annual principal payments. Interest is paid annually at a rate of 2.99%. The balance at June 30, 2021 was \$0.

In 2013, the Town issued a loan for the municipal garage with Bar Harbor Bank & Trust. The loan was issued for \$2,352,115, with \$156,808 in annual principal payments. Interest is paid annually at a rate of 2.61%. The balance at June 30, 2021 was \$1,097,654.

In 2016, the Town issued a loan for capital improvements with Bar Harbor Bank & Trust. The loan was issued for \$715,050, with \$71,505 in annual principal payments. Interest is paid annually at a rate of 1.99%. The balance at June 30, 2021 was \$259,510.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (continued)

In 2018, the Town issued a loan for multiple projects with Bar Harbor Bank & Trust. The loan was issued for \$1,213,119, with variable annual principal payments. Interest is paid annually at a rate of 2.32%. The balance at June 30, 2021 was \$668,894.

In 2018, the Town issued a loan for multiple projects with Bar Harbor Bank & Trust. The loan was issued for \$5,108,485, with \$255,424 in annual principal payments. Interest is paid annually at a rate of 3.42%. The balance at June 30, 2021 was \$4,195,296.

In 2018, the Town issued a loan for street lights with Bar Harbor Bank & Trust. The loan was issued for \$150,000, with \$15,000 in annual principal payments. Interest is paid annually at a rate of 2.52%. The balance at June 30, 2021 was \$59,769.

In 2019, the Town issued a loan for crosswalks with Bar Harbor Bank & Trust. The loan was issued for \$428,920, with \$42,892 in annual principal payments. Interest is paid annually at a rate of 3.17%. The balance at June 30, 2021 was \$386,028.

In 2019, the Town issued a loan for the purchase of a street sweeper with First National Bank. The loan was issued for \$154,500, with variable annual principal payments. Interest is paid annually at a rate of 3.1%. The balance at June 30, 2021 was \$95,518.

In 2021, the Town issued a loan for the town's share of the Rte #198 phase 3 project with Bar Harbor Bank and Trust. The loan was issued for \$295,000, with \$29,500 in annual principal payments. Interest is paid annually at a rate of 2.09%. The balance at June 30, 2021 was \$295,000.

In 2002, the Town issued a bond for school construction with Maine Municipal Bond Bank. The bond was issued for \$5,950,000, with \$297,500 in annual principal payments. Interest is paid annually at a rate of 3.05-5.25%. The balance at June 30, 2021 was \$595,000.

In 2004, the Town issued a bond for sewer with Maine Municipal Bond Bank. The bond was issued for \$4,400,000, with \$220,000 in annual principal payments. Interest is paid annually at a rate of 1.33%. The balance at June 30, 2021 was \$880,000.

In 2009, the Town issued a bond for sewer with Maine Municipal Bond Bank. The bond was issued for \$5,300,000, with \$353,333 in annual principal payments. Interest is paid annually at a rate of 1.13%. The balance at June 30, 2021 was \$1,060,000.

In 2013, the Town issued a bond for NEH wastewater treatment plant with Maine Municipal Bond Bank. The bond was issued for \$4,955,950, with \$247,798 in annual principal payments. Interest is paid annually at a rate of .324%. The balance at June 30, 2021 was \$2,973,570.

In 2018, the Town issued a bond for clean water state revolving fund with Maine Municipal Bond Bank. The bond was issued for \$150,000, with variable annual principal payments. Interest is paid annually at a rate of 1%. The balance at June 30, 2021 was \$122,339.

In 2018, the Town issued a bond for clean water state revolving fund with Maine Municipal Bond Bank. The bond was issued for \$1,100,000, with variable annual principal payments. Interest is paid annually at a rate of 1%. The balance at June 30, 2021 was \$897,155.

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (continued)

In 2011, the Town issued a loan for the marina capital improvements with Bar Harbor Bank & Trust. The loan was issued for \$2,200,000, with \$110,000 in annual principal payments. Interest is paid annually at a rate of 3.64%. The balance at June 30, 2021 was \$1,100,000.

Debt service requirements (principal and interest) for all long-term obligations at June 30, 2021 are summarized in the table following:

<i>Year Ended June 30,</i>	<i>General Obligation Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Totals</i>
2022	1,900,664	296,926	2,197,590
2023	1,902,460	752,793	2,655,253
2024	1,606,752	216,434	1,823,186
2025	1,194,711	188,050	1,382,761
2026	915,791	166,558	1,082,349
2027-2031	3,527,259	561,157	4,088,416
2032-2036	2,105,582	276,292	2,381,874
2037-2039	432,514	36,683	469,197
Total	13,585,733	2,494,893	16,080,626

<i>Year Ended June 30,</i>	<i>Marina Debt</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Totals</i>
2022	110,000	40,040	150,040
2023	110,000	36,036	146,036
2024	110,000	32,032	142,032
2025	110,000	28,105	138,105
2026	110,000	24,024	134,024
2027-2031	550,000	60,093	610,093
Total	1,100,000	220,330	1,320,330

Totals	14,685,733	2,715,223	17,400,956
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**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

3. Overlapping Debt

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

<i>Units</i>	<i>Net debt outstanding June 30, 2021</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
MDICSD	624,600	35.08%	219,110
Hancock County	-	16.50%	-
Totals	624,600		219,110

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

NOTE 4 - OTHER INFORMATION

A. Contingent Liabilities

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

There are various claims and suits filed against the Town which arise in the normal course of activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

B. Pension Plans

Plan Description

The Town's employees are covered under the ICMA or Maine Public Employees Retirement System (System).

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

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

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

Defined Benefit Employee Pension Plan

Plan Description

Qualifying personnel of the Town of Mount Desert participates in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan and the Participating Local Districts (PLD) Consolidated Retirement Plan. The PLD Consolidated Plan is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. The SET Plan is a multiple-employer cost sharing plan with a special funding situation. The State of Maine is also a non-employer contributing entity for the SET Plan in that the State pays the unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for the teacher members.

Each Plan is administered by the Maine Public Employees Retirement System (the System).

Pension Benefits

Benefit terms are established in Maine Statute: in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 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. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employees and teacher members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or System's Board of Trustees and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2021, the SET Plan member contribution rate was 7.65% and the employer contribution rate was 4.16% of applicable member compensation. The employer (School portion) is also responsible for contributing 14.96% of all federally funded member compensation. The State of Maine, as a non-employer

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

contributing entity, pays 14.33% of the applicable member compensation into the System. For the year ended June 30, 2021, the PLD Plan member contribution rate was 8.1% for the Regular AC Plan – Age 60 Plan, and 7.35% Regular AC Plans – Age 65 Plans, and 8.1% for the Special 2C plan. Employer contribution rates were 10.1% for the Regular AC Plan, and 10.8% for the Special 2C Plan of applicable member compensation.

The required contributions paid for the SET Plan into the System for the year ended June 30, 2021 and the previous two years are as follows:

SET Plan:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>State of Maine Contributions</i>	<i>Applicable Member Compensation</i>	<i>Applicable Member Federal Compensation</i>
2021	\$ 154,349	\$ 90,461	\$ 282,874	\$ 2,017,632	\$ 43,636
2020	\$ 144,179	\$ 84,137	\$ 264,581	\$ 1,884,698	\$ 38,352
2019	\$ 136,621	\$ 76,090	\$ 192,953	\$ 1,785,889	\$ 44,433

The required contributions paid for the PLD Plan into the System for the year ended June 30, 2021 and the previous two years are as follows:

PLD Plan:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>Applicable Member Compensation</i>
2021	\$ 156,220	\$ 204,279	\$ 1,984,879
2020	\$ 151,261	\$ 196,302	\$ 1,814,710
2019	\$ 137,574	\$ 175,013	\$ 1,719,671

Revenue Recognition

The Schedules of Employer and Non-Employer Entity Allocations for the SET Plan reflect current year employer contributions, adjusted to remove contributions related to employer specific liabilities to the Plan and other adjustments. In addition, to reflect the unique funding arrangement that currently exists within the SET Plan for teachers, total employer and non-employer entity contributions were used as a basis for the allocation, adjusted to remove the normal cost contribution paid by local school districts on behalf of their employees. This leaves contributions toward the unfunded liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability among the State of Maine as the non-employer contributing entity and those School Systems contributing towards the unfunded liability of the plan using grant funding.

The Schedule of Employer Allocations for the PLD Plan reflects current year employer contributions, adjusted to remove contributions related to employer specific liabilities to the Plan.

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

As of June 30, 2021, the Town of Mount Desert reported a net pension liability of \$49,310 for the SET Plan and \$1,207,426 for the PLD Plan. The net pension liability was measured as of June 30, 2020, and the total pension

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town of Mount Desert’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members. The School participates under the Town of Mount Desert, Maine’s Plan and the School’s share is 5.5527% of the total Town proportion for the PLD Plan. At June 30, 2020, the Town of Mount Desert’s proportion of contributions were .303897% for the PLD Plan and .0030210% for the SET Plan, which was a decrease of .004593% for the PLD Plan and decrease of .000469% for the SET Plan from each of its proportions measured at June 30, 2019.

