

Audited Financial Statements
and Other Financial Information

Town of Bucksport, Maine

June 30, 2020



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TOWN OF BUCKSPORT, MAINE

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JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Bucksport
Bucksport, Maine

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 4 through 11 and 72 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bucksport, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021 on our consideration of the Town of Bucksport, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bucksport, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
May 12, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(UNAUDITED)

The following management's discussion and analysis of the Town of Bucksport, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Bucksport's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Bucksport are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, protection, public works, health and sanitation, education, recreation, community and social agencies, cemeteries and unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Bucksport include the sewer fund and the marina fund.

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 Town of Bucksport, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Bucksport can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Bucksport presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Bucksport maintains two proprietary funds, the sewer fund and the marina fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

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 Financial Statements can be found following the Statement of Cash Flows - Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pension, a Schedule of Proportionate Share of the Net OPEB Liability - Group Life, a Schedule of Contributions - Group Life, a Schedule of Changes in Net OPEB Liability - MMEHT, a Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT, a Schedule of Contributions - OPEB - MMEHT and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities decreased by \$1,557,418 from \$18,666,006 to \$17,108,588. For the business-type activities the Town's total net position increased by \$314,614 from \$9,918,008 to \$10,232,622.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for the governmental activities to a balance of \$6,680,624 at the end of the fiscal year. For the business-type activities, the unrestricted net position decreased to a balance of \$1,067,096.

Table 1
Town of Bucksport, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2019		2020	2019
	2020	(Restated)		
Assets:				
Current Assets	\$ 9,009,528	\$ 10,077,566	\$ 1,265,962	\$ 1,404,910
Noncurrent Assets-Capital Assets	9,483,492	9,923,110	17,423,433	17,300,850
Other Assets	1,234,011	1,645,348	-	-
Total Assets	<u>19,727,031</u>	<u>21,646,024</u>	<u>18,689,395</u>	<u>18,705,760</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	205,446	193,271	-	-
Deferred Outflows Related to OPEB	175,288	28,465	-	-
Total Deferred Outflows of Resources	<u>380,734</u>	<u>221,736</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current Liabilities	831,053	725,874	409,461	406,845
Noncurrent Liabilities	1,954,138	2,258,177	8,047,312	8,380,907
Total Liabilities	<u>2,785,191</u>	<u>2,984,051</u>	<u>8,456,773</u>	<u>8,787,752</u>
Deferred Inflows of Resources:				
Prepaid Taxes	25,147	17,547	-	-
Deferred Inflows Related to Pensions	141,766	146,964	-	-
Deferred Inflows Related to OPEB	47,073	53,192	-	-
Total Deferred Inflows of Resources	<u>213,986</u>	<u>217,703</u>	<u>-</u>	<u>-</u>
Net Position:				
Net Investment in Capital Assets	9,356,878	9,809,951	9,042,526	8,591,579
Restricted	1,071,086	1,087,687	123,000	123,000
Unrestricted	6,680,624	7,768,368	1,067,096	1,203,429
Total Net Position	<u>\$ 17,108,588</u>	<u>\$ 18,666,006</u>	<u>\$ 10,232,622</u>	<u>\$ 9,918,008</u>

Table 2
Town of Bucksport, Maine
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Revenues				
<i>Programs Revenues:</i>				
Charges for services	\$ 935,921	\$ 691,874	\$ 1,028,981	\$ 870,590
Operating grants and contributions	67,424	66,495	-	-
Capital grants and contributions	-	-	397,684	297,548
<i>General Revenues:</i>				
Property taxes	7,090,058	7,038,854	-	-
Excise taxes	890,567	901,127	-	-
Grants and contributions not restricted to specific programs	747,297	798,523	-	-
Miscellaneous	328,478	384,035	12,430	114,837
Total Revenues	10,059,745	9,880,908	1,439,095	1,282,975
Expenses				
General government	1,959,900	1,749,311	-	-
Protection	1,995,612	1,772,497	-	-
Public works	1,346,518	1,458,419	-	-
Health and sanitation	225,633	239,149	-	-
Community and social agencies	45,073	87,162	-	-
Education	4,787,796	4,720,940	-	-
Recreation	318,142	294,122	-	-
Cemeteries	10,425	11,862	-	-
County tax	198,319	189,491	-	-
Capital outlay	527,487	107,947	-	-
Sewer fund	-	-	990,616	1,014,561
Marina	-	-	149,277	121,227
Unclassified	186,846	222,803	-	-
Total Expenses	11,601,751	10,853,703	1,139,893	1,135,788
Transfers	(15,412)	(15,412)	15,412	15,412
Change in Net Position	(1,557,418)	(988,207)	314,614	162,599
Net Position - July 1, Restated	18,666,006	19,654,213	9,918,008	9,755,409
Net Position - June 30	\$ 17,108,588	\$ 18,666,006	\$ 10,232,622	\$ 9,918,008

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.81%, while total expenses increased by 6.89%. Increases were in charges for services, operating grants and contributions and property taxes, while decreases occurred in excise taxes, grants and contributions not restricted to specific programs and miscellaneous. Governmental expenditures recognized increases, primarily in general government, protection, education, recreation, county tax and capital outlay, partially offset by decreases in public works, health and sanitation, community and social agencies, cemeteries and unclassified. For the business-type activities, revenues increased by 12.17% primarily due to an increase in charges for services while total expenses increased by 0.36%.

Financial Analysis of the Town's Fund Statements

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

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

The changes to total fund balances for the proprietary fund occurred due to the regular activity of operations.

Table 3
Town of Bucksport, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 12,290	\$ 11,524	\$ 766
Restricted	357,358	357,358	-
Committed	184,972	119,972	65,000
Assigned	1,189,459	868,468	320,991
Unassigned	4,436,463	5,727,596	(1,291,132)
Total General Fund	<u>\$ 6,180,542</u>	<u>\$ 7,084,918</u>	<u>\$ (904,375)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 541,405	\$ 541,405	\$ -
Assigned	399,023	383,170	15,853
Unassigned	(257,502)	(66,510)	(190,992)
Capital Projects Funds:			
Committed	1,357,798	1,455,679	(97,881)
Assigned	102,373	100,301	2,072
Unassigned	(68,394)	(80,871)	12,477
Permanent Funds:			
Nonspendable - Principal	140,198	140,198	-
Restricted	32,125	48,726	(16,601)
Unassigned	(3,228)	(3,228)	-
Total Nonmajor Funds	<u>\$ 2,243,798</u>	<u>\$ 2,518,870</u>	<u>\$ (275,072)</u>

The changes to total fund balances for the general fund and nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

There were no major differences between the original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$127,740. This was mostly the result of greater than anticipated revenues for excise taxes, charges for services, interest income and miscellaneous revenues, with transfers from other funds, intergovernmental and interest on taxes being receipted less than budgeted.

The general fund actual expenditures were under budget by \$100,034. Most expenditure categories were under or within budget, with the exception of general government, protection and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2020, the net book value of capital assets recorded by the Town decreased by \$317,035 from the prior year. The decrease is the result of capital additions of \$676,678, offset by current year depreciation of \$946,232 and net disposals of \$47,481.

Table 4
Town of Bucksport, Maine
Capital Assets (Net of Depreciation)
June 30,

	2020	2019 (Restated)
Land	\$ 2,193,021	\$ 2,193,021
Construction in progress	13,552,689	13,155,005
Artwork	11,450	11,450
Buildings and improvements	3,657,152	3,885,412
Furniture and fixtures	5,199	6,088
Equipment	438,714	437,009
Vehicles	1,397,689	1,430,360
Infrastructure	5,651,011	6,105,615
Total	<u>\$ 26,906,925</u>	<u>\$ 27,223,960</u>

Debt

At June 30, 2020, the Town had \$9,741,532 of bonds and notes from direct borrowings outstanding versus \$10,467,778 last year, a decrease of 8.27%. Refer to Note 8 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Economic Factors and Next Year's Budgets and Rates

Bucksport's financial performance and management of resources remains strong despite a current year deficit in the general fund. The unassigned general fund balance decreased to \$4,436,463 for the year ended June 30, 2020 from \$5,727,596 for the same period in 2019 or a 29.10% decrease.

Fiscal 2019 budget expectations continued to support operational and program needs within LD-1 tax limitations despite continued economic constraints and flat local economy. Property taxes remained the largest source of revenue for the Town in fiscal 2020 at \$7,090,058, comprising approximately 70.48% of revenues. The Town's mil rate decreased to \$16.30, a decrease of \$0.10 from the previous year rate of \$16.40.

To limit the Town's exposure to unforeseen cost and more specifically to provide an adequate level of funding in the event of a valuation loss from large taxpayers, Bucksport adopted an Undesignated Fund Balance Policy in May of 2007. The Town's management designed the policy around maintaining a level of funding in Undesignated Fund Balance (surplus) that provides financial stability for the community into the near future. In addition, the policy will assist the Town in maintaining its current favorable bond rating and provide direction to the Town Manager during annual budget preparation. The Town maintained balances in excess of the required minimum level for the fiscal years ended 2020, 2019 and 2018. The policy also includes a provision for the suggested utilization of excess funds on future capital improvements and/or accelerated payment of debt service.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, the Finance Director for the Town of Bucksport can be reached at P.O. Box X, Bucksport, Maine 04416, by phone at (207) 469-7368 or email address of financedirector@bucksportmaine.gov.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,057,307	\$ 838	\$ 1,058,145
Investments	7,682,260	-	7,682,260
Accounts receivable (net of allowance for uncollectibles):			
Taxes	32,636	-	32,636
Liens	349,242	-	349,242
Other	852,805	98,435	951,240
Note receivable	184,972	-	184,972
Inventory	12,290	4,705	16,995
Internal balances	(1,161,984)	1,161,984	-
Total current assets	<u>9,009,528</u>	<u>1,265,962</u>	<u>10,275,490</u>
Noncurrent assets:			
Receivable for long-term debt obligations from RSU No. 25	1,234,011	-	1,234,011
Capital assets:			
Land, infrastructure, and other assets not being depreciated	1,527,572	14,229,588	15,757,160
Buildings and vehicles net of accumulated depreciation	7,955,920	3,193,845	11,149,765
Total noncurrent assets	<u>10,717,503</u>	<u>17,423,433</u>	<u>28,140,936</u>
TOTAL ASSETS	<u>19,727,031</u>	<u>18,689,395</u>	<u>38,416,426</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	205,446	-	205,446
Deferred outflows related to OPEB	175,288	-	175,288
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>380,734</u>	<u>-</u>	<u>380,734</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 20,107,765</u>	<u>\$ 18,689,395</u>	<u>\$ 38,797,160</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 193,493	\$ 3	\$ 193,496
Accrued payroll	123,957	-	123,957
Accrued interest	-	75,863	75,863
Current portion of long-term obligations	513,603	333,595	847,198
Total current liabilities	<u>831,053</u>	<u>409,461</u>	<u>1,240,514</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	822,674	8,047,312	8,869,986
Notes from direct borrowings payable	45,206	-	45,206
Accrued compensated absences	187,721	-	187,721
Net pension liability	519,707	-	519,707
Net OPEB liability	378,830	-	378,830
Total noncurrent liabilities	<u>1,954,138</u>	<u>8,047,312</u>	<u>10,001,450</u>
TOTAL LIABILITIES	<u>2,785,191</u>	<u>8,456,773</u>	<u>11,241,964</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	25,147	-	25,147
Deferred inflows related to pensions	141,766	-	141,766
Deferred inflows related to OPEB	47,073	-	47,073
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>213,986</u>	<u>-</u>	<u>213,986</u>
NET POSITION			
Net investment in capital assets	9,356,878	9,042,526	18,399,404
Restricted	1,071,086	123,000	1,194,086
Unrestricted	6,680,624	1,067,096	7,747,720
TOTAL NET POSITION	<u>17,108,588</u>	<u>10,232,622</u>	<u>27,341,210</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 20,107,765</u>	<u>\$ 18,689,395</u>	<u>\$ 38,797,160</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 1,959,900	\$ 151,815	\$ 3,252	\$ -	\$ (1,804,833)	\$ -	\$ (1,804,833)
Protection	1,995,612	716,037	-	-	(1,279,575)	-	(1,279,575)
Public works	1,346,518	121	64,172	-	(1,282,225)	-	(1,282,225)
Health and sanitation	225,633	24,309	-	-	(201,324)	-	(201,324)
Community and social agencies	45,073	-	-	-	(45,073)	-	(45,073)
Education	4,787,796	-	-	-	(4,787,796)	-	(4,787,796)
Recreation	318,142	43,639	-	-	(274,503)	-	(274,503)
Cemeteries	10,425	-	-	-	(10,425)	-	(10,425)
County tax	198,319	-	-	-	(198,319)	-	(198,319)
Capital outlay	527,487	-	-	-	(527,487)	-	(527,487)
Unclassified	186,846	-	-	-	(186,846)	-	(186,846)
Total governmental activities	<u>11,601,751</u>	<u>935,921</u>	<u>67,424</u>	<u>-</u>	<u>(10,598,406)</u>	<u>-</u>	<u>(10,598,406)</u>
Business-type activities:							
Sewer fund	990,616	929,655	-	397,684	-	336,723	336,723
Marina fund	149,277	99,326	-	-	-	(49,951)	(49,951)
Total business-type activities	<u>1,139,893</u>	<u>1,028,981</u>	<u>-</u>	<u>397,684</u>	<u>-</u>	<u>286,772</u>	<u>286,772</u>
Total government	<u>\$ 12,741,644</u>	<u>\$ 1,964,902</u>	<u>\$ 67,424</u>	<u>\$ 397,684</u>	<u>(10,598,406)</u>	<u>286,772</u>	<u>(10,311,634)</u>

