

TOWN OF BAR HARBOR, MAINE

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

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2019***

TOWN OF BAR HARBOR
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2019

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

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

INDEPENDENT AUDITOR'S REPORT

Members of the Town Council
Town of Bar Harbor
Bar Harbor, ME 04609

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bar Harbor, Maine as of and for the year ended June 30, 2019, including 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 from 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 Bar Harbor, Maine, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension/other post-employment benefits disclosure schedules on pages 3 through 8 and 57 - 68, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Bar Harbor, Maine's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards and the supplementary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
December 5, 2019

TOWN OF BAR HARBOR, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Management of the Town of Bar Harbor, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

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

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2019 by \$41,251,472 (presented as “net position”). Of this amount, \$11,241,291 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position increased by \$3,501,553 (a 9.3% increase) for the fiscal year ended June 30, 2019. Net position of governmental activities increased by \$2,150,108 (a 10.0% increase), while net position of business-type activities showed an increase of \$1,351,445 (an 8.6% increase).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2019, the Town's governmental funds reported a combined ending fund balance of \$9,856,636 with \$987,552 being general unassigned fund balance. This unassigned fund balance represents approximately 5.0% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations increased by \$2,712,971 (14.52%) during the current fiscal year. Long-term debt obligations for governmental activities increased by \$3,378,666 (30.07%) while long-term debt obligations for business-type activities decreased by \$665,695 (8.94%). Existing debt obligations were retired according to schedule. A new bond was issued in the amount of \$2,875,000 for the purchase of parking meters and the tax exempt portion of the ferry terminal purchase. A second bond was issued in the amount of \$1,225,000 for the taxable portion of the ferry terminal purchase. A capital lease for the school department was also issued in the amount of \$7,504 for a color copier system. Additional information on the Town's long-term debt can be found in Note 3d of this report on pages 30 - 33.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables. The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements

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

accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach. The basic governmental fund financial statements can be found on pages 11-14 of this report. The basic proprietary fund financial statements can be found on pages 15-17 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 18-56 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). This section also includes the pension disclosure schedules as required by GASB Statement #68 and the OPEB schedules as required by GASB Statement #75. Required supplementary information can be found on pages 57-68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

69.8% of the Town's net position reflects its net investment in capital assets such as land, buildings, equipment and infrastructure (roads, parking lots and other immovable assets) less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of accumulated depreciation and 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.

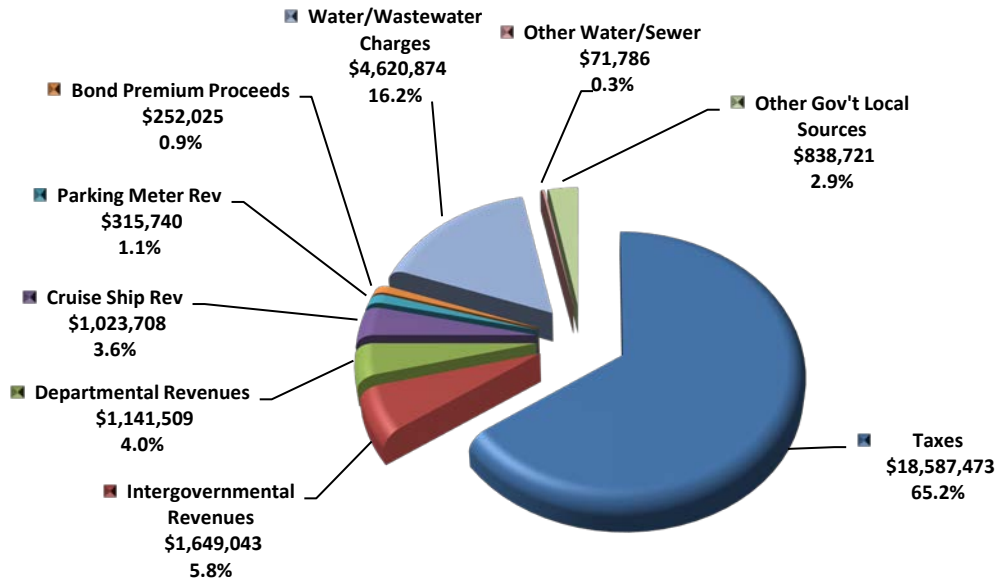
	Governmental Activities	Business-type Activities	Total 2019	Total 2018
Current Assets	11,919,253	4,768,884	16,688,137	15,928,873
Capital Assets	30,494,805	19,701,126	50,195,931	46,557,129
Total Assets	42,414,058	24,470,010	66,884,068	62,486,002
Related to OPEB	67,308		67,308	68,506
Related to Pensions	562,320	114,503	676,823	1,335,158
Total Deferred Outflows of Resources	629,628	114,503	744,131	1,403,664
Total Assets and Deferred Outflows of Resources	43,043,686	24,584,513	67,628,199	63,889,666
Current Liabilities	2,454,399	996,754	3,451,153	4,360,299
Other Liabilities	16,077,864	6,356,470	22,434,334	19,822,602
Total Liabilities	18,532,263	7,353,224	25,885,487	24,182,901
Property Taxes Collected in Advance	28,902		28,902	150,160
Related to OPEB	88,442		88,442	19,241
Related to Pensions	300,230	73,666	373,896	862,248
Total Deferred Inflows of Resources	417,574	73,666	491,240	1,031,649
Net Investment in Capital Assets	15,881,680	12,921,301	28,802,981	27,877,873
Restricted	1,207,200		1,207,200	840,932
Unrestricted	7,004,969	4,236,322	11,241,291	9,956,311
Total Net Position	24,093,849	17,157,623	41,251,472	38,675,116
Total Liabilities, Deferred Inflows of Resources and Net Position	43,043,686	24,584,513	67,628,199	63,889,666