For the fiscal year ended June 30, 2021, The Town of Mount Desert recognized pension expense of \$15,966 for the SET Plan and \$278,774 for the PLD Plan for a total of \$294,740. At June 30, 2021, the Town’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	74,033	14,321
Changes in Assumption	-	
Net Difference between projected and actual earnings on pension plan investments	80,614	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,381	16,820
Employer Contributions made subsequent to measurement date	294,740	
	<u>461,768</u>	<u>31,141</u>

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

<i>Year Ended June 30,</i>	<i>SET Plan</i>	<i>PLD Plan</i>
2021	85,230	165,117
2022	(2,501)	45,551
2023	1,815	66,736
2024	1,796	66,883

Special Funding Situation – SET Plan

The State of Maine participates in the SET Plan as a non-employer contributing entity in that the State pays the unfunded actuarial liability associated with the teachers and the local teacher districts pay the normal cost contributions as determined by the actuary.

Actuarial Methods and Assumptions

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions, applied to all periods included in the measurement:

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

Actuarial Cost Method

The Entry Age Normal cost method is used to develop costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognized in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the SET Plan is amortized on a level percentage of payrolls over the amortization period then in effect under statutory and constitutional requirements.

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follow:

	<u><i>SET Plan</i></u>	<u><i>PLD Plan</i></u>
Investment Rate of Return:	6.75% per annum, compounded annually	6.75% per annum, compounded annually
Inflation Rate	2.75%	2.75%
Rates of Salary Increase	2.75% plus merit component on each employee's years of service	2.75% plus merit component on each employee's years of service
Cost of Living Benefit:	2.20%	1.91%

Mortality Rates - For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females is used.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

		<i>Long-Term</i>	
	<i>Target</i>	<i>Expected Real</i>	
<i>Asset Class</i>	<i>Allocation</i>	<i>Rate of Return</i>	
Public Equities	30.0%	6.0%	
US Government	7.5%	2.3%	
Private Equity	15.0%	7.6%	
Real Assets:			
Real Estate	10.0%	5.2%	
Infrastructure	10.0%	5.3%	
Natural Resources	5.0%	5.0%	
Traditional Credit	7.5%	3.0%	
Alternative Credit	5.0%	7.2%	
Diversifiers	10.0%	5.9%	
	<u>100.0%</u>		

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for each Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 6.75% for the SET Plan and the PLD 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 or 1 percentage point higher than the current rate:

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

B. Pension Plans (continued)

SET Plan:	<u>1% Decrease</u> ▼ (5.75%)	<u>Current Discount</u> Rate (6.75%)	<u>1% Increase</u> ▼ (7.75%)
Proportionate Share of the Net Pension Liability	\$ 85,519	\$ 49,310	\$ 19,132
PLD Plan:	<u>1% Decrease</u> ▼ (5.75%)	<u>Current Discount</u> Rate (6.75%)	<u>1% Increase</u> ▼ (7.75%)
Proportionate Share of the Net Pension Liability	\$ 2,537,523	\$ 1,207,426	\$ 118,645

Pension Plan Financial and Actuarial Information

Additional financial and actuarial information with respect to the Plans can be found in the System’s 2019 Comprehensive Annual Financial Report available online at www.mainepepers.org or contacting the System at (207) 512-3100.

C. Other Postemployment Benefits (OPEB)-MPERS Group Life Insurance

Plan Description

Qualifying personnel of the School Department participate in the Group Life Insurance Plan for Retired State Employees and Teachers as provided by the Maine Public Employees Retirement System (SET Plan). The Plan is a multiple-employer, cost sharing plan with a special funding situation. As of June 30, 2020, there were 233 employers, including the State of Maine (the State), participating in the plan. The State is also a non-employer contributing entity in that the State pays contributions for retired teachers in the Plan.

The Group Life Insurance Plan for Retired Participating Local District (PLD) Employees (the PLD Consolidated Plan) is a multiple-employer cost sharing plan. As of June 30, 2020, there were 139 employers participating in the plan.

Each Plan is administered by the Maine Public Employees Retirement System (the System).

Other Post-Employment Benefits (OPEB)

The Group Life Insurance Plans (the Plans) provide basis group life insurance benefits, during retirement, to retirees who participated in the Plans prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree’s average final compensation. The initial amount of basic life is then subsequently reduced at a rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Funding Policy

Premium rates are those determined by the System’s Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for basic life insurance for retired teachers are paid by the State as the total dollar amount of each year’s annual required contribution. PLD employers are required to remit a premium of \$0.46 per

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB)-MPERS Group Life Insurance (continued)

\$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period.

Revenue Recognition

The Schedule of Employer and Non-Employer Entity Allocations for the SET Plan reflects current year employer and non-employer contributing entity premium contributions to the Plan. The Schedule of Employer Allocations for the PLD Consolidated Plan reflects current year employer premium contributions to the Plan.

Special Funding Situation – SET Plan

The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers.

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

As of June 30, 2021, the Town of Mount Desert reported a net liability of \$20,249 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The Town of Mount Desert’s proportion of the collective net OPEB liability was based on a projection of the Town of Mount Desert’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating PLDs, actuarially determined. At June 30, 2020, the Town of Mount Desert’s proportion was .153489% for the PLD Plan, which was a decrease of .000502% from its proportion measured at June 30, 2019.

For the fiscal year ended June 30, 2021, the Town of Mount Desert recognized OPEB credit of \$901 for the PLD Plan. At June 30, 2020, the Town of Mount Desert’s reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources were:

	<i>PLD Plan:</i>	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	2,500	
Changes of Assumptions	2,108	14,430
Difference between projected and actual Investment		
Earnings on OPEB Plan Investments	-	505
Changes in proportion and differences between employer premiums and proportionate share of premiums	2,243	921
	6,851	15,856

Projected amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB)-MPERS Group Life Insurance (continued)

<u>Year Ended June 30,</u>	<u>PLD Plan</u>
2021	(2,307)
2022	(2,000)
2023	(488)
2024	(1,899)
2025	(2,311)

Actuarial Method and Assumptions

The collective total OPEB liability for the Plans was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the funding methodologies.

Costs are developed using the individual entry age normal cost method based on a level percentage of payroll.

Experience gains and losses, i.e., actual decreases or increases in the liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

Amortization

The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls over a 30-year period on a closed basis. As of June 30, 2020, there were 17 years remaining in the amortization schedule for the SET Plan and 10 years remaining for the PLD Plan. The actuarial assumptions used in the June 30, 2020 actuarial valuation was based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

<i>Significant Actuarial Assumptions</i>	<i>SET</i>	<i>PLD</i>
Inflation	2.75%	2.75%
Annual Salary Increases, including inflation	2.75%-14.50%	2.75%-9.00%

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB)-MPERS Group Life Insurance (continued)

Investment Rate of Return	6.75%, per annum, compounded annually
Participation Rates for Future Retirees	100% of those currently enrolled
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance
Form of Benefit Payment	Lump Sum

Mortality Rates - For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Assets of the Plans are pooled for investment purposes and are allocated to each Plan based on each Plan's fiduciary net position. The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate 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 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 long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 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	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional Credit	15.0%	3.0%
US Government	10.0%	2.3%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.75% for 2020 for the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Postemployment Benefits (OPEB)-MPERS Group Life Insurance (continued)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table shows how the collective net OPEB liability as of June 30, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate:

PLD Plan:

	<u>1% Decrease</u> ▼ (3.98%)	<u>Current Discount</u> Rate (4.98%)	<u>1% Increase</u> ▼ (5.98%)
Proportionate Share of the Net OPEB Liability	\$ 44,791	\$ 33,917	\$ 25,345

On-Behalf Payments

As mentioned above, contributions are made by the System for participating retired teachers. The summary below provides the School Department's allocation of these contributions as well as the proportionate share of the Net OPEB liability. The Net OPEB Liability is not recorded on the Town financial statements since it is a liability of the State of Maine and not a liability of the School Department.

	<u>Allocation of:</u>		
	<u>On-Behalf</u> <u>Payments</u>	<u>Benefits</u> <u>Expense</u>	<u>Net OPEB</u> <u>Liability</u>
2020	\$6,177	\$6,092	\$55,013

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

Plan description

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

Benefits provided

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

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

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

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

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

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

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

Employees covered by benefit terms:

At June 30, 2021, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	42
Average age	46.39
Average service	9.33

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007, and version 2020_b was used for this valuation. The following assumptions were input into this model:

**TOWN OF MOUNT DESERT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

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

Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2029+	1.25%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends from 2020-2023 were based on plan design, population weighting, renewal projections, and market analysis. For years 2024-2028, these are interpolated from 2023-2029 (which is the product of inflation, GDP, and extra trend rate assumptions).

Deductibles, Co-payments, and Out-of-Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend reflects an assumed nominal per capita GDP growth.