STATEMENT B (CONTINUED)

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(10,598,406)</u>	<u>286,772</u>	<u>(10,311,634)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	7,090,058	-	7,090,058
Excise taxes	890,567	-	890,567
Grants and contributions not restricted to specific programs	747,297	-	747,297
Miscellaneous	328,478	12,430	340,908
Transfers	(15,412)	15,412	-
Total general revenues and transfers	<u>9,040,988</u>	<u>27,842</u>	<u>9,068,830</u>
Change in net position	(1,557,418)	314,614	(1,242,804)
NET POSITION - JULY 1, RESTATED	<u>18,666,006</u>	<u>9,918,008</u>	<u>28,584,014</u>
NET POSITION - JUNE 30	<u>\$ 17,108,588</u>	<u>\$ 10,232,622</u>	<u>\$ 27,341,210</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 970,780	\$ 86,527	\$ 1,057,307
Investments	7,576,320	105,940	7,682,260
Accounts receivable (net of allowance for uncollectibles):			
Taxes	32,636	-	32,636
Liens	349,242	-	349,242
Other	761,446	91,359	852,805
Note receivable	184,972	-	184,972
Inventory	12,290	-	12,290
Due from other funds	34,213	2,315,234	2,349,447
TOTAL ASSETS	\$ 9,921,899	\$ 2,599,060	\$ 12,520,959
LIABILITIES			
Accounts payable	\$ 193,493	\$ -	\$ 193,493
Accrued payroll and related items	123,957	-	123,957
Due to other funds	3,156,169	355,262	3,511,431
TOTAL LIABILITIES	3,473,619	355,262	3,828,881
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	25,147	-	25,147
Deferred tax revenues	242,591	-	242,591
TOTAL DEFERRED INFLOWS OF RESOURCES	267,738	-	267,738
FUND BALANCES			
Nonspendable	12,290	140,198	152,488
Restricted	357,358	573,530	930,888
Committed	184,972	1,357,798	1,542,770
Assigned	1,189,459	501,396	1,690,855
Unassigned	4,436,463	(329,124)	4,107,339
TOTAL FUND BALANCES	6,180,542	2,243,798	8,424,340
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,921,899	\$ 2,599,060	\$ 12,520,959

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	Total Governmental Funds
	Total Governmental Funds
Total Fund Balances	\$ 8,424,340
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	9,483,492
Long-term assets are not available in the current period and therefore are not reported as assets in the funds:	
Receivable for long-term debt obligations from RSU No. 25	1,234,011
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	242,591
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pensions	205,446
OPEB	175,288
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,234,011)
Notes from direct borrowings payable	(126,614)
Accrued compensated absences	(208,579)
Net pension liability	(519,707)
Net OPEB liability	(378,830)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pensions	(141,766)
OPEB	(47,073)
Net position of governmental activities	\$ 17,108,588

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 7,090,058	\$ -	\$ 7,090,058
Excise	890,567	-	890,567
Intergovernmental	779,027	35,694	814,721
Charges for services	935,921	-	935,921
Miscellaneous revenues	273,683	54,795	328,478
TOTAL REVENUES	9,969,256	90,489	10,059,745
EXPENDITURES			
Current:			
General government	1,888,841	35,339	1,924,180
Protection	1,842,450	23,012	1,865,462
Public works	1,102,009	-	1,102,009
Health and sanitation	217,955	-	217,955
Community and social agencies	45,073	-	45,073
Education	4,787,796	-	4,787,796
Recreation	253,756	11,886	265,642
Cemeteries	2,775	7,650	10,425
County tax	198,319	-	198,319
Unclassified	186,846	-	186,846
Capital outlay	-	620,074	620,074
TOTAL EXPENDITURES	10,525,819	697,961	11,223,780
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(556,563)	(607,472)	(1,164,035)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	332,400	332,400
Transfers (out)	(347,812)	-	(347,812)
TOTAL OTHER FINANCING SOURCES (USES)	(347,812)	332,400	(15,412)
NET CHANGE IN FUND BALANCES	(904,375)	(275,072)	(1,179,447)
FUND BALANCES - JULY 1	7,084,918	2,518,870	9,603,788
FUND BALANCES - JUNE 30	\$ 6,180,542	\$ 2,243,798	\$ 8,424,340

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,179,447)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	278,994
Capital asset disposals	(47,481)
Depreciation expense	<u>(671,131)</u>
	<u>(439,618)</u>
Decrease in the receivable for long-term debt obligations from RSU No. 25	<u>(411,337)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	12,175
OPEB	<u>146,823</u>
	<u>158,998</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>536,808</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	<u>(138,926)</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
Pension	5,198
OPEB	<u>6,119</u>
	<u>11,317</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:	
Accrued compensated absences	17,091
Net pension liability	(59,981)
Net OPEB liability	<u>(52,322)</u>
	<u>(95,212)</u>
Change in net position of governmental activities (Statement B)	<u>\$ (1,557,418)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds		Total
	Sewer Fund	Marina Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 338	\$ 500	\$ 838
Accounts receivable (net of allowance for uncollectibles)	86,647	11,788	98,435
Inventory	-	4,705	4,705
Due from other funds	1,196,197	-	1,196,197
Total current assets	<u>1,283,182</u>	<u>16,993</u>	<u>1,300,175</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	13,552,689	-	13,552,689
Land	676,899	-	676,899
Buildings	4,546,320	45,593	4,591,913
Building improvements	875,270	-	875,270
Furniture and fixtures	-	704	704
Infrastructure	5,760,930	25,813	5,786,743
Equipment	78,331	4,603	82,934
Total capital assets	<u>25,490,439</u>	<u>76,713</u>	<u>25,567,152</u>
Less: accumulated depreciation	<u>(8,127,500)</u>	<u>(16,219)</u>	<u>(8,143,719)</u>
Total noncurrent assets	<u>17,362,939</u>	<u>60,494</u>	<u>17,423,433</u>
TOTAL ASSETS	<u>\$ 18,646,121</u>	<u>\$ 77,487</u>	<u>\$ 18,723,608</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3	\$ -	\$ 3
Accrued interest	75,863	-	75,863
Due to other funds	-	34,213	34,213
Current portion of long-term obligations	333,595	-	333,595
Total current liabilities	<u>409,461</u>	<u>34,213</u>	<u>443,674</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,047,312	-	8,047,312
Total noncurrent liabilities	<u>8,047,312</u>	<u>-</u>	<u>8,047,312</u>
TOTAL LIABILITIES	<u>8,456,773</u>	<u>34,213</u>	<u>8,490,986</u>
NET POSITION			
Net investment in capital assets	8,982,032	60,494	9,042,526
Restricted	123,000	-	123,000
Unrestricted	1,084,316	(17,220)	1,067,096
TOTAL NET POSITION	<u>10,189,348</u>	<u>43,274</u>	<u>10,232,622</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 18,646,121</u>	<u>\$ 77,487</u>	<u>\$ 18,723,608</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds		Total
	Sewer Fund	Marina Fund	
OPERATING REVENUES			
Charges for services	\$ 929,655	\$ 99,326	\$ 1,028,981
Other	9,301	-	9,301
TOTAL OPERATING REVENUES	<u>938,956</u>	<u>99,326</u>	<u>1,038,282</u>
OPERATING EXPENSES			
Payroll	92,418	72,417	164,835
Supplies	43,210	928	44,138
Equipment, maintenance and repairs	53,772	29,721	83,493
Utilities	69,355	5,595	74,950
Fuel	-	22,563	22,563
Insurance	5,338	350	5,688
Depreciation	272,398	2,703	275,101
Contracted services	244,516	7,805	252,321
Other	55,265	7,195	62,460
TOTAL OPERATING EXPENSES	<u>836,272</u>	<u>149,277</u>	<u>985,549</u>
OPERATING INCOME (LOSS)	<u>102,684</u>	<u>(49,951)</u>	<u>52,733</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	3,129	-	3,129
Interest expense	(154,344)	-	(154,344)
Capital grant	397,684	-	397,684
Transfers in	15,412	-	15,412
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>261,881</u>	<u>-</u>	<u>261,881</u>
CHANGE IN NET POSITION	364,565	(49,951)	314,614
NET POSITION - JULY 1, RESTATED	<u>9,824,783</u>	<u>93,225</u>	<u>9,918,008</u>
NET POSITION - JUNE 30	<u>\$ 10,189,348</u>	<u>\$ 43,274</u>	<u>\$ 10,232,622</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds		Total
	Sewer Fund	Marina Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 943,406	\$ 98,826	\$ 1,042,232
Internal activity - receipts (payments) from/to other funds	87,253	13,536	100,789
Payments to suppliers	(474,072)	(39,944)	(514,016)
Payments to employees	(92,418)	(72,417)	(164,835)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>464,169</u>	<u>-</u>	<u>464,169</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating subsidies and transfers to/from other funds	<u>15,412</u>	<u>-</u>	<u>15,412</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(397,684)	-	(397,684)
Proceeds from capital grants	397,684	-	397,684
Principal payments on bonds payable	(328,364)	-	(328,364)
Interest payments on bonds payable	(154,344)	-	(154,344)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(482,708)</u>	<u>-</u>	<u>(482,708)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	<u>3,129</u>	<u>-</u>	<u>3,129</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3,129</u>	<u>-</u>	<u>3,129</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2	-	2
CASH AND CASH EQUIVALENTS - JULY 1	<u>336</u>	<u>500</u>	<u>836</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 338</u>	<u>\$ 500</u>	<u>\$ 838</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 102,684	\$ (49,951)	\$ 52,733
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	272,398	2,703	275,101
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	4,449	-	4,449
(Increase) decrease in due from other funds	87,253	13,536	100,789
(Increase) decrease in inventory	-	(500)	(500)
Increase (decrease) in accounts payable	2	-	2
Increase (decrease) in due to other governments	-	34,213	34,213
Increase (decrease) in accrued interest	(2,618)	-	(2,618)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 464,168</u>	<u>\$ -</u>	<u>\$ 464,168</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	<u>\$ 154,344</u>	<u>\$ -</u>	<u>\$ 154,344</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Bucksport was incorporated under the laws of the State of Maine. The Town operates under the council-manager form of government and provides the following services: general government, protection, public works, health and sanitation, education, recreation, community and social agencies, cemeteries and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state of emergency was extended to May 13, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. Among other measures, this LD gave guidance concerning municipal budgets and the election process during the state of emergency. In accordance with Executive Order 39, issued by the Governor of Maine on April 10, 2020, primary elections (and all applicable dates in coordination with it) were suspended from June 9 to July 14.

