

TOWN OF PATTEN, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-9
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	13
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	14
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	15
STATEMENTS OF NET POSITION - PROPRIETARY FUNDS	16
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	17
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS	18
STATEMENTS OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	19
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	20
NOTES TO FINANCIAL STATEMENTS	21-37
REQUIRED SUPPLEMENTARY INFORMATION	
GENERAL FUND-STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL	38
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	39
SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPERTY VALUATION AND ASSESSMENT - GENERAL FUND	40



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To the Board of Selectpersons of
Town of Patten, Maine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business – type activities, each major fund and the aggregate remaining fund information of the Town of Patten, Maine, as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Patten, Maine, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, budgetary comparison information on page 38 and the schedule of net OPEB liability and related ratios on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Patten's basic financial statements as a whole. The accompanying supplementary information on page 40 is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chester M. Kearney

Presque Isle, Maine
March 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Patten, Maine, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

Financial Highlights

- The assets of the Town of Patten exceeded its liabilities at the close of the most recent fiscal year by \$6,716,348 (net position). Of this amount, \$1,850,608 (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors.
- The government's total net position decreased by \$43,223 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$985,427, an increase of \$180,618 in comparison with the prior year. Approximately 63% of this total amount, \$624,910, is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$624,910 or 44.9% of total general fund expenditures.
- The Town's total debt obligations decreased by \$20,942. The water fund bond matured in 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Patten's basic financial statements. The Town's basic financial statements are comprised of three (3) components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Patten's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government'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).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, parks and recreation, culture, community services, community development, education, and other charges.

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements can be found on pages 10-11 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 Patten, 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 can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

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 on 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains one (1) individual governmental fund. 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, which is considered a major fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the fiscal year 2019 budget.

The basic governmental fund financial statements can be found on pages 12 to 15 of this report.

Proprietary funds. The Town maintains proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses proprietary funds to account for its ambulance, sewer and water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the ambulance, sewer and water operations, which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 16 to 18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 19 to 20 of this report.

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 to 37 of this report.

This report also includes a supplemental schedule to provide additional detail for the various items reported. This supplemental schedule can be found on page 40 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$6,716,348 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net position (66%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF PATTEN, Net position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Dec. 31,</u> <u>2020</u>	<u>Dec. 31,</u> <u>2019</u>	<u>Dec. 31,</u> <u>2020</u>	<u>Dec. 31,</u> <u>2019</u>	<u>Dec. 31,</u> <u>2020</u>	<u>Dec. 31,</u> <u>2019</u>
Current and other assets	1,262,378	1,081,298	1,187,998	1,234,009	2,438,291	2,315,307
Capital assets	<u>2,430,214</u>	<u>2,537,572</u>	<u>1,981,196</u>	<u>2,062,712</u>	<u>4,411,410</u>	<u>4,600,284</u>
Total assets	<u>3,692,592</u>	<u>3,618,870</u>	<u>3,169,194</u>	<u>3,296,721</u>	<u>6,849,701</u>	<u>6,915,591</u>
Deferred outflows of resources	<u>6,690</u>	<u>1,323</u>			<u>6,690</u>	<u>1,323</u>
Long-term liabilities						
outstanding	19,440	11,066		20,942	19,440	32,008
Other liabilities	<u>39,951</u>	<u>10,489</u>	<u>90,339</u>	<u>95,341</u>	<u>130,290</u>	<u>105,830</u>
Total liabilities	<u>59,391</u>	<u>21,555</u>	<u>90,339</u>	<u>116,283</u>	<u>149,730</u>	<u>137,838</u>
Deferred inflows of resources	<u>2,398</u>	<u>4,505</u>			<u>2,398</u>	<u>4,505</u>
Net position:						
Invested in capital assets						
net of related debt	2,430,214	2,537,572	1,981,196	2,041,770	4,411,410	4,579,342
Other	<u>1,207,279</u>	<u>1,056,561</u>	<u>1,097,659</u>	<u>1,123,668</u>	<u>2,304,938</u>	<u>2,180,229</u>
Total net position	<u>3,637,493</u>	<u>3,594,133</u>	<u>3,078,855</u>	<u>3,165,438</u>	<u>6,716,348</u>	<u>6,759,571</u>

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The unrestricted net position (\$1,850,608) may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position decreased by \$43,223 during the current fiscal year. A substantial portion of this decrease was attributable to depreciation expense recognized in accordance with the generally accepted accounting principles.

Governmental activities increased the Town's net position by \$43,360 and business-type activities decreased net position by \$86,583. Key elements of this decrease are as follows:

	Governmental Activities		Business-type Activities		Total	
	Jan. 1, 2020 to Dec. 31, 2020	Jan. 1, 2019 to Dec. 31, 2019	Jan. 1, 2020 to Dec. 31, 2020	Jan. 1, 2019 to Dec. 31, 2019	Jan. 1, 2020 to Dec. 31, 2020	Jan. 1, 2019 to Dec. 31, 2019
Revenues						
Program revenues:						
Charges for services	21,901	26,536	425,122	503,784	447,023	530,320
Operating grants and contributions	16,984	18,176	7,068		24,052	18,176
Capital grants and contributions			75,985	15,000	75,985	15,000
General revenues:						
Property taxes	904,545	972,269			904,545	972,269
Excise taxes	200,144	196,568			200,144	196,568
Grants and other contributions not restricted specific programs						
Uncollectable taxes/fees		(9,000)				(9,000)
Other	<u>418,838</u>	<u>388,064</u>	<u>4,142</u>	<u>798</u>	<u>422,980</u>	<u>388,862</u>
Total revenues	<u>1,562,412</u>	<u>1,592,613</u>	<u>512,317</u>	<u>519,582</u>	<u>2,074,729</u>	<u>2,112,195</u>
Expenses						
Education	570,124	595,160			570,124	595,160
General government	259,173	231,451			259,173	231,451
Public Safety	108,758	101,813			108,758	101,813
Public Works	168,231	210,271			168,231	210,271
Sanitation/Health & Welfare	34,115	34,564			34,115	34,564
County Tax	60,182	57,644			60,182	57,644
Culture & Recreation	40,971	64,087			40,971	64,087
Cemetery	17,256	15,483			17,256	15,483
Unclassified	8,700	8,700			8,700	8,700
OPEB Expense	900	(761)			900	(761)
Unallocated depreciation	232,513	259,401			232,513	259,401
Ambulance			403,628	434,047	403,628	434,047
Sewer			115,746	105,141	115,746	105,141
Water			<u>97,655</u>	<u>97,476</u>	<u>97,655</u>	<u>97,476</u>
Total expenses	<u>1,500,923</u>	<u>1,577,813</u>	<u>617,029</u>	<u>636,664</u>	<u>2,117,952</u>	<u>2,214,477</u>
Transfers in/(out)	<u>(18,129)</u>	<u>(5,255)</u>	<u>18,129</u>	<u>5,255</u>		
Change in net position	<u>43,360</u>	<u>9,545</u>	<u>(86,583)</u>	<u>(111,827)</u>	<u>(43,223)</u>	<u>(102,282)</u>
Net position – beginning	<u>3,594,133</u>	<u>3,584,588</u>	<u>3,165,438</u>	<u>3,277,265</u>	<u>6,759,571</u>	<u>6,861,853</u>
Net position – ending	<u>3,637,493</u>	<u>3,594,133</u>	<u>3,078,855</u>	<u>3,165,438</u>	<u>6,716,348</u>	<u>6,759,571</u>