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

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

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

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2019 were used by the actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The actuary distributed the cost based on the current covered population and Cheiron's standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

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

There was a change in the discount rate from 2.74% to 2.12% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

Discount Rate: Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of December 31, 2020 is based upon an earlier measurement date, as of December 26, 2019 and is 2.74% per annum. The discount rate as of December 31, 2021 is based upon an earlier measurement date, as of December 31, 2020 and is 2.12% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 1/1/2020	405,883	-	405,883
Changes for the year:			-
Service Cost	20,712		20,712
Interest	11,554		11,554
Changes of benefits			-
Differences between expected and actual experience			-
Changes of assumptions	27,212		27,212
Contributions - employer		9,901	(9,901)
Contributions - member			-
Net investment income			-
Benefit payments	(9,901)	(9,901)	-
Administrative expense			-
Net Change	49,577	-	49,577
Balances at 1/1/2021	455,460	-	455,460

Sensitivity of the net OPEB liability to changes in the discount rate. Changes in the discount rate affect the measurement of the Total OPEB Liability (TOL). Lower discount rates produce a higher Tol and higher discount rates produce a lower TOL. The table below shows the sensitivity of the Tol to the discount rate.

	<i>1% Decrease</i> ▼ (1.12%)	<i>Current Discount</i> Rate (2.12%)	<i>1% Increase</i> ▼ (3.12%)
Net OPEB liability (asset)	\$ 531,966	\$ 455,460	\$ 393,892

A one percent decrease in the discount rate increases the Net OPEB Liability (NOL) by approximately 16.8%. A one percent increase in the discount rate decreases the Net OPEB Liability by approximately 13.5%.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

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

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. Changes in the healthcare trend rate affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rate:

	<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
Net OPEB liability (asset)	\$ 386,053	\$ 455,460	\$ 545,728

A one percent decrease in the healthcare trend rates decreases the NOL by approximately 15.2%. A one percent increase in the healthcare trend rate increases the NOL by approximately 19.8%.

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

The impact of experience gains or losses and assumption changes on the TOL are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 9 years.

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

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	20,793	5,368
Changes in Assumption	85,566	19,636
Net Difference between projected between projected and actual earnings on pension plan investments	106,359	25,004
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:		
2022	11,153	
2023	11,153	
2024	11,153	
2025	11,153	
2026	11,154	
Thereafter	25,589	

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

E. Risk Management

The town is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions; and natural disasters for which the town participated in public entity risk pools sponsored by the Maine Municipal Association (MMA) for workers' compensation, and property damage.

The Town, as a member of the MMA Property and Casualty Pool, has a general liability limit of \$400,000/occurrence for causes of action pursuant to the Maine Tort Claims Act. Coverage is limited to those areas for which governmental immunity has been expressly waived. There is a limit of \$2,000,000/occurrence for causes of action pursuant to federal law or state law for which immunity is not provided by the Maine Tort Claims Act. The same limit applies for law enforcement after a \$2,500 per occurrence deductible is met. For the public officials' liability and employment practices liability, the coverage is \$2,000,000 per occurrence and \$4,000,000 aggregate with a \$5,000 deductible.

Workers' compensation provides coverage as required by the State of Maine Workers Compensation Act. The limit of liability for employer's liability coverage is \$2,000,000/each accident and \$2,000,000 aggregate disease.

Based on the coverage provided by the pools described above, the town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2021.

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT)

Plan Description

The AOS 91 – Mount Desert-Maine Education Association Benefits Plan is a single employer OPEB plan with a measurement date of June 30, 2020, and an employer reporting date of June 30, 2021, for the 2021 year.

The MEA Benefits Trust (MEABT) was established by the Maine Education Association on *April 10, 1993*, as an employee welfare benefit plan. The MEABT is administered by Trustees, in accordance with its terms for the exclusive benefit of Plan participants and beneficiaries.

The principal asset of the MEABT is a group insurance contract, currently held with Anthem Blue Cross and Blue Shield of Maine, (Anthem), which provides medical, hospital, surgical, prescription coverage and related health benefits to approximately 69,000 individuals in the State of Maine, including active educators, retired educators and related personnel and their dependents.

The Trustees of the MEABT, as part of their duties, while serving on the Trust, help develop the plan design for its participants. The Trust negotiates directly with Anthem to provide these benefits to all active and retired participants.

Benefits Provided:

The MEA Benefits Trust (MEABT) is committed to providing the best health and wellness insurance plans at an affordable rate for the benefits of all Plan participants.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT) (continued)

Established in 1993, and headquartered in Augusta, Maine, the MEABT is a not-for-profit, employee welfare benefit plan dedicated to the health of Maine public school employees and their families. An eight-member Board of Trustees – all current or retired public school employees – governs the health insurance plan which provides coverage to approximately 65,000 individuals in the State of Maine, including active teachers, retired teachers, related personnel and their dependents. The plan, which includes medical, pharmacy and wellness benefits, is available to members through bargaining between their local Maine Education Association Union and their employer.

Eligibility:

The employee must have participated in the MEA Benefits Trust 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.

A retiree who terminates coverage may elect to re-enroll in coverage at a later date if the participant participated in the health plan for 12 months prior to terminating coverage, if the re-enrollment occurs within 5 years from the date of termination of coverage, and if the retiree does not surpass attaining age 62 at the time of re-enrollment. The participant has to have maintained continuous health insurance coverage during this break in coverage. To be eligible for re-enrollment, a retiree may not take more than one break in coverage.

Employees Covered by Benefit Terms

Membership Information:

	Active Count		37
	Active Average Age		49.22
	Active Average Service		13.98
<i>Inactive:</i>			
Retirees Under 65	2	Spouses Under 65	2
Average Age	63.0	Average Age	59.0
Retirees Over 65	11	Spouses Over 65	1
Average Age	73.64	Average Age	66.0
Total Retirees	13	Total Spouses	3
Total Average Age	72.0	Total Average Age	61.33

Cost Sharing Provisions

The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, 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 elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse. The Maine Education Association Benefits Trust is not responsible for the premium, but instead, the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability throughout the report.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT) (continued)

Funding Policy

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2019 is 3.50% per annum. The discount rate as of June 30, 2020 is 2.21% per annum. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Net OPEB Liability

The School's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets. The plan has no assets to apply against the liabilities.

For claim curves, we used actual community rated premiums and census records provided by Maine Education Association Benefits Trust through June 30, 2018. We analyzed participation experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons). We assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. We distributed the cost based on the current covered population and Cheiron's standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

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

Changes Since Last Valuation:

This report reflects updated census, demographic assumptions and economic assumptions as listed above and describe above.

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT) (continued)

Significant Actuarial Assumptions

Discount Rate:	2.21% per annum
Salary Increases:	For the level percentage of pay entry method, total payroll is assumed to grow at 2.75% per year
Participation Rates for Future Retirees:	Retirement – 70% for member and 10% for spouse Disability – 100% for member and 20% for spouse
Trend Assumptions:	<i>Pre-Medicare:</i> Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum <i>Medicare:</i> Initial trend of 0.00% applied to FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum
Rate of Mortality:	Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. Lower discount rates produce a higher Total OPEB Liability and higher discount rates produce a lower Total OPEB Liability. The table below shows the sensitivity of the Total OPEB Liability:

	Sensitivity of Net OPEB Liability to Changes in Discount Rate		
	<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
	<i>(1.21%)</i>	<i>Rate (2.21%)</i>	<i>(3.21%)</i>
Total OPEB Liability	\$ 1,058,239	\$ 906,437	\$ 783,344
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	\$ 1,058,239	\$ 906,437	\$ 783,344

A 1% decrease in the discount rate increases the Net OPEB Liability by approximately 16.7%. A 1% increase in the discount rate decreases the Net OPEB Liability by approximately 13.6%.

Changes in the healthcare trend rate affect the measurement of the Total OPEB Liability. Lower healthcare trend rates produce a lower Total OPEB Liability and higher healthcare trend rates produce a lower Total OPEB Liability. The table below shows the sensitivity of the Total OPEB Liability to the healthcare trend rate:

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT) (continued)

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 776,315	\$ 906,437	\$ 1,068,458
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 776,315</u>	<u>\$ 906,437</u>	<u>\$ 1,068,458</u>

A 1% decrease in the healthcare trend rates decreases the Net OPEB Liability by approximately 14.4%. A 1% increase in the healthcare trend rate increases the Net OPEB Liability by approximately 17.9%.

