

TOWN OF YARMOUTH, MAINE

Annual Financial Report

For the year ended June 30, 2022

TOWN OF YARMOUTH, MAINE
Annual Financial Report
Year ended June 30, 2022

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Independent Auditor's Report

Town Council
Town of Yarmouth, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yarmouth, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Yarmouth, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yarmouth, Maine as of June 30, 2022, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Yarmouth, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Yarmouth, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Yarmouth, Maine's basic financial statements. The accompanying combining and individual fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the Town of Yarmouth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Yarmouth, Maine's 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 Yarmouth, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remy Kristen Ouellette". The signature is written in a cursive, flowing style.

March 30, 2023
South Portland, Maine

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2022

As management of the Town of Yarmouth, we offer readers of the Town of Yarmouth's financial statements this narrative overview and analysis of the financial activities of the Town of Yarmouth for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Yarmouth exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$66.7 million (net position). Of this amount, \$5.7 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The ending fund balance for the governmental funds was \$17.9 million -- \$1.2 million of this total is remaining funds for the School Renovations Project, \$7 million is committed Capital Reserve funds and \$5.5 million is restricted and/or non-spendable.
- As of June 30, 2022, the General fund held \$11 million in fund balance -- \$4 million of which is available to the Town as unassigned fund balance. This is approximately 7.5% of total expenditures.

Overview of the Financial Statements

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

The Town's financial statements are comprised of a series of statements. The government-wide financial statements, statement of net position, and the statement of activities, (on pages 15 and 16) present the financial picture of the Town from the economic resource's measurement focus using the accrual basis of accounting.

The fund financial statements (beginning on page 17) provide a more detailed look at the governmental funds and the fiduciary funds. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a broad overview of the Town of Yarmouth's finances, similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Yarmouth is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

The Town of Yarmouth's statement of net position and its statement of activities report governmental activities only. These are the Town's basic services including: general government, public safety, public works, health and welfare, public services, education, unclassified, interest on debt and capital maintenance expenses.

Property taxes, intergovernmental revenue (primarily from the State of Maine), user fees, license and permit fees and state and local grants finance these activities. The government-wide statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Yarmouth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town fall under the governmental fund type.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Yarmouth maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, York Trust Fund, other, federal, state, and local grants fund, and School Renovation & Expansion Capital Project Fund, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Yarmouth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 18 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-50 of this report.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Other Information – The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page 53 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Yarmouth, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67 million at the close of the most recent fiscal year.

Statement of Net Position

		2022	2021	Increase (decrease)
Current and other assets	\$	25,649,284	30,666,732	(5,017,448)
Capital assets		127,599,656	117,900,194	9,699,462
Total assets		153,248,940	148,566,926	4,682,014
Deferred outflows of resources		2,146,248	1,804,651	341,597
Noncurrent liabilities		80,121,495	81,753,432	(1,631,937)
Other liabilities		5,880,388	7,266,841	(1,386,453)
Total liabilities		86,001,883	89,020,273	(3,018,390)
Deferred inflows of resources		2,629,595	308,220	2,321,375
Net investment in capital assets		59,780,277	53,851,963	5,928,314
Restricted		4,222,238	4,372,335	(150,097)
Unrestricted		2,746,195	2,818,786	(72,591)
Total net position	\$	66,748,710	61,043,084	5,705,626

The largest portion of the Town of Yarmouth's net position (85%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Yarmouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted net position (\$5.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

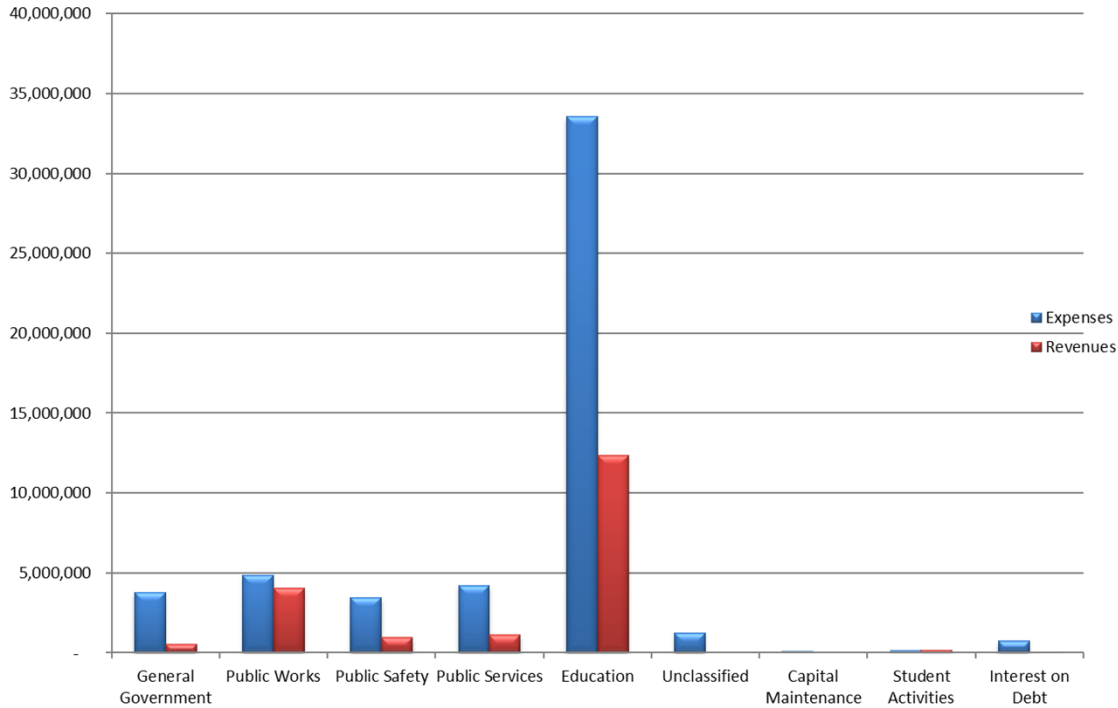
TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Change in Net Position			
	2022	2021	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 3,692,013	\$ 2,841,707	850,306
Operating Grants & Contributions	12,964,662	14,073,784	(1,109,122)
Capital Grants & Contributions	2,578,769	598,803	1,979,966
General Revenues			
Property Taxes	33,917,674	33,233,140	684,534
Motor Vehicle Excise Tax	2,189,386	2,380,108	(190,722)
Interest and Costs on Taxes	36,418	42,651	(6,233)
State Revenue Sharing	1,480,670	960,605	520,065
Homestead Exemption	565,877	602,004	(36,127)
Other State Aid	244,888	253,710	(8,822)
Unrestricted Investment Earnings	16,215	15,004	1,211
Miscellaneous Revenues	82,069	10,588	71,481
TOTAL REVENUES	57,768,641	55,012,104	2,756,537
Program Expenses:			
General Government	3,784,748	4,129,598	(344,850)
Public Works	4,848,542	4,316,505	532,037
Public Safety	3,441,485	3,536,262	(94,777)
Health & Welfare	153,397	239,243	(85,846)
Public Services	4,026,416	2,046,082	1,980,334
Education (excluding debt service)	33,558,089	32,883,157	674,932
Unclassified	1,255,794	1,243,418	12,376
Capital Maintenance	100,926	590,332	(489,406)
Student Activities	151,737	155,648	(3,911)
Interest on Debt	726,880	1,724,839	(997,959)
TOTAL EXPENSES	52,048,014	50,865,084	1,182,930
Increase in net position	5,705,627	4,147,020	1,573,607
Net position – beginning of year	61,043,083	56,896,064	4,147,019
Net position – end of year	\$ 66,748,710	\$ 61,043,084	5,720,626

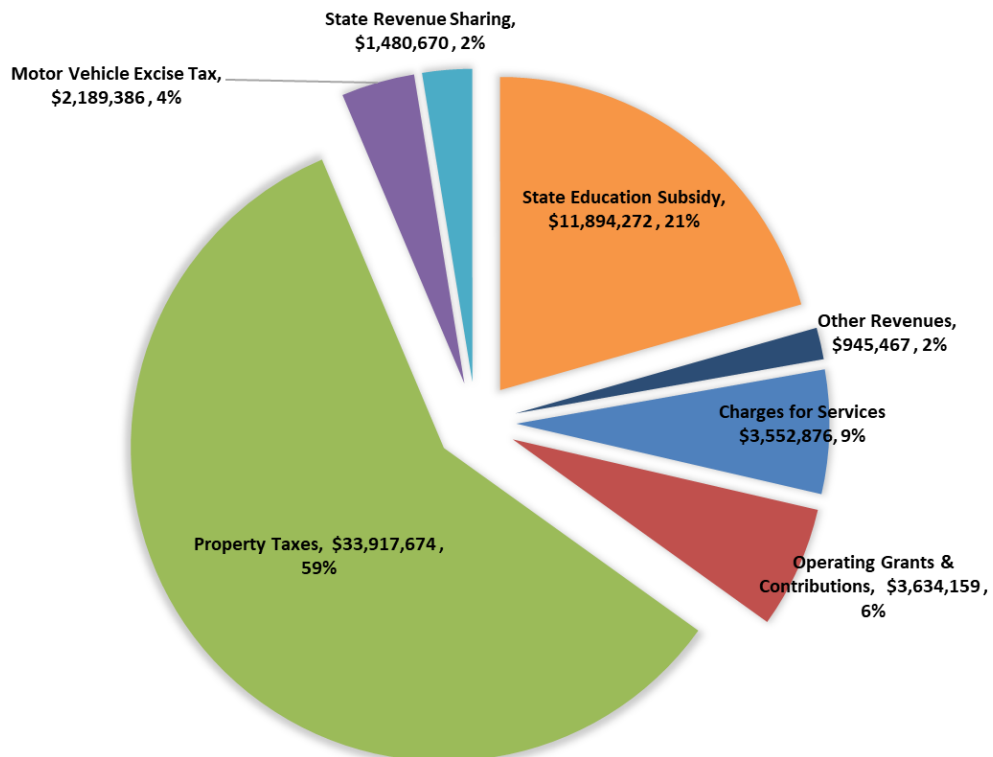
Governmental activities resulted in an increase in the Town of Yarmouth's net position of \$5.7 million with the majority of revenues (58%) coming from property taxes. Principal payments on bonds and notes totaled approximately \$2.7 million. These amounts are not considered expenses for purposes of full accrual financial statements. Governmental activities also included approximately \$3.9 million in depreciation expense.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Program Expenses & Revenues - Governmental Activities



REVENUE SOURCE - GOVERNMENTAL ACTIVITIES



TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Financial Analysis of the Government's Funds

The Town of Yarmouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the Town of Yarmouth's governmental funds reported combined ending fund balances of \$17.9 million. The School's Construction Projects was \$1.2 million of this balance which is for the completion of their renovations. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending. It has been committed or assigned 1) to liquidate contracts and purchase orders of the prior period, 2) to fund future capital purchases, 3) to generate income for various charitable purposes and 4) for a variety of other unrestricted purposes.

The General Fund is the chief operating fund of the Town of Yarmouth. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4 million, while total fund balance reached \$11 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 7.5% of total General Fund expenditures, while total fund balance represents approximately 21% of that same amount.

The Town has two other major funds - the York Trust Fund and the Other Federal, State and Local Grants Fund. The York Trust Fund has a fund balance of \$2.6 million and accounts for funds left to the Town of Yarmouth for various charitable purposes. The Other Federal, State and Local Grants Fund has a fund balance of \$195 thousand, which will be used to support future activities under those specific grants.