Changes in Net Position

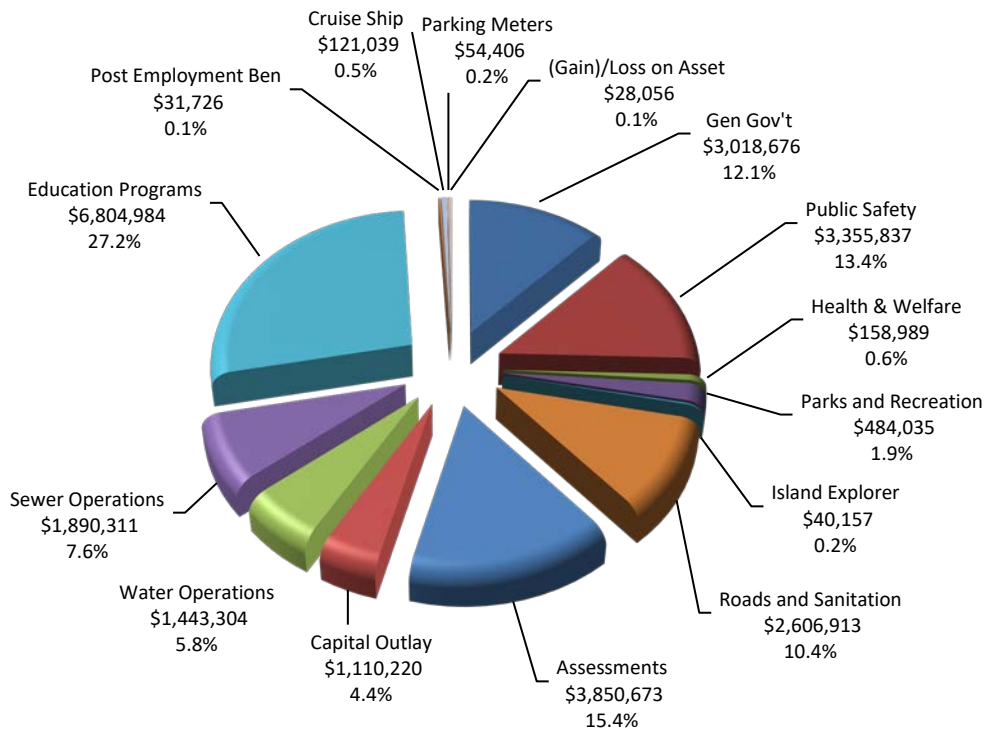
Approximately 65.2% of the Town's total revenue came from property and excise taxes, approximately 5.8% came from Federal and State subsidies and grants, and approximately 29% came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-type activity assets represents \$2,179,421 of the total expenses for the fiscal year. Depreciation for governmental activities was \$1,330,046 while depreciation for business-type activities was \$849,375. The summary below includes the general, capital improvement, cruise ship, parking and school funds under governmental activities.