Changes in Net OPEB Liability

	Increase/(Decrease)		
	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB Liability			
Service cost	\$ 7,035		\$ 7,035
Interest	\$ 32,227		\$ 32,227
Changes of benefits	\$ (50,029)		\$ (50,029)
Differences between expected and actual experience	\$ (26,065)		\$ (26,065)
Changes of assumptions	\$ 50,683		\$ 50,683
Contributions - employer		\$ 40,750	\$ (40,750)
Contributions - member			\$ -
Net investment income			\$ -
Benefit payments	\$ (41,959)	\$ (40,750)	\$ (1,209)
Administrative expense	\$ -		\$ -
Net change in total OPEB liability	<u>\$ (28,108)</u>	<u>\$ -</u>	<u>\$ (28,108)</u>
Net OPEB liability beginning	\$ 934,545	\$ -	\$ 934,545
Net OPEB liability ending	<u>\$ 906,437</u>	<u>\$ -</u>	<u>\$ 906,437</u>

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

For the year ended June 30, 2021, Mount Desert School Department recognized OPEB expense of \$(5,578). At June 30, 2021, Mount Desert School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**TOWN OF MOUNT DESERT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-AOS #91-Mount Desert-Maine Education Association Benefits Trust (MEABT) (continued)

Schedule of Deferred Inflows and Outflows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 22,341
Changes in Assumptions	\$ 74,972	\$ 18,626
Net difference between projected and actual earnings on OPEB plan investments	<u>\$ -</u>	<u>\$ -</u>
Total	<u><u>\$ 74,972</u></u>	<u><u>\$ 40,967</u></u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,:	
2021	\$ 5,189
2022	\$ 5,189
2023	\$ 5,190
2024	\$ 11,399
2025	\$ 3,516
Thereafter	\$ 3,522

G. Restated Net Position and Fund Balance

The prior year net position and fund balance on the permanent fund has been restated by \$14,532 due to the Horace Reynolds Scholarship fund being reclassified from fiduciary fund to permanent fund. The restatement is due to GASB #84 Fiduciary Activities.

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit H

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Taxes	17,285,745	17,285,745	17,454,511	168,766
Intergovernmental Revenues	228,663	228,663	224,637	(4,026)
Charges for Services	117,750	117,750	145,511	27,761
Miscellaneous	164,600	164,600	120,861	(43,739)
Total Revenues	17,796,758	17,796,758	17,945,520	148,762
Expenditures (Net of Departmental Revenues)				
General Government	1,480,221	1,480,221	1,431,845	48,376
General Assistance	5,000	5,000	801	4,199
Rural Wastewater Support	195,694	195,694	184,292	11,402
Street Lights	25,750	25,750	5,818	19,932
Public Safety	2,179,993	2,179,993	2,069,522	110,471
Public Works	2,698,230	2,698,230	2,550,704	147,526
Sewer	1,021,222	1,021,222	863,259	157,963
Community Development	12,000	12,000	10,000	2,000
Debt Service	1,902,977	2,120,484	2,056,968	63,516
All Other	306,987	306,987	304,803	2,184
Education	3,839,490	3,839,490	3,839,490	-
Assessments	4,106,584	4,106,584	4,019,887	86,697
Total Expenditures	17,774,148	17,991,655	17,337,389	654,266
Excess Revenues Over Expenditures	22,610	(194,897)	608,131	803,028
Other Financing Sources				
Transfers In	98,960	316,467	316,466	(1)
Transfer Out	(621,570)	(621,570)	(621,570)	-
Total Other Financing Sources	(522,610)	(305,103)	(305,104)	(1)
Net Change in Fund Balance	(500,000)	(500,000)	303,027	803,027
Beginning Fund Balances			3,475,645	
Municipal Revenue Sharing			95,584	
General Reserve Funds			3,284,702	
Planning Grant			22,739	
Shellfish Fund			15,920	
Encumbrances			1,319,399	
Ending Fund Balances			8,517,016	
Reconciliation to Exhibit D:				
Total Revenues per above			17,945,520	
Municipal Revenue Sharing			86,762	
General Reserve Funds			1,441,718	
Shellfish Fund			140	
School Revenues			1,342,998	
Total Revenues per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			\$20,817,138	
Total Expenditures per above			17,337,389	
General Reserve Funds			346,066	
School Revenues			1,342,998	
Encumbrances			(213,024)	
Total Expenditures per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			\$18,813,429	

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit I

Schedule 1 - Proportionate Share of the Net Pension Liability:

	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2021</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2020</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2019</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2018</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2017</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2016</i>	<i>State Employees and Teachers Plan For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension liability	0.003021%	0.003490%	0.003910%	0.004650%	0.003594%	0.003850%	0.002799%
Proportionate share of net pension liability	\$49,310	\$51,159	\$52,763	\$67,543	\$63,494	\$51,980	\$30,238
Covered employee payroll	\$1,884,698	\$1,884,698	\$1,785,889	\$1,184,740	\$1,629,386	\$1,553,544	\$1,454,758
Proportionate share of the net pension liability as a percentage of its covered employee payroll	2.62%	2.71%	2.95%	5.7011%	3.90%	3.35%	2.08%
Plan Total Pension Liability	\$14,865,460,130	\$14,547,222,913	\$14,031,187,845	\$13,484,886,512	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$12,044,918,612	\$12,035,563,047	\$11,632,179,683	\$10,893,291,864	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$2,820,541,518	\$2,511,659,866	\$2,399,008,162	\$2,591,594,648	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	81.026%	82.734%	82.902%	80.781%	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$2,003,075,813	\$1,924,006,618	\$1,808,274,919	\$1,860,230,663	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	140.811%	130.543%	132.668%	139.316%	171.194%	139.727%	118.230%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of School Department Contributions:

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$84,137	\$84,137	\$76,090	\$72,225	\$59,274	\$56,675	\$44,723
Contribution in relation to the contractually required contribution	(\$84,137)	(\$84,137)	(\$76,090)	(\$72,225)	(\$59,274)	(\$56,675)	(\$44,723)
Contribution deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered employee payroll	\$1,884,698	\$1,884,698	\$1,785,889	\$1,184,740	\$1,629,386	\$1,553,544	\$1,454,758
Contributions as a percentage of covered employee payroll	4.46%	4.46%	4.26%	6.10%	3.64%	3.65%	3.07%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit J
Page 1 of 2

Schedule 1 - Proportionate Share of the Net Pension Liability:

**Participating Local
Districts Plan**

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension liability	0.303897%	0.308490%	0.300189%	0.281720%	0.281265%	0.269090%	0.255876%
Proportionate share of net pension liability	\$1,207,426	\$942,944	\$821,549	\$1,153,466	\$1,151,603	\$858,520	\$393,745
Covered employee payroll	\$1,856,262	\$1,814,710	\$1,719,671	\$1,711,022	\$1,430,147	\$1,278,022	\$1,412,324
Proportionate share of the net pension liability as a percentage of its covered employee payroll	65.05%	51.96%	47.77%	67.41%	80.52%	67.18%	27.88%
Plan Total Pension Liability	\$3,409,741,367	\$3,258,819,605	\$3,089,857,220	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	\$3,012,428,367	\$2,953,156,096	\$2,816,179,855	\$2,607,223,644	\$2,358,409,925	\$2,401,889,308	\$2,455,776,671
Plan Net Pension Liability	\$397,313,000	\$305,663,509	\$273,677,365	\$409,437,077	\$531,330,709	\$319,046,701	\$153,881,174
Plan Fiduciary Net Position as a % Of the Total Pension Liability	88.348%	90.620%	91.143%	86.427%	81.613%	88.3%	94.1%
Plan Covered Employee Payroll	\$641,523,784	\$593,884,355	\$561,126,768	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension Liability as a % Of the Covered Employee Payroll	61.933%	51.469%	48.773%	75.462%	101.813%	64.1149%	33.4503%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit J
Page 2 of 2

Schedule 2 - Schedule of School Department Contributions:

	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2021</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2020</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2019</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2018</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2017</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2015</i>	<i>Participating Local Districts Plan For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$204,279	\$269,770	\$175,013	\$167,014	\$135,864	\$113,744	\$109,631
Contribution in relation to the contractually required contribution	(\$204,279)	(\$269,770)	(\$175,013)	(\$167,014)	(\$135,864)	(\$113,744)	(\$109,631)
Contribution deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered employee payroll	\$1,856,262	\$1,814,710	\$1,719,671	\$1,711,022	\$1,430,147	\$1,278,022	\$1,412,324
Contributions as a percentage of covered employee payroll	11.00%	14.87%	10.18%	9.76%	9.50%	8.90%	7.76%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

**TOWN OF MOUNT DESERT
 NOTES TO HISTORICAL PENSION INFORMATION
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date June 30, 2020, is as follows:

A. Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

B. Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actual assumption for investment return.

C. Amortization

The net pension liability of the SET Plan is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

D. Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

	<u>SET Plan</u>	<u>PLD Plan</u>
Investment Rate of Return:	6.75% per annum, compounded annually	6.75% per annum, compounded annually
Inflation Rate	2.75%	2.75%
Rates of Salary Increase	2.75 - 14.50%	2.75% to 9.0%
Cost of Living Benefit:	2.20%	1.91%

Mortality Rates - For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females is used.

