

TOWN OF FRENCHBORO, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2021*

TOWN OF FRENCHBORO, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Frenchboro
Frenchboro, ME 04635

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Frenchboro, Maine as of and for the fiscal year ended June 30, 2021, which collectively comprise the Town's basic financial statements as listed in the table of contents, including the related notes to the financial statements.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Frenchboro, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Frenchboro, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension disclosure statements on pages 3 through 6 and 24 through 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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's financial statements as a whole. The supplementary information and the schedule of expenditures of federal awards are presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
November 3, 2023

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

The management of the Town of Frenchboro, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2021 by \$1,666,115 (presented as “net position”). Of this amount, \$381,920 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 \$4,023 (a .241% increase) for the fiscal year ended June 30, 2021.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2021; the Town's governmental funds reported a combined ending fund balance of \$481,677, an increase of \$65,763 in comparison with the prior year. Of this total fund balance, \$171,017 represents general unassigned fund balance. This unassigned fund balance represents approximately 57.6% of the total general fund expenditures for the fiscal year.

Long-term Debt:

The Town's total long-term debt obligations decreased \$19,684 (7.8%) during the current fiscal year. Existing debt obligations were retired according to schedule. No new debt obligations were issued.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities (if applicable), separately. The statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The government-wide financial statements can be found on pages 7 - 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements include statements for two categories of activity – governmental funds and fiduciary funds. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The fiduciary fund is used to account for resources held for the benefit of parties outside the Town's government. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs directly. The governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 of this report. The fiduciary fund financial statements can be found on pages 11 – 12 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 13 - 23 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule (pages 24-25), 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 schedules of historical pension information (pages 26-28) as required by GASB Statement #68.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town’s net position (66.5%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, parking lots and other immovable assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<i>Governmental Activities 2021</i>	<i>Governmental Activities 2020</i>
Current Assets	\$ 580,012	\$ 542,826
Capital Assets	\$ 1,338,981	\$ 1,395,108
<i>Total Assets</i>	\$ 1,918,993	\$ 1,937,934
Deferred Outflows	\$ 4,362	\$ 3,101
<i>Total Assets and Deferred Outflows</i>	\$ 1,923,355	\$ 1,941,035
Other Liabilities	\$ 44,744	\$ 45,980
Long-Term Liabilities	\$ 210,244	\$ 230,343
Deferred Inflows	\$ 2,252	\$ 2,619
Net Position;		
Invested in Capital Assets	\$ 1,108,638	\$ 1,145,082
Restricted	\$ 175,557	\$ 171,642
Unrestricted	\$ 381,920	\$ 345,369
<i>Total Liabilities, Deferred Inflows and Net Position</i>	\$ 1,923,355	\$ 1,941,035

An additional portion of the Town’s net position (10.5%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (23%) may be used to meet the government’s ongoing obligations to citizens and creditors.

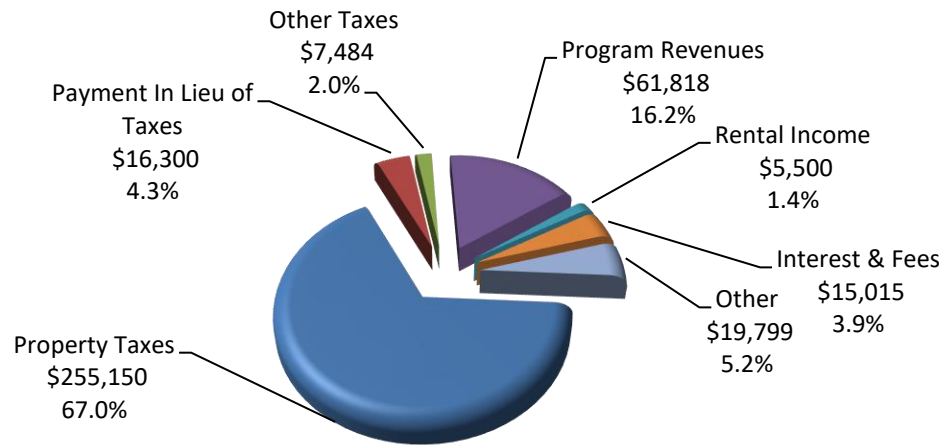
Changes in Net Position

Governmental activities increased the Town’s net position by \$4,023. This increase was primarily due to conservative budgeting and controlled costs offset by depreciation.

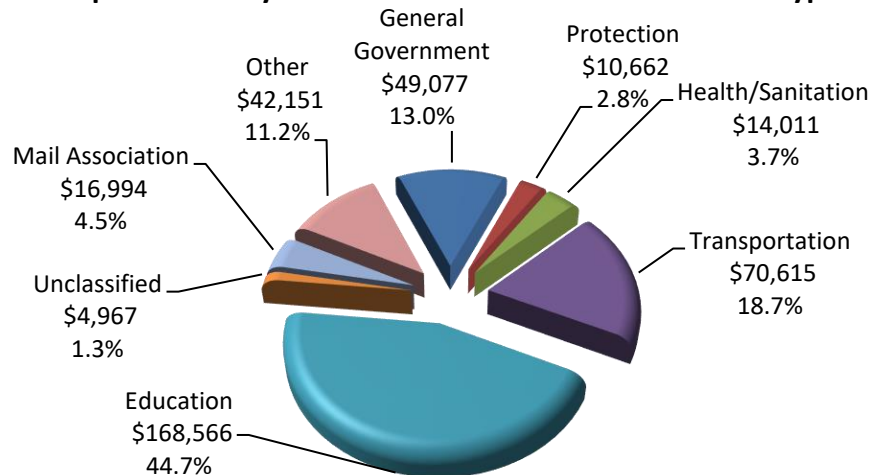
	<i>Governmental Activities 2021</i>	<i>Governmental Activities 2020</i>
<i>Revenues;</i>		
Tax Revenues	\$ 278,935	\$ 308,882
Program Revenues	\$ 61,818	\$ 69,475
Interest	\$ 994	\$ 752
Revenue Sharing	\$ 8,709	\$ 5,975
Other	\$ 30,610	\$ 27,564
<i>Total Revenues</i>	\$ 381,066	\$ 412,648