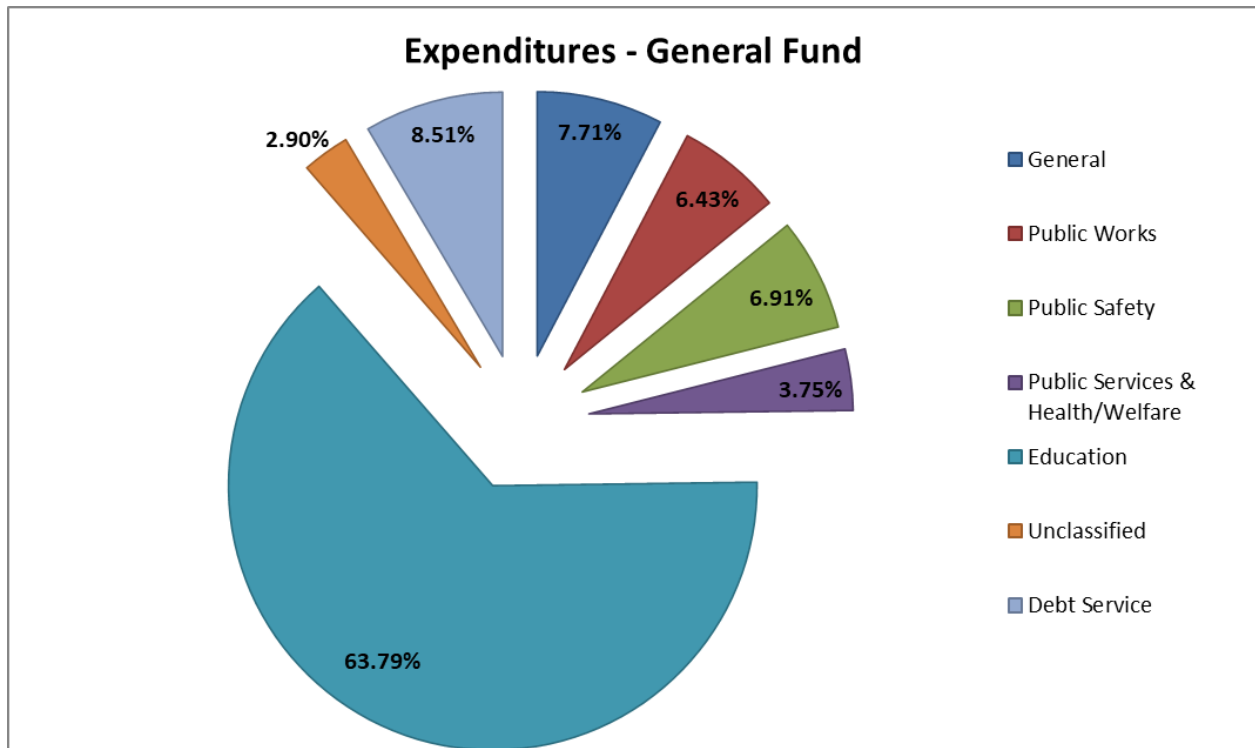
General Fund Budgetary Highlights

During the current fiscal year, revenues for the Town of Yarmouth exceeded expenditures by \$3.1 million, of which \$1.6 million was allocated for other uses such as capital expenditures. Actual revenues to budget had a surplus of \$587,491. Variances on the expenditure side totaled \$1,682,595 under budget before appropriations to other funds.

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

General Fund Budget and Actual

	Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 35,155,856	\$ 34,979,176	(176,680)
Intergovernmental	258,900	421,793	162,893
Other	10,373,277	10,974,555	601,278
Total revenues	\$ 45,788,033	\$ 46,375,524	587,491
Expenditures:			
General	\$ 3,543,344	3,332,752	210,592
Public Works	2,941,805	2,780,282	161,523
Public Safety	3,094,990	2,985,399	109,591
Health and Welfare	75,650	42,447	33,203
Public Services	1,639,944	1,577,347	62,597
Education	28,422,687	27,580,847	841,840
Unclassified	1,500,991	1,255,794	245,197
Debt Service	3,697,599	3,679,547	18,052
Total expenditures	\$ 44,917,010	\$ 43,234,415	1,682,595
Excess Revenues	\$ 871,023	\$ 3,141,109	2,270,086



TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Capital Assets and Debt Administration

Capital Assets

The Town of Yarmouth's investment in capital assets (net of accumulated depreciation) as of June 30, 2022, was \$128 million. This investment in capital assets includes land, buildings and building improvements, furniture and equipment, vehicles, library collections and infrastructure assets such as roads, sidewalks, storm drains, traffic signals, sewer lines, and bridges.

During fiscal year 2022, the Town spent more than \$14 million on various capital assets - \$5.1 mil was spent on infrastructure & road improvements, \$2 mil was spent to purchase equipment and vehicles for the Town's public works, police, and school departments. The School renovation projects added \$7.2 million to construction in progress.

Town of Yarmouth's Capital Assets (Net of Depreciation)

	2022	2021
Books and collections	\$ 870,302	\$ 870,302
Land	9,178,226	9,178,226
Construction in progress	52,674,276	46,210,331
Land Improvements	329,727	554,123
Buildings and building improvements	32,604,439	34,043,573
Furniture and equipment	3,326,730	2,517,754
Vehicles	2,752,793	2,615,051
Infrastructure	25,863,163	21,910,834
	\$ 127,599,656	\$ 117,900,194

Long-term Debt

The Town of Yarmouth's bond ratings is Aa2 from Moody's Investor Service and AA+ from Standard and Poor.

State statutes limit the amount of general obligation debt a municipality may issue to 15.0% of its total state assessed valuation. The current debt limitation for the Town of Yarmouth is in excess of \$200 million, considerably more than the Town's outstanding general obligation debt. Additional information on the Town of Yarmouth's long-term debt may be found in the notes to the financial statements.

Town of Yarmouth's Outstanding Debt

	2022	2021
General obligation bonds	\$ 68,832,339	\$ 70,669,394
Financed Purchases	\$ 4,816,208	\$ 2,515,828
Accrued Compensated Balances	913,174	975,656
Landfill post-closure costs	993,143	915,002
	\$ 75,554,864	\$ 75,075,880

TOWN OF YARMOUTH, MAINE
Management's Discussion and Analysis, Continued

Next Year's Budget and Rates

Estimated household income was \$79,025 (2020) with a population of 8,990 in 3,409 housing units. Yarmouth's residential/commercial tax base was fairly consistent. Next Era's Wyman Station real estate decreased by \$3 million in FY22. There is a \$900,100 decrease in real estate value for FY23.

The 2022-2023 general fund budget increases expenditures by 8.9% with a projected increase in revenues of approximately 6.2%. The tax rate for 2022-2023 is \$21.62 per thousand - a 9.17% increase or \$1.82 per thousand.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors, 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 any questions about this report or need additional financial information, contact the *Finance Director, 200 Main Street, Yarmouth, ME 04096, phone 207-846-9036 or e-mail at dmadden@yarmouth.me.us*.

BASIC FINANCIAL STATEMENTS

TOWN OF YARMOUTH, MAINE
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 19,446,662
Cash held in escrow	1,823,741
Investments	2,620,498
Receivables:	
Accounts, net of allowance of \$61,626	1,165,568
Taxes - current year	326,351
Taxes - prior years	109,086
Tax liens	58,138
Sewer	48,223
Prepaid expenses	4,608
Inventories	46,409
Capital assets not being depreciated	62,722,804
Capital assets, net of accumulated depreciation	64,876,852
Total assets	153,248,940
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,657,571
Deferred outflows of resources related to OPEB	488,677
Total deferred outflows of resources	2,146,248
LIABILITIES	
Accounts payable and other current liabilities	1,951,946
Accrued payroll	2,875,874
Accrued interest	240,080
Unearned revenue	827,488
Noncurrent liabilities:	
Due within one year	3,031,697
Due in more than one year	77,089,798
Total liabilities	86,016,883
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	2,423,908
Deferred inflows of resources related to OPEB	205,687
Total deferred inflows of resources	2,629,595
NET POSITION	
Net investment in capital assets	56,842,048
Restricted for:	
Permanent funds, nonexpendable	3,031,082
Permanent funds, expendable	162,852
Grants and other purposes	286,718
Tax increment financing districts	741,586
Unrestricted	5,684,424
Total net position	\$ 66,748,710

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Activities
For the year ended June 30, 2022

		Program Revenues			Net (expense) revenue and changes in net position
			Operating grants and contributions	Capital grants and contributions	Primary Government
Functions/programs	Expenses	Charges for services			Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 3,784,748	111,406	444,270	-	(3,229,072)
Public works	4,848,542	1,351,841	98,197	2,578,769	(819,735)
Public safety	3,441,485	860,390	100,754	-	(2,480,341)
Health and welfare	153,397	-	375,731	-	222,334
Public services	3,332,721	893,016	(148,221)	-	(2,587,926)
Education	34,251,784	475,360	11,894,272	-	(21,882,152)
Unclassified	1,255,794	-	-	-	(1,255,794)
Capital maintenance expenses	100,926	-	-	-	(100,926)
Student activities	151,737	-	184,659	-	32,922
Interest on debt	726,880	-	-	-	(726,880)
Total governmental activities	52,048,014	3,692,013	12,949,662	2,578,769	(32,827,570)
Total primary government	\$ 52,048,014	3,692,013	12,949,662	2,578,769	(32,827,570)

General revenues:	
Property taxes, levied for general purposes	33,917,674
Motor vehicle excise taxes	2,189,386
Interest and costs on taxes	36,418
Grants and contributions not restricted to specific programs:	
State Revenue Sharing	1,480,670
Homestead exemption	565,877
Other State aid	244,888
Unrestricted investment earnings	16,215
Miscellaneous revenues	82,069
Total general revenues	38,533,197
Change in net position	5,705,627
Net position - beginning	61,043,083
Net position - ending	\$ 66,748,710

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Balance Sheet
Governmental Funds
June 30, 2022

	General	York Trust Fund	Other Federal, State, and Local Grants	School Renovations and Expansion	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 18,690,588	127,172	-	-	628,902	19,446,662
Investments	-	1,996,224	-	-	624,274	2,620,498
Receivables:						
Accounts, net of allowance of \$61,626	160,090	-	-	-	137,789	297,879
Due from other governments	183,694	-	635,437	-	48,558	867,689
Taxes - current year	326,351	-	-	-	-	326,351
Taxes - prior years	109,086	-	-	-	-	109,086
Tax liens	58,138	-	-	-	-	58,138
Sewer	48,223	-	-	-	-	48,223
Prepaid expenditures	4,608	-	-	-	-	4,608
Inventory	24,013	-	-	-	22,396	46,409
Interfund loans receivable	-	50,935	595,753	1,272,235	1,839,567	3,758,490
Total assets	19,604,791	2,174,331	1,231,190	1,272,235	3,301,486	27,584,033
LIABILITIES						
Accounts payable and payroll withholding	1,567,564	-	208,103	121,926	30,807	1,928,400
Accrued wages - Town	103,272	-	-	-	22,180	125,452
Accrued wages - School	2,750,422	-	-	-	-	2,750,422
Taxes paid in advance	23,546	-	-	-	-	23,546
Interfund loans payable	3,758,490	-	-	-	-	3,758,490
Unearned revenue	-	-	827,488	-	-	827,488
Total liabilities	8,203,294	-	1,035,591	121,926	52,987	9,413,798
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	270,951	-	-	-	-	270,951
Total deferred inflows of resources	270,951	-	-	-	-	270,951
FUND BALANCES						
Nonspendable:						
Prepaid and inventory	28,621	-	-	-	22,396	51,017
Principal	-	2,123,396	-	-	907,686	3,031,082
Restricted:						
Grants and other purposes	104,631	-	65,482	-	159,691	329,804
School renovations	-	-	-	1,150,309	-	1,150,309
TIF funds	-	-	-	-	741,586	741,586
Permanent funds	-	50,935	-	-	111,917	162,852
Committed:						
Reserves - Town	4,495,685	-	-	-	-	4,495,685
Reserves - School	2,565,623	-	-	-	-	2,565,623
Recreation and other programs	-	-	137,268	-	1,087,702	1,224,970
Capital projects	-	-	-	-	217,521	217,521
Assigned for Town purposes	1,575,576	-	-	-	-	1,575,576
Unassigned:						
Education (teacher summer salaries and benefits)	(1,792,037)	-	-	-	-	(1,792,037)
Education - tax stability reserve	150,482	-	-	-	-	150,482
Town	4,001,965	-	-	-	-	4,001,965
Grants and other purposes	-	-	(7,151)	-	-	(7,151)
Total fund balances	11,130,546	2,174,331	195,599	1,150,309	3,248,499	17,899,284
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,604,791	2,174,331	1,231,190	1,272,235	3,301,486	