Tax and excise tax 60-day deferred revenue extended

Executive Order 53, issued by the Governor of Maine on May 12, 2020 (and corrected on May 26 and June 26) allowed municipal officers to extend both tax due dates and interest dates for the fiscal year 2019 property taxes due as well as the option to delay property tax lien filing dates until after the state of emergency has expired. The Town extended the 2019/2020 tax due date from March 31, 2020 to April 30, 2020. In consideration of the Town's actions in accordance with this Executive Order, the Town determined that revenue recognition for these revenues, as well as certain excise taxes, will be extended for this one fiscal year from the normal 60-day period to a 90-day period from the date of the fiscal year end.

Impact on Finances

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable Federal and /or State programs.

Expected Federal/State Support

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Implementation of New Accounting Standards

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer fund and marina fund are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, protection, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Fund

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Town Council.

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. The Town's investment policy requires collateralization of accounts and deposits exceeding an amount equal to 25% of capital, surplus and undivided profits as defined by the laws of the State of Maine.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

Receivables

Receivables include amounts due from ambulance services, local businesses and sewer receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$1,136,212 for the year ended June 30, 2020. The allowance for uncollectible accounts for the ambulance receivables and micro-loans was estimated to be \$13,365 and \$26,174, respectively, as of June 30, 2020.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory in the general fund consists of diesel and gasoline and in the marina fund, gasoline and supplies. Inventories of supplies in the sewer fund are considered to be expenditures at the time of purchase and are not included in the sewer fund balance sheet.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are valued at their estimated acquisition value on the date received. All retirements have been recorded by eliminating the net carrying values.

A 2011 painting of George Washington has been capitalized as art and historical items. These items are categorized as non-depreciable assets as they are considered inexhaustible.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable and notes from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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 Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

For purposes of measuring the Town's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan and Maine Municipal Employees Health Trust (MMEHT) (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings and/or the Town Council are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Town Council.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has deferred outflows related to pensions and OPEB. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in these categories are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 2, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due in two installments on August 31, 2019 and March 31, 2020. Interest on unpaid taxes commenced on September 1, 2019 and April 1, 2020, at 4.00% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

excess of 100% is referred to as overlay and amounted to \$79,752 for the year ended June 30, 2020.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to day-to-day operations and other cash requirements and maximization of income, within

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2020, the Town's cash and cash equivalent balance of \$1,058,145 was comprised of bank deposits and cash equivalents amounting to \$1,125,607. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits and cash equivalents, \$952,893 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$172,714 were collateralized with securities held by the financial institution in the Town's name.

Account Type	Bank Balance
Checking accounts	\$ 592,602
Repurchase agreement	110,834
Money market account	320,256
Cash equivalents	101,915
	\$ 1,125,607

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2020, the Town's investments of \$7,682,260 were comprised of stocks in the amount of \$14,843 that are registered in the Town's name, held by the Town and therefore not exposed to custodial credit risk. \$91,097 of open-ended mutual funds was also not exposed to custodial credit risk. \$6,741,565 of certificates of deposits were collateralized with securities held by the financial institution in the Town's name. \$500,000 of debt securities, mutual funds and equity securities were covered by the Securities Investors Protection Corporation (SIPC) and the remaining amount of \$334,755 was uninsured and uncollateralized.

At June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair Value	Not Applicable	Less than 1 Year	1 - 5 Years	Over 5 Years
Certificates of deposit	\$ 5,748,231	\$ -	\$ -	\$ 5,748,231	\$ -
Debt securities:					
Brokered certificates of deposit	993,334	-	-	993,334	-
Mutual funds:					
Equities	666,851	\$666,851	-	-	-
Fixed income	259,001	259,001	-	-	-
Equity securities:					
Common stock	14,843	\$14,843	-	-	-
	<u>\$ 7,682,260</u>	<u>\$ 940,695</u>	<u>\$ -</u>	<u>\$ 6,741,565</u>	<u>\$ -</u>

Fair Value Hierarchy:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Brokered certificates of deposit	\$ 993,334	\$ -	\$ 993,334	\$ -
Total debt securities	<u>993,334</u>	<u>-</u>	<u>993,334</u>	<u>-</u>
Equity securities:				
Common stock	14,843	14,843	-	-
Mutual funds and exchange-traded funds - domestic and foreign	925,852	925,852	-	-
Total equity securities	<u>940,695</u>	<u>940,695</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>1,934,029</u>	<u>\$ 940,695</u>	<u>\$ 993,334</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	101,915			
Total cash equivalents measured at the NAV	<u>101,915</u>			
Total investments measured at fair value	<u>\$ 2,035,944</u>			

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments or cash equivalents that are measured at NAV per share (or its equivalent). Certificates of deposit held with local financial institutions for are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk – Statutes for the State of Maine authorize the Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. As of June 30, 2020, the Town's investments in common stock were rated A2 (\$13,361) and NR (\$1,482) by Moody's Rating Service. The Town's holdings in brokered certificates of deposit totaling \$993,334 were not rated.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 34,213	\$ 3,156,169
Nonmajor Special Revenue Funds	784,521	257,502
Nonmajor Capital Projects Funds	1,460,171	68,394
Nonmajor Permanent Funds	70,542	29,366
Enterprise Funds	1,196,197	34,213
	<u>\$ 3,545,644</u>	<u>\$ 3,545,644</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2020 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 347,812	\$ -
Nonmajor Special Revenue Funds	-	400
Nonmajor Capital Projects Funds	-	332,000
Enterprise Funds	-	15,412
	\$ 347,812	\$ 347,812

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance, 7/1/19 (Restated)	Additions	Disposals	Balance, 6/30/20
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 1,516,122	\$ -	\$ -	\$ 1,516,122
Artwork	11,450	-	-	11,450
	1,527,572	-	-	1,527,572
Depreciated assets:				
Buildings	3,816,046	-	-	3,816,046
Building improvements	1,094,469	-	-	1,094,469
Furniture and fixtures	13,563	-	-	13,563
Equipment	1,792,749	69,163	(51,422)	1,810,490
Vehicles	3,769,638	209,831	(624,939)	3,354,530
Infrastructure	13,693,422	-	-	13,693,422
	24,179,887	278,994	(676,361)	23,782,520
Less: accumulated depreciation	(15,784,349)	(671,131)	628,880	(15,826,600)
	8,395,538	(392,137)	(47,481)	7,955,920
Net governmental capital assets	\$ 9,923,110	\$ (392,137)	\$ (47,481)	\$ 9,483,492

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/19	Additions	Disposals	Balance, 6/30/20
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 676,899	\$ -	\$ -	\$ 676,899
Construction in progress	13,155,005	397,684	-	13,552,689
	<u>13,831,904</u>	<u>397,684</u>	<u>-</u>	<u>14,229,588</u>
Depreciated assets:				
Buildings	4,591,913	-	-	4,591,913
Building improvements	875,270	-	-	875,270
Furniture and fixtures	704	-	-	704
Equipment	82,934	-	-	82,934
Infrastructure	5,786,743	-	-	5,786,743
	<u>11,337,564</u>	<u>-</u>	<u>-</u>	<u>11,337,564</u>
Less: accumulated depreciation	<u>(7,868,618)</u>	<u>(275,101)</u>	<u>-</u>	<u>(8,143,719)</u>
	<u>3,468,946</u>	<u>(275,101)</u>	<u>-</u>	<u>3,193,845</u>
Net business-type capital assets	<u>\$ 17,300,850</u>	<u>\$ 122,583</u>	<u>\$ -</u>	<u>\$ 17,423,433</u>
<u>Current year depreciation:</u>				
General government				\$ 110,823
Protection				130,150
Public works				369,980
Health and sanitation				7,678
Recreation				52,500
Total governmental activities depreciation expense				<u>671,131</u>
Sewer fund				272,398
Marina fund				2,703
Total business-type activities depreciation expense				<u>275,101</u>
Total depreciation expense				<u>\$ 946,232</u>

NO

NOTE 6 - NOTES RECEIVABLE

On December 5, 2011, the Town entered into a note receivable from Chambers Realty LLC for an assisted living facility. The original amount of the note was for \$200,000 with 0% interest. As long as the property is maintained and operated as an assisted living facility for 15 years in accordance with the terms set forth in the agreement, there shall be no payments due from the borrower in repayment of the loan and the loan shall be forgiven at the end of the 15 year period.

As of February 15, 2019, the Town entered into a note receivable from Zion's Hill Properties LLC, owner of property at 34 Middle Street, Bucksport, Maine in accepting the Rehabilitation Grant from the Town in the amount of \$65,000. Total reimbursement will not exceed \$65,000. In the event of change of ownership, a percentage of the grant

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - NOTES RECEIVABLE (CONTINUED)

shall be immediately due and payable to the Town. After February 15, 2024, the lien on said property is considered released.

The following is a summary of changes in the notes receivable for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20
Note receivable	\$ 119,972	\$ 65,000	\$ -	\$ 184,972

NOTE 7 - LONG-TERM RECEIVABLE

As of July 1, 2009, the Bucksport School Department became a member of Regional School Unit (RSU) No. 25. The RSU Plan requires that the RSU be responsible for payment of all school-related long-term debt on behalf of the Town. As of June 30, 2020, a long-term receivable has been recorded for \$1,234,011, which represents school-related general obligation bonds. The State of Maine Department of Education is responsible for paying approximately 92% of the debt service on general obligation bonds directly to the Maine Municipal Bond Bank. The remaining debt service for bonds is paid by the RSU.