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS SCHEDULES (OPEB) MMEHT - LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit K

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

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>
Total OPEB Liability				
Service Cost (BOY)	\$20,712	\$15,722	\$17,695	\$14,215
Interest (includes interest on service cost)	\$11,554	\$13,010	\$11,327	\$11,156
Changes of benefit terms		(\$8,589)		
Differences between expected and actual experience		\$26,733		(\$9,664)
Changes in assumptions	\$27,212	\$62,317	(\$29,455)	\$23,237
Benefit payments, including refunds of member contributions	(\$9,901)	(\$9,734)	(\$9,360)	(\$7,223)
Net Change in total OPEB liability	\$49,577	\$99,459	(\$9,793)	\$31,721
Total OPEB liability - beginning	\$405,883	\$306,424	\$316,217	\$284,496
Total OPEB liability - ending	\$455,460	\$405,883	\$306,424	\$316,217
Plan fiduciary net position				
Contributions - employer	\$9,901	\$9,734	\$9,360	\$7,223
Contributions - member				
Net investment income				
Benefit payments, including refunds of member contributions	(\$9,901)	(\$9,734)	(\$9,360)	(\$7,223)
Administrative expense				
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning				
Plan fiduciary net position - ending	-	-	-	-
Net OPEB liability - ending	\$455,460	\$405,883	\$306,424	\$316,217
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.000%	0.000%	0.000%	0.000%
Covered Employee Payroll	\$2,458,296	\$2,458,296	\$2,169,791	\$2,169,791
Net OPEB Liability as a % Of the Covered Employee Payroll	18.527%	16.511%	14.122%	14.574%
<u>Schedule 2 - Schedule of Contributions:</u>				
	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>
Contractually required contribution	\$9,901	\$9,734	\$9,360	\$7,223
Contribution in relation to the contractually required contribution	(\$9,901)	(\$9,734)	(\$9,360)	(\$7,223)
Contribution deficiency	\$0	\$0	\$0	\$0

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

**TOWN OF MOUNT DESERT
 NOTES TO OTHER POST EMPLOYMENT BENEFIT
 LIABILITY AND CONTRIBUTIONS
 FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Benefit Changes

There were no substantive changes since the last valuation.

Changes of Assumptions

There was a change in the discount rate from 2.74% to 2.12% per GASB 75 discount rate selection.

Net OPEB Liability

The Town’s net OPEB liability was measured as of January 1, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	2.12% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.
Retirement Age	65
Healthcare cost trend rates	

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends from 2020-2023 were based on plan design, population weighting, renewal projections, and market analysis. For years 2024-2028, these are interpolated from 2023-2029 (which is the product of inflation, GDP, and extra trend rate assumptions).

Deductibles, Co-payments, and Out-of-Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend reflects an assumed nominal per capita GDP growth.

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

TOWN OF MOUNT DESERT
REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES MEA BENEFITS TRUST- LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit L

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

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
<u>Total OPEB Liability</u>			
Service Cost (BOY)	\$7,035	\$5,890	\$6,337
Interest (includes interest on service cost)	\$32,227	\$33,824	\$32,675
Changes of benefits	(\$50,029)	\$0	\$0
Differences between expected and actual experience	(\$26,065)	\$0	\$0
Changes in assumptions	\$50,683	\$47,293	(\$37,253)
Benefit payments, including refunds of member contributions	(\$41,959)	(\$40,750)	(\$39,342)
Net Change in total OPEB liability	(\$28,108)	\$46,257	(\$37,583)
Total OPEB liability - beginning	\$934,545	\$888,288	\$925,871
Total OPEB liability - ending	\$906,437	\$934,545	\$888,288
<u>Plan fiduciary net position</u>			
Contributions - employer	\$41,959	\$40,750	\$39,342
Contributions - member			
Net investment income			
Benefit payments, including refunds of member contributions	(\$41,959)	(\$40,750)	(\$39,342)
Administrative expense			
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning			
Plan fiduciary net position - ending	-	-	-
Net OPEB liability - ending	\$906,437	\$934,545	\$888,288
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.000%	0.000%	0.000%
Covered Employee Payroll	\$1,712,921	\$1,957,907	\$1,905,506
Net OPEB Liability as a % Of the Covered Employee Payroll	52.918%	47.732%	46.617%

Schedule 2 - Schedule of Contributions:

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
Contractually required contribution	\$41,959	\$40,750	\$39,342
Contribution in relation to the contractually required contribution	(\$41,959)	(\$40,750)	(\$39,342)
Contribution deficiency	\$0	\$0	\$0

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

**TOWN OF MOUNT DESERT
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – Actuarial Methods and Assumptions

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

Benefit Changes

Effective July 1, 2020, the MEABT implemented several additional Plan updates for the non-Medicare program design.

Changes of Assumptions

The report reflects updated census, demographic assumptions, and economic assumptions.

Net OPEB Liability

The School Department’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Discount Rate	2.21% per annum.
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost

Trend assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2030+	1.23%
Extra Trend due to Taste/Technology 2030+	1.10%
Expected Health Share of GDP 2030	20.00%
Health Share of GDP Resistance Point	25.00%
Year of Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

Pre-Medicare Medical: Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum. Medicare Medical: Initial trend of 0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

TOWN OF MOUNT DESERT
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit A-1
Page 1 of 2

	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	16,588,745	16,711,287	122,542
Motor Vehicle Excise	650,000	691,559	41,559
Boat Excise	27,000	29,678	2,678
Interest on Taxes	20,000	21,987	1,987
	<u>17,285,745</u>	<u>17,454,511</u>	<u>168,766</u>
Intergovernmental Revenues			
Acadia National Park - PILT	30,000	32,622	2,622
ANP Otter Creek Treatment Plant	60,000	56,313	(3,687)
ANP Seal Harbor Sewer	15,000	17,783	2,783
State Road Assistance	35,000	35,228	228
General Assistance	3,500		(3,500)
Homestead Reimbursement	77,226	77,226	-
Tree Growth	4,000	1,000	(3,000)
Veterans Exemption	700	606	(94)
BETE Exemption	3,237	3,279	42
Other State Revenues		580	580
	<u>228,663</u>	<u>224,637</u>	<u>(4,026)</u>
Charges for Services			
Police Department	1,000	1,569	569
Fire Department		311	311
Sewers	700		(700)
Recycling	500	209	(291)
Paid Parking	55,000	56,530	1,530
Planning and Zoning	38,150	56,793	18,643
Licenses and Permits	10,000	14,398	4,398
Town Clerk	12,400	15,701	3,301
	<u>117,750</u>	<u>145,511</u>	<u>27,761</u>

**TOWN OF MOUNT DESERT
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Other Revenue			
Solid Waste Performance Credit	6,000	9,162	3,162
Payments in Lieu of Taxes	36,700	27,020	(9,680)
Interest on Investments	115,000	74,084	(40,916)
Insurance Dividends/Refunds	5,000	13,428	8,428
SV - EVSE Revenue	300	537	237
Other	1,600	(3,370)	(4,970)
	<u>164,600</u>	<u>120,861</u>	<u>(43,739)</u>
Transfers and Other Sources			
Dog Welfare			-
NEH Marina	48,960	48,959	(1)
Captial Projects	217,507	217,507	-
Municipal Revenue Sharing	50,000	50,000	-
	<u>316,467</u>	<u>316,466</u>	<u>(1)</u>
	<u>18,113,225</u>	<u>18,261,986</u>	<u>148,761</u>
Fund Balance Used to Reduce Tax Rate	<u>500,000</u>		
Total Revenues and Use of Fund Balance	<u>18,613,225</u>		

TOWN OF MOUNT DESERT
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit A-2
Page 1 of 2

	<i>Encumbered from 2020</i>	<i>Appropriation</i>	<i>Revenues/ Transfers In</i>	<i>Expenditures</i>	<i>Encumbered to 2022</i>	<i>(Over) Under Budget</i>
General Government						
Board of Selectmen		34,655		20,947		13,708
Town Administration		372,470		389,733		(17,263)
Town Clerk		121,048		128,305		(7,257)
Registrar		2,500				2,500
Elections	1,636	7,250		7,943		943
Planning Board	35,677	49,321		51,321	35,677	(2,000)
Finance	5,000	93,783		97,813		970
Treasurer	5,000	140,378		134,865		10,513
Tax Collector		19,538		15,178		4,360
Assessing		123,747		111,829		11,918
Code Enforcement		175,414		135,051		40,363
General Government - Unallocated		115,500		72,432		43,068
Human Resources		5,000		6,545		(1,545)
Technology		219,617		271,519		(51,902)
	<u>47,313</u>	<u>1,480,221</u>		<u>1,443,481</u>	<u>35,677</u>	<u>48,376</u>
General Assistance		5,000		801		4,199
Rural Wastewater Support		195,694		184,292		11,402
Street Lights		25,750		5,818		19,932
Public Safety						
Police Department		870,256		823,129		47,127
Fire Department		655,827		622,155		33,672
Dispatch		379,410		356,322		23,088
Shellfish	5,639					5,639
Animal Control	1,073			1,128		(55)
Emergency Management		1,000				1,000
Fire Hydrant Rental		273,500		273,500		-
	<u>6,712</u>	<u>2,179,993</u>		<u>2,076,234</u>	<u>-</u>	<u>110,471</u>
Public Works						
Highways	25,400	1,824,252		1,699,788		149,864
Waste Management		581,550		575,347		6,203
Buildings & Grounds		226,612		229,527		(2,915)
Environmental Sustainability		18,500		12,458		6,042
Parks and Cemeteries		47,316		58,984		(11,668)
	<u>25,400</u>	<u>2,698,230</u>		<u>2,576,104</u>	<u>-</u>	<u>147,526</u>