<i>Expenses;</i>		
General Government	\$ 49,077	\$ 46,857
Protection	\$ 10,662	\$ 10,762
Health/Sanitation	\$ 14,011	\$ 12,116
Transportation	\$ 70,615	\$ 72,073
Education	\$ 168,566	\$ 157,410
Unclassified	\$ 4,967	\$ 6,747
Assessments	\$ 30,020	\$ 30,814
State Retirement Contributions	\$ 12,131	\$ 9,761
Frenchboro Mail Association	\$ 16,994	\$ 15,691
<i>Total Expenses</i>	\$ 377,043	\$ 362,231
Changes in Net Position	\$ 4,023	\$ 50,417

Revenues by Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$481,677, an increase of \$65,763 in comparison with the prior fiscal year. Approximately 35.5 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$29,017 positive variance in real estate and personal property tax. This is due to a decrease in the unavailable property tax revenue based on increased collection of prior year's unpaid balances.
- \$14,241 positive variance in interest on delinquent taxes. This is due to an increase in collection of back taxes.
- \$13,759 positive variance in other revenues. This is primarily due to conservative budgeting.
- \$12,008 negative variance in general government expenditures. This is primarily due to installation of two heat pumps to replace furnace. Funded by reserve.
- \$19,147 positive variance in all other expenditures. This is mainly due to controlled costs, conservative budgeting and lower than anticipated costs in several areas.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$2,551,965; net of accumulated depreciation of \$1,212,984, leaving a net book value of \$1,338,981. There were no current year additions. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on pages 17-18 of this report.

Debt

The Town has total debt outstanding of \$230,343 that is backed by the full faith and credit of the Town. The outstanding debt decreased \$19,684 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 18-19 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 Frenchboro, One Executive Drive, Frenchboro, ME 04635.

TOWN OF FRENCHBORO, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2021

(Exhibit I)

	<u>Governmental Activities</u>
<u>Assets & Deferred Outflows</u>	
<u>Assets</u>	
Cash and Cash Equivalents	\$465,785
Accounts Receivable	\$27,419
Taxes Due - Current Year	\$43,807
Taxes Due - Prior Years	\$43,001
<u>Capital Assets</u>	
Land	\$33,726
Other Capital Assets, net of Accumulated Depreciation	\$1,305,255
Total Capital Assets	<u>\$1,338,981</u>
<u>Total Assets</u>	<u>\$1,918,993</u>
<u>Deferred Outflows of Resources</u>	
Related to Pensions	\$4,362
<u>Total Deferred Outflows of Resources</u>	<u>\$4,362</u>
<u>Total Assets & Deferred Outflows</u>	<u>\$1,923,355</u>
<u>Liabilities, Deferred Inflows and Net Position</u>	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$20,514
Due to Fiduciary Fund	\$2,580
<u>Long-Term Liabilities</u>	
Net Pension Liability	\$1,551
<u>General Obligation Loans Payable</u>	
Due within one year	\$20,098
Due in more than one year	\$210,244
<u>Total Liabilities</u>	<u>\$254,987</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes Collected in Advance	\$1,127
Related to Pensions	\$1,125
<u>Total Deferred Inflows of Resources</u>	<u>\$2,252</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$1,108,638
Restricted	\$175,557
Unrestricted	\$381,920
<u>Total Net Position</u>	<u>\$1,666,115</u>
<u>Total Liabilities, Deferred Inflows and Net Position</u>	<u>\$1,923,355</u>

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

TOWN OF FRENCHBORO, MAINE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit II)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and Changes</u>
<u>Primary Government</u>		<u>Services</u>	<u>Grants</u>	<u>in Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
<u>Governmental Activities</u>				
General Government	\$49,077	\$1,270		(\$47,807)
Protection	\$10,662			(\$10,662)
Health & Sanitation	\$14,011			(\$14,011)
Highways & Bridges	\$70,615		\$3,368	(\$67,247)
Education	\$168,566		\$26,449	(\$142,117)
Unclassified	\$4,967			(\$4,967)
Assessments and Debt Service	\$30,020			(\$30,020)
State Retirement Contributions	\$12,131		\$12,131	\$0
Frenchboro Mail Association	\$16,994	\$18,600		\$1,606
<u>Total Governmental Activities</u>	<u>\$377,043</u>	<u>\$19,870</u>	<u>\$41,948</u>	<u>(\$315,225)</u>
<u>Total Primary Government</u>	<u>\$377,043</u>	<u>\$19,870</u>	<u>\$41,948</u>	<u>(\$315,225)</u>
<u>General Revenues</u>				
Tax Revenues, Including Homestead Exemption				\$255,150
Payment in Lieu of Taxes				\$16,300
Auto Excise Taxes				\$7,091
Boat Excise Taxes				\$393
Municipal Revenue Sharing				\$8,709
Interest Earned				\$994
Interest and Fees				\$15,015
Rental Income - Teacher's House				\$5,500
Permits & Fees				\$10,096
<u>Total Revenues</u>				<u>\$319,248</u>
<u>Changes in Net Position</u>				\$4,023
<u>Net Position - Beginning</u>				<u>\$1,662,092</u>
<u>Net Position - Ending</u>				<u>\$1,666,115</u>

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

TOWN OF FRENCHBORO, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

(Exhibit III)