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.	127,599,656
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	270,951
Cash held in escrow pertaining to notes payable	1,823,741
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds payable	(65,125,000)
Premiums on bonds	(3,707,339)
Notes from direct borrowings	(4,816,208)
Accrued interest	(240,080)
Landfill liability	(993,143)
Accrued compensated absences	(913,174)
Net pension liability with related deferred outflows and inflows of resources	(630,490)
Other postemployment benefits liabilities with related deferred outflows and inflows of resources	(4,419,488)

Net position of governmental activities

\$ 66,748,710

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General	York Trust Fund	Other Federal, State, and Local Grants	School Renovations and Expansion	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 35,104,176	-	-	-	1,048,600	36,152,776
Licenses and permits	421,793	-	-	-	-	421,793
Intergovernmental	12,244,472	-	831,894	-	907,950	13,984,316
Charges for services	2,261,410	-	-	-	999,798	3,261,208
Student activity fees and fundraisers	-	-	-	-	184,659	184,659
Investment earnings (loss)	16,215	(247,859)	-	3,383	(89,649)	(317,910)
Contributions	-	-	-	-	27,324	27,324
Unclassified	1,386,159	-	35,206	-	48,639	1,470,004
Total revenues	51,434,225	(247,859)	867,100	3,383	3,127,321	55,184,170
Expenditures:						
Current:						
General government	3,548,303	-	98,063	-	148,111	3,794,477
Public works	3,199,905	-	2,500	-	-	3,202,405
Public safety	3,203,492	-	70,723	-	-	3,274,215
Health and welfare	150,897	-	2,500	-	-	153,397
Public services	1,699,290	154,498	12,238	-	1,075,408	2,941,434
Education (excluding debt service)	31,041,452	-	688,595	-	953,410	32,683,457
Student activities	-	-	-	-	151,737	151,737
Unclassified	1,255,794	-	-	-	-	1,255,794
Capital outlay	5,486,750	-	-	6,429,468	634,019	12,550,237
Debt service	3,679,547	-	-	-	-	3,679,547
Total expenditures	53,265,430	154,498	874,619	6,429,468	2,962,685	63,686,700
Excess (deficiency) of revenues over (under) expenditures	(1,831,205)	(402,357)	(7,519)	(6,426,085)	164,636	(8,502,530)
Other financing sources (uses):						
Proceeds from note issuance	3,407,473	-	-	-	-	3,407,473
Transfers from other funds	-	-	15,314	310,000	239,272	564,586
Transfers to other funds	(563,586)	(1,000)	-	-	-	(564,586)
Total other financing sources (uses)	2,843,887	(1,000)	15,314	310,000	239,272	3,407,473
Net change in fund balances	1,012,682	(403,357)	7,795	(6,116,085)	403,908	(5,095,057)
Fund balances, beginning of year	10,117,864	2,577,688	187,804	7,266,394	2,844,591	22,994,341
Fund balances, end of year	\$ 11,130,546	2,174,331	195,599	1,150,309	3,248,499	17,899,284

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, 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, 2022

Net change in fund balances - total governmental funds (from Statement 4)	\$	(5,095,057)
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Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. More specifically, this is the amount of depreciation expense, the book value of disposed assets, and capital outlay in the current period.

Capital outlays	11,044,267	
Book value of donated assets	2,578,769	
Less: book value of disposed assets	(1,121)	
Less: depreciation expense	(3,922,453)	9,699,462

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue - property taxes.

(9,298)

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. This is the (increase) decrease in:

Other postemployment benefits liabilities	(157,862)	
Deferred inflows and outflows of resources related to the OPEB liabilities	62,908	
Accrued compensated absences	62,482	
Net pension liability	2,268,783	
Deferred inflows and outflows of resources related to the net pension liability	(2,042,685)	
Landfill closure liability	(78,141)	
Accrued interest payable	8,519	124,004

Bond and notes from direct borrowings proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. More specifically, this represents the net amount of principal (increases) decreases in debt service made during the year.

Proceeds from notes from direct borrowings, less cash held in escrow	(1,957,632)	
Repayments of notes from direct borrowings	1,107,093	
Bond principal repayments and premium amortization	1,837,055	986,516

Change in net position of governmental activities (see Statement 2)	\$	5,705,627
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See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2022

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 36,011,541	35,155,856	34,979,176	(176,680)
Licenses and permits	258,900	258,900	421,793	162,893
Intergovernmental	7,669,459	8,770,341	9,213,267	442,926
Charges for services	1,485,936	1,485,936	1,618,508	132,572
Investment earnings	28,000	28,000	16,215	(11,785)
Unclassified	89,000	89,000	126,565	37,565
Total revenues	45,542,836	45,788,033	46,375,524	587,491
Expenditures:				
Current:				
General government	3,543,344	3,543,344	3,332,752	210,592
Public works	2,941,805	2,941,805	2,780,282	161,523
Public safety	3,094,990	3,094,990	2,985,399	109,591
Health and welfare	75,650	75,650	42,447	33,203
Public services	1,639,944	1,639,944	1,577,347	62,597
Education (excluding debt service)	28,422,687	28,422,687	27,580,847	841,840
Unclassified	1,255,794	1,500,991	1,255,794	245,197
Debt service	3,697,599	3,697,599	3,679,547	18,052
Total expenditures	44,671,813	44,917,010	43,234,415	1,682,595
Excess (deficiency) of revenues over (under) expenditures	871,023	871,023	3,141,109	2,270,086
Other financing sources (uses):				
Use of prior year surplus	550,000	550,000	550,000	-
Use of stabilization reserve - school	755,000	755,000	755,000	-
Appropriations for reserves	(2,041,023)	(2,041,023)	(2,041,023)	-
Transfers to general fund reserves	-	-	(482,390)	(482,390)
Transfers to other funds	(135,000)	(135,000)	(148,314)	(13,314)
Total other financing (uses)	(871,023)	(871,023)	(1,366,727)	(495,704)
Net change in fund balance - budgetary basis	-	-	1,774,382	1,774,382
Reconciliation to GAAP:				
Appropriations for reserves			2,041,023	
Transfers to other funds			(310,000)	
Transfers to reserves from the General Fund			377,118	
Use of fund balance			(1,305,000)	
Reserves revenues			2,027,496	
Reserves expenditures			(3,437,599)	
Change in teacher summer salaries			(154,738)	
Net change in fund balance - GAAP basis			1,012,682	
Fund balance, beginning of year			10,117,864	
Fund balance, end of year	\$		11,130,546	

See accompanying notes to basic financial statements.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Yarmouth, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

Reporting Entity

The Town of Yarmouth, Maine was incorporated in 1849 under the laws of the State of Maine. The Town operates under a Council-Manager form of government.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there are no potential component units that should be included as part of this reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. The Town does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

The Town reports the following major governmental funds:

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

The *York Trust Fund* (a Permanent Fund) accounts for resources left to the Town for various charitable purposes.

The *Other Federal, State, and Local Grants Fund* accounts for the proceeds and expenditures related to resources obtained and used under certain federal, state, and local grants upon which restrictions are imposed and transactions related to the proceeds of special revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

The *School Renovations and Expansion Fund* accounts for the renovation and expansion of schools within the Town of Yarmouth.

Cash, Cash Equivalents, and Investments - Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less. Investments are stated at fair value.

Inventory - Inventory consists of food, supplies, fuel, and is valued at the lower of cost (first-in, first-out basis) or market. Inventories of the school nutrition program include the value of the USDA commodities donated to the program.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances do not constitute expenditures or liabilities. At year-end, encumbrances, if any, are recorded as assigned fund balance.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Prepaid Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both the government-wide and fund financial statements. The costs of prepaid expenditures are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years.

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

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. Accumulated vacation and sick time have been recorded as a liability in the government-wide financial statements. Sick time is not paid unless an employee is ill, or retires in good standing. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

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

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

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the 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.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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

Comparative Data/Reclassifications - Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Fund Balance - Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent.

The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be assigned for subsequent year expenditure and capital reserve accounts which are carried forward to the next fiscal year. The Town's fund balance policy establishes a fund balance target for unassigned fund balance of 8.3% of the annual budget, including education, contributions to capital reserves and debt service.

The voters at the Town Meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town has established certain designated accounts, which are carried forward each year and have been classified as assigned fund balance.

Although there is no formal policy, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures. These budgets are established by vote of the Town's citizens, after considering the manager's and Town Council's recommendations. The Town Council may appropriate a supplemental amount up to \$100,000. The citizens of the Town must approve supplemental appropriations in excess of \$100,000. The Town Council exercises its legal level of control at the department level. Appropriations lapse at year end unless they are specifically reserved.

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for Maine Public Employees Retirement on-behalf payments, use of fund balance, teacher summer salaries, and activity in the General Fund reserves.

Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Yarmouth School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$3,031,205. These amounts have been included as intergovernmental revenue and education expenditure/expense in the General Fund on Statement 4 (GAAP basis) and in the entity-wide Statement of Activities (Statement 2). There is no effect on fund balance or net position at the end of the year.

B. Revised Budget

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Statement 6) includes various adjustments as follows:

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses)</u>
2021-2022 budget as originally adopted	\$ 46,847,836	46,847,836	-
Overlay not included in budget	245,197	245,197	-
Appropriations for reserves - Town	-	(1,796,023)	(1,796,023)
Appropriations for reserves - School	-	(245,000)	(245,000)
Transfers to special revenue funds	-	(135,000)	(135,000)
Use of stabilization reserve – school	(550,000)	-	550,000
Utilization of prior year balance - Town	(755,000)	-	755,000
Total adjusted budget	\$ 45,788,033	44,917,010	(871,023)

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to invest in only financial institutions that are insured by the F.D.I.C. or additional insurance. Funds will not be deposited or invested in institutions wherein the Town's deposits or investments will exceed 10% of the total reserve fund or capital of such institution. As of June 30, 2022, the Town reported deposits of \$19,446,662 with a bank balance of \$19,980,198. All of the Town's bank balances were covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

B. Investments

At June 30, 2022, the Town had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Equities/stock	\$ 926,266		N/A	
Mutual funds	236,290		N/A	
Exchange traded funds	1,457,943		N/A	
Total investments	\$ 2,620,499			

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Town's investments as of June 30, 2022 were valued using quoted market prices (level 1 inputs).

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

DEPOSITS AND INVESTMENTS, CONTINUED

Interest Rate Risk: It is the Town's policy that unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than one year from the date of purchase.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. In accordance with its investment policy, the Town minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimized.

Concentration of Credit Risk: It is the Town's policy that with the exception of U.S. Treasury and agency securities, no more than 60% of the Town's total investment portfolio will be invested in a single security type.

Custodial Credit Risk - Town's investments: For investments, custodial credit risk is the risk 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 the possession of an outside party. The Town does not have a formal policy regarding custodial credit risk.

PROPERTY TAX

Property taxes for the current year were committed on August 18, 2021 on the assessed value listed as of the prior April 1st for all real and personal property located in the Town. Interest was charged at 6.0% on all taxes unpaid as of November 10, 2021 and May 4, 2022. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$245,197 for the year ended June 30, 2022.

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.

Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

PROPERTY TAX, CONTINUED

The following summarizes the periods ended June 30, 2022 and 2021 levies:

	<u>2022</u>	<u>2021</u>
Assessed valuation:		
Real estate	\$ 1,667,842,725	1,646,093,880
Personal property	47,060,100	49,524,000
Total assessed valuation	\$ 1,714,902,825	1,695,617,880
Assessed valuation	1,714,902,825	1,695,617,880
Tax rate (per \$1,000)	19.80	19.60
Commitment	33,955,076	33,234,110
Supplemental taxes assessed	-	-
Total tax levy	33,955,076	33,234,110
Less:		
Collections, abatements, and other adjustments	(33,628,725)	(32,948,131)
Current year receivables at June 30	\$ 326,351	285,979
Collection rate	99.04%	99.13%

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2022</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 870,302	-	-	870,302
Land	9,178,226	-	-	9,178,226
<u>Construction in progress</u>	<u>46,210,331</u>	<u>7,225,647</u>	<u>761,702</u>	<u>52,674,276</u>
Total capital assets, not being depreciated	56,258,859	7,225,647	761,702	62,722,804
Capital assets, being depreciated:				
Land improvements	4,774,282	-	-	4,774,282
Buildings and building improvements	56,884,278	-	-	56,884,278
Furniture and equipment	5,544,497	1,404,110	305,880	6,642,727
Vehicles	7,555,296	653,875	60,734	8,148,437
<u>Infrastructure</u>	<u>36,783,095</u>	<u>5,101,106</u>	<u>-</u>	<u>41,884,201</u>
Total capital assets being depreciated	111,541,448	7,159,091	366,614	118,333,925
Less accumulated depreciation for:				
Land improvements	4,220,159	224,396	-	4,444,555
Buildings and building improvements	22,840,705	1,439,134	-	24,279,839
Furniture and equipment	3,026,743	595,134	305,880	3,315,997
Vehicles	4,940,245	515,012	59,613	5,395,644
<u>Infrastructure</u>	<u>14,872,261</u>	<u>1,148,777</u>	<u>-</u>	<u>16,021,038</u>
Total accumulated depreciation	49,900,113	3,922,453	365,493	53,457,073
<u>Total capital assets being depreciated, net</u>	<u>61,641,335</u>	<u>3,236,638</u>	<u>1,121</u>	<u>64,876,852</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 117,900,194</u>	<u>10,462,285</u>	<u>762,823</u>	<u>127,599,656</u>

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

Governmental activities:	
General government	\$ 311,902
Public works, including depreciation of general infrastructure assets	1,605,436
Public safety	391,287
Public services	167,270
<u>Education</u>	<u>1,446,558</u>
<u>Total depreciation expense – governmental activities</u>	<u>\$ 3,922,453</u>

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

INTERFUND BALANCES/TRANSFERS

Individual interfund receivables and payables and transfers at June 30, 2022 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
General Fund	\$ -	3,758,490	(563,586)
York Trust Fund	50,935	-	(1,000)
Other Federal, State, and Local Grants	595,753	-	15,314
School Renovations and Expansion	1,272,235	-	310,000
Other Governmental Funds:			
School Nutrition Program	107,493	-	169,272
Recreation Programs	817,931	-	70,000
Community Garden	17,554	-	-
Trust Funds	48,872	-	-
Capital Projects Funds	847,717	-	-
Total Other Governmental Funds	1,839,567	-	239,272
Totals	\$ 3,758,490	3,758,490	-

These transfers were budgeted transfers to fund certain activities.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 66,675,000	-	1,550,000	65,125,000	1,900,000
Premium on bonds	3,994,394	-	287,055	3,707,339	281,896
Total bonds payable	70,669,394	-	1,837,055	68,832,339	2,181,896
Notes from direct borrowings	2,515,828	3,407,473	1,107,093	4,816,208	849,801
Accrued compensated absences	975,656	-	62,482	913,174	-
Other postemployment benefits	4,544,616	157,862	-	4,702,478	-
Net pension liability (asset)	2,132,936	-	2,268,783	(135,847)	-
Landfill closure liability	915,002	78,141	-	993,143	-
Governmental activity long-term liabilities	\$ 81,753,432	3,643,476	5,275,413	80,121,495	3,031,697

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

BONDS AND DIRECT BORROWINGS

Long term debt payable at June 30, 2022 is comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2022</u>
General obligation bonds:					
2013 Series A GOB	10/1/13	\$ 5,493,000	11/15/2033	2.0-4.0%	4,035,000
2018 Series A GOB	5/1/18	3,000,000	11/15/2033	3.0-5.0%	3,000,000
2018 Series B GOB	5/1/18	387,000	11/15/2033	8.625%	330,000
2020 GOB	9/30/20	57,890,000	11/15/2049	2.0-5.0%	57,760,000
Total bonds					65,125,000
Notes from direct borrowings:					
2009 CWSRLF	1/04/09	1,532,282	4/1/2023	1.415%	224,306
School energy equipment	12/16/14	782,028	12/16/24	2.80%	256,433
Town energy equipment	12/16/14	384,815	12/16/29	2.65%	223,881
Town energy equipment	5/1/15	284,937	12/16/26	2.65%	128,410
Dewatering equipment	10/1/18	1,000,000	7/15/28	3.97%	640,703
Computer equipment	8/15/19	74,928	8/15/22	3.77%	18,732
Music equipment	8/15/19	47,009	9/15/23	3.67%	19,184
School copiers	8/15/19	62,324	9/15/23	3.67%	25,433
School bus	11/7/19	112,633	11/15/23	3.50%	45,823
School bus	11/15/19	112,633	11/15/23	3.50%	45,787
LED lights	6/30/21	360,110	7/15/27	2.21%	257,332
School LED Lights	7/15/21	314,327	7/15/30	2.30%	279,582
School computers	8/16/21	142,250	8/16/24	0.00%	106,687
School computers	8/16/21	959,896	7/14/24	0.00%	610,672
Transfer station	4/28/22	1,716,000	3/15/30	2.80%	1,716,000
Fire truck	4/28/22	275,000	5/15/26	2.76%	217,243
Total notes from direct borrowings					4,816,208
Total bonds and notes payable					\$69,941,208

The annual requirements to amortize all outstanding bonds and notes from direct borrowings at June 30, 2022 are as follows. Such amounts exclude overlapping debt requirements, but include school debt requirements to be reimbursed by the State of Maine.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

BONDS AND DIRECT BORROWINGS, CONTINUED

Year	Bonds		Notes	
	Principal	Interest	Principal	Interest
2023	\$ 1,900,000	1,873,787	849,801	78,037
2024	1,955,000	1,791,347	984,764	99,787
2025	2,085,000	1,703,541	819,574	80,264
2026	2,095,000	1,607,034	507,158	63,512
2027	2,200,000	1,503,459	463,911	48,648
2028 - 2032	11,970,000	6,057,594	1,191,000	66,191
2033 - 2037	11,890,000	4,023,762	-	-
2038 - 2042	11,915,000	2,784,644	-	-
2043 - 2047	12,150,000	1,442,137	-	-
2048 - 2050	6,965,000	237,656	-	-
Totals	\$ 65,125,000	23,024,961	4,816,208	436,439

The State of Maine currently reimburses the Town for a portion of financing costs of school building and bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the state legislature.

LANDFILL LIABILITY

Statement No. 18 of the Government Accounting Standards Board (GASB) entitled "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" requires the Town to record a liability for the estimated costs of landfill closure and postclosure care, as required by governmental authorities. State and federal regulations require that the Town place a final cover on its current operating landfill when waste is no longer accepted, and to perform certain maintenance and monitoring functions at the landfill for a period of thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a related liability is recognized based on the future closure and postclosure care costs that will be paid near or after the date that the landfill stops accepting waste. The Town reports a portion of these closure and postclosure care costs as a liability in the statement of net position based on landfill capacity used as of June 30, 2022.

The Town currently has one landfill, the Yarmouth construction and demolition debris landfill. As of June 30, 2022, the Town estimates the facility has a remaining capacity of 28% or 16,333 tons. The Town estimates the final closure cost for the entire facility to be approximately \$931,817 and the total postclosure costs are estimated at \$447,548, which is an average annual cost of \$14,918 for 30 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Of the total estimated liability of \$1,379,365, the Town estimates that \$993,143 is applicable to the facility based on the estimated capacity used as of June 30, 2022. The Town anticipates financing closure costs by funding and using reserves and/or the issuing of bonds at the time of closure.

OVERLAPPING DEBT

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. At June 30, 2022, the Town's share is \$1,145,560 (3.71%) of Cumberland County's outstanding debt of \$30,856,174.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

CONDUIT DEBT OBLIGATIONS

From time to time, the Town has issued revenue bonds to provide financial assistance to North Yarmouth Academy for capital improvements and to restructure existing debt. Upon repayment of the bonds, ownership of the acquired assets transfers to the Academy. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2022, the principal amount of the revenue bonds payable was \$177,796.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2022, the Town was in compliance with these limitations.

JOINTLY GOVERNED ORGANIZATION

The Town of Yarmouth participates in a jointly governed organization, which is not part of the Town's reporting entity.

ecomaine - ecomaine is a solid waste management corporation servicing 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and operates an extensive recycling program. The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore; has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2022 includes total assets of \$70,668,532, total liabilities of \$25,753,954, and unrestricted net position of \$13,354,272. The liabilities include an accrual for landfill closure and postclosure care amounting to \$17,442,939. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

BUDGETARY VS GAAP BASIS OF ACCOUNTING

The Town currently budgets for all summer salaries and benefits on the cash basis. Since teachers and certain other positions have provided all of the required services under their contracts at June 30, 2022, accounting principles generally accepted in the United States of America require that the cost associated with those services be recorded during that period. In order to be in conformance with generally accepted accounting principles (GAAP), the accompanying statements have been adjusted to reflect these liabilities. If these liabilities had not been recorded, unassigned fund balance would be as follows:

School Department fund balance per Statement A-3 (GAAP basis)	\$ 924,068
Items not included on a budgetary basis:	
<u>Accrued wages and benefits</u>	<u>2,573,515</u>
<u>Unassigned fund balance at June 30, 2022, budgetary accounting basis</u>	<u>\$ 3,497,583</u>

As required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and expenditure/expense for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under generally accepted accounting principles of \$3,031,205. These amounts have been included as an intergovernmental revenue and an education expenditure in the General Fund on Statement 4 (GAAP basis) and an educational expense on the Statement of Activities. There is no effect on fund balance or net position at the end of the year.

FUND BALANCES

The General Fund unassigned fund balance total of \$2,360,410 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Of the General Fund unassigned fund balance, the amounts available for future use by the Town and School Department are \$4,001,965 and (\$1,641,555), respectively. In addition the Other Federal, State and Local Grants funds reported unassigned fund deficits (\$7,151).