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The key elements of the change in Governmental Activities net position are as follows:

- No change in the reserve for bad debts due to personal property taxes that are not expected to be collected.
- Culture and recreation department expenses decreased \$23,116 from the prior year.

Business-type activities. Business-type activities decreased the Town's net position by \$86,583. The key elements of this decrease are as follows:

- Ambulance expenses decreased by \$30,419 from the prior year.
- Sewer expenses are significantly higher than the related revenues in the fund (\$72,198), this is offset by payments from the general fund.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Patten uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$985,427, an increase of \$180,618. Approximately 63% of this total amount (\$624,910) constitutes unassigned general fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been classified for special purposes.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$624,910, while total fund balance increased to \$911,589. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 44.9% of total general fund expenditures, while total fund balance represents 65.5% of that same amount.

The fund balance of the Town's general fund increased by \$179,995 during the current fiscal year.

General Fund Budgetary Highlights

The final appropriated budget, including budgeted revenues, as per the fiscal year commitment, is \$1,784,162. The Town carries, from year to year, the unspent balances of various functions/programs. The amount carried from fiscal year 2019 for the various programs was \$3,635.

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$4,411,410 (net of accumulated depreciation and related debt). This investment in capital assets includes land, infrastructure (roads and streets), buildings, improvements, fire units, and equipment.

Major capital asset events during the current fiscal year included the following:

TOWN OF PATTEN, Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Land	509,100	509,100	6,000	6,000	515,100	515,100
Buildings	932,936	932,936	144,075	144,075	1,077,011	1,077,011
Equipment	739,506	702,437	865,248	804,318	1,604,754	1,506,755
Infrastructure	<u>8,318,896</u>	<u>8,230,810</u>	<u>4,824,950</u>	<u>4,809,950</u>	<u>13,143,846</u>	<u>13,040,760</u>
Total	<u>10,500,438</u>	<u>10,375,283</u>	<u>5,840,273</u>	<u>5,764,343</u>	<u>16,340,711</u>	<u>16,139,626</u>
Accumulated Depreciation	<u>8,070,224</u>	<u>7,837,711</u>	<u>3,859,077</u>	<u>3,701,631</u>	<u>11,929,301</u>	<u>11,539,342</u>
Net	<u>2,430,214</u>	<u>2,537,572</u>	<u>1,981,196</u>	<u>2,062,712</u>	<u>4,411,410</u>	<u>4,600,284</u>

Additional information on the Town's capital assets can be found in note 1 on pages 24 and 25 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$0.

The Town's total debt decreased during the current fiscal year.

Additional information on the Town's long-term debt can be found in pages 25, 26, 31 and 32 of this report.

Economic Factors and Next Year's Budgets and Rate

- The unemployment rate for Penobscot County is currently 4.6%, which is an increase from a rate of 3.0% a year ago, the rate in neighboring Aroostook County is 5.4%. The County's rate is comparable to the national rate of 6.7% and the state rate 4.9%.

- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2020 fiscal year.

During the current calendar year, unassigned fund balance in the general fund increased to \$624,910. It is intended that the use of available fund balance will reduce the need to raise taxes or charges during the 2021 fiscal year.

TOWN OF PATTEN, MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide a general overview of the Town of Patten, Maine's finances for all those with an interest in the government's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director, Town of Patten, P.O. Box 260, Patten, Maine 04765.

BASIC FINANCIAL STATEMENTS

TOWN OF PATTEN, MAINE

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	846,101	886,796	1,732,897
Taxes receivable (net of allowance for uncollectibles)	290,313		290,313
Accounts receivable (net)	23,272	35,665	58,937
Tax acquired property	2,582		2,582
Due from other governments	5,504		5,504
Due from governmental activities		12,085	
Due from business-type activities	20,768		20,768
Investments	73,838	253,452	327,290
Capital assets			
Land	509,100	6,000	515,100
Buildings	932,936	144,075	1,077,011
Equipment	739,506	865,248	1,604,754
Infrastructure	8,318,896	4,824,950	13,143,846
Less accumulated depreciation	(8,070,224)	(3,859,077)	(11,929,301)
TOTAL ASSETS	<u>3,692,592</u>	<u>3,169,194</u>	<u>6,849,701</u>
DEFERRED OUTFLOWS OF RESOURCES			
Outflows related to OPEB	<u>6,690</u>		<u>6,690</u>
LIABILITIES			
Accounts payable	27,866	69,571	97,437
Due to business-type activities	12,085		12,085
Due to governmental activities		20,768	20,768
Non-current liabilities			
OPEB Liabilities	19,440		19,440
TOTAL LIABILITIES	<u>59,391</u>	<u>90,339</u>	<u>149,730</u>
DEFERRED INFLOWS OF RESOURCES			
Inflows related to OPEB	<u>2,398</u>		<u>2,398</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,398</u>	<u>-</u>	<u>2,398</u>
NET POSITION			
Invested in capital assets, net of related debt	2,430,214	1,981,196	4,411,410
Restricted	74,768	379,562	454,330
Unrestricted	1,132,511	718,097	1,850,608
TOTAL NET POSITION	<u>3,637,493</u>	<u>3,078,855</u>	<u>6,716,348</u>