**TOWN OF MOUNT DESERT
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<i>Encumbered from 2020</i>	<i>Appropriation</i>	<i>Revenues/ Transfers In</i>	<i>Expenditures</i>	<i>Encumbered to 2022</i>	<i>(Over) Under Budget</i>
Sewer						
Sewer Operation	4,000	660,114		596,743		67,371
Northeast Harbor Plant	4,000	154,350		127,461		30,889
Somesville Plant		61,500		48,943		12,557
Seal Harbor Plant		112,258		74,413		37,845
Otter Creek Plant		33,000		23,699		9,301
	<u>8,000</u>	<u>1,021,222</u>		<u>871,259</u>	<u>-</u>	<u>157,963</u>
Sewer Capital						
Pump Station Replacement	32,566				32,566	-
	<u>32,566</u>	<u>-</u>		<u>-</u>	<u>32,566</u>	<u>-</u>
Community Development		12,000		6,000	4,000	2,000
Debt Service						
Principal on Bonds/Notes		1,781,795		1,785,065		(3,270)
Interest on Bonds/Notes		338,689		271,903		66,786
		<u>2,120,484</u>		<u>2,056,968</u>		<u>63,516</u>
All Other						
Libraries		35,500		35,500		-
Recreation - Pool Maintenance		5,900		345		5,555
Recreation		88,000		91,371		(3,371)
Village Organizations		60,500		60,500		-
Social Service Agencies		117,087		117,087		-
		<u>306,987</u>		<u>304,803</u>		<u>2,184</u>
Education						
Elementary School	986,384	3,839,490	1,342,998	4,921,716	1,247,156	-
Assessments						
MDI High School		3,021,192		3,021,192		-
County Tax		997,204		997,204		-
Overlay		88,188		1,491		86,697
		<u>4,106,584</u>		<u>4,019,887</u>		<u>86,697</u>
Operating Transfers Out						
NEH Promenade						-
Reserves		621,570		621,570		-
		<u>621,570</u>		<u>621,570</u>		<u>-</u>
Totals	1,106,375	18,613,225	1,342,998	19,088,933	1,319,399	654,266

**TOWN OF MOUNT DESERT
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit A-3

Unassigned Fund Balance, July 1	3,475,645	
Unassigned Fund Balance, June 30	<u>3,778,672</u>	
Increase		<u><u>303,027</u></u>

Analysis of Change

Budget Summary		
Revenue Surplus - Exhibit A-1	148,761	
Unexpended Balance of Appropriations - Exhibit A-2	<u>654,266</u>	
Budget Surplus		<u>803,027</u>
Deductions		
Beginning Fund Balance Used to Reduce Tax Rate		<u>(500,000)</u>
Increase		<u><u>303,027</u></u>

TOWN OF MOUNT DESERT
ALL GENERAL RESERVE FUNDS
BALANCE SHEET
JUNE 30, 2021

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>General Reserve Funds</i>	<i>Planning Grant</i>	<i>Shellfish Fund</i>	<i>Total</i>
Investments		3,265,130			3,265,130
Accounts Receivable		1,447			1,447
Due from Other Funds	95,584	18,125	22,739	15,920	152,368
Total Assets	95,584	3,284,702	22,739	15,920	3,418,945
<i>Liabilities and Fund Balances</i>					
Liabilities					
Accounts Payable					-
Due to Other Funds					-
Total Liabilities	-	-	-	-	-
Fund Balances					
Restricted	95,584		22,739		118,323
Committed		3,284,702			3,284,702
Assigned				15,920	15,920
Total Fund Balances	95,584	3,284,702	22,739	15,920	3,418,945
 Total Liabilities and Fund Balances	 95,584	 3,284,702	 22,739	 15,920	 3,418,945

TOWN OF MOUNT DESERT
ALL GENERAL RESERVES
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit A-5

	<i>Municipal Revenue Sharing</i>	<i>General Reserve Funds</i>	<i>Planning Grant</i>	<i>Shellfish Fund</i>	<i>Total</i>
Revenues					
Intergovernmental Revenues	86,762				86,762
Local Sources		200,299		140	200,439
Fair Value Increase (Decrease)		1,241,419			1,241,419
Total Revenues	86,762	1,441,718	-	140	1,528,620
Expenditures					
General Government		26,164			26,164
Public Safety		162,220			162,220
Debt Service		157,682			157,682
Total Expenditures	-	346,066	-	-	346,066
Excess of Revenues Over (Under) Expenditures	86,762	1,095,652	-	140	1,182,554
Other Financing Sources (Uses)					
Transfers In		231,061			231,061
Transfers Out	(50,000)	(615,250)			(665,250)
Total Other Financing Sources (Uses)	(50,000)	(384,189)	-	-	(434,189)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	36,762	711,463	-	140	748,365
Fund Balance - July 1	58,822	2,573,239	22,739	15,780	2,670,580
Fund Balance - June 30	95,584	3,284,702	22,739	15,920	3,418,945

**TOWN OF MOUNT DESERT
GENERAL RESERVE FUNDS
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit A-6

	<i>Balance July 1</i>	<i>Transfers In</i>	<i>Interest</i>	<i>Revenues</i>	<i>Expenditures/ Transfers</i>	<i>Balance June 30</i>
Town Reserve Funds						
Dog Welfare	3,359		99	576		4,034
GG Benefit Accrual Reserve		187,750	4,987		(26,164)	166,573
Police Reserve	83,652	8,179	2,635		(3,024)	91,442
Police Training Reserve	61,475		1,820			63,295
Public Works Parks & Cemeteries Reserve	10,342	10,000	578			20,920
Revaluation Reserve	197,624	18,002	6,341			221,967
Wastewater Bond Repayment	734,029		17,893		(157,682)	594,240
Sub-Total	1,090,481	223,931	34,353	576	(186,870)	1,162,471
General (Fair Value Changes)	1,469,936	7,130	1,241,419		(615,250)	2,103,235
Police Reimbursements						
Bar Harbor Police Chief	6,171			99,546	(97,196)	8,521
Police Outside Detail	5,704			1,350	(1,017)	6,037
Fire Outside Detail	-			6,650	(2,212)	4,438
Bar Harbor Mutual Aid	947			57,824	(58,771)	-
Sub-Total	12,822	-	-	165,370	(159,196)	18,996
Total	2,573,239	231,061	1,275,772	165,946	(961,316)	3,284,702

**TOWN OF MOUNT DESERT
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
JUNE 30, 2021**

Exhibit B-1

<i>Assets</i>	<i>Election Grant</i>	<i>COVID-19 FEMA Grant</i>	<i>Total</i>
Accounts Receivable		69,098	69,098
Due from Other Funds	793		793
Total Assets	793	69,098	69,891
<i>Liabilities and Fund Balances</i>			
Liabilities			
Accounts Payable			-
Due to Other Funds		69,098	69,098
Total Liabilities	-	69,098	69,098
Fund Balances			
Restricted	793		793
Committed			-
Assigned			-
Total Fund Balances	793	-	793
 Total Liabilities and Fund Balances	 793	 69,098	 69,891

**TOWN OF MOUNT DESERT
 ALL SPECIAL REVENUE FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit B-2

	<i>Election Grant</i>	<i>COVID-19 DHHS Grant</i>	<i>State Energy Program</i>	<i>COVID-19 FEMA Grant</i>	<i>Totals</i>
Revenues					
Intergovernmental Revenues		18,452	8,775	882	28,109
Local Sources	4,510				4,510
Total Revenues	4,510	18,452	8,775	882	32,619
Expenditures					
General Government	3,717	18,452			22,169
Public Works			8,775		8,775
Fire Department				882	882
Community Development					-
Total Expenditures	3,717	18,452	8,775	882	31,826
Excess of Revenues Over (Under) Expenditures	793	-	-	-	793
Other Financing Sources (Uses)					
Transfer from Other Funds					
Transfer to Other Funds					
	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures	793	-	-	-	793
Fund Balance - July 1					-
Fund Balance - June 30	793	-	-	-	793

**TOWN OF MOUNT DESERT
ALL CAPITAL PROJECT FUNDS
BALANCE SHEET
JUNE 30, 2021**

**Exhibit C-1
Page 1 of 3**

<i>Assets</i>	<i>NEH WW Collect/Convey System</i>	<i>Street Light Project</i>	<i>Northeast Village Center</i>	<i>Rte 3 Improvements</i>
Investments				
Accounts Receivable			15,557	1,403
Bonds Receivable	404,704			
Due from Other Funds		34,957	2,316,103	71,166
Total Assets	404,704	34,957	2,331,660	72,569
 <i>Liabilities and Fund Balances</i>				
<i>Liabilities</i>				
Retainage Payable			68,263	
Accounts Payable				
Due to Other Funds	50,233			
Total Liabilities	50,233	-	68,263	-
<i>Fund Balances</i>				
Committed	354,471	34,957	2,263,397	72,569
Total Fund Balances	354,471	34,957	2,263,397	72,569
Total Liabilities and Fund Balances	404,704	34,957	2,331,660	72,569