As of June 30, 2022, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory and prepaid expenditures	\$ 28,621	-	-	-
Grants and other purposes	-	104,631	-	-
Reserves	-	-	7,061,308	-
Carryforward accounts	-	-	-	445,576
Assigned for subsequent budget	-	-	-	1,130,000
York Trust	2,123,396	50,935	-	-
Other Federal, State, and Local Grant	-	65,482	137,268	-
School renovations and expansion	-	1,150,309	-	-

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

FUND BALANCES, CONTINUED

Other Governmental Funds:				
Grants and other purposes	\$ 22,396	159,691	-	-
Tax increment financing districts	-	741,586	-	-
Recreation and other programs	-	-	1,087,702	-
Capital projects	-	-	217,521	-
Trusts	907,686	111,917	-	-
Totals	\$ 3,082,099	2,384,551	8,503,799	1,575,576

At June 30, 2022 and 2021, portions of the General Fund fund balance were assigned to future periods as follows:

	<u>2022</u>	<u>2021</u>
Budgeted use of surplus	\$ 1,130,000	550,000
Bike and pedestrian	17,484	50
Brown tail moth	9,410	9,410
Dog control	3,971	4,188
Development/Offsite improvements	32,498	552
General assistance heating fund	4,257	3,290
Jayne Giese special program	10,862	10,862
Latchstring park fundraiser	58,944	1,620
Memorial bandstand	981	981
Natural gas inspections	616	616
Parks and rec projects	25,950	25,369
Recycling committee	191	191
Safety committee	18,678	14,210
Sam Lacroix scholarship	2,789	2,789
Sanders-Winslow field	4,747	4,747
Shellfish conservation	24,293	30,289
Subdivision inspection	100,555	90,770
Town property energy projects	12,121	-
Woodchips	42,534	39,041
Westside trail	3,748	5,614
Yarmouth PD dog fund	1,844	2,548
Yarmouth tree program	69,103	65,556
Total assigned fund balance	\$ 1,575,576	862,693

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

FUND BALANCES, CONTINUED

Additionally, at June 30, 2022 and 2021, portions of the General Fund fund balances have been committed as follows:

	<u>2022</u>	<u>2021</u>
Town:		
Cousins Island dock maintenance	\$ 401,241	376,424
Dam maintenance	134,913	117,413
Dredging	122,159	122,159
Environmental H&H	109,108	100,668
Fire equipment	336,757	390,613
Harbor and waterfront	8,473	9,007
Historic building preservation	51,538	45,899
Housing support	441,350	85,919
Library maintenance	62,151	48,901
Municipal building maintenance	350,372	228,768
Police equipment	64,583	21,300
Property acquisitions	171,967	34,717
Parks and playgrounds	311,992	185,027
Public works equipment	101,456	127,602
Public works future projects	431,914	601,566
Road improvement	531,005	404,494
Sidewalk improvements	70,750	129,697
Wastewater	396,780	741,003
Solid waste	103,585	109,025
Stay program	221	8,671
Tax revaluation	41,023	6,023
Technology reserve	237,504	190,971
Unemployment compensation	14,843	2,844
<u>Total Town</u>	<u>4,495,685</u>	<u>4,088,711</u>
School Department:		
Covid 19 fund	350,000	450,000
Our house II FR	503,156	176,921
School equipment	173,557	15,231
School maintenance	561,823	302,931
School retirement	127,179	127,179
Special education reserve	138,265	138,265
Turf field	703,145	618,145
Text book reserve	8,498	8,498
<u>Total School Department</u>	<u>2,565,623</u>	<u>1,837,170</u>
<u>Total committed fund balance</u>	<u>\$ 7,061,308</u>	<u>5,925,881</u>

Additionally, the School Department had a tax stability reserve that was classified as unassigned. The amount at June 30, 2022 and 2021 was \$150,482 and \$305,482, respectively.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

NET POSITION

Net Position - Net position represents the difference between assets, deferred outflows of resources, and liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net investment in capital assets was calculated as follows at June 30, 2022:

Capital assets	\$ 181,056,729
Accumulated depreciation	(53,457,073)
Unamortized premiums on bonds	(3,707,339)
Bonds payable	(65,125,000)
Financed purchases	(4,816,208)
Cash held in escrow	1,823,741
<u>Unspent debt proceeds</u>	<u>1,067,198</u>
<u>Net investment in capital assets</u>	<u>\$ 56,842,048</u>

NET PENSION LIABILITY (ASSET)

General Information about the Pension Plan

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

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET Plan members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

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

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

NET PENSION LIABILITY (ASSET), CONTINUED

PLD Plan - Employees are required to contribute 7.05%, 7.8%, or 9.2% of their annual pay. The Town's contractually required contribution rates for the year ended June 30, 2022 were 10.3% for the regular plan and 15.2% for the special plan of annual payroll. Contributions to the pension plan from the Town were \$261,512 for the year ended June 30, 2022.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2022, was 18.13% of annual payroll of which 3.84% of payroll was required from the Town and 14.29% was required from the State. Contributions to the pension plan from the Town were \$633,820 for the year ended June 30, 2022.

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

The net pension liabilities (assets) were measured as of June 30, 2021, and the total pension liabilities (assets) used to calculate the net pension liabilities (assets) were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities (assets) were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2022, the Town reported an asset of \$174,002 for its proportionate share of the net pension asset. At June 30, 2021, the Town's proportion of the PLD Plan was 0.5415%.

SET Plan - At June 30, 2022, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 38,155
State's proportionate share of the net pension liability associated with the Town	<u>10,062,952</u>
Total	<u>\$ 10,101,107</u>

At June 30, 2021, the Town's proportion of the SET Plan was 0.0045%.

For the year ended June 30, 2022, the Town recognized pension expense of \$4,698 for the PLD Plan and \$3,023,206 for the SET Plan with revenue of \$2,358,669 for support provided by the State.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

NET PENSION LIABILITY (ASSET), CONTINUED

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>PLD Plan</u>		<u>SET Plan</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 100,731	-	-	214
Changes of assumptions	584,283	-	26,014	-
Net difference between projected and actual earnings on pension plan investments	-	2,371,704	-	51,990
Changes in proportion and differences between Town contributions and proportionate share of contributions	49,285	-	1,926	-
Town contributions subsequent to the measurement date	261,512	-	633,820	-
Total	\$ 995,811	2,371,704	661,760	52,204

\$895,332 is 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 liabilities in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>PLD Plan</u>	<u>SET Plan</u>
2023	\$ (236,360)	(5,103)
2024	(202,111)	7,138
2025	(539,885)	(11,810)
2026	(659,049)	(14,489)

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75%-11.48%	2.80%-13.03%
Investment return, per annum, compounded annually	6.5%	6.5%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the 2010 Public Plan General (PLD) and Teacher (SET) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2016 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

NET PENSION LIABILITY (ASSET), CONTINUED

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	7.5%	7.2%
Diversifiers	7.5%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.5% for the PLD and the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Town's Proportionate Share of the Net Pension Liabilities (assets) to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50% for the PLD Plan and the SET Plan, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

<u>PLD Plan</u>	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 2,476,142	(174,002)	(2,366,019)
<u>SET Plan</u>	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 100,200	38,155	(13,503)

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

Payables to the Pension Plan - None as of June 30, 2022.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER RETIREMENT PLANS

Defined Contribution Plan

The Town offers its regular employees and certain school employees not participating in the Maine Public Employees Retirement system a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate and are vested from the date of employment. The Town matches the employees' contribution to the plan up to 5% of compensation for the plan year for School employees and 7% of compensation for the plan year for Town employees. For the years ended June 30, 2022 and 2021, the Town contributed \$191,406 and \$176,625, respectively.

Deferred Compensation Plan

The Town of Yarmouth offers all its employees not participating in Maine Public Employees Retirement a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plan

Plan Description - The Town sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the Town participates in Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at www.maineopers.org.

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

Contributions - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

PLD OPEB Plan - Premiums total \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Employer contributions to the PLD OPEB plan from the Town were \$26,912 for the year ended June 30, 2022.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$48,454 for the year ended June 30, 2022. Employers and employees are not required to contribute to the OPEB plan.

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

The net OPEB liability for each plan was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2022, the Town reported a liability of \$188,746 for its proportionate share of the net OPEB liability. At June 30, 2021, the Town's proportion was 1.8282%.

SET OPEB Plan - At June 30, 2022, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$206,846 as of June 30, 2022. At June 30, 2022, the Town's proportion was 0.00%.

For the year ended June 30, 2022, the Town recognized OPEB gain of \$12,672 for the PLD OPEB Plan and recognized OPEB expense and revenues of \$48,454 for support provided by the State related to the SET OPEB plan. At June 30, 2022, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,328	-
Changes of assumptions	-	95,438
Net difference between projected and actual earnings on OPEB plan investments	-	57,931
Changes in proportion and differences between Town contributions and proportionate share of contributions	32,469	-
Town contributions subsequent to the measurement date	26,912	-
Total	\$ 80,709	153,369

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

\$26,912 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. 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>Year ended June 30:</u>	<u>PLD Plan</u>
2023	\$ (36,827)
2024	(14,173)
2025	(21,808)
2026	(33,793)
2027	3,514
Thereafter	3,515

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 11.48%	2.8% - 13.03%
Investment rate of return	6.5%	6.5%

Mortality rates for each plan were based on the 2010 Public Plan Teacher (SET) and General (PLD) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2021 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2016 to June 30, 2020.

The long-term expected rate of return on both OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	16.0%	3.0%
U.S. Government Securities	9.0%	2.3%

Discount Rate - The rate used to measure the total OPEB liability for the PLD and SET OPEB plans was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans' fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$ 280,185	188,746	115,394

Sensitivity of the Town's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the Town does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

OPEB Plan Fiduciary Net Position - Detailed information about both the PLD and SET OPEB plan's fiduciary net positions are available in a separately issued MPERS financial report.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN

General Information about the OPEB Plan

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

Benefits Provided - Under the Health Plan, MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employee entitled to but not yet receiving benefits	-
Active employees	67
Total	<u>75</u>

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN, CONTINUED

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

The Town's total Health Plan OPEB liability of \$973,413 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

Balance at June 30, 2021	\$	872,052
Changes for the year:		
Service cost		46,232
Interest		19,160
Changes of benefit terms		-
Differences between expected and actual experience		7,413
Changes in assumptions or other inputs		57,725
Benefit payments		(29,169)
Net changes		<u>101,361</u>
Balance at June 30, 2022	\$	<u>973,413</u>

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

For the year ended June 30, 2022, the Town recognized OPEB expense of \$12,770 related to the Health Plan. At June 30, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	42,821
Changes of assumption or other inputs	-	9,497
Contributions subsequent to the measurement date	18,406	-
Total	\$ <u>18,406</u>	<u>52,318</u>

\$18,406 is 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 total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (22,613)
2024	(22,613)
2025	(22,613)
2026	(10,590)
2027	(1,378)
Thereafter	27,489

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN, CONTINUED

Actuarial Assumptions - The total OPEB liability in the January 1, 2022 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40% per annum
Salary increases	2.75% per annum
Discount rate	2.06%
Healthcare cost trend rates	7.67% Non-Medicare, decreasing to 3.53% by 2044
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females.

The actuarial assumptions used in the January 1, 2022 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability for the Health plan was 2.06% per annum. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO index.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.06%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 1,117,582	973,413	854,802

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 841,554	973,413	1,141,152

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – SCHOOL DEPARTMENT

General Information about the OPEB Plan

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

Benefits Provided - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>190</u>
Total	263

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – SCHOOL DEPARTMENT

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

The Town's total OPEB liability of \$3,540,319 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 3,436,702
Changes for the year:	
Service cost	78,036
Interest	95,840
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	27,340
Benefit payments	<u>(97,599)</u>
Net changes	103,617
Balance at June 30, 2022	<u>\$ 3,540,319</u>

Change in assumptions reflects a change in the discount rate from 2.21% to 2.16%.

For the year ended June 30, 2022, the Town recognized OPEB expense of \$212,488. At June 30, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 69,977	-
Difference between expected	228,866	-
Town contributions subsequent to measurement date	90,719	-
Total	<u>\$ 389,562</u>	<u>-</u>

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – SCHOOL DEPARTMENT, CONTINUED

\$90,719 is 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 total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$56,885
2024	56,884
2025	80,440
2026	50,368
2027	50,362
Thereafter	3,904

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75% per year
Discount rate	2.16% per annum
Healthcare cost trend rates - Pre-Medicare	6.83% for 2021 grading 18 years to 3.25%
Healthcare cost trend rates - Medicare	6.30% for 2021 grading 18 years to 3.25%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefit Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 2.16% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – SCHOOL DEPARTMENT, CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 2.16%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 4,154,424	3,540,319	3,045,329

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,974,089	3,540,319	4,262,180

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 either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. The Town participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association for workers' compensation coverage. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2022.