	<i>General Fund</i>	<i>Special Revenue Fund Frenchboro Mail Association</i>	<i>Total Governmental Funds</i>
<u>Assets</u>			
Cash and Cash Equivalents	\$449,382	\$16,403	\$465,785
Accounts Receivable	\$27,419		\$27,419
Due from Other Funds	\$7,781		\$7,781
Taxes Due - Current Year	\$43,807		\$43,807
Taxes Due - Prior Years	\$43,001		\$43,001
	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$571,390</u>	<u>\$16,403</u>	<u>\$587,792</u>
<u>Liabilities, Deferred Inflows & Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$20,514	\$0	\$20,514
Due to Other Funds	\$2,580	\$7,781	\$10,361
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>\$23,094</u>	<u>\$7,781</u>	<u>\$30,874</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes Collected in Advance	\$1,127		\$1,127
Unavailable Property Tax Revenue	\$74,114		\$74,114
	<hr/>	<hr/>	<hr/>
<u>Total Deferred Inflows of Resources</u>	<u>\$75,241</u>	<u>\$0</u>	<u>\$75,241</u>
<u>Fund Balances:</u>			
Restricted	\$173,871		\$173,871
Committed	\$128,167	\$8,622	\$136,789
Unassigned	\$171,017		\$171,017
	<hr/>	<hr/>	<hr/>
<u>Total Fund Balance</u>	<u>\$473,055</u>	<u>\$8,622</u>	<u>\$481,677</u>
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities, Deferred Inflows & Fund Balance</u>	<u>\$571,390</u>	<u>\$16,403</u>	<u>\$587,792</u>
	<hr/>	<hr/>	<hr/>
<u>Total Fund Balance - Governmental Funds</u>			\$481,677
<i>Net position reported for governmental activities in the statement of net position is different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$1,338,981
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds			\$74,114
Deferred outflows of resources related to pension plan			\$4,362
Deferred inflows of resources related to pension plan			(\$1,125)
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including:			
Net Pension Liability			(\$1,551)
Bonds Payable			(\$230,343)
			<hr/>
<u>Net Position of Governmental Activities</u>			<u>\$1,666,115</u>
			<hr/>

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

TOWN OF FRENCHBORO, MAINE

(Exhibit IV)

STATEMENT OF REVENUES, EXPENDITURES & CHANGES

IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals Governmental Funds</u>
<i>Revenues:</i>			
Tax Revenues, Including Homestead Exemption	\$281,615		\$281,615
Payment in Lieu of Taxes	\$16,300		\$16,300
Auto Excise Taxes	\$7,091		\$7,091
Boat Excise Taxes	\$393		\$393
Municipal Revenue Sharing	\$8,709		\$8,709
State Road Assistance	\$3,368		\$3,368
Interest Earned	\$994		\$994
Interest and Fees	\$15,015		\$15,015
Rental Income - Teacher's House	\$5,500		\$5,500
Rental Income - Mail Association	\$0	\$18,600	\$18,600
Permits, Fees & Other	\$10,096		\$10,096
State Retirement Contribution	\$12,131		\$12,131
<i>Total Revenues</i>	<u>\$361,212</u>	<u>\$18,600</u>	<u>\$379,812</u>
<i>Expenditures: (Net of Departmental Revenues)</i>			
<i>Current:</i>			
General Government	\$59,098		\$59,098
Protection	\$665		\$665
Health & Sanitation	\$14,011		\$14,011
Highways & Bridges	\$20,356		\$20,356
Education	\$140,259		\$140,259
Unclassified	\$4,525		\$4,525
Assessments & Debt Service	\$30,020		\$30,020
State Retirement Contribution	\$12,131		\$12,131
Frenchboro Mail Association		\$16,994	\$16,994
<i>Capital Outlay:</i>	<u>\$15,989</u>		<u>\$15,989</u>
<i>Total Expenditures</i>	<u>\$297,055</u>	<u>\$16,994</u>	<u>\$314,049</u>
<i>Excess Revenues Over Expenditures</i>	\$64,157	\$1,606	\$65,763
<i>Beginning Fund Balance</i>	<u>\$408,898</u>	<u>\$7,016</u>	<u>\$415,914</u>
<i>Ending Fund Balance</i>	<u><u>\$473,055</u></u>	<u><u>\$8,622</u></u>	<u><u>\$481,677</u></u>
<i>Reconciliation to Statement of Activities, Change in Net Position</i>			
Net Change in Fund Balances - Above			\$65,763
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable (a deferred inflow) in governmental funds			(\$26,465)
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, including:			
Pension Plan (Deferred Outflows, Net Pension Liability, Deferred Inflows)			\$1,168
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position:			
This amount represents long-term debt proceeds			\$0
This amount represents long-term debt payments			\$19,684
Governmental funds report capital outlays as expenditures, while in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense.			\$15,989
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds			(\$72,117)
<i>Change in Net Position of Governmental Activities</i>			<u><u>\$4,023</u></u>

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

TOWN OF FRENCHBORO, MAINE
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2021

(Exhibit V)

	<u>Frenchboro Fund</u>
<u>Assets</u>	
Beneficial interest in assets held by Maine Community Foundation (MCF)	\$144,424
Due from Other Funds	<u>\$2,580</u>
<u>Total Assets</u>	<u>\$147,004</u>
<u>Net Position</u>	
Restricted	\$144,424
Assigned	<u>\$2,580</u>
<u>Total Net Position</u>	<u>\$147,004</u>

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

TOWN OF FRENCHBORO, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit VI)

	<i>Frenchboro Fund</i>
<u>Additions</u>	
Contributions	\$15,300
Interest & Dividends	\$355
Realized Gains (Losses)	\$7,231
Unrealized Gains (Losses)	\$29,777
	<hr/>
<u>Total Additions</u>	\$52,663
	<hr/>
<u>Deductions</u>	
Fees	\$2,358
	<hr/>
<u>Total Deductions</u>	\$2,358
	<hr/>
<u>Changes in Net Position</u>	\$50,305
	<hr/>
<u>Beginning Net Position</u>	\$96,699
	<hr/>
<u>Ending Net Position</u>	\$147,004
	<hr/> <hr/>

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

TOWN OF FRENCHBORO, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. The effect of material interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds. Major individual governmental 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*. 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 (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

The Town reports the following major governmental funds:

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

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type is the Frenchboro Mail Association.

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.

The Town also reports the following fiduciary funds:

The Frenchboro Fund accounts for the receipt and disbursement of funds from the assets held at Maine Community Foundation for the primary purpose of funding of facilities, staffing, operations and programs of the Frenchboro School and the off-island education of high school-aged children of families living year-round on the island. After giving due consideration to the school as a first priority, the funding of facilities, operations and programs that support the health, education and welfare of families living and working year-round on the island, may be approved.

D. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Fund Equity

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 one year or less from the date of acquisition. These investments are not specifically identified with any other fund.

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

Investments are carried at fair market value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

Accounts Receivable and Accounts Payable

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

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital

assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	50
Buildings and Improvements	20-50
Infrastructure	20-50
Equipment	5-25

Interfund Activity

Interfund receivables and payables arise from interfund activity and are recorded by all funds effected in the period in which transactions are executed.

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 or resources represent and acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The Town has an item that qualifies as deferred outflows of resources, and it has two items that qualify as deferred inflows. The deferred outflow and one of the deferred inflows are related to pensions. The other deferred inflow is related to prepaid property taxes. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and inflows of resources (revenue) in the period that the amounts become available.

Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System (System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

Long-Term Obligations

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

Governmental Fund Balances

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

	<i>General Fund</i>	<i>Special Revenue Fund</i>	<i>Total</i>
<u><i>Restricted</i></u>			
State Revenue Sharing	\$6,468		\$6,468
FEMA Reserve	\$2,347		\$2,347
Preschool Funds	\$4,838		\$4,838
SHIP Grant	\$23,815		\$23,815
Town Dock/Road Project	\$21,377		\$21,377
Community Garden Grant	\$55		\$55
MCF Recreation Grant	\$142		\$142
Education	\$114,830		\$114,830
	<i>General Fund</i>	<i>Special Revenue Fund</i>	<i>Total</i>
<u><i>Committed</i></u>			
Town Roads Reserve	\$12,476		\$12,476
Municipal Building Reserve	\$7,513		\$7,513
Teacher's House Reserve	\$46,253		\$46,253
Town Floats & Ramps Reserve	\$20,491		\$20,491
Ferry Pier Hoist Reserve	\$3,801		\$3,801
Fire Department Reserve	\$24,234		\$24,234
Legal Reserve	\$10,900		\$10,900
Medical Training Reserve	\$1,500		\$1,500
Bond Counsel	\$1,000		\$1,000
Mail Association		\$8,622	\$8,622
<u><i>Unassigned</i></u>			
General Fund	\$171,017		\$171,017
<u><i>Total Fund Balances</i></u>	<u>\$473,055</u>	<u>\$8,622</u>	<u>\$481,677</u>

In accordance with Government Auditing Standards Board 54, 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 of 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 of 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 balances may be assigned by the Board of Selectmen.

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 are incurred for which any of those amounts are available.

The Board of Selectmen are authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

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

Net investment in capital assets - This component of net position 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.

Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$175,557 of restricted net position, of which enabling legislation restricts \$0.

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

E. Budgetary Accounting

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

F. Estimates

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

Note 2 - Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits. State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Program. For demand deposit accounts, The Town's cash accounts are insured up to \$250,000 by the FDIC. Any cash deposits in excess of the \$250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to protect deposits in excess of the \$250,000 FDIC limits, the Town deposits excess funds into a sweep repurchase account, which is collateralized by U.S. Treasury securities purchased by the financial institution in the name of the Town. Therefore, no custodial credit risk exists.

At year end, the carrying value of the Town's deposits was \$465,495 and the bank balance was \$476,136. The Town has no uninsured and uncollateralized deposits as of June 30, 2021.

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2020 and committed on October 2, 2021. Interest of 7.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$74,114 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
<u>Capital assets not being depreciated</u>				
Land	\$33,726			\$33,726
<u>Capital assets being depreciated</u>				
Land Improvements	\$326,292			\$326,292
Buildings	\$767,494			\$767,494
Equipment	\$174,129	\$15,989		\$190,119
Infrastructure	\$1,234,334			\$1,234,334
Total capital assets being depreciated	\$2,502,250	\$15,989	\$0	\$2,518,239
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Less accumulated depreciation for</u>				
Land Improvements	\$93,514	\$6,526		\$100,040
Buildings	\$320,759	\$16,126		\$336,885
Equipment	\$122,462	\$13,558		\$136,020
Infrastructure	\$604,132	\$35,907		\$640,039
Total accumulated depreciation	\$1,140,867	\$72,117	\$0	\$1,212,984
Net capital assets being depreciated	\$1,361,383	(\$56,127)	\$0	\$1,305,255
<u>Governmental Activities, Capital Assets, net</u>	\$1,395,108	(\$56,127)	\$0	\$1,338,981

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

Governmental Activities

General Government	\$8,090
Education	\$3,329
Protection	\$9,997
Unclassified	\$442
Public Transportation, including depreciation of general infrastructure assets	\$50,259
Total Depreciation Expense - Governmental Activities	\$72,117

Note 5 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. At June 30, 2021, the offsetting receivable and payable balances were \$7,781. The balances represent amounts due from the mail association to the general fund for expenditures paid on behalf of the mail association by the general fund. Mail Association has adequate funds to repay the general fund at any time.

Note 6 - Long-Term Debt

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

<u>Long-Term Debt payable at July 1:</u>	\$250,027
Long-Term Debt Proceeds	\$0
Long-Term Debt Retired	(\$19,684)
<u>Long-Term Debt payable at June 30:</u>	\$230,343

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Frenchboro, Maine. Outstanding notes at June 30, 2021 are as follows:

In June 2007, the Town borrowed an additional \$12,000 through Bar Harbor Bank & Trust for the purpose of constructing a Town Hall addition. The general obligation is for fifteen years and is payable in monthly installments of \$91.43, including interest at the rate of 4.44% per annum. The outstanding balance at June 30, 2021 is \$1,662.

In April 2016, the Town borrowed \$300,000 from Maine Municipal Bond Bank for the purpose of town dock and road improvements project. This general obligation bond is for sixteen years with principal and interest payments at the rate of 6% due on November 1 of each year and an interest only payment due on May 1 of each at the rate of 6%. The outstanding principal balance as of June 30, 2021 is \$227,846.