See notes to financial statements

TOWN OF PATTEN, MAINE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Education	570,124				(570,124)		(570,124)
General government	259,173				(259,173)		(259,173)
Public safety	108,758	12,648			(96,110)		(96,110)
Public works	168,231		16,984		(151,247)		(151,247)
Sanitation/Health and Welfare	34,115				(34,115)		(34,115)
County Tax	60,182				(60,182)		(60,182)
Culture and Recreation	40,971	1,709			(39,262)		(39,262)
Cemetery	17,256	7,544			(9,712)		(9,712)
Unclassified	8,700				(8,700)		(8,700)
OPEB expense	900				(900)		(900)
Unallocated depreciation	232,513				(232,513)		(232,513)
Total governmental activities	<u>1,500,923</u>	<u>21,901</u>	<u>16,984</u>	<u>-</u>	<u>(1,462,038)</u>		<u>(1,462,038)</u>
Business-type activities:							
Ambulance service	403,628	320,181		60,985		(22,462)	(22,462)
Sewer department	115,746	21,480	7,068	15,000		(72,198)	(72,198)
Water department	97,655	83,461				(14,194)	(14,194)
Total business-type activities	<u>617,029</u>	<u>425,122</u>	<u>7,068</u>	<u>75,985</u>		<u>(108,854)</u>	<u>(108,854)</u>
Total primary government	<u>2,117,952</u>	<u>447,023</u>	<u>24,052</u>	<u>75,985</u>	<u>(1,462,038)</u>	<u>(108,854)</u>	<u>(1,570,892)</u>
General revenues:							
Taxes					904,545		904,545
Excise taxes					200,144		200,144
Intergovernmental revenues					319,155		319,155
Unrestricted investment earnings						4,824	4,824
Interest on financing						(682)	(682)
Other					99,683		99,683
Total general revenues					<u>1,523,527</u>	<u>4,142</u>	<u>1,527,669</u>
Transfer in/(out)					<u>(18,129)</u>	<u>18,129</u>	<u>-</u>
Change in net position					43,360	(86,583)	(43,223)
Net position - January 1, 2020					<u>3,594,133</u>	<u>3,165,438</u>	<u>6,759,571</u>
Net position - December 31, 2020					<u>3,637,493</u>	<u>3,078,855</u>	<u>6,716,348</u>

See notes to financial statements

TOWN OF PATTEN, MAINE

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	GENERAL	NON-MAJOR SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	846,101		846,101
Tax receivable (net of allowance for uncollectibles)	290,313		290,313
Tax acquired property	2,582		2,582
Accounts receivable	23,272		23,272
Due from other governments	5,504		5,504
Due from proprietary fund	20,768		20,768
Investments		73,838	73,838
TOTAL ASSETS	1,188,540	73,838	1,262,378
LIABILITIES			
Payables and accruals	27,866		27,866
Due to proprietary funds	12,085		12,085
TOTAL LIABILITIES	39,951		39,951
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue-property taxes	237,000		237,000
FUND BALANCES			
Restricted for:			
Library		73,838	73,838
Septage	930		930
	<u>930</u>	<u>73,838</u>	<u>74,768</u>
Committed for:			
Fire Building Reserve	7,656		7,656
Fire Truck Reserve	76,242		76,242
Highway Equipment	20,454		20,454
Highway Capital Road Reserve	150,404		150,404
Recreation Building	2,927		2,927
Municipal Building	12,785		12,785
Veterans' Monument	6,646		6,646
Technology Reserve	5,000		5,000
	<u>282,114</u>		<u>282,114</u>
Assigned to:			
Fire Protection	3,635		3,635
	<u>3,635</u>		<u>3,635</u>
Unassigned:	624,910		624,910
TOTAL FUND BALANCES	911,589	73,838	985,427
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	1,188,540	73,838	1,262,378

See notes to financial statements

TOWN OF PATTEN, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2020

Total fund balances for governmental funds	985,427
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial funds.	2,430,214
Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Deferred outflows of resources	6,690
Net OPEB liability	(19,440)
Deferred inflows of resources	(2,398)
Other long-term assets are not available to pay for the current period expenditures and, therefore, are deferred in the funds.	<u>237,000</u>
Total net position of governmental activities	<u><u>3,637,493</u></u>

See notes to financial statements

TOWN OF PATTEN, MAINE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>GENERAL FUND</u>	<u>NON-MAJOR SPECIAL REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Property taxes	904,545	-	904,545
Supplementary taxes	-		-
Excise taxes	200,144		200,144
State revenues	336,139		336,139
Other	120,961	623	121,584
TOTAL REVENUES	<u>1,561,789</u>	<u>623</u>	<u>1,562,412</u>
EXPENDITURES			
Education	570,124		570,124
General government	259,173		259,173
Public safety	108,758		108,758
Public works	256,317		256,317
Sanitation/Health and Welfare	34,115		34,115
County tax	60,182		60,182
Culture and recreation	40,971		40,971
Cemetery	17,256		17,256
Unclassified	8,700		8,700
Capital outlays	37,069		37,069
TOTAL EXPENDITURES	<u>1,392,665</u>		<u>1,392,665</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>169,124</u>	<u>623</u>	<u>169,747</u>
UNCOLLECTED/UNCOLLECTABLE PROPERTY TAXES	<u>29,000</u>		<u>29,000</u>
TRANSFERS OUT	<u>(18,129)</u>		<u>(18,129)</u>
NET CHANGE IN FUND BALANCES	179,995	623	180,618
FUND BALANCES - JANUARY 1, 2020	<u>731,594</u>	<u>73,215</u>	<u>804,809</u>
FUND BALANCES - DECEMBER 31, 2020	<u>911,589</u>	<u>73,838</u>	<u>985,427</u>

See notes to financial statements

TOWN OF PATTEN, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

DECEMBER 31, 2020

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds	<u>180,618</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Decrease in unavailable property tax revenue	<u>(29,000)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
OPEB Expense	<u>(900)</u>
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 and reported as depreciation expense.	
Capital expenditures depreciated	125,155
Depreciation expense	<u>(232,513)</u>
	<u>(107,358)</u>
Change in net position of governmental activities	<u><u>43,360</u></u>