NOTE 8 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
<u>Governmental activities:</u>					
Bond payable	\$ 1,693,511	\$ -	\$ (459,500)	\$ 1,234,011	\$ 411,337
Notes from direct borrowings payable	64,996	138,926	(77,308)	126,614	81,408
	\$ 1,758,507	\$ 138,926	\$ (536,808)	\$ 1,360,625	\$ 492,745
<u>Business-type activities:</u>					
Bonds payable	\$ 8,709,271	\$ -	\$ (328,364)	\$ 8,380,907	\$ 333,595

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bond and notes payable from direct borrowings payable:

Governmental activities:

\$8,226,730, 2002 General Obligation Bonds due in annual principal payments of \$411,336, through November of 2022. Interest is charged at a fixed rate varying from 3.050% to 5.250% per annum.	\$ 1,234,011
\$138,926, 2019 General Obligation Bonds due in annual principal payments, through December of 2022. Interest is charged at a fixed rate of 1.99% per annum.	93,492
\$75,466, 2017 Note due in annual principal payments, through June of 2021. Interest is charged at a fixed rate of 3.99% per annum.	15,710
\$83,940, 2016 capital lease due in annual payments of \$18,039, through January of 2021. Interest is charged at a fixed rate of 3.60% per annum.	<u>17,412</u>
Total governmental activities	<u>1,360,625</u>

Business-type activities:

\$2,151,880, 2010 General Obligation Bonds due in annual installments, calculated using the level debt method, through October of 2030. Interest is charged at a fixed rate of 1.00% per annum.	1,236,310
\$1,500,000, 2016 General Obligation Bonds due in annual installments, calculated using the level debt method, through November of 2044. Interest is charged at a fixed rate of 1.875% per annum.	1,373,961
\$6,300,000, 2016 General Obligation Bonds due in annual installments, calculated using the level debt method, through November of 2044. Interest is charged at a fixed rate of 1.875% per annum.	<u>5,770,636</u>
Total business-type activities	<u>8,380,907</u>
Total bonds payable and notes from direct borrowings payable	<u><u>\$ 9,741,532</u></u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bond and note principal and interest requirements for the next five fiscal years ending June 30:

	Governmental Activities			Business-type Activities		Total Debt Service
	Bond and Notes from Direct Borrowings			Sewer - Bonds		
	Principal	Principal Credit	Interest	Principal	Interest	
2021	\$ 492,745	\$ -	\$ 80,274	\$ 333,595	\$ 151,725	\$ 1,058,339
2022	458,543	(22,481)	60,822	338,914	146,400	982,198
2023	409,337	-	-	344,325	140,985	894,647
2024	-	-	-	349,827	135,477	485,304
2025	-	-	-	355,422	129,875	485,297
2026-2030	-	-	-	1,864,441	561,958	2,426,399
2031-2035	-	-	-	1,535,176	392,773	1,927,949
2036-2040	-	-	-	1,555,040	248,320	1,803,360
2041-2045	-	-	-	1,704,167	96,964	1,801,131
	<u>\$ 1,360,625</u>	<u>\$ (22,481)</u>	<u>\$ 141,096</u>	<u>\$ 8,380,907</u>	<u>\$ 2,004,477</u>	<u>\$ 11,864,624</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense in business-type activities for the year ended June 30, 2020 was \$154,344.

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town. Principal credit represents the Town's portion of savings realized by the Maine Municipal Bond Bank upon debt refunding, amortized over the remaining life of the bond.

NOTE 9 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
Accrued compensated absences	\$ 225,670	\$ -	\$ (17,091)	\$ 208,579	\$ 20,858
Net pension liability	459,726	59,981	-	519,707	-
Net OPEB liability	326,508	70,857	(18,535)	378,830	-
Totals	<u>\$ 1,011,904</u>	<u>\$ 130,838</u>	<u>\$ (35,626)</u>	<u>\$ 1,107,116</u>	<u>\$ 20,858</u>

Please see Notes 10, 19, 21 and 22 for detailed information on each of the other long-term obligations.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2020, the Town's liability for compensated absences is \$208,579.

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2020, the Town has the following nonspendable fund balances:

General fund:	
Inventory	\$ 12,290
Nonmajor permanent funds (Schedule I)	140,198
	<u>\$ 152,488</u>

NOTE 12 - RESTRICTED NET POSITION

At June 30, 2020, the Town has the following restricted net position:

General fund:	
Education	\$ 357,358
Nonmajor special revenue funds (Schedule E)	
Closed housing account	13,880
2008 CDBG CE grant	2,049
Community for children and youth	15,833
TIF	348,144
Micro loan	161,499
Nonmajor permanent funds (Schedule I)	
Cemetery trusts	19,773
Cemetery trusts - nonspendable principal	21,097
Spofford Indigent fund - nonspendable principal	39,826
Ministerial fund	4,709
Ministerial fund - nonspendable principal	2,300
Colonoscopy fund	908
Oak hill cemetery	6,735
Oak hill cemetery - nonspendable principal	76,975
	<u>\$ 1,071,086</u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - RESTRICTED FUND BALANCES

At June 30, 2020, the Town has the following restricted fund balances:

General fund:	
Education	\$ 357,358
Nonmajor special revenue funds (Schedule E)	541,405
Nonmajor permanent funds (Schedule I)	32,125
	<u>\$ 930,888</u>

NOTE 14 - COMMITTED FUND BALANCES

At June 30, 2020, the Town has the following committed fund balances:

General fund:	
Loans receivable	\$ 184,972
Nonmajor capital projects funds (Schedule G)	1,357,798
	<u>\$ 1,542,770</u>

NOTE 15 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town has the following assigned fund balances:

General fund:	
2021 budget reduction	\$ 650,000
Maine PERS distribution	539,459
Nonmajor special revenue funds (Schedule E)	399,023
Nonmajor capital projects funds (Schedule G)	102,373
	<u>\$ 1,690,855</u>

NOTE 16 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2020, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU #25	\$ 4,225,972	56.40%	\$ 2,383,448

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2020.

The Town is a member of the Maine Municipal Association – Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a “claims made” form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is self-insured in the area of unemployment compensation and accounts for and finances its uninsured risk of loss in the special revenue funds. Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 18 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Bucksport’s landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town’s annual operating budget.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. 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 contract with PLD employers under applicable statutory provisions. As of June 30, 2019, there were 307 employers in the plan.

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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.69%.

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's police and fire department employees are part of the PLD's special plan "4N" and are required to contribute 9.0% of their annual covered salary, while all other employees are part of the PLD's plan "AN" and are required to contribute 8.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rates for special plan "4N" and plan "AN" are 3.9% and 7.0%, respectively of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2020 was \$113,016.

Pension Liabilities

At June 30, 2020, the Town reported a liability of \$519,707 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2019, the Town's proportion was 0.170026%, which was an increase of 0.00205% from its proportion measured as of June 30, 2018.

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

For the year ended June 30, 2020, the Town recognized total pension expense of \$42,608. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,536	\$ -
Changes of assumptions	26,320	-
Net difference between projected and actual earnings on pension plan investments	-	130,174
Changes in proportion and differences between contributions and proportionate share of contributions	4,574	11,592
Contributions subsequent to the measurement date	113,016	-
Total	<u>47</u> 205,446	\$ 141,766

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$113,016 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan year ended June 30:	PLD Plan
2020	\$ 12,799
2021	(54,724)
2022	(7,328)
2023	(82)
2024	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

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 (UAL) 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 his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her 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., actual decreases or increases in liabilities and/or in assets which differ 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 dampens the swing in the market value. The specific technique adopted in

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

this valuation recognizes 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 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 employed by the actuary for funding purposes as of June 30, 2019 are as follows:

Investment Rate of Return - 6.75% per annum for the year ended June 30, 2019 compounded annually.

Salary Increases, Merit and Inflation - 2.75% to 9.00% per year

Mortality Rates - For participating local districts, 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.

Cost of Living Benefit Increases - 1.91%

The long-term expected rate of return on pension plan assets 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2019 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
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%	4.2%
Diversifiers	10.0%	5.9%

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2019. 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 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.

The following table shows how the collective net pension liability/(asset) as of June 30, 2019 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 1,183,860	\$ 519,707	\$ (101,544)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2019 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2019 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. 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. For 2019, this was four years; for 2018, this was three years; prior to 2018, this was four years for the PLD Consolidated Plan.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. 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.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2019 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2017. Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. 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.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. 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. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2019 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - DEFERRED COMPENSATION PENSION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION - RETIREMENT CORPORATION

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employee to defer a portion of salary until future years. There is no employer match by the Town. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Town employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2019, there were 239 employers participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

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 the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage 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 \$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. The Town's contribution to the Plan for the year ended June 30, 2020 was \$104,670.

Proportionate Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported a liability of \$137,671 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2019 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liabilities were based on a projection of the Town's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2019, the Town's proportion was 0.0643396%, which was an increase of 0.00651% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized net OPEB revenue of \$6,752. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN (CONTINUED)

	PLD Life Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,774	\$ -
Changes of assumptions	11,459	17,987
Net difference between projected and actual earnings on pension plan investments	-	6,156
Changes in proportion and differences between contributions and proportionate share of contributions	2,493	4,418
	<u>104,670</u>	<u>-</u>
Total	<u>\$ 127,396</u>	<u>\$ 28,561</u>

\$104,670 reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	PLD Life Insurance
Plan year ended June 30:	
2020	\$ (3,978)
2021	(3,978)
2022	(2,690)
2023	3,612
2024	1,197
Thereafter	-

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

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 (UAL) 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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

member's projected future benefits and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her 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

Investments are reported at fair value.

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2019, there were 11 years remaining for the Plan.

The actuarial assumptions used in the June 30, 2019 and June 30, 2018 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2019 are as follows:

Investment Rate of Return - For the PLD Plan, 6.75% per annum, compounded annually.

Inflation Rate - 2.75%

Annual Salary Increases including Inflation - For the PLD Plan, 2.75% to 9.00% per year.

Mortality Rates - For active members and non-disabled retirees of the Plan, 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. These tables are adjusted by percentages ranging from 104% to 120% based on actuarially determined demographic differences.

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN (CONTINUED)

Participation Rate 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

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, 2019 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	15.00%	3.00%
US Government securities	10.00%	2.30%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the collective total OPEB liability was 4.98% for 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2019 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 4.98% for the PLD Plan.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	3.98%	4.98%	5.98%
Town's proportionate share of the net OPEB benefits liability	\$ 181,807	\$ 137,671	\$ 102,875

Changes in Net OPEB Liability

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2019 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no differences between expected and actual experience as of June 30, 2019.

Differences between Projected and Actual Investment Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2019 and June 30, 2018 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015. The first year is recognized as OPEB expense and the remaining years

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period for the PLD Plan was six years for 2019. For the fiscal year ended June 30, 2019, there were no changes in assumptions with the exception of the use of a blended discount rate for the PLD Plan. Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans*, requires the use of a blended discount rate for determining the total OPEB liability when it is projected that plan assets are not sufficient to meet benefit obligations in the future. In years where assets are projected to be sufficient to pay benefits, the Plan's assumed rate of return is used; in years where assets are not projected to be sufficient to pay benefits, the use of a municipal bond rate is required. The result is a single blended discount rate.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2019.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2019 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2020, the following employees were covered by the benefit terms:

Active members	13
Retirees and spouses	<u>4</u>
Total	<u><u>17</u></u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims.

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$1,064.91	\$2,388.71
POS C	\$1,118.55	\$2,509.07
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported a liability of \$241,159 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which 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 (ACA) related legislation and regulations.