In 2019, the School Department entered into a capital lease for the purchase of copiers through a combined lease through the Mount Desert Island Consolidated School District. The Frenchboro School Department portion of the lease was for \$1,636 with annual principal and interest payments of \$367. Interest is paid annually at a rate of 3.95%. The balance at June 30, 2021 was \$1,334.

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

<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$20,098	\$5,346	\$25,444
2023	\$19,247	\$5,009	\$24,256
2024	\$19,594	\$4,663	\$24,256
2025	\$19,975	\$4,281	\$24,256
2026-2030	\$105,104	\$14,343	\$119,447
2031-2032	\$46,325	\$1,454	\$47,779
	<u>\$230,343</u>	<u>\$35,096</u>	<u>\$265,439</u>

Note 7 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The Town received a grant from the State of Maine for this purpose in 1995. This grant has been used to fund the costs of engineers and surveyors to evaluate the landfill and make an estimate on the future costs of closing and monitoring the landfill.

Note 8 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. Pension Benefits

Benefit terms are established in Maine Statute. 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 for State employees and teachers. 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. 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 employee and teacher members.

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.

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions and by earnings on 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 Board rule 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 member contribution rate was 7.65% and the employer contribution rate was 4.16% of applicable member compensation. The employer is also responsible for contributing 14.96% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.33% of the applicable member compensation into the System.

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

<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>
2021	\$6,368	\$3,531	\$11,864	\$83,242
2020	\$5,251	\$3,035	\$9,665	\$68,647
2019	\$5,141	\$2,702	\$7,413	\$67,198

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the plan using grant funding.

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

At June 30, 2021, the School Department reported a net pension liability of \$1,551. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2020, the School Department's proportion was .000095%, which was an increase of 0.000071% from its proportion measured at June 30, 2019.

For the fiscal year ended June 30, 2021, the School Department recognized pension expense of \$2,361. At June 30, 2021, the School Department 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	\$49	\$33
Changes in Assumptions	\$0	\$0
Net Difference between projected and actual earnings on pension plan investments	\$64	\$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$718	\$1,092
Employer contributions made subsequent to measurement date	\$3,531	\$0
	\$4,362	\$1,125

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

<u>Year ended June 30,</u>	
2021	\$2,770
2022	\$355
2023	\$57
2024	\$56

F. Actuarial Assumptions

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

Inflation	2.75%
Salary Increases	2.75% - 14.50% at selected years of service
Investment Rate of Return	6.75%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For the School Department employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the Entry Age Normal actuarial funding method. 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 in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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 pension plan's 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	30.0%	6.0%
U.S. 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%</u>	

G. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made 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 pension plan's 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.

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Proportionate Share of the Net Pension Liability	\$2,689	\$1,551	\$602

I. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the System's 2020 Comprehensive Annual Financial Report available online at www.maineprs.org or by contacting the System at (207) 512-3100.

Note 9 - Other Post Employment Benefits (OPEB)

A. Plan Description - Group Life Insurance Plan

Qualifying personnel of the District 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 participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the Plan.

B. Benefits

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.

C. 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 monthly a premium of \$0.46 per \$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.

D. Actuarial Methods 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.

Significant Actuarial Assumptions

Inflation	2.75%
Salary Increases	2.75% - 14.50% at selected years of service
Investment Rate of Return	6.75%, net of administrative and pension plan investment expense
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

For the District employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Tables for males and females.

E. On-Behalf Payments

As mentioned in Section A. above, contributions are made by the System for participating retired teachers. The summary below provides the District'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 District financial statements since it is a liability of the State of Maine and not a liability of the District.

	<u>Allocation of:</u>		
	<u>On-Behalf</u>	<u>Benefits</u>	<u>Net OPEB</u>
	<u>Payments</u>	<u>Expense</u>	<u>Liability</u>
2020	\$267	\$263	\$2,376

Note 10 - Restricted Net Position

The Town reports restricted net position totaling \$175,557 on its statement of net position. This restricted net position represents the restricted fund balances detailed in the governmental fund balance note above.

Note 11 - Commitment and Contingencies

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

Note 12 - Risk Management

The Town participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Public Officials Liability Insurance. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for participation in the respective programs.

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2021.

TOWN OF FRENCHBORO, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit VII)
(Page 1 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>				
Tax Revenues, Including Homestead Reimbursement	\$252,598	\$252,598	\$281,615	\$29,017
Payment in Lieu of Taxes	\$16,300	\$16,300	\$16,300	\$0
Auto Excise Taxes	\$6,676	\$6,676	\$7,091	\$416
Boat Excise Taxes	\$0	\$0	\$393	\$393
Municipal Revenue Sharing	\$5,000	\$5,000	\$8,709	\$3,709
State Road Assistance	\$0	\$0	\$3,368	\$3,368
Interest Earned	\$0	\$0	\$994	\$994
Interest and Fees	\$773	\$773	\$15,015	\$14,241
Rental Income - Teacher's House	\$0	\$0	\$5,500	\$5,500
Rental Income - Municipal Building	\$0	\$0	\$0	\$0
Permits, Fees & Other	\$7,348	\$7,348	\$10,096	\$2,748
<i><u>Total Revenues</u></i>	<u>\$288,696</u>	<u>\$288,696</u>	<u>\$349,081</u>	<u>\$60,385</u>
<i>Expenditures (Net of Departmental Revenues):</i>				
General Government	\$63,080	\$63,080	\$75,088	(\$12,008)
Protection	\$5,500	\$5,500	\$665	\$4,835
Health & Sanitation	\$20,000	\$20,000	\$14,011	\$5,989
Highways & Bridges	\$18,300	\$18,300	\$20,356	(\$2,056)
Education	\$139,297	\$139,297	\$140,259	(\$962)
Unclassified	\$9,400	\$9,400	\$4,525	\$4,875
Assessments & Debt Service	\$33,119	\$33,119	\$30,020	\$3,098
<i><u>Total Expenditures</u></i>	<u>\$288,696</u>	<u>\$288,696</u>	<u>\$284,924</u>	<u>\$3,771</u>
<i><u>Excess Revenues Over Expenditures</u></i>	<u>\$0</u>	<u>\$0</u>	<u>\$64,157</u>	<u>\$64,157</u>
<i><u>Beginning Fund Balance</u></i>	<u>\$408,898</u>	<u>\$408,898</u>	<u>\$408,898</u>	<u>\$0</u>
<i><u>Ending Fund Balance</u></i>	<u>\$408,898</u>	<u>\$408,898</u>	<u>\$473,055</u>	<u>\$0</u>