**TOWN OF MOUNT DESERT
ALL CAPITAL PROJECT FUNDS
BALANCE SHEET
JUNE 30, 2021**

*Exhibit C-1
Page 2 of 3*

<i>Assets</i>	<i>NEH Fire Station</i>	<i>MD Crosswalks</i>	<i>RTE 198 DOT Phase 3</i>	<i>NEH Summit Road Improvement</i>
Investments				
Accounts Receivable			129,074	
Bonds Receivable				
Due from Other Funds	357,925	96,605	62,845	16,000
Total Assets	357,925	96,605	191,919	16,000
 <i>Liabilities and Fund Balances</i>				
Liabilities				
Retainage Payable		8,419	4,564	
Accounts Payable				
Due to Other Funds				
Total Liabilities	-	8,419	4,564	-
Fund Balances				
Committed	357,925	88,186	187,355	16,000
Total Fund Balances	357,925	88,186	187,355	16,000
Total Liabilities and Fund Balances	357,925	96,605	191,919	16,000

**TOWN OF MOUNT DESERT
ALL CAPITAL PROJECT FUNDS
BALANCE SHEET
JUNE 30, 2021**

*Exhibit C-1
Page 3 of 3*

<i>Assets</i>	<i>Brookside Road Project</i>	<i>Dodge Point Bait House</i>	<i>Steamboat Wharf Rd Wall</i>	<i>Capital Improvement Program</i>	<i>Total</i>
Investments				2,538,681	2,538,681
Accounts Receivable					146,034
Bonds Receivable					404,704
Due from Other Funds	9,900	18,277	28,585		3,012,363
Total Assets	9,900	18,277	28,585	2,538,681	6,101,782
 <i>Liabilities and Fund Balances</i>					
Liabilities					
Retainage Payable		9,239	2,524		93,009
Accounts Payable					-
Due to Other Funds				8,994	59,227
Total Liabilities	-	9,239	2,524	8,994	152,236
Fund Balances					
Committed	9,900	9,038	26,061	2,529,687	5,949,546
Total Fund Balances	9,900	9,038	26,061	2,529,687	5,949,546
Total Liabilities and Fund Balances	9,900	18,277	28,585	2,538,681	6,101,782

**TOWN OF MOUNT DESERT
 ALL CAPITAL PROJECT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Exhibit C-2
 Page 1 of 4**

	<i>NEH WW Collect/Convey System</i>	<i>Street Light Project</i>	<i>Northeast Village Center</i>	<i>Rte 3 Improvements</i>	<i>NEH Fire Station</i>
Revenues					
Intergovernmental				3,285	
Local Sources			15,557		
Interest Income					
Total Revenues	<u>-</u>	<u>-</u>	<u>15,557</u>	<u>3,285</u>	<u>-</u>
Expenditures					
General Government					
Public Safety					
Public Works Department					
Sewer					
Construction			199,658		
Engineering	16,761		112,447	6,570	44,075
Debt					
Miscellaneous			10,160		
Total Expenditures	<u>16,761</u>	<u>-</u>	<u>322,265</u>	<u>6,570</u>	<u>44,075</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,761)</u>	<u>-</u>	<u>(306,708)</u>	<u>(3,285)</u>	<u>(44,075)</u>
Other Financing Sources (Uses)					
Bond Proceeds					
Transfer from Other Funds					402,000
Transfer to Other Funds					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>(16,761)</u>	<u>-</u>	<u>(306,708)</u>	<u>(3,285)</u>	<u>357,925</u>
Fund Balance - July 1	<u>371,232</u>	<u>34,957</u>	<u>2,570,105</u>	<u>75,854</u>	
Fund Balance - June 30	<u>354,471</u>	<u>34,957</u>	<u>2,263,397</u>	<u>72,569</u>	<u>357,925</u>

**TOWN OF MOUNT DESERT
 ALL CAPITAL PROJECT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Exhibit C-2
 Page 2 of 4**

	<i>Otter Creek Landing Reconstruction</i>	<i>MD Crosswalks</i>	<i>Rte. 198 Project</i>	<i>Broadband Services</i>	<i>NEH Sylvan Neighborhood</i>
Revenues					
Intergovernmental		15,300			
Local Sources					
Interest Income					
Total Revenues	-	15,300	-	-	-
Expenditures					
General Government					
Public Safety					
Public Works Department					
Sewer					
Construction					
Engineering					
Debt					
Miscellaneous					
Total Expenditures	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	15,300	-	-	-
Other Financing Sources (Uses)					
Bond Proceeds					
Transfer from Other Funds					
Transfer to Other Funds	(7,366)		(13,402)	(63,185)	(146,957)
	(7,366)	-	(13,402)	(63,185)	(146,957)
Excess of Revenues and Other Sources Over (Under) Expenditures	(7,366)	15,300	(13,402)	(63,185)	(146,957)
Fund Balance - July 1	7,366	72,886	13,402	63,185	146,957
Fund Balance - June 30	-	88,186	-	-	-

**TOWN OF MOUNT DESERT
 ALL CAPITAL PROJECT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Exhibit C-2
 Page 3 of 4**

	RTE 198 DOT Phase 2	RTE 198 DOT Phase 3	NEH Summit Road Improvement	Brookside Road Project	NEH Village Green Irrigation
Revenues					
Intergovernmental	1,300	129,074			
Local Sources					
Interest Income					
Total Revenues	<u>1,300</u>	<u>129,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
General Government					
Public Safety					
Public Works Department					
Sewer					
Construction	2,600	228,214			
Engineering	135	34,498			
Debt					
Miscellaneous					
Total Expenditures	<u>2,735</u>	<u>262,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,435)</u>	<u>(133,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Bond Proceeds		295,000			
Transfer from Other Funds		25,993			
Transfer to Other Funds	(12,591)				(7,130)
	<u>(12,591)</u>	<u>320,993</u>	<u>-</u>	<u>-</u>	<u>(7,130)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(14,026)	187,355	-	-	(7,130)
Fund Balance - July 1	<u>14,026</u>		<u>16,000</u>	<u>9,900</u>	<u>7,130</u>
Fund Balance - June 30	<u>-</u>	<u>187,355</u>	<u>16,000</u>	<u>9,900</u>	<u>-</u>

**TOWN OF MOUNT DESERT
 ALL CAPITAL PROJECT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Exhibit C-2
 Page 4 of 4**

	<i>Dodge Point Bait House</i>	<i>Steamboat Wharf Rd Wall</i>	<i>Capital Improvement Program</i>	<i>Total</i>
Revenues				
Intergovernmental				148,959
Local Sources			2,338	17,895
Interest Income			73,663	73,663
Total Revenues	-	-	76,001	240,517
Expenditures				
General Government			11,332	11,332
Public Safety			77,150	77,150
Public Works Department			15,860	15,860
Sewer			39,500	39,500
Construction	230,966			661,438
Engineering	15,500			229,986
Debt				-
Miscellaneous				10,160
Total Expenditures	246,466	-	143,842	1,045,426
Excess of Revenues Over (Under) Expenditures	(246,466)	-	(67,841)	(804,909)
Other Financing Sources (Uses)				
Bond Proceeds				295,000
Transfer from Other Funds	98,757		585,389	1,112,139
Transfer to Other Funds			(73,256)	(323,887)
	98,757	-	512,133	1,083,252
Excess of Revenues and Other Sources Over (Under) Expenditures	(147,709)	-	444,292	278,343
Fund Balance - July 1	156,747	26,061	2,085,395	5,671,203
Fund Balance - June 30	9,038	26,061	2,529,687	5,949,546

**TOWN OF MOUNT DESERT
CAPITAL IMPROVEMENT FUNDS
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit C-3

	<i>Balance</i>	<i>Transfers</i>				<i>Transfers</i>	<i>Balance</i>
	<i>July 1</i>	<i>In</i>	<i>Interest</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Out</i>	<i>June 30</i>
Capital Improvement Funds - General							
Assessment Capital Reserve	5,944		176				6,120
Assessor Aerial Photo Reserve	595	1,933	70				2,598
Bait House	6,950	1,500	54			(8,438)	66
CEO Work Truck	20,769	2,471	682				23,922
Clerk's Capital Improvement	22,822	10,835	971				34,628
Communications Cap. Imp.	152,862	18,130	5,020				176,012
Fire Equipment/Engine	599,152	233,107	22,544		(67,190)		787,613
Fire Pond and Dry Hydrant	50,158	6,751	1,669				58,578
Fire Station Building	56,157	40,842	1,738		(9,960)	(34,500)	54,277
Land Acquisition	270,564		8,012				278,576
Public Works Buildings & Grounds Reserve	10,336	10,000	113			(20,318)	131
Public Works Equipment	166,357	120,000	8,176		(3,060)		291,473
Refuse Truck	111,919	50,000	4,674				166,593
Town Office Building	113,651	20,000	3,806	2,338	(11,332)	(10,000)	118,463
Town Manger Telephone	15,319	5,029	590				20,938
Town Roads	120,715	50,000	4,703		(12,800)		162,618
Treasurer's Capital Improvement	5,968	2,791	253				9,012
Wastewater	316,828		8,951		(39,500)		286,279
Wastewater Work Truck	38,329	12,000	1,461				51,790
Sub-Total - General	2,085,395	585,389	73,663	2,338	(143,842)	(73,256)	2,529,687
Capital Improvement Funds - Marina							
Bartlett Harbor Moorings/Floats	42,672	4,000	900				47,572
Bartlett Narrows Dock	22,721	3,900	431		(5,465)		21,587
Harbor Boat Reserve	74,573	10,016	1,627				86,216
Marina Equipment Reserve	2,809	1,000	72				3,881
Northeast Harbor Marina	132,023	13,833	2,657		(7,563)	(24,800)	116,150
Northeast Harbor Marina Work Truck	12,083	3,000	288				15,371
Northeast Harbor Moorings/Floats	288,995	29,750	6,144		(4,101)		320,788
Seal Harbor Dock	76,423	5,000	1,574				82,997
Seal Harbor Moorings/Floats	92,143	15,750	2,070				109,963
Sub-Total - Marina	744,442	86,249	15,763	-	(17,129)	(24,800)	804,525