For the year ended June 30, 2020, the Town recognized OPEB revenue of \$100,620. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 8,771
Changes of assumptions	41,697	9,741
Contributions subsequent to the measurement date	6,195	-
Total	\$ 47,892	\$ 18,512

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

\$6,195 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MMEHT</u>
Plan year ended December 31:	
2021	\$ 2,764
2022	2,766
2023	3,722
2024	6,969
2025	6,964
Thereafter	-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2020. The discount rate determination is based on the high quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.74% per annum for December 31, 2020 was based upon a measurement date of December 31, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 275,283	\$ 241,159	\$ 213,046
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 275,283</u>	<u>\$ 241,159</u>	<u>\$ 213,046</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 213,266	\$ 241,159	\$ 275,125
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 213,266</u>	<u>\$ 241,159</u>	<u>\$ 275,125</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2020, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. 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 this 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 were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2019 and December 31, 2020.

TOWN OF BUCKSPORT, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2017 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 year end reporting.

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:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
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 judgements 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 rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2019, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2020 was \$7,172.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2019 and June 30, 2017 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2017 which were based on the experience study

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 22 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for 2020. For the fiscal year ended June 30, 2020, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town office at P.O. Box X, Bucksport, Maine 04416, by phone at (207) 469-7368 or email address of financedirector@bucksportmaine.gov.

NOTE 23 - TAX INCREMENT FINANCING AGREEMENTS

On March 27, 2003, the Bucksport Town Council approved a Tax Increment Financing District for Ellis & Guerrette. The original valuation of the property was \$28,300; \$1,076,340 in TIF captured value was added, bringing the 2014-15 valuation of the property to \$1,104,640. Fifty percent of the property taxes to be generated on the improvements within the District will be returned to the developer for 14 years or until \$71,000 is returned to the developer. The remaining 50% will be retained by the Town and used to fund the development plan of the District. As of June 30, 2020, all terms of the agreement have been met and the District is considered inactive.

On February 28, 2011, the Bucksport Town Council approved a Tax Increment Financing District for Leadbetter Realty Trust. The original valuation of the property was \$16,600; \$375,200 in TIF captured value was added, bringing the 2014-15 valuation of the property to \$391,800. Fifty percent of the property taxes to be generated on the improvements within the District will be returned to the developer for 15 years or until \$40,000 is returned to the developer. The remaining 50% will be retained by the Town and used to fund the development plan of the District.

On December 10, 2019, the State of Maine Department of Economic and Community Development approved the Whole Ocean, LLC Municipal Tax Increment Financing (TIF) District and Development Program. Town revenue allocation projected

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 23 - TAX INCREMENT FINANCING AGREEMENTS (CONTINUED)

at \$4,270,209 may facilitate funding for an estimated \$4,965,000 in public costs and associated debt, if any. This funding must comply with Bucksport appropriation process - with activities/projects due completion before/by June 30, 2041.

Abatements

The Town has not made any commitments as part of the Credit Enhancement Agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities. The Town currently has one active tax abatement agreement, the Leadbetter Realty Trust Credit Enhancement Agreement, which is summarized above.

For the fiscal year ended June 30, 2020, the Town abated property taxes for the following programs:

<u>Tax Abatement Program</u>	<u>Percentage of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Leadbetter Realty Trust Credit Enhancement Agreement	50%	<u>\$ 3,187</u>

NOTE 24 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2020:

General government	\$ 18,349
Protection	4,406
Transfers to other funds	400
	<u>\$ 23,154</u>

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 25 - DEFICIT FUND BALANCES

At June 30, 2020, the Town has the following funds with deficit fund balances:

911 Numbering	\$	3
Maine Forestry		8,970
Wednesdays on Maine Street		546
CDBG Community Enterprise		15,663
Connect Maine		48,887
Christmas Lights		534
Bucksport Fire Department		13,687
2018 Byrne JAG Grant		13,918
JAG Byrne Grant		7
FEMA AFG Grant		143,823
2013 CDBG Housing Assistance		11,464
Waterfront Improvements		43,246
Town Office Equipment		12,208
Swimming Pool		12,940
Spofford Indigent Fund		3,228
	<u>\$</u>	<u>329,124</u>

NOTE 26 - CONTINGENCIES AND COMMITMENTS

With regard to pending legal claims, the Town is currently defending an appeal of an eminent domain order of the Town Council by a landowner. It is unclear the extent of the damages alleged at this time, as the damages were not stated in the complaint and discovery is ongoing. The Town believes that the claim has no financial merit and therefore will not have a material adverse effect on the Town's financial position. The Town continues to vigorously defend the appeal.

With regard to any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

As of April 30, 2015, the Town has entered into a construction contract for its secondary wastewater treatment plant totaling \$13.60 million, of which \$42,152 is still outstanding.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 26 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

On March 30, 2017, the Town entered into a contract with the Maine Water Company for the operations and management agreement of its wastewater treatment facility. The contract term is for three years beginning July 1, 2019 and ending June 30, 2020. The annual contract cost is calculated based on the agreement at \$236,400 for year one with the following two, twelve-month periods adjusted annually by the change in the CPI-U for that same period. All future contract amounts are subject to annual appropriation by the Town of Bucksport.

On April 13, 2018, the Town entered into a contract to develop, implement and enhance recreational programs in the Town of Bucksport, Maine with the Down East Family YMCA. The contract term is for two years and two months, with year one of the contract beginning May 1, 2018 and ending June 30, 2019 for a total cost of \$105,399. A budget review/adjustment will be made to the fiscal year 2018-19 contract price. All future contract amounts are subject to annual appropriation by the Town of Bucksport.

NOTE 27 - JOINT VENTURE

The Town of Bucksport is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture). The Joint Venture is an organization that resulted from a contractual arrangement between certain member municipalities, Penobscot Energy Recovery Company (PERC) and Bangor Hydro Electric Company. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of March 31, 2019, (most recent data available), the Town of Bucksport's share of the Joint Venture's net position was \$352,347. Complete financial statements may be obtained from the Municipal Review Committee, 395 State Street, Ellsworth, Maine 04605.

On March 31, 2019, MRC's waste disposal agreements with the Penobscot Energy Recovery Company (PERC) terminate. All Equity Charter Municipalities have the right to withdraw from their limited partnership interests in the PERC Partnership and receive three one-time distributions of cash pursuant to these events. The financial impact of these events, if any, to the Town of Bucksport or its share of the net position in the joint venture is unknown at this time.

NOTE 28 - RESTATEMENTS

The net position of the governmental activities has been restated at July 1, 2019 to account for capital assets (public works vehicles) that were missed in the amount of \$172,715 and corresponding depreciation of \$14,472. This increased net position by \$158,242, from \$18,507,763 to \$18,666,005. \$1,441 was also restated from the Water to Sewer fund, resulting in no net change.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the Net OPEB Liability - Group Life
- Schedule of Contributions - OPEB – Group Life
- Schedule of Changes in Net OPEB Liability - MMEHT
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT
- Schedule of Contributions - OPEB - MMEHT
- Notes to Required Supplementary Information

TOWN OF BUCKSPORT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,084,918	\$ 7,084,918	\$ 7,084,918	\$ -
Resources (Inflows):				
Property taxes	7,090,056	7,090,056	7,090,058	2
Excise taxes	845,500	845,500	890,567	45,067
Intergovernmental	809,135	809,135	779,027	(30,108)
Charges for services	881,000	881,000	935,921	54,921
Interest on taxes	24,000	24,000	13,268	(10,732)
Interest income	80,000	80,000	157,519	77,519
Miscellaneous revenues	32,325	32,325	102,896	70,571
Transfers from other funds	79,500	79,500	-	(79,500)
Amounts Available for Appropriation	<u>16,926,434</u>	<u>16,926,434</u>	<u>17,054,174</u>	<u>127,740</u>
Charges to Appropriations (Outflows):				
General government	1,870,492	1,870,492	1,888,841	(18,349)
Protection	1,838,044	1,838,044	1,842,450	(4,406)
Public works	1,146,479	1,146,479	1,102,009	44,470
Health and sanitation	254,234	254,234	217,955	36,279
Community and social agencies	45,073	45,073	45,073	-
Education	4,791,910	4,791,910	4,787,796	4,114
Recreation	269,087	269,087	253,756	15,331
Cemeteries	4,525	4,525	2,775	1,750
County tax	198,319	198,319	198,319	-
Unclassified	208,090	208,090	186,846	21,244
Transfers to other funds	347,412	347,412	347,812	(400)
Total Charges to Appropriations	<u>10,973,665</u>	<u>10,973,665</u>	<u>10,873,631</u>	<u>100,034</u>
Budgetary Fund Balance, June 30	<u>\$ 5,952,769</u>	<u>\$ 5,952,769</u>	<u>\$ 6,180,542</u>	<u>\$ 227,774</u>
Utilization of restricted fund balance	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Utilization of unassigned fund balance	665,000	665,000	-	(665,000)
	<u>\$ 865,000</u>	<u>\$ 865,000</u>	<u>\$ -</u>	<u>\$ (865,000)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>						
Proportion of the net pension liability (asset)	0.17%	0.17%	0.18%	0.16%	0.17%	0.16%
Proportionate share of the net pension liability (asset)	\$ 519,707	\$ 459,726	\$ 722,886	\$ 875,543	\$ 553,469	\$ 249,821
Covered payroll	\$ 1,765,064	\$ 1,605,365	\$ 1,597,715	\$ 1,537,530	\$ 1,685,602	\$ 1,585,157
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.44%	28.64%	45.24%	56.94%	32.84%	15.76%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>						
Contractually required contribution	\$ 113,016	\$ 103,252	\$ 90,440	\$ 90,636	\$ 77,324	\$ 68,195
Contributions in relation to the contractually required contribution	<u>(113,016)</u>	<u>(103,252)</u>	<u>(90,440)</u>	<u>(90,636)</u>	<u>(77,324)</u>	<u>(68,195)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,847,924	\$ 1,765,064	\$ 1,605,365	\$ 1,597,715	\$ 1,537,530	\$ 1,685,602
Contributions as a percentage of covered payroll	6.12%	5.85%	5.63%	5.67%	5.03%	4.05%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - PLD
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>				
Proportion of the net OPEB liability District's proportionate share of the net OPEB liability	0.64%	0.64%	0.67%	0.66%
	\$ 137,671	\$ 128,657	\$ 148,180	\$ 111,492
Covered payroll	\$ 1,765,064	\$ 1,605,365	\$ 1,597,715	\$ 1,537,530
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	43.18%	43.92%	47.42%	0.00%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - PLD
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,847,924	\$ 1,765,064	\$ 1,605,365	\$ 1,597,715
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 197,851	\$ -	\$ 197,851
Changes for the year:			
Service cost	4,691	-	4,691
Interest	8,171	-	8,171
Changes of benefits	(4,804)	-	(4,804)
Differences between expected and actual experience	(7,172)	-	(7,172)
Changes of assumptions	48,981	-	48,981
Contributions - employer	-	6,559	(6,559)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(6,559)	(6,559)	-
Administrative expense	-	-	-
Net changes	<u>43,308</u>	<u>-</u>	<u>43,308</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 241,159</u>	<u>\$ -</u>	<u>\$ 241,159</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MMEHT
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 4,691	\$ 5,258	\$ 4,681
Interest (includes interest on service cost)	8,171	7,225	7,880
Changes of benefit terms	(4,804)	-	-
Differences between expected and actual experience	(7,172)	(16,235)	(6,985)
Changes of assumptions	48,981	-	2,197
Benefit payments, including refunds of member contributions	<u>(6,559)</u>	<u>(6,307)</u>	<u>(7,226)</u>
Net change in total OPEB liability	\$ 43,308	\$ (10,059)	\$ 547
Total OPEB liability - beginning	\$ 197,851	\$ 207,910	\$ 207,363
Total OPEB liability - ending	\$ 241,159	\$ 197,851	\$ 207,910
<u>Plan fiduciary net position</u>			
Contributions - employer	6,559	6,307	7,226
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(6,559)	(6,307)	(7,226)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 241,159</u>	<u>\$ 197,851</u>	<u>\$ 207,910</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	
Covered payroll	\$ 635,842	\$ 659,358	\$ 659,358
Net OPEB liability as a percentage of covered payroll	37.9%	30.0%	31.5%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - MMEHT
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 6,559	\$ 6,307	\$ 7,226
Benefit payments	<u>(6,559)</u>	<u>(6,307)</u>	<u>(7,226)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 635,842	\$ 659,358	\$ 659,358
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Changes in Assumptions