(Continued)

TOWN OF FRENCHBORO, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit VII)
 (Page 2 of 2)

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances:

	<i>Total</i>
	<u>Revenue</u>
Total Revenues per above	\$349,081
State On-Behalf Contributions	<u>\$12,131</u>
<u>Total Revenues per Statement of Revenues, Expenditures</u>	
<u>and Changes in Fund Balance - Governmental Funds</u>	<u>\$361,212</u>
	 <i>Total</i>
	<u>Expenditures</u>
Total Expenditures per above	\$284,924
State On-Behalf Contributions	\$12,131
<u>Total Expenditures per Statement of Revenues,</u>	
<u>Expenditures and Changes in Fund Balances:</u>	<u>\$297,055</u>

TOWN OF FRENCHBORO, MAINE

(Exhibit VIII)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<i>For the</i>		<i>Proportionate</i>		<i>Proportionate</i>			<i>Plan Fiduciary</i>		<i>Plan Net</i>	
<i>Fiscal</i>		<i>Share of Net</i>	<i>Covered</i>	<i>Share of Net</i>	<i>Pension Liability</i>	<i>Plan Total</i>	<i>Net Position</i>	<i>as a % of the</i>	<i>Pension</i>	<i>Plan Net</i>
<i>Year Ended</i>	<i>Proportion of Net</i>	<i>Pension Liability</i>	<i>Employee</i>	<i>(Asset) as a % of</i>	<i>Its Covered</i>	<i>Pension Liability</i>	<i>Net Position</i>	<i>Total Pension</i>	<i>Covered</i>	<i>Liability as a %</i>
<i>June 30,</i>	<i>Pension Liability</i>	<i>(Asset)</i>	<i>Payroll</i>	<i>Employee Payroll</i>				<i>Liability</i>	<i>Employee Payroll</i>	<i>of the Covered</i>
2021	0.000095%	\$1,551	\$83,242	1.86%	\$14,865,460,130	\$12,044,916,279	\$2,820,543,851	81.03%	\$2,003,075,813	140.81%
2020	0.000024%	\$352	\$68,647	0.51%	\$14,547,222,913	\$12,035,563,047	\$2,511,659,866	82.73%	\$1,924,006,618	130.54%
2019	0.000258%	\$3,482	\$67,198	5.18%	\$14,031,187,845	\$11,632,179,683	\$2,399,008,162	82.90%	\$1,808,274,919	132.67%
2018	0.000252%	\$3,660	\$70,993	5.16%	\$13,484,886,512	\$10,893,291,864	\$2,591,594,648	80.78%	\$1,860,230,663	139.32%
2017	0.000477%	\$8,427	\$67,816	12.43%	\$13,069,954,948	\$9,960,335,390	\$3,109,619,558	76.21%	\$1,816,435,084	171.19%
2016	0.000863%	\$11,652	\$66,785	17.45%	\$12,616,287,054	\$10,242,097,022	\$2,374,190,032	81.18%	\$1,699,160,889	139.73%
2015	0.000845%	\$9,129	\$68,597	13.31%	\$12,320,158,783	\$10,337,639,472	\$1,982,519,311	83.91%	\$1,676,857,294	118.23%

* Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

TOWN OF FRENCHBORO, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit IX)

<i>For the Fiscal Year Ended June 30,</i>	<i>Contractually Required Contribution</i>	<i>Actual Contribution</i>	<i>Contribution Deficiency</i>	<i>Covered Employee Payroll</i>	<i>Contributions as a % of Covered Employee Payroll</i>
2021	\$3,531	\$3,531	\$0	\$83,242	4.242%
2020	\$3,035	\$3,035	\$0	\$68,647	4.421%
2019	\$2,702	\$2,702	\$0	\$67,198	4.021%
2018	\$3,186	\$3,186	\$0	\$70,993	4.488%
2017	\$2,604	\$2,604	\$0	\$67,816	3.840%
2016	\$2,838	\$2,838	\$0	\$66,785	4.249%
2015	\$3,201	\$3,201	\$0	\$68,597	4.666%

* Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

TOWN OF FRENCHBORO, MAINE
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 rate 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

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The Amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

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

Inflation	2.75%
Salary Increases	2.75% - 14.50% at selected years of service
Investment Rate of Return	6.75%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For members, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 30, 2020.

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit A-1)