TOWN OF YARMOUTH, MAINE
Notes to Basic Financial Statements, continued

TAX INCREMENT FINANCING DISTRICT

Under the State of Maine Title 30-A M.R.S., the Town has established four Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Yarmouth. The following is a summary of the four TIF districts:

	<u>Original value</u>	<u>Increase in value</u>	<u>Percent captured</u>	<u>Captured value</u>	<u>Captured taxes</u>
Downtown TIF	\$ 49,620,500	21,659,500	100%	21,659,500	428,858
Route One North	33,177,400	13,792,600	100%	13,792,600	273,093
Route One South	27,929,900	15,115,400	100%	15,115,400	299,285
Affordable Housing	-	2,392,100	100%	2,392,100	47,364

GASB Statement 77, *Tax Abatements Disclosures*, defines a tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from “an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments”.

While not called a “tax abatement”, the Town of Yarmouth does currently have a Credit Enhancement Agreement (CEA), which fits this definition under the Municipal Tax Increment Financing District approved by the State of Maine Department of Economic and Community Development. The Town entered into a CEA to encourage the development of affordable housing within the Town.

For the year ended June 30, 2022, the Town captured and paid out real estate taxes totaling \$47,364 through the credit enhancement agreement as follows:

<u>TIF District CEA Entity</u>	<u>Beginning Duration</u>	<u>Percentage of Assessed Value Abated</u>	<u>Amount Paid in FY 2022</u>
Affordable Housing Bartlet Circle 2 LP	April 1, 2016 30 years	100%	\$47,364

TOWN OF YARMOUTH, MAINE
Required Supplementary Information

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

		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan									
Town's proportion of the net pension liability (asset)	\$	0.5415%	0.5228%	0.5160%	0.5187%	0.4962%	0.4833%	0.4907%	0.4802%
Town's proportionate share of the net pension liability (asset)		(174,002)	2,077,129	1,577,074	1,419,502	2,031,455	2,567,746	1,565,502	738,914
Town's covered payroll		2,971,799	2,729,170	2,538,725	2,374,192	2,205,002	2,016,980	1,933,689	1,780,742
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		-5.86%	76.11%	62.12%	59.79%	92.13%	127.31%	80.96%	41.49%
Plan fiduciary net position as a percentage of the total pension liability		100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET Plan									
Town's proportion of the net pension liability		0.0045%	0.0034%	0.0053%	0.0053%	0.0078%	0.0085%	0.0059%	0.0054%
Town's proportionate share of the net pension liability		38,155	55,807	77,193	71,210	112,746	150,237	79,468	58,003
State's proportionate share of the net pension liability associated with the Town		10,062,952	18,025,841	15,663,711	14,428,519	15,138,373	17,704,106	13,415,265	10,519,065
Total	\$	10,101,107	18,081,648	15,740,904	14,499,729	15,251,119	17,854,343	13,494,733	10,577,068
Town's covered payroll	\$	16,195,415	14,364,554	13,723,222	13,212,359	12,693,280	11,873,465	11,471,223	10,927,004
Town's proportionate share of the net pension liability as a percentage of its covered payroll		0.24%	0.39%	0.56%	0.54%	0.74%	1.27%	0.69%	0.53%
Plan fiduciary net position as a percentage of the total pension liability		90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

* Only eight years of information available.

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

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

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

		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan									
Contractually required contribution	\$	407,168	370,440	337,698	315,617	287,930	254,302	226,771	191,898
Contributions in relation to the contractually required contribution		(407,168)	(370,440)	(337,698)	(315,617)	(287,930)	(254,302)	(226,771)	(191,898)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-
SET Plan									
Contractually required contribution		633,820	673,729	597,565	544,812	524,531	426,494	398,948	303,987
Contributions in relation to the contractually required contribution		(633,820)	(673,729)	(597,565)	(544,812)	(524,531)	(426,494)	(398,948)	(303,987)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-
Town's covered payroll	\$	3,556,426	2,971,799	2,729,170	2,538,725	2,374,192	2,205,002	2,016,980	1,933,689
Contributions as a percentage of covered payroll		11.45%	12.47%	12.37%	12.43%	12.13%	11.53%	11.24%	9.92%
Town's covered payroll	\$	16,505,729	16,195,415	14,364,554	13,723,222	13,212,359	12,693,280	11,873,465	11,471,223
Contributions as a percentage of covered payroll		3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

* Only eight years of information available.

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB Liability</u>					
Service cost	\$ 46,232	40,150	33,950	37,957	37,238
Interest	19,160	22,401	37,244	32,700	37,921
Changes of benefit terms	-	-	(21,029)	-	-
Differences between expected and actual experience	7,413	-	(65,356)	-	(22,839)
Changes of assumptions or other inputs	57,725	46,211	(49,794)	(73,701)	(73,321)
Benefit payments	(29,169)	(28,047)	(35,877)	(34,497)	(30,139)
Net change in total OPEB Liability	101,361	80,715	(100,862)	(37,541)	(51,140)
Total OPEB liability - beginning	872,052	791,337	892,199	929,740	980,880
<u>Total OPEB liability - ending</u>	\$ 973,413	872,052	791,337	892,199	929,740
Covered-employee payroll	\$ 4,218,292	4,082,058	4,082,059	3,622,859	3,622,859
Total OPEB liability as a percent of covered-employee payroll	23.1%	21.4%	19.4%	24.6%	25.7%

*Only five years of information available.

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

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

		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>PLD OPEB Plan</u>						
Town's proportion of the net OPEB liability		1.8282%	1.7879%	1.7224%	1.5021%	1.5661%
Town's proportionate share of the net OPEB liability	\$	188,746	235,862	368,559	303,434	261,873
Town's covered-employee payroll		2,971,799	2,729,170	2,538,725	2,374,192	2,205,002
Town's proportionate share of net OPEB liability as a percentage of its covered-employee payroll		6.35%	8.64%	14.52%	12.78%	11.88%
Plan fiduciary net position as a percentage of the total OPEB liability		67.26%	55.40%	43.18%	43.92%	47.42%
<u>SET OPEB Plan</u>						
Town's proportion of the net OPEB liability		0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the Town		206,846	399,313	364,628	327,068	3,292,595
Total	\$	206,846	399,313	364,628	327,068	3,292,595
Plan fiduciary net position as a percentage of the total OPEB liability		62.90%	49.51%	49.22%	48.04%	47.29%

* Only five years of information available.

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

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>PLD OPEB Plan</u>					
Contractually required contributions	\$ 26,912	25,006	23,603	21,721	19,660
Contributions in relation to the contractually required contributions	(26,912)	(25,006)	(23,603)	(21,721)	(19,660)
Contribution deficiency (excess)	\$ -	-	-	-	-
Town's covered-employee payroll	\$ 3,556,426	2,971,799	2,729,170	2,538,725	2,374,192
Contributions as a percentage of covered-employee payroll	0.76%	0.84%	0.86%	0.86%	0.83%

* Only five years of information available.

TOWN OF YARMOUTH, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Total OPEB Liability</u>				
Service cost	\$ 78,036	27,643	22,981	24,866
Interest	95,840	117,633	121,606	116,283
Changes of benefit terms	-	(287,082)	-	-
Differences between expected and actual experience	-	83,061	-	-
Changes of assumptions or other inputs	27,340	220,848	180,432	(141,331)
Benefit payments	(97,599)	(116,379)	(105,665)	(102,013)
Net change in total OPEB Liability	103,617	45,724	219,354	(102,195)
Total OPEB liability - beginning	3,436,702	3,390,978	3,171,624	3,273,819
<u>Total OPEB liability - ending</u>	\$ 3,540,319	3,436,702	3,390,978	3,171,624
Covered-employee payroll	\$ 9,015,510	8,188,851	9,262,529	9,014,627
Total OPEB liability as a percent of covered-employee payroll	39.3%	42.0%	36.6%	35.2%

*Only four years of information available.

TOWN OF YARMOUTH, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - PLD	6.50%	6.75%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate - SET	6.50%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75%-11.48%	2.75 + merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80%-13.03%	2.75 + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. Between 2016 and 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting 2021, Mortality rates were based on the 2010 Public Plan General (PLD) and Teacher (SET) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Net OPEB Liability

Changes of Benefit Terms - None

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - PLD	6.500%	6.750%	4.980%	5.130%	5.410%
Discount rate - SET	6.500%	6.750%	6.750%	6.750%	6.875%

Mortality rates:

In 2018, for active members and non-disabled retirees of the teachers and PLD plan, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, were used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, were used. Starting 2021, Mortality rates were based on the 2010 Public Plan General (PLD) and Teacher (SET) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Total OPEB Liability

Changes of Benefit Terms - Implementation of the Medicare Advantage plan in 2020.

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Discount rate - Town	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate - School	2.16%	2.21%	3.50%	3.87%	3.58%	N/A

Mortality rates - School:

In 2019, mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

In 2020 and going forward, the mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

These statements provide a more detailed view of the "basic financial statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Several individual fund financial statements are presented to provide additional detail and to present budgetary comparison.

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Most governmental services are provided by the General Fund including general government, public works, public safety, education, health and welfare, and assessments from other governmental agencies.

TOWN OF YARMOUTH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 18,690,588	24,464,385
Receivables:		
Accounts, net of allowance of \$61,626 and \$54,620	160,090	204,050
Due from other governments	183,694	181,465
Taxes - current year	326,351	285,979
Taxes - prior years	109,086	101,685
Tax liens	58,138	60,972
Sewer	48,223	39,059
Prepaid expenditures	4,608	161,211
Inventory	24,013	30,609
Total assets	19,604,791	25,529,415
LIABILITIES		
Accounts payable and payroll withholding	1,567,564	809,495
Accrued wages - Town	103,272	247,409
Accrued wages - School	2,750,422	2,651,835
Taxes paid in advance	23,546	54,007
Interfund loans payable	3,758,490	11,368,556
Total liabilities	8,203,294	15,131,302
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	270,951	280,249
Total deferred inflows of resources	270,951	280,249
FUND BALANCE		
Nonspendable for inventory and prepaids	28,621	191,820
Restricted	104,631	104,631
Committed for Town reserves	4,495,685	4,088,711
Committed for School reserves	2,565,623	1,837,170
Assigned for Town purposes	1,575,576	862,693
Unassigned:		
Education (teacher summer salaries and benefits)	(1,792,037)	(1,043,461)
Education - tax stabilization	150,482	305,482
Town	4,001,965	3,770,818
Total fund balance	11,130,546	10,117,864
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,604,791	25,529,415

TOWN OF YARMOUTH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

	2022		Variance positive (negative)	2021 Actual
	Final budget	Actual		
Revenues:				
Taxes:				
Property taxes - Town	\$ 9,504,591	9,508,107	3,516	8,923,207
Property taxes - School	23,245,265	23,245,265	-	22,858,599
Excise taxes	2,360,000	2,189,386	(170,614)	2,380,108
Interest and costs on taxes	46,000	36,418	(9,582)	42,651
Total taxes	35,155,856	34,979,176	(176,680)	34,204,565
Licenses and permits:				
Public safety permits and fees	36,500	31,456	(5,044)	31,556
Code enforcement fees	200,000	312,103	112,103	294,781
Permit fees	12,000	69,172	57,172	76,346
Business licenses	1,700	1,315	(385)	1,300
Other clerk fees	8,700	7,747	(953)	7,980
Total licenses and permits	258,900	421,793	162,893	411,963
Intergovernmental revenues:				
State Revenue Sharing	990,000	1,480,670	490,670	960,605
Homestead reimbursement	584,159	565,877	(18,282)	602,004
General Assistance - State reimbursement	29,050	20,300	(8,750)	49,792
Snowmobile refund	500	728	228	735
Veterans reimbursement	7,000	6,271	(729)	6,767
BETE reimbursement	242,192	229,809	(12,383)	246,208
Solar Reimbursement - State	-	8,080	8,080	-
Education - State subsidies	6,917,440	6,901,532	(15,908)	5,177,202
Total intergovernmental revenues	8,770,341	9,213,267	442,926	7,043,313
Charges for services:				
Agent fees	27,000	33,172	6,172	31,529
Harbor and waterfront fees	79,000	116,224	37,224	96,148
Rescue billings	280,000	280,000	-	280,000
Sewer fees	751,500	787,061	35,561	652,546
Recycling fees	12,000	73,577	61,577	43,492
School Department rental income	2,000	-	(2,000)	-
School Department tuition and fees	334,436	328,474	(5,962)	348,233
Total charges for services	1,485,936	1,618,508	132,572	1,451,948
Investment earnings:				
Interest income	28,000	16,215	(11,785)	15,004
Total investment earnings	28,000	16,215	(11,785)	15,004
Other revenues:				
Miscellaneous - Town	87,000	82,069	(4,931)	10,588
Miscellaneous - School	2,000	44,496	42,496	32,236
Total other revenues	89,000	126,565	37,565	42,824
Total revenues	45,788,033	46,375,524	587,491	43,169,617