MMEHT

There was a change in the discount rate from 4.10% to 2.74% per GASB 75 discount rate selection. The repeal of the “Cadillac Tax” was reflected in this valuation by removing the previously planned excise tax.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF BUCKSPORT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 7,090,056	\$ 7,090,056	\$ 7,090,058	\$ 2
Excise taxes:				
Auto excise	840,000	840,000	885,536	45,536
Boat excise	5,500	5,500	5,031	(469)
Intergovernmental revenues:				
State revenue sharing	375,000	375,000	408,674	33,674
Homestead exemption	245,757	245,757	184,292	(61,465)
Local road assistance	63,000	63,000	64,172	1,172
Tree growth reimbursement	30,000	30,000	28,800	(1,200)
Veterans' reimbursement	4,000	4,000	3,889	(111)
General assistance reimbursement	5,600	5,600	3,252	(2,348)
BETE reimbursement	85,778	85,778	85,948	170
Charges for services:				
Auto registration fees	16,000	16,000	19,979	3,979
Town clerk revenues	11,000	11,000	8,385	(2,615)
Planning board fees	1,500	1,500	585	(915)
Code enforcement fees	6,000	6,000	7,262	1,262
Plumbing inspector fees	4,000	4,000	6,733	2,733
Ambulance user fees	500,000	500,000	554,199	54,199
Ambulance other revenues	42,000	42,000	49,126	7,126
Fire revenue	125,000	125,000	104,627	(20,373)
Police revenue	37,000	37,000	42,670	5,670
Animal control fees	18,000	18,000	14,541	(3,459)
Highway revenue	500	500	121	(379)
Recycling revenue	1,000	1,000	244	(756)
Solid waste fees	15,000	15,000	18,578	3,578
MERC revenue	-	-	5,487	5,487
Recreation fees	42,000	42,000	39,019	(2,981)
Cable TV revenue	50,000	50,000	59,745	9,745
Mooring and docking fees	12,000	12,000	4,620	(7,380)
Interest:				
Taxes	24,000	24,000	13,268	(10,732)
Deposit and investment accounts	80,000	80,000	157,519	77,519
Other income:				
Tax lien cost	13,000	13,000	16,133	3,133
Fee in lieu of taxes	15,975	15,975	14,074	(1,901)
Snowmobile revenue	1,200	1,200	1,000	(200)
Other income	2,150	2,150	71,689	69,539
Transfers in:				
Spofford fund	4,500	4,500	-	(4,500)
TIF revenue	75,000	75,000	-	(75,000)
Total revenues	<u>\$ 9,841,516</u>	<u>\$ 9,841,516</u>	<u>\$ 9,969,256</u>	<u>\$ 127,740</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Administration	\$ 455,196	\$ -	\$ 455,196	\$ 470,549	\$ (15,353)
Municipal planning	65,601	-	65,601	69,591	(3,990)
Assessor's office	63,365	-	63,365	50,318	13,047
Municipal building	22,572	-	22,572	22,630	(58)
Insurance and benefits	1,130,728	-	1,130,728	1,146,680	(15,952)
Contingency	12,000	-	12,000	15,615	(3,615)
Public access channel	5,150	-	5,150	5,437	(287)
Economic development	115,880	-	115,880	108,021	7,859
	<u>1,870,492</u>	<u>-</u>	<u>1,870,492</u>	<u>1,888,841</u>	<u>(18,349)</u>
Protection:					
Fire protection	633,558	-	633,558	539,323	94,235
Police department	529,278	-	529,278	570,413	(41,135)
Dispatcher service	200,173	-	200,173	203,680	(3,507)
Ambulance service	172,356	-	172,356	235,754	(63,398)
Public safety building	41,450	-	41,450	42,611	(1,161)
Public safety utilities	261,229	-	261,229	250,669	10,560
	<u>1,838,044</u>	<u>-</u>	<u>1,838,044</u>	<u>1,842,450</u>	<u>(4,406)</u>
Public works:					
General highways	1,124,463	-	1,124,463	1,085,362	39,101
Town garage	22,016.00	-	22,016	16,647	5,369
	<u>1,146,479</u>	<u>-</u>	<u>1,146,479</u>	<u>1,102,009</u>	<u>44,470</u>
Health and sanitation:					
Solid waste	245,934.00	-	245,934	214,408	31,526
Health	300.00	-	300	300	-
General assistance	8,000.00	-	8,000	3,247	4,753
	<u>254,234</u>	<u>-</u>	<u>254,234</u>	<u>217,955</u>	<u>36,279</u>
Community and social agencies:					
Community agencies	14,000	-	14,000	14,000	-
Social agencies	31,073	-	31,073	31,073	-
	<u>45,073</u>	<u>-</u>	<u>45,073</u>	<u>45,073</u>	<u>-</u>

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education:					
Regular program	4,791,910	-	4,791,910	4,787,796	4,114
Recreation:					
Recreation program	221,668	-	221,668	202,152	19,516
Town dock expenses	47,419	-	47,419	51,604	(4,185)
	269,087	-	269,087	253,756	15,331
Cemeteries	4,525	-	4,525	2,775	1,750
County tax	198,319	-	198,319	198,319	-
Unclassified:					
Pay it forward	115,000	-	115,000	121,927	(6,927)
Note receivable amortization	6,669	-	6,669	-	6,669
TIF	6,669	-	6,669	4,829	1,840
Overlay	79,752	-	79,752	60,090	19,662
	208,090	-	208,090	186,846	21,244
Transfers to other funds:					
Special revenue funds	-	-	-	400	(400)
Capital projects funds	332,000	-	332,000	332,000	-
Sewer fund - debt service	15,412	-	15,412	15,412	-
	347,412	-	347,412	347,812	(400)
Total Departmental Operations	\$ 10,973,665	\$ -	\$ 10,973,665	\$ 10,873,631	\$ 100,034

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 64,548	\$ -	\$ 21,979	\$ 86,527
Investments	-	-	105,940	105,940
Accounts receivable (net of allowance for uncollectibles)	91,359	-	-	91,359
Due from other funds	784,521	1,460,171	70,542	2,315,234
TOTAL ASSETS	\$ 940,428	\$ 1,460,171	\$ 198,461	\$ 2,599,060
LIABILITIES				
Due to other funds	\$ 257,502	\$ 68,394	\$ 29,366	\$ 355,262
TOTAL LIABILITIES	257,502	68,394	29,366	355,262
FUND BALANCES				
Nonspendable	-	-	140,198	140,198
Restricted	541,405	-	32,125	573,530
Committed	-	1,357,798	-	1,357,798
Assigned	399,023	102,373	-	501,396
Unassigned	(257,502)	(68,394)	(3,228)	(329,124)
TOTAL FUND BALANCES	682,926	1,391,777	169,095	2,243,798
TOTAL LIABILITIES AND FUND BALANCES	\$ 940,428	\$ 1,460,171	\$ 198,461	\$ 2,599,060

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 35,694	\$ -	\$ -	\$ 35,694
Investment income, net of unrealized gains/(losses)	794	31,877	(8,951)	23,720
Other	7,764	23,311	-	31,075
TOTAL REVENUES	<u>44,252</u>	<u>55,188</u>	<u>(8,951)</u>	<u>90,489</u>
EXPENDITURES				
General government	35,339	-	-	35,339
Protection	22,361	651	-	23,012
Culture and recreation	11,886	-	-	11,886
Cemeteries	-	-	7,650	7,650
Capital outlay	150,205	469,869	-	620,074
TOTAL EXPENDITURES	<u>219,791</u>	<u>470,520</u>	<u>7,650</u>	<u>697,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(175,539)</u>	<u>(415,332)</u>	<u>(16,601)</u>	<u>(607,472)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	400	332,000	-	332,400
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>400</u>	<u>332,000</u>	<u>-</u>	<u>332,400</u>
NET CHANGE IN FUND BALANCES	(175,139)	(83,332)	(16,601)	(275,072)
FUND BALANCES - JULY 1	<u>858,065</u>	<u>1,475,109</u>	<u>185,696</u>	<u>2,518,870</u>
FUND BALANCES - JUNE 30	<u>\$ 682,926</u>	<u>\$ 1,391,777</u>	<u>\$ 169,095</u>	<u>\$ 2,243,798</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	911 Numbering	Closed Housing Grant	Maine Forestry	2008 CDBG CE Grant	Unemployment Reserve	Sick and Vacation Reserve	Community for Children and Youth	Barr Grant
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other funds	-	13,880	-	2,049	64,631	172,400	15,833	23,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 13,880</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 64,631</u>	<u>\$ 172,400</u>	<u>\$ 15,833</u>	<u>\$ 23,000</u>
LIABILITIES								
Due to other funds	\$ 3	\$ -	\$ 8,970	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>3</u>	<u>-</u>	<u>8,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	13,880	-	2,049	-	-	15,833	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	64,631	172,400	-	23,000
Unassigned	(3)	-	(8,970)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>(3)</u>	<u>13,880</u>	<u>(8,970)</u>	<u>2,049</u>	<u>64,631</u>	<u>172,400</u>	<u>15,833</u>	<u>23,000</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 13,880</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 64,631</u>	<u>\$ 172,400</u>	<u>\$ 15,833</u>	<u>\$ 23,000</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Wilson Hall	Wednesdays on Main Street	CDBG Community Enterprise	Connect Maine	Christmas Lights	Halloween Event	TIF Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	3,180	-	-	-	-	469	348,144
TOTAL ASSETS	\$ 3,180	\$ -	\$ -	\$ -	\$ -	\$ 469	\$ 348,144
LIABILITIES							
Due to other funds	\$ -	\$ 546	\$ 15,663	\$ 48,887	\$ 534	\$ -	\$ -
TOTAL LIABILITIES	-	546	15,663	48,887	534	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	348,144
Committed	-	-	-	-	-	-	-
Assigned	3,180	-	-	-	-	469	-
Unassigned	-	(546)	(15,663)	(48,887)	(534)	-	-
TOTAL FUND BALANCES (DEFICITS)	3,180	(546)	(15,663)	(48,887)	(534)	469	348,144
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,180	\$ -	\$ -	\$ -	\$ -	\$ 469	\$ 348,144