See notes to financial statements

TOWN OF PATTEN, MAINE
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>TOTALS</u>
	<u>AMBULANCE</u>	<u>SEWER</u>	<u>WATER</u>	
ASSETS				
Cash and cash equivalents	705,480	6,281	175,035	886,796
Accounts receivable (net)	22,203	6,060	7,402	35,665
Grants receivable				-
Due from governmental activities	12,085			12,085
Investments	<u>253,452</u>			<u>253,452</u>
	<u>993,220</u>	<u>12,341</u>	<u>182,437</u>	<u>1,187,998</u>
Capital assets:				
Land	6,000			6,000
Buildings and equipment	1,002,465	3,250	3,608	1,009,323
Infrastructure		2,789,991	2,034,959	4,824,950
Less accumulated depreciation	<u>(677,153)</u>	<u>(1,798,586)</u>	<u>(1,383,338)</u>	<u>(3,859,077)</u>
Capital assets (net)	<u>331,312</u>	<u>994,655</u>	<u>655,229</u>	<u>1,981,196</u>
TOTAL ASSETS	<u><u>1,324,532</u></u>	<u><u>1,006,996</u></u>	<u><u>837,666</u></u>	<u><u>3,169,194</u></u>
LIABILITIES				
Accounts payable	63,430	4,031	2,110	69,571
Due to governmental activities			20,768	20,768
TOTAL LIABILITIES	<u><u>63,430</u></u>	<u><u>4,031</u></u>	<u><u>22,878</u></u>	<u><u>90,339</u></u>
NET POSITION				
Invested in capital assets, net of related debt	331,312	994,655	655,229	1,981,196
Restricted-capital	363,562		16,000	379,562
Unrestricted	<u>566,228</u>	<u>8,310</u>	<u>143,559</u>	<u>718,097</u>
TOTAL NET POSITION	<u><u>1,261,102</u></u>	<u><u>1,002,965</u></u>	<u><u>814,788</u></u>	<u><u>3,078,855</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>1,324,532</u></u>	<u><u>1,006,996</u></u>	<u><u>837,666</u></u>	<u><u>3,169,194</u></u>

See notes to financial statements

TOWN OF PATTEN, MAINE

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES			TOTALS
	AMBULANCE	SEWER	WATER	
OPERATING REVENUES				
Charges for services	308,105	21,480	83,461	413,046
Miscellaneous	12,076			12,076
TOTAL OPERATING REVENUES	<u>320,181</u>	<u>21,480</u>	<u>83,461</u>	<u>425,122</u>
OPERATING EXPENSES				
Wages	261,029	10,125	14,472	285,626
Insurance	28,100	2,569	2,990	33,659
Training and education	-	-	770	770
Supplies	13,075	256	-	13,331
Maintenance and repairs	8,624	5,776	5,397	19,797
Office	32	219	1,059	1,310
Utilities	2,351	4,988	5,409	12,748
Fuel	11,841	446	983	13,270
Payroll taxes	20,422	5,622	5,954	31,998
Depreciation	36,078	71,376	49,992	157,446
Contracted services	15,256	5,490	7,000	27,746
Miscellaneous	6,820	1,716	3,629	12,165
TOTAL OPERATING EXPENSES	<u>403,628</u>	<u>108,583</u>	<u>97,655</u>	<u>609,866</u>
OPERATING LOSS	<u>(83,447)</u>	<u>(87,103)</u>	<u>(14,194)</u>	<u>(184,744)</u>
NONOPERATING REVENUES (EXPENSES)				
Grant income	60,985	22,068		83,053
Interest income	4,686	6	132	4,824
Grant expense		(7,163)		(7,163)
Interest expense			(682)	(682)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>65,671</u>	<u>14,911</u>	<u>(550)</u>	<u>80,032</u>
LOSS BEFORE TRANSFER AND CONTRIBUTIONS	<u>(17,776)</u>	<u>(72,192)</u>	<u>(14,744)</u>	<u>(104,712)</u>
TRANSFER IN		18,129		18,129
CHANGE IN NET POSITION	<u>(17,776)</u>	<u>(54,063)</u>	<u>(14,744)</u>	<u>(86,583)</u>
TOTAL NET POSITION - JANUARY 1, 2020	<u>1,278,878</u>	<u>1,057,028</u>	<u>829,532</u>	<u>3,165,438</u>
TOTAL NET POSITION - DECEMBER 31, 2020	<u>1,261,102</u>	<u>1,002,965</u>	<u>814,788</u>	<u>3,078,855</u>

See notes to financial statements

TOWN OF PATTEN, MAINE
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>AMBULANCE</u>	<u>SEWER</u>	<u>WATER</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	353,125	21,027	84,353	458,505
Cash received from grants	55	7,068	-	7,123
Cash paid to suppliers for goods and services	(49,998)	(45,359)	(31,238)	(126,595)
Cash paid to employees for services	<u>(261,029)</u>	<u>(10,125)</u>	<u>(14,472)</u>	<u>(285,626)</u>
Net cash provided by/(used in) operating activities	<u>42,153</u>	<u>(27,389)</u>	<u>38,643</u>	<u>53,407</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transferred (to) from general fund	<u>(58,815)</u>	<u>18,129</u>	<u>(5,634)</u>	<u>(46,320)</u>
Net cash provided by (used in) noncapital financing activities	<u>(58,815)</u>	<u>18,129</u>	<u>(5,634)</u>	<u>(46,320)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on bonds and notes			(682)	(682)
Reduction in long-term obligations			<u>(20,942)</u>	<u>(20,942)</u>
Net cash used for capital and related financing activities			<u>(21,624)</u>	<u>(21,624)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>1,914</u>	<u>6</u>	<u>132</u>	<u>2,052</u>
Net cash provided by investing activities	<u>1,914</u>	<u>6</u>	<u>132</u>	<u>2,052</u>
NET INCREASE (DECREASE) IN CASH	(14,748)	(9,254)	11,517	(12,485)
CASH - JANUARY 1, 2020	<u>720,228</u>	<u>15,535</u>	<u>163,518</u>	<u>899,281</u>
CASH - DECEMBER 31, 2020	<u>705,480</u>	<u>6,281</u>	<u>175,035</u>	<u>886,796</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	<u>(83,447)</u>	<u>(87,103)</u>	<u>(14,194)</u>	<u>(184,744)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation	36,078	71,376	49,992	157,446
Grant funds received	55	7,068	-	7,123
Grant funds disbursed	-	(7,163)	-	(7,163)
Change in assets and liabilities				
Accounts receivable - (increase) decrease	32,944	(453)	892	33,383
Accounts payable - (decrease) increase	<u>56,523</u>	<u>(11,114)</u>	<u>1,953</u>	<u>47,362</u>
	<u>125,600</u>	<u>59,714</u>	<u>52,837</u>	<u>238,151</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>42,153</u>	<u>(27,389)</u>	<u>38,643</u>	<u>53,407</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased with grant funds	<u>60,930</u>	<u>15,000</u>	<u>-</u>	<u>75,930</u>