<i>Department</i>	<i>Beginning Balance</i>	<i>Appropriations</i>	<i>Cash Receipts</i>	<i>Total Available</i>	<i>Warrants Drawn</i>	<i>Other Charges (Credits)</i>	<i>Lapsed Underexpended (Overdraft)</i>	<i>Ending Balance</i>
<u>General Government:</u>								
Administration	\$0	\$37,930	\$1,270	\$39,200	\$44,587	(\$3,182)	(\$2,205)	\$0
Administrative Salaries	\$0	\$17,950	\$0	\$17,950	\$14,970	\$903	\$2,078	\$0
Legal Reserve	\$10,900	\$0	\$0	\$10,900	\$0	\$0	\$0	\$10,900
Municipal Building - Operations	\$0	\$7,000	\$0	\$7,000	\$4,080	\$2,920	\$0	\$0
Municipal Building Reserve	\$19,593	\$0	\$0	\$19,593	\$15,261	(\$3,181)	\$0	\$7,513
Bond Counsel Reserve	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$1,000
Teachers House	\$0	\$200	\$0	\$200	\$0	\$200	\$0	\$0
Teachers House Reserve	\$40,553	\$0	\$5,500	\$46,053	\$0	(\$200)	\$0	\$46,253
	<u>\$72,046</u>	<u>\$63,080</u>	<u>\$6,770</u>	<u>\$141,896</u>	<u>\$78,898</u>	<u>(\$2,540)</u>	<u>(\$127)</u>	<u>\$65,666</u>
<u>Protection:</u>								
Fire Department	\$0	\$3,500	\$0	\$3,500	\$0	\$3,500	\$0	\$0
Fire Department Reserve	\$20,734	\$0	\$0	\$20,734	\$0	(\$3,500)	\$0	\$24,234
EMT Training Reserve	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$0	\$1,500
Emergency Medical Services	\$0	\$2,000	\$0	\$2,000	\$0	\$0	\$2,000	\$0
Town Security Lights	\$0	\$0	\$0	\$0	\$1,027	(\$361)	(\$665)	\$0
	<u>\$22,234</u>	<u>\$5,500</u>	<u>\$0</u>	<u>\$27,734</u>	<u>\$1,027</u>	<u>(\$361)</u>	<u>\$1,335</u>	<u>\$25,734</u>
<u>Health & Sanitation:</u>								
Landfill Maintenance	\$0	\$20,000	\$0	\$20,000	\$12,286	\$1,725	\$5,989	\$0
	<u>\$0</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$20,000</u>	<u>\$12,286</u>	<u>\$1,725</u>	<u>\$5,989</u>	<u>\$0</u>
<u>Highways & Bridges:</u>								
Town Roads	\$0	\$500	\$0	\$500	\$0	\$0	\$500	\$0
Town Roads Reserve	\$9,108	\$0	\$3,368	\$12,476	\$0	\$0	\$0	\$12,476
FEMA Reserve	\$2,347	\$0	\$0	\$2,347	\$0	\$0	\$0	\$2,347
Town Dock/Road Reserve	\$21,377	\$0	\$0	\$21,377	\$0	\$0	\$0	\$21,377
Snow Removal	\$0	\$12,800	\$0	\$12,800	\$17,631	\$0	(\$4,831)	\$0
Generator Trailer	\$0	\$1,000	\$0	\$1,000	\$0	\$0	\$1,000	\$0
Town Dock, Float & Mooring	\$0	\$3,000	\$0	\$3,000	\$2,750	\$0	\$250	\$0
Town Floats & Ramps Reserve	\$19,073	\$1,000	\$393	\$20,466	\$0	(\$25)	\$0	\$20,491
SHIP Grant Reserve	\$23,815	\$0	\$0	\$23,815	\$0	\$0	\$0	\$23,815
Ferry Pier Hoist Reserve	\$3,801	\$0	\$0	\$3,801	\$0	\$0	\$0	\$3,801
	<u>\$79,520</u>	<u>\$18,300</u>	<u>\$3,761</u>	<u>\$101,581</u>	<u>\$20,381</u>	<u>(\$25)</u>	<u>(\$3,081)</u>	<u>\$84,306</u>
<u>Education:</u>								
Education	\$115,791	\$139,297	\$40,793	\$295,881	\$178,193	\$2,858	\$0	\$114,830
	<u>\$115,791</u>	<u>\$139,297</u>	<u>\$40,793</u>	<u>\$295,881</u>	<u>\$178,193</u>	<u>\$2,858</u>	<u>\$0</u>	<u>\$114,830</u>

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit A-1)

<i>Department</i>	<i>Beginning Balance</i>	<i>Approp- riations</i>	<i>Cash Receipts</i>	<i>Total Available</i>	<i>Warrants Drawn</i>	<i>Other Charges (Credits)</i>	<i>Lapsed Underexpended (Overdraft)</i>	<i>Ending Balance</i>
<u><i>Unclassified:</i></u>								
Preschool Funds	\$4,838	\$0	\$0	\$4,838	\$0	\$0	\$0	\$4,838
Pier Electricity	\$0	\$1,000	\$0	\$1,000	\$990	(\$175)	\$184	\$0
Town Wharf Electricity	\$0	\$1,000	\$0	\$1,000	\$715	(\$206)	\$491	\$0
General Assistance	\$0	\$1,500	\$0	\$1,500	\$0	\$0	\$1,500	\$0
Town of Tremont	\$0	\$2,000	\$0	\$2,000	\$2,000	\$0	\$0	\$0
Community Garden Grant	\$55	\$0	\$0	\$55	\$0	\$0	\$0	\$55
MCF Grant	\$142	\$0	\$0	\$142	\$0	\$0	\$0	\$142
Island Institute	\$0	\$500	\$0	\$500	\$0	\$0	\$500	\$0
Hospice of Hancock County	\$0	\$1,000	\$0	\$1,000	\$0	\$0	\$1,000	\$0
Frenchboro Historical Society	\$0	\$0	\$0	\$0	\$600	\$0	(\$600)	\$0
Cemetery Maintenance	\$0	\$600	\$0	\$600	\$0	\$0	\$600	\$0
Public Bathroom	\$0	\$1,200	\$0	\$1,200	\$0	\$0	\$1,200	\$0
Library	\$0	\$600	\$0	\$600	\$600	\$0	\$0	\$0
	<u>\$5,035</u>	<u>\$9,400</u>	<u>\$0</u>	<u>\$14,435</u>	<u>\$4,905</u>	<u>(\$380)</u>	<u>\$4,875</u>	<u>\$5,035</u>
<u><i>Assessments & Debt Service:</i></u>								
Hancock County Tax	\$0	\$6,131	\$0	\$6,131	\$6,131	\$0	\$0	\$0
Town Hall Addition Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town Dock/Road Debt Service	\$0	\$24,000	\$0	\$24,000	\$23,889	\$0	\$111	\$0
Overlay	\$0	\$2,987	\$0	\$2,987	\$0	\$0	\$2,987	\$0
	<u>\$0</u>	<u>\$33,119</u>	<u>\$0</u>	<u>\$33,119</u>	<u>\$30,020</u>	<u>\$0</u>	<u>\$3,098</u>	<u>\$0</u>
<u>TOTALS</u>	<u>\$294,626</u>	<u>\$288,696</u>	<u>\$51,324</u>	<u>\$634,645</u>	<u>\$325,710</u>	<u>\$1,277</u>	<u>\$12,088</u>	<u>\$295,570</u>