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Youth Softball	Youth Football	Bucksport Fire Department	Bucksport Police Department	Local General Assistance	2015 Fire FEMA Grant	2018 Byrne JAG Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	318	4,670	-	9,397	314	38	-
TOTAL ASSETS	\$ 318	\$ 4,670	\$ -	\$ 9,397	\$ 314	\$ 38	\$ -
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 13,687	\$ -	\$ -	\$ -	\$ 13,918
TOTAL LIABILITIES	-	-	13,687	-	-	-	13,918
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	318	4,670	-	9,397	314	38	-
Unassigned	-	-	(13,687)	-	-	-	(13,918)
TOTAL FUND BALANCES (DEFICITS)	318	4,670	(13,687)	9,397	314	38	(13,918)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 318	\$ 4,670	\$ -	\$ 9,397	\$ 314	\$ 38	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	JAG Byrne Grant	DARE Program	Youth Council	Police Explorers	Community for Children	Diversion Program	FEMA AFG Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	-	5,573	947	291	1,524	53,342	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 5,573</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>	<u>\$ 53,342</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,823
TOTAL LIABILITIES	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,823</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	5,573	947	291	1,524	53,342	-
Unassigned	(7)	-	-	-	-	-	(143,823)
TOTAL FUND BALANCES (DEFICITS)	<u>(7)</u>	<u>5,573</u>	<u>947</u>	<u>291</u>	<u>1,524</u>	<u>53,342</u>	<u>(143,823)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)							
	<u>\$ -</u>	<u>\$ 5,573</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>	<u>\$ 53,342</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Special Business	District 7 Police Training	Police Training Buyout	Animal Spay/Neuter Program	2013 CDBG Housing Assistance	Micro Loan	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,548	\$ 64,548
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	91,359	91,359
Due from other funds	138	2,882	5,000	1,690	-	54,811	784,521
TOTAL ASSETS	<u>\$ 138</u>	<u>\$ 2,882</u>	<u>\$ 5,000</u>	<u>\$ 1,690</u>	<u>\$ -</u>	<u>\$ 210,718</u>	<u>\$ 940,428</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 11,464	\$ -	\$ 257,502
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,464</u>	<u>-</u>	<u>257,502</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	161,499	541,405
Committed	-	-	-	-	-	-	-
Assigned	138	2,882	5,000	1,690	-	49,219	399,023
Unassigned	-	-	-	-	(11,464)	-	(257,502)
TOTAL FUND BALANCES (DEFICITS)	<u>138</u>	<u>2,882</u>	<u>5,000</u>	<u>1,690</u>	<u>(11,464)</u>	<u>210,718</u>	<u>682,926</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 138</u>	<u>\$ 2,882</u>	<u>\$ 5,000</u>	<u>\$ 1,690</u>	<u>\$ -</u>	<u>\$ 210,718</u>	<u>\$ 940,428</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	911 Numbering	Closed Housing Grant	Maine Forestry	2008 CDBG CE Grant	Unemployment Reserve	Sick and Vacation Reserve	Community for Children and Youth	Barr Grant
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 2,368	\$ -	\$ -	\$ -	\$ -	\$ 21,500
Interest, net of unrealized gains/(losses)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,500</u>
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	6,382	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>6,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(4,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,500</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(4,014)	-	-	-	-	21,500
FUND BALANCES (DEFICITS) - JULY 1	<u>(3)</u>	<u>13,880</u>	<u>(4,956)</u>	<u>2,049</u>	<u>64,631</u>	<u>172,400</u>	<u>15,833</u>	<u>1,500</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (3)</u>	<u>\$ 13,880</u>	<u>\$ (8,970)</u>	<u>\$ 2,049</u>	<u>\$ 64,631</u>	<u>\$ 172,400</u>	<u>\$ 15,833</u>	<u>\$ 23,000</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Wilson Hall	Wednesdays on Main Street	CDBG Community Enterprise	Connect Maine	Christmas Lights	Halloween Event	TIF Fund
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 410	\$ -	\$ -
Interest, net of unrealized gains/(losses)	-	-	-	-	-	-	-
Other	-	4,089	-	-	-	-	-
TOTAL REVENUES	-	4,089	-	-	410	-	-
EXPENDITURES							
General government	-	-	-	35,327	-	-	-
Protection	-	-	-	-	-	-	-
Culture and recreation	-	9,160	-	-	2,726	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	9,160	-	35,327	2,726	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,071)	-	(35,327)	(2,316)	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	400	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	400	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(5,071)	-	(35,327)	(1,916)	-	-
FUND BALANCES (DEFICITS) - JULY 1	3,180	4,525	(15,663)	(13,560)	1,382	469	348,144
FUND BALANCES (DEFICITS) - JUNE 30	\$ 3,180	\$ (546)	\$ (15,663)	\$ (48,887)	\$ (534)	\$ 469	\$ 348,144

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Youth Softball	Youth Football	Bucksport Fire Department	Bucksport Police Department	Local General Assistance	2015 Fire FEMA Grant	2018 Byrne JAG Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest, net of unrealized gains/(losses)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Protection	-	-	12,646	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	12,646	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(12,646)	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(12,646)	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	318	4,670	(1,041)	9,397	314	38	(13,918)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 318	\$ 4,670	\$ (13,687)	\$ 9,397	\$ 314	\$ 38	\$ (13,918)

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	JAG Byrne Grant	DARE Program	Youth Council	Police Explorers	Community for Children	Diversion Program	FEMA AFG Grant
REVENUES							
Intergovernmental	\$ 11,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest, net of unrealized gains/(losses)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>11,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
General government	-	-	-	-	-	-	-
Protection	5,518	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	143,823
TOTAL EXPENDITURES	<u>5,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,823</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(143,823)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	5,898	-	-	-	-	-	(143,823)
FUND BALANCES (DEFICITS) - JULY 1	<u>(5,905)</u>	<u>5,573</u>	<u>947</u>	<u>291</u>	<u>1,524</u>	<u>53,342</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (7)</u>	<u>\$ 5,573</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>	<u>\$ 53,342</u>	<u>\$ (143,823)</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Business	District 7 Police Training	Police Training Buyout	Animal Spay/Neuter Program	2013 CDBG Housing Assistance	Micro Loan	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	35,694
Interest, net of unrealized gains/(losses)	-	-	-	-	-	794	794
Other	-	-	-	3,675	-	-	7,764
TOTAL REVENUES	-	-	-	3,675	-	794	44,252
EXPENDITURES							
General government	-	-	-	-	-	12	35,339
Protection	-	-	-	4,197	-	-	22,361
Culture and recreation	-	-	-	-	-	-	11,886
Capital outlay	-	-	-	-	-	-	150,205
TOTAL EXPENDITURES	-	-	-	4,197	-	12	219,791
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(522)	-	782	(174,757)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	400
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	400
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	(522)	-	782	(174,357)
FUND BALANCES (DEFICITS) - JULY 1	138	2,882	5,000	2,212	(11,464)	209,936	858,065
FUND BALANCES (DEFICITS) - JUNE 30	\$ 138	\$ 2,882	\$ 5,000	\$ 1,690	\$ (11,464)	\$ 210,718	682,926

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	<u>Police Equipment</u>	<u>Highway Equipment</u>	<u>Waterfront Improvements</u>	<u>Fire Equipment</u>	<u>Ambulance</u>	<u>Town Office Equipment</u>	<u>Solid Waste Equipment</u>
ASSETS							
Due from other funds	\$ 24,269	\$ 109,823	\$ -	\$ 75,429	\$ 74,229	\$ -	\$ 129,897
TOTAL ASSETS	<u>\$ 24,269</u>	<u>\$ 109,823</u>	<u>\$ -</u>	<u>\$ 75,429</u>	<u>\$ 74,229</u>	<u>\$ -</u>	<u>\$ 129,897</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 43,246	\$ -	\$ -	\$ 12,208	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>43,246</u>	<u>-</u>	<u>-</u>	<u>12,208</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	24,269	109,823	-	75,429	74,229	-	129,897
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(43,246)	-	-	(12,208)	-
TOTAL FUND BALANCES (DEFICITS)	<u>24,269</u>	<u>109,823</u>	<u>(43,246)</u>	<u>75,429</u>	<u>74,229</u>	<u>(12,208)</u>	<u>129,897</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 24,269</u>	<u>\$ 109,823</u>	<u>\$ -</u>	<u>\$ 75,429</u>	<u>\$ 74,229</u>	<u>\$ -</u>	<u>\$ 129,897</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	<u>School St Fire House</u>	<u>Recreation Equipment</u>	<u>Cable TV</u>	<u>Dispatch Equipment</u>	<u>Municipal Building</u>	<u>Dog Kennel</u>	<u>Swimming Pool</u>
ASSETS							
Due from other funds	\$ 12,210	\$ 69,756	\$ 54,875	\$ 30,743	\$ 42,356	\$ 26,633	\$ -
TOTAL ASSETS	<u>\$ 12,210</u>	<u>\$ 69,756</u>	<u>\$ 54,875</u>	<u>\$ 30,743</u>	<u>\$ 42,356</u>	<u>\$ 26,633</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,940
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,940</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	12,210	69,756	54,875	30,743	42,356	26,633	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(12,940)
TOTAL FUND BALANCES (DEFICITS)	<u>12,210</u>	<u>69,756</u>	<u>54,875</u>	<u>30,743</u>	<u>42,356</u>	<u>26,633</u>	<u>(12,940)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 12,210</u>	<u>\$ 69,756</u>	<u>\$ 54,875</u>	<u>\$ 30,743</u>	<u>\$ 42,356</u>	<u>\$ 26,633</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Town Garage	Parking Lots	Recreation Facility	Transfer Station	Public Safety
ASSETS					
Due from other funds	\$ 68,657	\$ 43,451	\$ 96,650	\$ 34,166	\$ 41,752
TOTAL ASSETS	<u>\$ 68,657</u>	<u>\$ 43,451</u>	<u>\$ 96,650</u>	<u>\$ 34,166</u>	<u>\$ 41,752</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	68,657	43,451	96,650	34,166	41,752
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>68,657</u>	<u>43,451</u>	<u>96,650</u>	<u>34,166</u>	<u>41,752</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 68,657</u>	<u>\$ 43,451</u>	<u>\$ 96,650</u>	<u>\$ 34,166</u>	<u>\$ 41,752</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Middle School	Downtown Improvements	Drug Forfeiture	Willow and Wasson House	Information Technology	Recreation Revenue Reserve
ASSETS						
Due from other funds	\$ 13,552	\$ 76,798	\$ 11,566	\$ 1,465	\$ 6,444	\$ 102,373
TOTAL ASSETS	\$ 13,552	\$ 76,798	\$ 11,566	\$ 1,465	\$ 6,444	\$ 102,373
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	13,552	76,798	11,566	1,465	6,444	-
Assigned	-	-	-	-	-	102,373
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	13,552	76,798	11,566	1,465	6,444	102,373
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 13,552	\$ 76,798	\$ 11,566	\$ 1,465	\$ 6,444	\$ 102,373

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Housing Rehabilitation	Silver Lake Property	Highway Improvement	Industrial Park Land	Yellow Schoolhouse	Total
ASSETS						
Due from other funds	\$ 1,293	\$ 36,920	\$ 248,691	\$ 26,119	\$ 54	\$ 1,460,171
TOTAL ASSETS	\$ 1,293	\$ 36,920	\$ 248,691	\$ 26,119	\$ 54	\$ 1,460,171
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,394
TOTAL LIABILITIES	-	-	-	-	-	68,394
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	1,293	36,920	248,691	26,119	54	1,357,798
Assigned	-	-	-	-	-	102,373
Unassigned	-	-	-	-	-	(68,394)
TOTAL FUND BALANCES (DEFICITS)	1,293	36,920	248,691	26,119	54	1,391,777
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,293	\$ 36,920	\$ 248,691	\$ 26,119	\$ 54	\$ 1,460,171