TOWN OF PATTEN, MAINE

STATEMENTS OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	CUSTODIAL FUNDS					TOTALS
	BELL FUND	MINISTERIAL AND SCHOOL FUND	CEMETERY FUND	MEMORIAL FUND	FIRE FUND	
ASSETS						
Cash and cash equivalent	123	2,439	3,931	3,814	366	10,673
Investments		1,298	184,779	15,125		201,202
TOTAL ASSETS	<u>123</u>	<u>3,737</u>	<u>188,710</u>	<u>18,939</u>	<u>366</u>	<u>211,875</u>
LIABILITIES						
None						
TOTAL LIABILITIES						
NET POSITION						
Endowments		2,000	110,940	2,000		114,940
Held in trust for specific programs	123	1,737	77,770	16,939	366	96,935
TOTAL NET POSITION	<u>123</u>	<u>3,737</u>	<u>188,710</u>	<u>18,939</u>	<u>366</u>	<u>211,875</u>

See notes to financial statements

TOWN OF PATTEN, MAINE
 COMBINING STATEMENTS OF
 CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2020

	CUSTODIAL FUNDS					TOTAL FIDUCIARY FUNDS
	BELL FUND	MINISTERIAL AND SCHOOL FUND	CEMETERY FUND	MEMORIAL BOOK FUND	FIRE FUND	
ADDITIONS						
Investment income		9	371	79		459
TOTAL ADDITIONS	-	9	371	79	-	459
DEDUCTIONS						
Unrealized loss on investments			11,640			11,640
	-	-	11,640	-	-	11,640
CHANGE IN NET POSITION	-	9	(11,269)	79	-	(11,181)
NET POSITION - JANUARY 1, 2020	123	3,728	199,979	18,860	366	223,056
NET POSITION - DECEMBER 31, 2020	123	3,737	188,710	18,939	366	211,875

See notes to financial statements

TOWN OF PATTEN, MAINE
NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

	PAGE
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
Reporting Entity	21
Accounting Methods and Basis of Financial Statement Presentation	21
Governmental-Wide and Fund Financial Statements	22
Measurement Focus and Basis of Accounting	22 - 24
Deposits and Investments	24
Inter-fund Receivables and Payables	24
Capital Assets	24 - 25
Compensated Absences	25
Sick Leave	25
Long-Term Obligations	25 - 26
Net Position Flow Assumption	26
Fund Balance Flow Assumption	26
Deferred Outflows/Inflows of Resources	26
Fund Equity or Balances	27
Allowance for Uncollectible Accounts	27
Use of Estimates	27
Net Position	27
Other General Items	27
Minimum Fund Balance	27
(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	
Budgetary Information	27 - 28
Excess of Expenditures Over Appropriations	28
Cash and Equivalents	28
Custodial Credit Risk-Deposits	28
Interest Credit Risk	28

TOWN OF PATTEN, MAINE
 NOTES TO FINANCIAL STATEMENTS
 TABLE OF CONTENTS (cont'd.)

	Concentration of Credit Risk	29
	Property Tax	29
	Capital Assets	29 - 30
	Inter-fund Transactions	31
	Legal Debt Limit	31
	Long-Term Debt	32
	Short-Term Debt	32
	Overlapping Debt	32
	Fund Balances	32 - 33
(3)	OTHER INFORMATION	
	Risk Management	33
	Retirement	33
	Contingent Liability	34
	Taxes	34
	Subsequent Events	34
(4)	OTHER POST-EMPLOYMENT BENEFITS	34-37
	Plan Description – Maine Municipal Employees Health Trust	34
	Accounting Policies	34-35
	Future Plan Changes	35
	Demographic Assumptions	36
	Discount Rate	36-37

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Patten, Maine, was incorporated under the laws of the State of Maine in 1841 and operates under a selectmen/manager form of government. In evaluating how to define the reporting entity, for financial purposes, management has considered all potential component units. The criteria used to determine which entities are part of the Town's operations include how the budget is adopted, whether debt is secured by general obligation of the Town, the Town's duty to cover any deficits that may occur, and supervision over the accounting functions. Based upon all pertinent facts derived from the analysis of the above criteria, it was determined that no additional entities should be included as part of these financial statements.

Accounting Methods and Basis of Financial Statement Presentation

The Town follows Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Under GASB #54 the Town is required to change its reporting format of fund balance, and thus these financial statements conform to that format.

Statement No. 54, establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance is reported as follows:

- Non-spendable-Items that are either not in spendable form or legally or contractually required to remain intact.
- Restricted fund balance-Resources that have constraints imposed by creditors, grantors, contributors or laws and regulations of other governments; or amounts that have very stringent conditions imposed by external parties or law.
- Unrestricted fund balance-Has 3 components;
 - Committed fund balance-Amounts with internally imposed restrictions mandated by the government's highest level of decision making authority which require action from that authority to be redeployed. In the case of the Town of Patten this action requires a vote at a town meeting.
 - Assigned fund balance-Amounts that are constrained by the government's intent that they will be used for specific purposes. Decision making authority with respect to these amounts lies with a committee or other government official (board of selectpersons) but not the highest level authority.
 - Undesignated fund balance-This is the residual balance of the general fund which represents the remaining fund balance after allocation to the other fund balance categories. It reflects resources that are available for further appropriation and expenditure for general governmental purposes.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of change in net position) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among program, 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 operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Measurement Focus and Basis of Accounting (cont'd.)

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 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 Town reports the following major proprietary funds:

- The Sewer Utility Fund accounts for the cost of construction and operation of the sewage treatment plant, the Town sewer system, and sewer operation activities, and is self-supported through sewer usage fees. Sewer fees are not sufficient to cover all the operating expenses requiring the general fund to supplement its operating resources.
- The Water Utility Fund accounts for the cost of water distribution system and is self-supporting through water user fees.
- The Ambulance Service Fund accounts for the cost of ambulance service to the residents of Patten and surrounding towns. It is self-supporting through patient user fees and per capita fees.