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

	2022		Variance positive (negative)	2021 Actual
	Final budget	Actual		
Expenditures:				
Current:				
General government:				
Administration	\$ 914,152	907,683	6,469	912,553
Insurance	296,522	274,968	21,554	284,980
Employee benefits	2,178,651	2,007,018	171,633	1,943,834
Town buildings	154,019	143,083	10,936	181,499
Total general government	3,543,344	3,332,752	210,592	3,322,866
Public works:				
Highways	986,544	885,353	101,191	1,116,906
Solid waste	711,020	667,192	43,828	666,760
Wastewater	848,232	858,146	(9,914)	825,054
Mechanical	351,009	349,456	1,553	392,759
Tree care	45,000	20,135	24,865	25,287
Total public works	2,941,805	2,780,282	161,523	3,026,766
Public safety:				
Police department	1,269,004	1,193,245	75,759	1,193,949
Fire/rescue department	777,094	717,857	59,237	703,943
Public safety building	106,089	98,022	8,067	-
Communications division	225,576	219,640	5,936	216,569
Harbor and waterfront	84,946	80,432	4,514	73,571
Miscellaneous	632,281	676,203	(43,922)	652,888
Total public safety	3,094,990	2,985,399	109,591	2,840,920
Health and welfare:				
General assistance	70,800	37,597	33,203	79,999
Human services agencies	4,850	4,850	-	4,850
Total health and welfare	75,650	42,447	33,203	84,849
Public services:				
Library	529,791	523,491	6,300	520,269
Parks	508,974	493,209	15,765	506,068
Cemeteries	45,200	31,470	13,730	28,742
Community development	173,910	170,872	3,038	135,649
Planning	382,069	358,305	23,764	344,465
Total public services	1,639,944	1,577,347	62,597	1,535,193

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

	2022		Variance positive (negative)	2021 Actual
	Final budget	Actual		
Expenditures, continued				
Current, continued:				
Education (excluding debt service):	28,422,687	27,580,847	841,840	25,143,608
Unclassified:				
County tax	1,255,794	1,255,794	-	1,243,418
Overlay	245,197	-	245,197	-
Total unclassified	1,500,991	1,255,794	245,197	1,243,418
Debt service:				
Town:				
Principal	595,284	595,284	-	567,459
Interest	573,361	559,283	14,078	382,154
Fees	5,500	1,526	3,974	1,636
Education:				
Principal	1,115,429	1,115,429	-	1,139,000
Interest	1,408,025	1,408,025	-	890,400
Total debt service	3,697,599	3,679,547	18,052	2,980,649
Total expenditures	44,917,010	43,234,415	1,682,595	40,178,269
Excess of revenues over expenditures	871,023	3,141,109	2,270,086	2,991,348
Other financing sources (uses):				
Appropriations for reserves - Town	\$ (1,796,023)	(1,796,023)	-	(899,211)
Appropriations for reserves - School	(245,000)	(245,000)	-	(245,000)
Transfer to reserves - Town	-	(218,400)	(218,400)	-
Transfer to reserves - School	-	(263,990)	(263,990)	(325,997)
Transfers to special revenue funds	(135,000)	(148,314)	(13,314)	(130,000)
Transfer from trust funds	-	-	-	-
Utilization of stabilization reserve - School	755,000	755,000	-	500,000
Utilization of prior year surplus - Town	550,000	550,000	-	520,000
Total other financing sources (uses)	(871,023)	(1,366,727)	(495,704)	(580,208)
Net change in fund balance - budgetary basis	-	1,774,382	1,774,382	2,411,140
Reconciliation to GAAP:				
Appropriations for reserves		2,041,023		1,144,211
Transfers to capital projects		(310,000)		-
Transfers to reserves from General Fund		377,118		325,997
Use of fund balance		(1,305,000)		(1,020,000)
Reserves revenues		2,027,496		1,353,755
Reserves expenditures		(3,437,599)		(2,468,775)
Change in teacher summer salaries		(154,738)		(146,403)
Net change in fund balance - GAAP basis		1,012,682		1,599,925
Fund balance, beginning		10,117,864		8,517,939
Fund balance, ending	\$	11,130,546		10,117,864

TOWN OF YARMOUTH, MAINE
School Department - General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

	2022			Variance positive (negative)	2021 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Property taxes	\$ 24,346,147	23,245,265	23,245,265	-	22,858,599
State education subsidy--school	5,816,558	6,917,440	6,901,532	(15,908)	5,177,202
Tuition and fees	334,436	334,436	328,474	(5,962)	348,233
Rental income	2,000	2,000	-	(2,000)	-
Miscellaneous	2,000	2,000	44,496	42,496	32,236
Other financing sources:					
Use of prior year fund balance (transfer from reserves)	755,000	755,000	755,000	-	500,000
Total revenues	31,256,141	31,256,141	31,274,767	18,626	28,916,270
Expenditures:					
Current:					
Regular instruction	13,881,298	13,964,666	13,701,793	262,873	12,946,851
Special education instruction	4,441,048	4,477,794	4,260,430	217,364	4,129,990
Other instruction	1,134,006	1,131,704	1,056,774	74,930	853,196
Student and staff support	2,935,248	2,818,561	2,757,411	61,150	2,276,452
System administration	876,715	876,715	897,931	(21,216)	830,817
School administration	1,539,490	1,538,365	1,644,984	(106,619)	1,363,964
Transportation	1,247,413	1,199,813	953,245	246,568	1,016,094
Facilities and maintenance	2,367,469	2,415,069	2,308,279	106,790	1,726,244
Debt service	2,523,454	2,523,454	2,523,454	-	2,029,400
Other financing uses:					
Transfer to reserves	245,000	245,000	245,000	-	245,000
Transfer to school nutrition program	65,000	65,000	65,000	-	65,000
Transfer to grant funds	-	-	314	(314)	-
Total expenditures and other financing uses	31,256,141	31,256,141	30,414,615	841,526	27,483,008
Net change in fund balance - budgetary basis	-	-	860,152	860,152	1,433,262
Reconciliation to GAAP:					
Change in teacher summer salaries			(154,738)		(146,403)
Transfer to school renovation fund			(310,000)		
Transfer to reserves			245,000		245,000
Transfer from reserves			(755,000)		(500,000)
Reserves revenues			282,295		496,455
Reserves expenditures			(342,832)		(647,749)
Net change in fund balance - GAAP basis			(175,123)		880,565
Fund balance, beginning of year			1,099,191		218,626
Fund balance, end of year	\$		924,068		1,099,191

TOWN OF YARMOUTH, MAINE
General Fund Reserves
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

		Fund balances beginning of year	Revenues		Expenditures		Current Year Appropriation	Transfers	Fund balances end of year
			Charges for services	Other	Non-capital expenditures	Capital outlay			
Education:									
7140	Tax stability reserve	\$ 305,482	-	-	-	-	-	(155,000)	150,482
8521	School maintenance	302,931	-	55,000	257,692	68,170	160,000	369,754	561,823
8522	School equipment	15,231	-	-	15,910	-	-	174,236	173,557
8523	School retirement	127,179	-	-	-	-	-	-	127,179
8524	Special education	138,265	-	-	-	-	-	-	138,265
8525	School textbooks	8,498	-	-	-	-	-	-	8,498
8526	Turf field	618,145	-	-	-	-	85,000	-	703,145
8527	Our House II FR	176,921	-	2,295	1,060	-	-	325,000	503,156
8528	Covid 19 fund	450,000	-	225,000	-	-	125,000	(450,000)	350,000
Total School reserves		2,142,652	-	282,295	274,662	68,170	370,000	263,990	2,716,105
General government:									
4003	Cable TV/technology	190,971	-	124,307	91,135	68,639	82,000	-	237,504
4005	Historical buildings	45,899	-	639	-	-	5,000	-	51,538
4008	Tax revaluation	6,023	-	-	-	-	35,000	-	41,023
4012	Property acquisitions	34,717	-	137,250	-	-	-	-	171,967
4014	Unemployment compensation	2,844	-	-	1	-	12,000	-	14,843
4017	Municipal buildings	228,768	-	75,686	119,482	-	73,000	92,400	350,372
Public works:									
4002	Road improvements	404,494	-	88,619	9,000	678,108	725,000	-	531,005
4007	Public works equipment	127,602	-	861	5,193	396,814	200,000	175,000	101,456
4009	Wastewater	741,003	430,448	-	330,571	399,100	-	(45,000)	396,780
4016	Solid waste	109,025	28,809	-	53,299	11,950	51,000	(20,000)	103,585
4018	Public works future project match	601,566	-	-	-	289,652	120,000	-	431,914
4027	Sidewalks	129,697	-	-	-	88,947	30,000	-	70,750
4030	Environmental H&H	100,668	-	-	21,560	-	-	30,000	109,108
Public safety:									
4001	Dam maintenance	117,413	-	-	52,500	-	70,000	-	134,913
4006	Fire-rescue equipment	390,613	112,450	-	88,409	77,897	-	-	336,757
4010	Cousins Island Dock	376,424	-	22,094	2,800	-	5,523	-	401,241
4013	Harbor and waterfront	9,007	-	-	23,034	-	27,500	(5,000)	8,473
4019	Dredging	122,159	-	-	-	-	-	-	122,159
4023	Police equipment	21,300	-	6,815	28,532	-	90,000	(25,000)	64,583
Health and welfare:									
4024	Housing support	85,919	-	355,431	-	-	-	-	441,350
4029	Senior tax assistance program	8,671	-	-	108,450	-	100,000	-	221
Public services:									
4011	Parks and playgrounds	185,027	-	45,750	33,785	-	145,000	(30,000)	311,992
4015	MM Library building	48,901	-	-	11,750	-	25,000	-	62,151
Total Town reserves		4,088,711	571,707	857,452	979,501	2,011,107	1,796,023	172,400	4,495,685