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Police Equipment	Highway Equipment	Waterfront Improvements	Fire Equipment	Ambulance	Town Office Equipment	Solid Waste Equipment
REVENUES							
Interest, net of unrealized gains/(losses)	\$ 488	\$ 3,606	\$ (883)	\$ 1,689	\$ 1,787	\$ (17)	\$ 2,629
Other	-	13,933	-	5,878	3,500	-	-
TOTAL REVENUES	<u>488</u>	<u>17,539</u>	<u>(883)</u>	<u>7,567</u>	<u>5,287</u>	<u>(17)</u>	<u>2,629</u>
EXPENDITURES							
Protection	-	-	-	-	-	-	-
Capital outlay	35,412	210,615	11,718	57,078	17,694	4,324	-
TOTAL EXPENDITURES	<u>35,412</u>	<u>210,615</u>	<u>11,718</u>	<u>57,078</u>	<u>17,694</u>	<u>4,324</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(34,924)</u>	<u>(193,076)</u>	<u>(12,601)</u>	<u>(49,511)</u>	<u>(12,407)</u>	<u>(4,341)</u>	<u>2,629</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	37,000	120,000	35,000	40,000	35,000	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,000</u>	<u>120,000</u>	<u>35,000</u>	<u>40,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,076	(73,076)	22,399	(9,511)	22,593	(4,341)	2,629
FUND BALANCES (DEFICITS) - JULY 1	<u>22,193</u>	<u>182,899</u>	<u>(65,645)</u>	<u>84,940</u>	<u>51,636</u>	<u>(7,867)</u>	<u>127,268</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 24,269</u>	<u>\$ 109,823</u>	<u>\$ (43,246)</u>	<u>\$ 75,429</u>	<u>\$ 74,229</u>	<u>\$ (12,208)</u>	<u>\$ 129,897</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	School St Fire House	Recreation Equipment	Cable TV	Dispatch Equipment	Municipal Building	Dog Kennel	Swimming Pool
REVENUES							
Interest, net of unrealized gains/(losses)	\$ 247	\$ 1,412	\$ 1,125	\$ 690	\$ 811	\$ 818	\$ 661
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>247</u>	<u>1,412</u>	<u>1,125</u>	<u>690</u>	<u>811</u>	<u>818</u>	<u>661</u>
EXPENDITURES							
Protection	-	-	-	-	-	651	-
Capital outlay	-	-	8,064	6,966	14,740	-	47,570
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,064</u>	<u>6,966</u>	<u>14,740</u>	<u>651</u>	<u>47,570</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>247</u>	<u>1,412</u>	<u>(6,939)</u>	<u>(6,276)</u>	<u>(13,929)</u>	<u>167</u>	<u>(46,909)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	247	1,412	(6,939)	(6,276)	(13,929)	167	(46,909)
FUND BALANCES (DEFICITS) - JULY 1	<u>11,963</u>	<u>68,344</u>	<u>61,814</u>	<u>37,019</u>	<u>56,285</u>	<u>26,466</u>	<u>33,969</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 12,210</u>	<u>\$ 69,756</u>	<u>\$ 54,875</u>	<u>\$ 30,743</u>	<u>\$ 42,356</u>	<u>\$ 26,633</u>	<u>\$ (12,940)</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Town Garage	Parking Lots	Recreation Facility	Transfer Station	Public Safety
REVENUES					
Interest, net of unrealized gains/(losses)	\$ 1,400	\$ 926	\$ 2,005	\$ 739	\$ 1,168
Other	-	-	-	-	-
TOTAL REVENUES	<u>1,400</u>	<u>926</u>	<u>2,005</u>	<u>739</u>	<u>1,168</u>
EXPENDITURES					
Protection	-	-	-	-	-
Capital outlay	1,220	2,830	-	14,672	33,983
TOTAL EXPENDITURES	<u>1,220</u>	<u>2,830</u>	<u>-</u>	<u>14,672</u>	<u>33,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>180</u>	<u>(1,904)</u>	<u>2,005</u>	<u>(13,933)</u>	<u>(32,815)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	25,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	180	(1,904)	2,005	(13,933)	(7,815)
FUND BALANCES (DEFICITS) - JULY 1	<u>68,477</u>	<u>45,355</u>	<u>94,645</u>	<u>48,099</u>	<u>49,567</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 68,657</u>	<u>\$ 43,451</u>	<u>\$ 96,650</u>	<u>\$ 34,166</u>	<u>\$ 41,752</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Middle School	Downtown Improvements	Drug Forfeiture	Willow and Wasson House	Information Technology	Recreation Revenue Reserve
REVENUES						
Interest, net of unrealized gains/(losses)	\$ 274	\$ 1,554	\$ 234	\$ 30	\$ 120	\$ 2,072
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>274</u>	<u>1,554</u>	<u>234</u>	<u>30</u>	<u>120</u>	<u>2,072</u>
EXPENDITURES						
Protection	-	-	-	-	-	-
Capital outlay	-	-	-	-	672	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>274</u>	<u>1,554</u>	<u>234</u>	<u>30</u>	<u>(552)</u>	<u>2,072</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	10,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>274</u>	<u>1,554</u>	<u>234</u>	<u>30</u>	<u>9,448</u>	<u>2,072</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>13,278</u>	<u>75,244</u>	<u>11,332</u>	<u>1,435</u>	<u>(3,004)</u>	<u>100,301</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 13,552</u>	<u>\$ 76,798</u>	<u>\$ 11,566</u>	<u>\$ 1,465</u>	<u>\$ 6,444</u>	<u>\$ 102,373</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Housing Rehabilitation	Silver Lake Property	Highway Improvement	Industrial Park Land	Yellow Schoolhouse	Total
REVENUES						
Interest, net of unrealized gains/(losses)	\$ 26	\$ 747	\$ 5,044	\$ 474	\$ 1	\$ 31,877
Other	-	-	-	-	-	23,311
TOTAL REVENUES	<u>26</u>	<u>747</u>	<u>5,044</u>	<u>474</u>	<u>1</u>	<u>55,188</u>
EXPENDITURES						
Protection	-	-	-	-	-	651
Capital outlay	-	-	2,311	-	-	469,869
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,311</u>	<u>-</u>	<u>-</u>	<u>470,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>26</u>	<u>747</u>	<u>2,733</u>	<u>474</u>	<u>1</u>	<u>(415,332)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	30,000	-	332,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>332,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	26	747	2,733	30,474	1	(83,332)
FUND BALANCES (DEFICITS) - JULY 1	<u>1,267</u>	<u>36,173</u>	<u>245,958</u>	<u>(4,355)</u>	<u>53</u>	<u>1,475,109</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,293</u>	<u>\$ 36,920</u>	<u>\$ 248,691</u>	<u>\$ 26,119</u>	<u>\$ 54</u>	<u>\$ 1,391,777</u>

Permanent Funds

Permanent funds are used to account for assets held by the Town of Bucksport, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS

JUNE 30, 2020

	Cemetery Trusts	Spofford Indigent Fund	Ministerial Fund	Colonoscopy Fund	Oak Hill Cemetery	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 21,979	\$ 21,979
Investments	14,843	-	-	-	91,097	105,940
Due from other funds	26,027	36,598	7,009	908	-	70,542
TOTAL ASSETS	\$ 40,870	\$ 36,598	\$ 7,009	\$ 908	\$ 113,076	\$ 198,461
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 29,366	\$ 29,366
TOTAL LIABILITIES	-	-	-	-	29,366	29,366
FUND BALANCES						
Nonspendable	21,097	39,826	2,300	-	76,975	140,198
Restricted	19,773	-	4,709	908	6,735	32,125
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	(3,228)	-	-	-	(3,228)
TOTAL FUND BALANCES	40,870	36,598	7,009	908	83,710	169,095
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,870	\$ 36,598	\$ 7,009	\$ 908	\$ 113,076	\$ 198,461

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Cemetery Trusts	Spofford Indigent Fund	Ministerial Fund	Colonoscopy Fund	Oak Hill Cemetery	Total
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ (8,951)	\$ -	\$ -	\$ -	\$ -	\$ (8,951)
TOTAL REVENUES	<u>(8,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,951)</u>
EXPENDITURES						
Cemetery	-	-	-	-	7,650	7,650
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,650</u>	<u>7,650</u>
NET CHANGE IN FUND BALANCES	(8,951)	-	-	-	(7,650)	(16,601)
FUND BALANCES - JULY 1	<u>49,821</u>	<u>36,598</u>	<u>7,009</u>	<u>908</u>	<u>91,360</u>	<u>185,696</u>
FUND BALANCES - JUNE 30	<u>\$ 40,870</u>	<u>\$ 36,598</u>	<u>\$ 7,009</u>	<u>\$ 908</u>	<u>\$ 83,710</u>	<u>\$ 169,095</u>

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION

JUNE 30, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 1,167,981	\$ 652,441	\$ 192,850	\$ 2,227,608	\$ 4,240,880
Protection	22,000	2,039,348	2,650,788	-	4,712,136
Public works	19,200	1,195,432	2,042,086	9,976,445	13,233,163
Health and sanitation	14,000	298,987	200,291	6,290	519,568
Recreation	304,391	724,307	92,568	1,483,079	2,604,345
Sewer	14,229,588	5,421,590	78,331	5,760,930	25,490,439
Marina	-	45,593	5,307	25,813	76,713
Total General Capital Assets	15,757,160	10,377,698	5,262,221	19,480,165	50,877,244
Less: Accumulated Depreciation	-	(6,720,546)	(3,420,619)	(13,829,154)	(23,970,319)
Net General Capital Assets	\$ 15,757,160	\$ 3,657,152	\$ 1,841,602	\$ 5,651,011	\$ 26,906,925

See accompanying independent auditors' report and notes to financial statements.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2020

	General Capital Assets 7/1/19 (Restated)	Additions	Deletions	General Capital Assets 6/30/20
General government	\$ 4,216,060	\$ 24,820	\$ -	\$ 4,240,880
Protection	4,773,899	115,248	(177,011)	4,712,136
Public works	13,593,587	138,926	(499,350)	13,233,163
Health and sanitation	519,568	-	-	519,568
Recreation	2,604,345	-	-	2,604,345
Sewer fund	25,092,755	397,684	-	25,490,439
Marina	76,713	-	-	76,713
Total General Capital Assets	50,704,212	676,678	(676,361)	50,877,244
Less: Accumulated Depreciation	(23,652,967)	(946,232)	628,880	(23,970,319)
Net General Capital Assets	<u>\$ 27,065,717</u>	<u>\$ (269,554)</u>	<u>\$ (47,481)</u>	<u>\$ 26,906,925</u>

See accompanying independent auditors' report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Town Council
Town of Bucksport
Bucksport, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bucksport, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Bucksport, Maine's basic financial statements and have issued our report thereon dated April 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bucksport, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bucksport, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bucksport, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bucksport, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Bucksport, Maine in a separate letter dated April 27, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
May 12, 2021