**TOWN OF MOUNT DESERT
BALANCE SHEET
ALL PERMANENT FUNDS
JUNE 30, 2021**

Exhibit D-1

<i>Assets</i>	<i>Frank Stanley Trust</i>	<i>Cemetery Trusts</i>	<i>Horace Reynolds Scholarship Fund</i>	<i>Total</i>
Investments	7,174	4,491	14,675	26,340
Total Assets	7,174	4,491	14,675	26,340
 <i>Liabilities and Fund Balances</i>				
Liabilities				
Accounts Payable		15		15
Due to Other Funds	100	126	255	481
Total Liabilities	100	141	255	496
 Fund Balances				
Reserved for Endowments	4,303	4,350	14,420	23,073
Assigned	2,771			2,771
Total Fund Balances	7,074	4,350	14,420	25,844
Total Liabilities and Fund Balances	7,174	4,491	14,675	26,340

TOWN OF MOUNT DESERT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL PERMANENT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit D-2

	Frank Stanley Trust	Cemetery Trusts	Horace Reynolds Scholarship Fund	Total
Revenues				
Investment Income	82	42	143	267
Expenditures				
Scholarships	100		255	355
Cemetery Maintenance		63		63
	100	63	255	418
Excess of Revenues Over Expenditures	(18)	(21)	(112)	(151)
Fund Balance - July 1, Restated	7,092	4,371	14,532	25,995
Fund Balance - June 30	7,074	4,350	14,420	25,844

TOWN OF MOUNT DESERT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Education:				
Rural School Achievement Program	84.358		-	23,240
<i>Passed Through State Department of Education:</i>				
<i>Special Education Cluster (IDEA):</i>				
Title VI, Part B - Local Entitlement	84.027	013-05AS-3046-12-6306-3046SLG	-	43,657
<i>Sub-total Special Education Cluster (IDEA):</i>			-	43,657
ESSA Title IA - Basic Disadvantaged Program	84.010	013-05A-3107-13-6306-3107CDG	-	8,328
Total U.S. Department of Education			-	75,225
U.S. Department of Agriculture:				
<i>Passed Through State Department of Education:</i>				
<i>Food Distribution Cluster:</i>				
Food Distribution	10.565	NONE	-	4,803
<i>Sub-total Food Distribution Cluster</i>				4,803
<i>Child Nutrition Cluster:</i>				
Summer Food Service Program for Children	10.559	NONE	-	87,513
<i>Sub-total Child Nutrition Cluster</i>			-	87,513
Total U.S. Department of Agriculture			-	92,316
U.S. Department of the Treasury:				
<i>Passed Through State Department of Health and Human Services:</i>				
2020 Municipal COVID-19 Awareness Campaign	21.019	COM-20-3047	-	18,452
<i>Passed Through State Department of Education:</i>				
Coronavirus Relief Fund 1	21.019	NONE	-	185,851
Coronavirus Relief Fund 2	21.019	NONE	-	189,466
				375,317
Total U.S. Department of the Treasury			-	393,769
U.S. Department of Energy:				
Coronavirus Emergency Supplemental Funding Program	81.041	NONE	-	8,775
Total U.S. Department of Energy			-	8,775
Total			-	570,085

Warrants for BOS Agenda:

BOS Agenda:

4/20/2022

	Description	#	Date	Amount
A. Warrants to be Approved and Signed:				
	Town Invoices			
		AP#2260	04/21/22	98,317.40
				<u>\$ 98,317.40</u>
B. Authorized Warrants to be Signed: (Wendy needs to abstain) (Prior Electronic or Manual Authorization) Town State Fees & P/R Benefits				
	Town Payroll			
				<u>\$ -</u>
C. Warrants to be Acknowledged:				
	School Invoices			
	School Payroll			
				<u>\$ -</u>
TOTAL WARRANTS FOR BOS MEETING				<u>\$ 98,317.40</u>

TOWN OF MOUNT DESERT
ACCOUNTS PAYABLE WARRANT

WARRANT AP# 2260

CHECK DATE: April 21, 2022

CHECK NUMBER:	<u>316812</u>				
CHECK NUMBER:	<u>N/A</u>	through	<u>316812</u>	\$	<u>98,317.40</u> Check payments
EFT NUMBER:	<u>N/A</u>	and	<u>N/A</u>	\$	<u>-</u> Electronic payments
EFT or CK NUMBER:	<u>N/A</u>	through	<u>N/A</u>	\$	<u>-</u> ACH Payments
		and	<u>N/A</u>	\$	<u>-</u> Voided Checks

TOTAL DISBURSEMENTS: \$ 98,317.40

This is to certify that there is due and chargeable to the appropriations listed above the sum set against each name and you are directed to pay unto the parties named in this schedule.

Selectmen:

John B Macauley, Chairman

Martha T Dudman

Matthew J Hart, Vice Chairman

Geoffrey V Wood

Wendy H Littlefield, Secretary



04/15/2022 10:31
69051you

Town of Mount Desert
A/P CASH DISBURSEMENTS JOURNAL

P 1
apcshdsb

CASH ACCOUNT: 100
CHECK NO CHK DATE

10100
TYPE VENDOR NAME

Ckg-BH General Fund 8066

INVOICE

INV DATE PO

WARRANT

NET

INVOICE DTL DESC

316812 04/21/2022 PRTD 2846 KING CONSTRUCTION SERVICES PE #1 SV FS 04/14/2022 AP2260 98,317.40
Invoice: PE #1 SV FS

103,492.00 3000055 57710 Pay Estimate #1 Somesville Fire Station
-5,174.60 300 24560 Construction Retainage Payable

CHECK 316812 TOTAL: 98,317.40

NUMBER OF CHECKS 1 *** CASH ACCOUNT TOTAL *** 98,317.40

TOTAL PRINTED CHECKS 1 98,317.40

*** GRAND TOTAL *** 98,317.40

04/15/2022 10:31 Town of Mount Desert
69051you A/P CASH DISBURSEMENTS JOURNAL
CLERK: 69051you JOURNAL ENTRIES TO BE CREATED

YEAR PER SRC ACCOUNT	JNL	EFF DATE	JNL DESC	REF 1	REF 2	REF 3	ACCOUNT DESC LINE DESC	T OB	DEBIT	CREDIT
2022 10	59									
APP 300-20000		04/21/2022	AP2260	AP2260			Accounts Payable AP CASH DISBURSEMENTS JOURNAL		98,317.40	
APP 100-10100		04/21/2022	AP2260	AP2260			Ckg-BH General Fund 8066 AP CASH DISBURSEMENTS JOURNAL			98,317.40
							GENERAL LEDGER TOTAL		98,317.40	98,317.40
APP 100-35030		04/21/2022	AP2260	AP2260			DTF-CAP IMP		98,317.40	
APP 300-35010		04/21/2022	AP2260	AP2260			DT Gen fund			98,317.40
							SYSTEM GENERATED ENTRIES TOTAL		98,317.40	98,317.40
							JOURNAL 2022/10/59 TOTAL		196,634.80	196,634.80

FUND	ACCOUNT	YEAR PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
100	General Fund 100-10100 100-35030	2022 10	59	04/21/2022	Ckg-BH General Fund 8066 DTF-CAP IMP	98,317.40	98,317.40
					FUND TOTAL	98,317.40	98,317.40
300	Capital Projects 300-20000 300-35010	2022 10	59	04/21/2022	Accounts Payable DT Gen fund	98,317.40	98,317.40
					FUND TOTAL	98,317.40	98,317.40

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Town of Mount Desert
A/P CASH DISBURSEMENTS JOURNAL
JOURNAL ENTRIES TO BE CREATED

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FUND	DUE TO	DUE FROM
100 General Fund	98,317.40	98,317.40
300 Capital Projects		
	<u>98,317.40</u>	<u>98,317.40</u>
TOTAL		

** END OF REPORT - Generated by Lisa Young **