Additionally, the Town reports the following fund types:

- Special revenue fund – accounts for grant funds and other donations. The Town's special revenue fund is for donations made for use at the library.
- Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund type:

Custodial funds do not present results of operations or have a measurement focus. Custodial funds are accounted for using accrual basis of accounting. The funds are used to account for assets that the Town holds for others in a custodial capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds subject to the same limitations. The Town has not elected to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's public service function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Measurement Focus and Basis of Accounting (cont'd.)

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

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

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

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Town policy prohibits the investment in so-called "derivative instruments".

Investments are reported at fair value.

Inter-fund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds", (i.e., the non-current portion of inter-fund loans) or "advances to/from other funds", (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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 or business-type activities columns in the government-wide financial statements. Capital assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year, are capitalized.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Capital Assets (cont'd.)

Donated capital assets are recorded at estimated fair value at the time of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Capital assets of the primary government and business-type activities are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	5 to 50
Buildings	3 to 20
Equipment	15 to 50

Compensated Absences

Vested or accumulated vacation leave that is expected to liquidate with expendable available financial resources is reported in an expenditure and fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

At December 31, 2020, accrued compensated absences was \$0.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the government and, upon separation from service, no monetary obligation exists.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or propriety fund type statement of net assets. Bond premiums and discounts, as well as issuance costs if material to 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Long-Term Obligations (cont'd.)

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.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balances). In order to calculate the amount to report as restricted, committed, assigned, and unassigned fund balance in governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. There were no deferred outflows for this reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. As of December 31, 2020 the amount of outstanding taxes not considered available for use in that year, and thus recognized as a deferred inflow of resources was \$237,000, a decrease of \$29,000 from the prior year.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Fund Equity or Balances

The Town of Patten follows Statement No. 54 which establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Allowance for Uncollectible Accounts

The Town of Patten provides for the valuation of outstanding taxes and accounts receivable through an allowance account based on estimated uncollectable taxes and receivables. As of December 31, 2020, the allowance for bad debt in governmental funds was \$155,000, unchanged from the prior year. The allowance for business-type activities, all attributable to ambulance, was \$220,000, which is a decrease of \$5,000 from the prior year.

Use of Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities 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.

Net Position

Net position represents the residual of all other financial statement elements presented in a Statement of Financial Position.

Other General Items

The Town is exposed to various risks of loss related to torts; theft of, damages to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settled claims, if any, resulting from these risks, have not exceeded commercial insurance coverage.

Minimum Fund Balance

The board has not adopted a financial policy to maintaining a minimum level of unrestricted fund balance in the general fund.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds, except revenue, and the fiduciary funds. These are not budgeted. All annual appropriations lapse at fiscal year end, unless a carry-forward of unexpected amounts is approved by the Selectpersons and citizens.

The Town Manager meets with department heads to develop budgets which are submitted to the Budget Committee. The Budget Committee holds public hearings and approves a draft budget to be submitted to the board of Selectmen. The Selectpersons hold public hearings and a final budget is prepared and adopted.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Budgetary Information (cont'd.)

The budget is adopted at the department level through the passage of appropriation resolves. The Town Manager may make transfers of appropriations within a department. Transfers between departments or additional appropriations require the approval of the Board of Selectpersons.

The original annual budget was approved by the voters at a town meeting held July 14th and July 29th of 2020.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2020, the general government department had expenditures which exceeded appropriations.

Cash and equivalents

Deposits and investments at December 31, 2020 consist of the following:

Deposits	
Cash in Bank	1,758,785
Deposits in transit	50
Outstanding checks	(15,539)
	1,743,296
Petty cash on hand	274
Total cash and equivalents	<u>1,743,570</u>
Consists of:	
Governmental activities	846,101
Business-type activities	886,796
Fiduciary funds	10,673
	<u>1,743,570</u>

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does have a policy with respect to custodial credit risk for deposit accounts. The Katahdin Trust Company (the bank) has pledged securities to collateralize the Town's deposits that exceed FDIC Insurance. The Pledged Securities will carry a market value greater than the value of the deposits exceeding FDIC Insurance. These securities are held in safekeeping at Investors Bank & Trust Company.

As of December 31, 2020, none of the Town's bank balances were exposed to custodial credit risk.

Interest Credit Risk

In accordance with the Town's investment policy, the Town manages its exposure to declines in fair value by limiting the average maturity of its investments.

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and certain corporate stocks and bonds.

The Town's investments had a fair market value at December 31, 2020 of \$528,492. Investments are held within governmental, business-type and fiduciary funds and include certificates of deposit valued at \$73,838, \$253,452 and \$90,262, respectively. The cemetery fiduciary fund also includes 6,000 shares of Katahdin Bankshares stock valued at \$18.49 per share as of December 31, 2020.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Concentration of Credit Risk

The Town's investment policy does not allow the Town to invest in debt securities that are not insured, registered or backed by U.S. government securities.

Property Tax

The Town's property tax was levied September 2, 2020, on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. The assessed value for the list of April 1, 2020, upon which the 2020 levy was based, was \$31,191,213. Taxes were due and payable on November 1, 2020 (60 days after taxes are committed) with interest at the rate of 7% being charged on taxes unpaid after that date.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year 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 revenues. 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 the tax lien and associated costs remain unpaid.

Capital Assets

Capital asset activity for the year ended December 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	509,100			509,100
Capital assets, being depreciated:				
Buildings and improvements	932,936			932,936
Equipment	702,437	37,069		739,506
Infrastructure	8,230,810	88,086		8,318,896
Total capital assets being depreciated	<u>9,866,183</u>	<u>125,155</u>		<u>9,991,338</u>
Less accumulated depreciation for:				
Buildings	521,451	26,490		547,941
Equipment	626,671	19,551		646,222
Infrastructure	6,689,589	186,472		6,876,061
Total accumulated depreciation	<u>7,837,711</u>	<u>232,513</u>		<u>8,070,224</u>
Total capital assets, being depreciated, net	<u>2,028,472</u>	<u>(107,358)</u>		<u>1,921,114</u>
Governmental activities capital assets, net	<u>2,537,572</u>	<u>(107,358)</u>		<u>2,430,214</u>