TOWN OF YARMOUTH, MAINE								
General Fund Reserves								
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued								
	Fund balances beginning of year	Revenues		Expenditures		Current Year Appropriation	Transfers	Fund balances end of year
		Charges for services	Other	Non-capital expenditures	Capital outlay			
General government:								
5031 Sam Lacroix Scholarship	\$ 2,789	-	-	-	-	-	-	2,789
5045 Jayne Giese special program	10,862	-	-	-	-	-	-	10,862
5047 Safety committee	14,210	-	4,468	-	-	-	-	18,678
5049 Town property energy projects	-	-	12,371	250	-	-	-	12,121
5055 General Asst Heating Fund	3,290	-	5,650	4,683	-	-	-	4,257
Public works:								
5006 Tree program	65,556	-	2,547	-	-	-	1,000	69,103
5033 Recycling committee	191	-	-	-	-	-	-	191
5035 Wood chips	39,041	-	3,493	-	-	-	-	42,534
5048 Natural gas inspections	616	-	-	-	-	-	-	616
5052 Development/offsite improvements	552	31,946	-	-	-	-	-	32,498
Public safety:								
5001 Dog control	4,188	4,283	-	4,500	-	-	-	3,971
5008 Shellfish conservation	30,289	3,874	-	9,870	-	-	-	24,293
5016 YPD dog fund	2,548	-	-	704	-	-	-	1,844
5025 Fire training facility	-	-	7,744	7,744	-	-	-	-
Public services:								
5005 Subdivision inspection	90,770	31,092	-	21,307	-	-	-	100,555
5018 Sanders Winslow Field	4,747	-	-	-	-	-	-	4,747
5019 Beth Condon Memorial Garden (restricted)	104,631	-	-	-	-	-	-	104,631
5020 Memorial bandstand	981	-	-	-	-	-	-	981
5040 Westside Trail	5,614	-	13,950	15,816	-	-	-	3,748
5041 Bike and pedestrian FBC	50	-	-	27,566	-	-	45,000	17,484
5053 Parks and rec projects	25,369	-	12,207	11,626	-	-	-	25,950
5054 Brown tail moth	9,410	-	-	-	-	-	-	9,410
5056 Latchstring Park Fundraiser	1,620	-	57,417	93	-	-	-	58,944
Total Town assigned	417,324	71,195	119,847	104,159	-	-	46,000	550,207
Total reserves	\$ 6,648,687	642,902	1,259,594	1,358,322	2,079,277	2,166,023	482,390	7,761,997

OTHER FEDERAL, STATE, AND LOCAL GRANTS

TOWN OF YARMOUTH, MAINE
Other Federal, State, and Local Grants
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

		Fund balances (deficits) beginning of year	Program Revenues		Program expenditures	Transfers	Fund balances (deficits) end of year
			Federal	Local			
Town Programs:							
State and local:							
2309	Underage drinking	\$ 4,400	-	-	-	-	4,400
2310	Wellness grant	3	-	3,199	2,363	-	839
2312	MMA Safety	-	-	2,500	2,500	-	-
2321	Narragansett number one	6,568	-	-	6,568	-	-
Federal:							
2615	FEMA	-	56,891	-	56,891	-	-
2616	Bullet proof vests	-	1,690	-	1,690	-	-
2620	Justice assistance grant	54	5,520	-	5,574	-	-
2635	American Rescue Plan Act ARPA	-	80,700	-	95,700	15,000	-
2636	American Rescue Plan Act - Library	-	2,500	-	2,500	-	-
Total Town Programs		11,025	147,301	5,699	173,786	15,000	5,239
School Programs:							
0205	Yarmouth Education Foundation	(187)	-	-	-	187	-
0206	Project Unify	-	-	-	2,106	-	(2,106)
0208	ecomaine SNP grant	23	-	-	-	(23)	-
0209	SNP breakfast grant	63	-	-	-	(63)	-
0223	MLTI grant	23,600	-	-	-	-	23,600
0230	Title 1A	920	58,183	-	58,183	-	920
0232	Proficiency based education	6,216	-	-	-	-	6,216
0233	PEPG grant	1	-	-	-	(1)	-
0240	Title IVA	(409)	9,656	-	9,656	-	(409)
0247	Local entitlement	(3,480)	366,642	-	366,642	-	(3,480)
0251	Local entitlement - preschool	(135)	256	-	256	-	(135)
0254	ESSERF2	-	17,201	-	18,221	-	(1,020)
0255	ESSERF3	-	134,848	-	134,848	-	-
0256	Local entitlement - ARP	-	71,607	-	71,607	-	-
0260	Title IV - drug free	(214)	-	-	-	214	-
0270	Title IIA - teacher quality	-	26,200	-	26,201	-	(1)
0275	National Semiconductor Roots	-	-	29,507	-	-	29,507
0290	Other private grants	875	-	-	875	-	-
0650	Daycare Rowe School	149,506	-	-	12,238	-	137,268
Total School Programs		176,779	684,593	29,507	700,833	314	190,360
Total		\$ 187,804	831,894	35,206	874,619	15,314	195,599

OTHER GOVERNMENTAL FUNDS

Special revenue funds are established to account for resources obtained and expended for specific purposes that are restricted by law or committed by administrative actions. Permanent funds are established to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government.

Special revenue funds are established for the following purposes:

School Nutrition Program

This fund accounts for revenues and expenditures for school lunch purposes.

Student Activity Funds

This fund accounts for revenues and expenditures related to student activities.

Recreation Programs

This fund accounts for revenues and expenditures related to various recreation programs.

Community Garden

This fund accounts for funds raised and spent by a citizen's group organized to operate a community garden on Town-owned property.

Permanent funds are established for the following purposes:

Trust Funds

This fund accounts for monies entrusted to the Town for various purposes including scholarships, cemetery maintenance, housing and medical assistance, programs for youth, library programs, etc.

Capital project funds are established for the following purposes:

Tax Increment Financing (TIF) Funds

These funds account for property taxes assessed and collected within the Town's TIF districts and expenditures for purposes related to the TIF districts.

Road Bond

This fund accounts for the bond and premium proceeds issued for road reconstruction and the related expenditures.

Public Safety Building

This fund accounts for the bond and premium proceeds issued for construction of the public safety building.

TOWN OF YARMOUTH, MAINE
Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds				Permanent	Capital	
	School	Student	Recreation	Community	Funds	Project	
	Nutrition	Activity	Programs	Garden	(Trust	Funds	Totals
	Program	Funds			Funds)		
ASSETS							
Cash and cash equivalents	\$ 2,025	280,688	25	-	346,164	-	628,902
Investments	-	-	-	-	624,274	-	624,274
Accounts receivable	1,615	-	2,548	-	293	133,333	137,789
Due from other governments	48,558	-	-	-	-	-	48,558
Inventory	22,396	-	-	-	-	-	22,396
Interfund loans receivable	107,493	-	817,931	17,554	48,872	847,717	1,839,567
Total assets	182,087	280,688	820,504	17,554	1,019,603	981,050	3,301,486
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	10,562	1,488	-	18,757	30,807
Accrued wages	-	-	18,754	240	-	3,186	22,180
Total liabilities	-	-	29,316	1,728	-	21,943	52,987
Fund balances (deficits):							
Nonspendable	22,396	-	-	-	907,686	-	930,082
Restricted	159,691	-	-	-	111,917	741,586	1,013,194
Committed	-	280,688	791,188	15,826	-	217,521	1,305,223
Total fund balances (deficits)	182,087	280,688	791,188	15,826	1,019,603	959,107	3,248,499
Total liabilities and fund balances	\$ 182,087	280,688	820,504	17,554	1,019,603	981,050	3,301,486

TOWN OF YARMOUTH, MAINE
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	Special Revenue Funds				Permanent	Capital	
	School	Student	Recreation	Community	Funds	Project	
	Nutrition	Activity	Programs	Garden	(Trust	Funds	Totals
	Program	Funds			Funds)		
Revenues:							
Taxes	\$ -	-	-	-	-	1,048,600	1,048,600
Intergovernmental	884,039	-	23,911	-	-	-	907,950
Charges for services	146,886	-	840,323	12,589	-	-	999,798
Student activity fees and fundraisers	-	184,659	-	-	-	-	184,659
Interest income	-	-	-	-	11,868	177	12,045
Gain (loss) on investments	-	-	-	-	(101,694)	-	(101,694)
Contributions	-	-	-	-	27,324	-	27,324
Unclassified	33,222	-	6,405	9,012	-	-	48,639
Total revenues	1,064,147	184,659	870,639	21,601	(62,502)	1,048,777	3,127,321
Expenditures:							
Current:							
General government	-	-	-	-	-	148,111	148,111
Public services	-	-	755,308	18,880	42,157	259,063	1,075,408
Education	947,060	-	-	-	6,350	-	953,410
Student activities	-	151,737	-	-	-	-	151,737
Capital outlay	-	-	-	-	-	634,019	634,019
Total expenditures	947,060	151,737	755,308	18,880	48,507	1,041,193	2,962,685
Excess (deficiency) of revenues over (under) expenditures	117,087	32,922	115,331	2,721	(111,009)	7,584	164,636
Other financing sources (uses):							
Transfers from other funds	169,272	-	70,000	-	-	-	239,272
Total other financing sources (uses)	169,272	-	70,000	-	-	-	239,272
Net change in fund balances	286,359	32,922	185,331	2,721	(111,009)	7,584	403,908
Fund balances, beginning of year	(104,272)	247,766	605,857	13,105	1,130,612	951,523	2,844,591
Fund balances (deficits), end of year	\$ 182,087	280,688	791,188	15,826	1,019,603	959,107	3,248,499

TOWN OF YARMOUTH, MAINE
Permanent Funds (Trust Funds)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

		Fund balances beginning of year	Investment Income	Contributions	Gain (loss) on Investments	Expenditures	Fund balances end of year
0800	Yarmouth High School Scholarships	\$ 348,286	427	2,550	-	5,100	346,163
6001	Baptist Fund	92,957	1,425	700	(12,666)	-	82,416
6002	Coombs Fund	35,999	-	24,074	-	30,841	29,232
6004	Humphrey Fund	787	12	-	(107)	-	692
6005	Ledge Fund	5,178	79	-	(706)	-	4,551
6006	Mann Fund	15,725	241	-	(2,143)	-	13,823
6007	Mayall Fund	11,209	172	-	(1,527)	-	9,854
6008	Plummer Fund	20,542	315	-	(2,799)	500	17,558
6009	Sherburne Fund	22,767	349	-	(3,102)	1,000	19,014
7001	Doughty Fund	346,512	5,312	-	(47,216)	1,250	303,358
7002	Fitts Fund	7,777	119	-	(1,060)	-	6,836
7003	Grange Trust	2,494	38	-	(339)	-	2,193
7004	Hector Hebert Fund	27,771	426	-	(3,784)	316	24,097
7005	Johnson Fund	63,147	968	-	(8,604)	4,000	51,511
7006	O'Brien Fund	17,611	270	-	(2,400)	1,000	14,481
7007	Swegustagoe Fund	16,615	255	-	(2,264)	-	14,606
7008	Wilder Fund	3,623	56	-	(494)	-	3,185
7009	Ayer	91,612	1,404	-	(12,483)	4,500	76,033
Total		\$ 1,130,612	11,868	27,324	(101,694)	48,507	1,019,603

TOWN OF YARMOUTH, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	TIF Downtown District	TIF Route One North	TIF Route One South	TIF Affordable Housing	Road Bond	Public Safety Building	Totals
Revenues:							
Taxes	\$ 428,858	273,093	299,285	47,364	-	-	1,048,600
Interest income	-	-	-	-	167	10	177
Total revenues	428,858	273,093	299,285	47,364	167	10	1,048,777
Expenditures:							
Current:							
General government	43,625	27,056	30,066	-	-	-	100,747
Public services	112,179	69,572	77,312	-	-	-	259,063
Credit enhancement payments	-	-	-	47,364	-	-	47,364
Capital outlay	31,190	157,906	227,425	-	125,494	92,004	634,019
Total expenditures	186,994	254,534	334,803	47,364	125,494	92,004	1,041,193
Net change in fund balances	241,864	18,559	(35,518)	-	(125,327)	(91,994)	7,584
Fund balances (deficit), beginning of year	(117,751)	356,514	277,918	-	338,921	95,921	951,523
Fund balances, end of year	\$ 124,113	375,073	242,400	-	213,594	3,927	959,107

TOWN OF YARMOUTH, MAINE
Student Activity Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2022

	Fund Balance June 30, 2021	Revenues	Expenditures	Fund Balance June 30, 2022
Yarmouth High School	\$ 168,393	154,772	130,802	192,363
Harrison Middle School	57,983	18,274	10,029	66,228
Yarmouth Elementary School	7,501	9,781	7,890	9,392
Rowe School	13,889	1,832	3,016	12,705
Total	\$ 247,766	184,659	151,737	280,688