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit A-2)

<u>Beginning Unassigned Fund Balance</u>		\$111,513
<u>Additions:</u>		
Lapsed Accounts (Exhibit A-1)	\$12,088	
Supplemental Taxes	\$2,552	
Decrease in Unavailable Tax Revenue (Note 3)	\$26,465	
Excise Taxes (net of appropriation)	\$416	
Tax Interest and Lien Fees (net of appropriation)	\$14,241	
Interest Earned (net of appropriation)	\$994	
Permit, Fees and Other (net of appropriation)	\$2,748	
	<hr/>	
<u>Total Additions</u>		\$59,504
<u>Reductions:</u>		
None	\$0	
	<hr/>	
<u>Total Reductions</u>		<hr/> \$0
<u>Ending Unassigned Fund Balance</u>		<hr/> <hr/> \$171,017

TOWN OF FRENCHBORO, MAINE
VALUATION, ASSESSMENT AND APPROPRIATIONS
JUNE 30, 2021

(Exhibit A-3)

Valuation:

Land, Buildings and Equipment	\$16,384,500	
Less Exempt Property	(\$115,700)	
<u>Total Valuation</u>		<u>\$16,268,800</u>

Tax Rate Per Thousand

\$15.28

Taxes Committed, Including Homestead Exemption	\$252,598	
Excise Tax	\$6,676	
State Revenue Sharing	\$5,000	
Tax Interest & Fees	\$773	
In Lieu of Taxes	\$16,300	
BETE Reimbursement	\$7,348	
<u>Total Appropriations and Assessments</u>		<u>\$288,696</u>

Appropriations and Assessments:

Administration	\$37,930	
Administrative Salaries	\$17,950	
Municipal Building	\$7,000	
Teachers House Account	\$200	
Fire Department	\$3,500	
Waste Management	\$20,000	
Emergency Medical Services	\$2,000	
Town Roads	\$500	
Road/Dock Debt Service	\$24,000	
Snow Removal	\$12,800	
Generator Trailer	\$1,000	
Town Dock, Float & Mooring	\$4,000	
Town of Tremont	\$2,000	
Education	\$139,297	
Pier Electricity	\$1,000	
Town Wharf Electricity	\$1,000	
Island Institute	\$500	
Hospice of Hancock County	\$1,000	
Cemetery Maintenance	\$600	
Public Restroom	\$1,200	
Library	\$600	
General Assistance	\$1,500	
Hancock County Tax	\$6,131	
Overlay	\$2,987	
<u>Total Appropriations and Assessments</u>		<u>\$288,696</u>

TOWN OF FRENCHBORO, MAINE
TAX COLLECTOR'S COMMITMENT AND UNCOLLECTED TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit A-4)

<u>Tax Commitment</u>		\$251,139
<u>Collections and Adjustments:</u>		
Cash Collections - Current Year	\$207,332	
<u>Total Collections and Adjustments</u>		<u>\$207,332</u>
<u>Uncollected Taxes June 30:</u>		<u>\$43,807</u>
<u>Uncollected Taxes:</u>		
Best, Eric		\$4,480.10
Bond, Duncan & Gretchen& Jessica		(\$345.80)
Borofsky, Richard & Antra K.		\$3.75
Brown, Steven & Kimberly		\$1,046.68
Carter, George		\$10.70
Coffay, Brian andCaroline		\$5.95
Davis, Alan and Erica		\$5.74
Davis, Ruth (Baker)		\$579.11
Davis, Stephen		\$3,097.26
Emerson/Wright		\$5,569.56
Frenchboro Family Holdings LLC		\$748.72
Dobson, Justin		\$1,429.31
Giamo, Paula Sue		\$994.73
Giberson, Michael		\$379.05
Hasal, Gerd & Donna		(\$319.39)
Hayes, Joseph and Sue		(\$1.43)
Hodgdon, Brett		\$2,648.02
Lunt & Lunt		\$4,981.28
Lunt, David & Sandra		\$3,499.12
Lunt, David		(\$0.10)
Lunt, Lenfesty, Harmon		\$863.32
Lunt, Nathaniel		\$2,415.77
Lunt, Zachary and Laurette		\$1,249.90
Lunt, Zachary and		\$1,382.84
Lunt, Zachary		\$764.00
Lunt, Zachary and		\$534.80
Lunt, ZacharyLaurette		\$2,269.08
Lunt, Kristi Lynn		\$4.85
Mitchell, David A.		\$382.00
Pinkham, Alton		\$0.02
Roos, John		\$1,323.08
Smart, Monte		\$2,287.42
Wiggins, Tim		\$1,517.30
<u>Total</u>		<u>\$43,807</u>

TOWN OF FRENCHBORO, MAINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Exhibit A-5)

Federal Grantor/Pass-Through

<u>Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grantor Pass-Through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>			
Rural Education Achievement Program	84.358	013-05A-6336-13	<u>\$18,188</u>
<u>Passed Through State Department of Education and Cultural Services:</u>			
<u>Special Education Cluster (IDEA):</u>			
Title VI, Part B - Local Entitlement	84.027	013-05A-3046-12	<u>\$1,114</u>
<u>Total U.S. Department of Education</u>			<u>\$19,302</u>
<u>U.S. Department of the Treasury:</u>			
<u>Passed Through State Department of Health and Passed Through State Department of Education:</u>			
Coronavirus Relief Fund 1	21.019	022-05A-7010-60-6360-7010CRF	\$2,782
Coronavirus Relief Fund 2	21.019	022-05A-7015-60-6306-7015CRF2	<u>\$4,365</u>
<u>Total U.S. Department of Treasury</u>			<u>\$7,147</u>
<u>Totals</u>			<u><u>\$26,449</u></u>