Depreciation expense is reflected as unallocated depreciation on the statement of activities - \$232,513.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(3) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Capital Assets (cont'd.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	6,000			6,000
Capital assets, being depreciated:				
Buildings and Improvements				
Ambulance	144,075			144,075
Equipment:				
Ambulance	797,460	60,930		858,390
Sewer department	3,250			3,250
Water department	3,608			3,608
Total	804,318	60,930		865,248
Infrastructure:				
Sewer department	2,774,991	15,000		2,789,991
Water department	2,034,959			2,034,959
Total	4,809,950	15,000		4,824,950
Total capital assets being depreciated	5,758,343	75,930		5,834,273
Less accumulated depreciation for:				
Building	18,730			18,730
Equipment:				
Ambulance service	622,345	36,078		658,423
Sewer department	3,250			3,250
Water department	3,608			3,608
Total	629,203	36,078		965,281
Infrastructure:				
Sewer department	1,723,960	71,376		1,795,336
Water department	1,329,738	49,992		1,379,730
Total	3,053,698	121,368		3,175,066
Total accumulated depreciation	3,701,631	157,446		3,859,077
Business-type activities				
Capital assets – net	2,062,712	(81,516)		1,981,196

Depreciation expense was charged to proprietary-type funds as follows:

Ambulance Service	36,078
Sewer department	71,376
Water department	49,992
Total	<u>157,446</u>

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Interfund Transactions

Due to/from other Fund Balances at December 31, 2020, were as follows:

	Receivable <u>Fund</u>	Payable <u>Fund</u>
General Fund – Due from/to:		
Water department	20,768	
Ambulance		12,085
Water Department – Due to:		
General fund		20,768
Ambulance – Due from:		
General fund	<u>12,085</u>	—
	<u>32,853</u>	<u>32,853</u>

As of December 31, 2016, the amount due to the General Fund from the Sewer Fund was \$166,994. Due to the Sewer Fund's inability to reimburse the General Fund the Board of Selectpersons voted to reclassify the balance due as a transfer from the General Fund to the Sewer Fund effective December 31, 2016. As of that date the balance due between the funds was \$0. The accumulated balance that was due to the General Fund has been recorded as contributed capital on the Sewer Fund's Statement of Net Assets.

Legal Debt Limit

The maximum legal debt limit for the Town is \$2,339,341, 7.5% of the 2020 state valuation of the Town, which amounted to \$31,191,213.

The following is a summary of changes in the Town's long-term debt for the year ended December 31, 2020:

<u>Item</u>	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>Dec. 31, 2020</u>	Due Within <u>One Year</u>
Business-Type Activities					
<u>Water Department</u>					
1. MMBB 10-23-03	<u>20,942</u>		<u>20,942</u>	<u>0</u>	
Total Water	<u>20,942</u>		<u>20,942</u>	<u>0</u>	
Business-Type Total	<u>20,942</u>		20,942	<u>0</u>	

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Short-term debt

On March 2, 2020, the Town issued a tax anticipation note to provide liquidity for government operations financed by property taxes, which are collected in annual payments due November 1. The note, a non-revolving line of credit, allowed principal draws up to \$200,000 at 2.68% interest with a maturity date of December 31, 2020.

Short-term debt activity for the year ended December 31, 2020 was as follows:

	Balance <u>1/1/2020</u>	<u>Draws</u>	<u>Repayments</u>	Balance <u>12/31/2020</u>
Tax anticipation note	<u>0</u>	<u>50,000</u>	<u>(50,000)</u>	<u>0</u>

Overlapping Debt

The Town's proportionate share of Penobscot County's debt, (determined by the percentage of the Town's state valuation of the County's state valuation), is not reported in the Town's financial statements. Debt service is included in the annual county assessment of the Town.

The Town is subject to the State of Maine laws and regulations that limit the amount of long-term debt to a percentage of its last full state valuation. At December 31, 2020, the Town is in compliance with these laws and regulations.

Fund Balances

As of December 31, 2020, the following funds were carried forward into the operations of the 2021 fiscal year.

Restricted

Septage	930
	<u>930</u>

Committed

Fire Building Reserve	7,656
Fire Truck Reserve	76,242
Highway Equipment	20,454
Highway Capital Road Reserve	150,404
Recreation Building	2,927
Municipal Building	12,785
Veterans Monument	6,646
Technology Reserve	<u>5,000</u>
	<u>282,114</u>

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd.)

Fund Balances (cont'd.)

Assigned

Fire Protection	<u>3,635</u>
	<u>3,635</u>

Unassigned	624,910
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Total Fund Balance	<u>911,589</u>
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Unclassified Expenses – General Fund

	Budget	Actual	Variance
Eastern Area Agency on Aging	400	400	
Lumberman's Museum	1,000	1,000	
Main Street and cemetery flags	1,500	1,500	
Patten ATV Club	1,000	1,000	
Patten Historical Society	1,000	1,000	
Patten Little League	1,000	1,000	
Patten Playground Committee	2,000	2,000	
Patten Academy Park	<u>800</u>	<u>800</u>	
Total	<u>8,700</u>	<u>8,700</u>	<u>None</u>

(3) OTHER INFORMATION

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. The Town has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended December 31, 2020, and the two previous years, no settlements exceeded insurance coverage.

Retirement

The Town participates in the Social Security Retirement Program. The Town's contribution to Social Security was \$27,014 for the year ended December 31, 2020.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(3) OTHER INFORMATION (cont'd.)

Contingent Liability

The Town is a member town of Northern Katahdin Valley Waste Disposal District and is responsible for its proportionate share of any outstanding debt. There is no outstanding debt at December 31, 2020.

Taxes

As a municipal entity, the Town is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

The Town is subject to Federal and State payroll taxes and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of December 31, 2020. No examinations have been conducted by the Federal or State taxing authorities. The Town has met its obligations to the federal and state authorities related to tax returns.

Subsequent Events

Management has evaluated all subsequent events through March 13, 2021, the date the financial statements were available to be issued.

COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closings. Management is presently evaluating the effect of the disruptions on operations. The related financial impact and duration cannot be reasonably estimated at this time by management.

(4) OTHER POST-EMPLOYMENT BENEFITS

Plan Description – Maine Municipal Employees Health Trust

The Town provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Town does not provide postemployment or postretirement healthcare benefits but is subject to an implicit benefit for its members in MMEHT.

Accounting Policies

The impact of experience gains and losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the plan. As of the beginning of the measurement period this average was 4 years.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(4) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

The table below summarizes the current balances of deferred outflows of resources and deferred inflows of resources along with the recognition over the next 5 years, and thereafter:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	2,478	1,812
Changes in assumptions	<u>4,212</u>	<u>586</u>
	<u>6,690</u>	<u>2,398</u>

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

Year ended December 31:

2021	567
2022	1,717
2023	2,008

As of January 1, 2020, the plan membership data is comprised of 1 active member with only an implicit benefit.

Key Assumptions

Measurement Date:	January 1, 2020
Discount Rate:	2.74% per annum for year-end 2020 reporting 4.10% per annum for year-end 2019 reporting
Trend Assumptions:	Pre-Medicare Medical – Initial trend of 8.2% applied in FYE 2018 grading over 14 years to 4% per annum Pre-Medicare Drug – Initial trend of 9.6% applied in FYE 2018 grading over 14 years to 4% per annum Medicare Medical – Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4% per annum Medicare Drug – Initial trend of 9.6% applied in FYE 2017 grading over 14 years to 4% per annum
Administrative and Claims Expense:	3% per annum

Future Plan Changes

It is assumed that the current plan and cost-sharing structure remains in place for all future years.

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(4) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

Demographic Assumptions

Retiree continuation:	Retirees who are current Medicare participants: 100% Retirees who are Pre-Medicare, active participants: 75% Spouses who are Pre-Medicare, active participants: 50%
Rate of mortality:	Based on 104% and 120 % of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both project from the 2006 base rates using RPEC-2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120 and convergence to the ultimate rate in the year 2020.
Marriage assumptions:	A husband is assumed to be 3 years older than his wife
Assumed rate of retirement:	For employees hired prior to July 1, 2014 Age 55-63 – 5% Age 64-69 – 20% Age 70 + - 100% For employees hired after July 1, 2014 Age 55-58 – 5% Age 59-64 – 20% Age 65-69 – 25% Age 70 + - 100%
Salary increases:	2.75% per year
Changes in assumptions:	Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

Discount Rate

The discount rate used to measure the OPEB liability was 2.74% based on a measurement date of January 1, 2020. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability as of December 31, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 4.10%.

1% Decrease	Current Discount Rate	1% Increase
1.74%	2.74%	3.74%
\$22,427	\$19,440	\$16,964

TOWN OF PATTEN, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(4) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

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

1% Decrease	Healthcare Trend Rates	1% Increase
\$16,952	\$19,440	\$22,432

A 1% decrease in the healthcare trend rate decreases the TOL by approximately 12.8% while a 1% increase in the healthcare trend rate increases the TOL by approximately 15.4%.

REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF PATTEN, MAINE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	879,688	879,688	904,545	24,857
Supplementary taxes	-	-	-	-
Excise	195,000	195,000	200,144	5,144
State revenues	316,100	316,100	336,139	20,039
Other	194,875	194,875	120,961	(73,914)
TOTAL REVENUES	<u>1,585,663</u>	<u>1,585,663</u>	<u>1,561,789</u>	<u>(23,874)</u>
EXPENDITURES				
Education	570,124	570,124	570,124	-
General government	233,512	233,512	259,173	(25,661)
Public safety	129,500	129,500	108,758	20,742
Public works	517,545	517,545	256,317	261,228
Sanitation/Health and Welfare	37,900	37,900	34,115	3,785
County tax	60,182	60,182	60,182	-
Culture and recreation	71,429	71,429	40,971	30,458
Cemetery	18,270	18,270	17,256	1,014
Unclassified	8,700	8,700	8,700	-
Capital outlays	137,000	137,000	37,069	99,931
TOTAL EXPENDITURES	<u>1,784,162</u>	<u>1,784,162</u>	<u>1,392,665</u>	<u>391,497</u>
EXCESS OF REVENUES OVER EXPENDITURES			<u>169,124</u>	<u>367,623</u>
UNCOLLECTED/UNCOLLECTIBLE PROPERTY TAXES			29,000	29,000
TRANSFERS OUT	<u>(29,261)</u>	<u>(29,261)</u>	<u>(18,129)</u>	<u>11,132</u>
NET CHANGE IN FUND BALANCE	<u>(227,760)</u>	<u>(227,760)</u>	179,995	<u>407,755</u>
FUND BALANCE - JANUARY 1, 2020			<u>731,594</u>	
FUND BALANCE - DECEMBER 31, 2020			<u>911,589</u>	

See notes to financial statements

TOWN OF PATTEN, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2020

Total OPEB Liability	2020	2019	2018
Service cost (BOY)	240	278	712
Interest (includes interest on service cost)	464	407	589
Changes of benefit terms	(368)	-	-
Differences between expected and actual experience	3,304	(1,172)	(7,254)
Changes of assumptions	4,734	-	2,645
Benefit payments, including refunds of member contributions	-	-	-
Net Change in total OPEB Liability	8,374	(487)	(3,308)
Total OPEB Liability - Beginning	11,066	11,553	14,861
Total OPEB Liability - Ending	19,440	11,066	11,553
Plan Fiduciary Net Position			
Contributions - Employer	-	-	-
Contributions - Member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	-	-	-
Administrative expense	-	-	-
Net change in plan fiduciary net positions	-	-	-
Total Fiduciary Net Position - Beginning	-	-	-
Total Fiduciary Net Position - Ending	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered employee payroll	68,783	43,823	43,823
Net OPEB liability as a percentage of covered employee payroll	28.3%	25.3%	26.4%

Amounts presented have a measurement date of January 1

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

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

SUPPLEMENTARY INFORMATION

TOWN OF PATTEN, MAINE

SCHEDULE OF PROPERTY VALUATION AND ASSESSMENT - GENERAL FUND

YEAR ENDED DECEMBER 31, 2020

	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TOTAL</u>
ASSESSED VALUATION	30,047,790	1,143,423	31,191,213
TAX RATE PER \$1,000			<u>29.00</u>
			<u>904,545</u>

COMPUTATION OF ASSESSMENT

TAX COMMITMENT		<u>904,545</u>	
ESTIMATED REVENUES			
State municipal revenue sharing		134,628	
Homestead reimbursement		128,620	
BETE Reimbursement		192	
Other revenues		<u>670,295</u>	
		<u>933,735</u>	1,838,280
APPROPRIATIONS			
Municipal		1,183,117	
Education		570,124	
County tax		<u>60,182</u>	
			<u>1,813,423</u>
OVERLAY			<u>24,857</u>

See notes to financial statements