	Governmental Activities	Business-type Activities	Total 2019	Total 2018
Revenues:				
Taxes	18,587,473		18,587,473	17,548,028
Intergovernmental Revenues	1,649,043		1,649,043	1,476,002
Departmental Revenues	1,141,509	4,620,874	5,762,383	5,387,274
Cruise Ship Revenues	1,023,708		1,023,708	919,293
Parking Meter Revenues	315,740		315,740	-
Bond Premium Proceeds	252,025	-	252,025	44,581
Contributions in Aid of Construction		-	-	50,855
Other Local Sources	838,721	71,786	910,507	766,687
Transfer from Fiduciary	-		-	3,612
Total	23,808,219	4,692,660	28,500,879	26,196,332
Expenses:				
General Government	3,018,676		3,018,676	3,269,504
Public Safety	3,355,837		3,355,837	3,382,629
Health & Welfare	158,989		158,989	157,479
Parks and Recreation	484,035		484,035	419,496
Island Explorer Shuttle Bus	40,157		40,157	39,823
Roads and Sanitation	2,606,913		2,606,913	2,460,759
Assessments	3,850,673		3,850,673	3,763,224
Capital Outlay	1,110,220		1,110,220	687,879
Water Operations		1,443,304	1,443,304	1,499,318
Sewer Operations		1,890,311	1,890,311	1,992,655
Education Programs	6,804,984		6,804,984	6,637,174
Cruise Ship	121,039		121,039	142,695
Parking Meters	54,406		54,406	142,695
Post Employment Benefits	31,726		31,726	238,411
(Gain)/Loss on Disposal of Assets	20,456	7,600	28,056	129,100
Total	21,658,111	3,341,215	24,999,326	24,962,841
Changes in Net Position	2,150,108	1,351,445	3,501,553	1,233,491

Revenues By Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$9,856,636, an increase of \$1,110,976 in comparison with the prior year. Approximately 10.0 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

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

General Fund

Revenues:

- \$176,328 negative variance in property tax revenue due to the adjustment for unavailable collections. Outstanding taxes/liens, net of collections after 60 days of year end, were higher than the previous year
- \$145,709 positive variance in auto excise revenue resulting from conservative budgeting.
- \$46,682 negative variance in Ambulance Billings and Write Offs due the closing of the elderly housing facility causing a decrease in ambulance activity
- \$36,282 positive variance in building permits due to an increase in activity
- \$11,290 negative variance in plumbing permits due to several receipts coded to septic permit revenue
- \$19,250 positive variance in vacation rental permits due to a higher fee instituted
- \$13,377 positive variance in docking fees due to summer yacht visits increasing
- \$122,788 positive variance in investment interest due to conservative budgeting and higher yield rates

Expenditures:

- \$17,270 negative variance in legal counsel due to two ongoing lawsuits
- \$49,747 positive variance in employee benefits due to employees opting out of the town health insurance and lower than anticipated HRA payouts
- \$15,068 negative variance in vacation accruals due to staff shortages and less vacation taken
- \$43,366 positive variance in contingency as the town council did not utilize most of the balance
- \$51,257 positive variance in the highway division due to transferring \$51,000 from the contingency budget
- \$44,380 negative variance in solid waste due to the costs of delays for the new Hampden transfer facility

Wastewater Fund

Revenues:

- \$380,061 positive variance in revenues due to the Jackson Lab increased volume

Expenses:

- \$40,902 positive variance in health related insurance programs due to lower expenses
- \$12,345 negative variance in chemical costs due to a low budget projection
- \$24,337 negative variance in electricity costs due to higher wastewater volume
- \$13,629 negative variance in repairs and maintenance due to more work needed for mains and services than anticipated

Water Fund

Revenues:

- \$63,536 positive variance in revenues due to the Jackson Lab increased volume
- \$22,113 positive variance in interest income due to delay in expending Route 3 bond funds

Expenses:

- \$11,610 positive variance in repairs and maintenance due to less work needed

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities amounts to \$88,459,384, net of accumulated depreciation of \$38,263,453, leaving a net book value of \$50,195,930. Current year additions included Capital Improvements such as \$3.5 million for the ferry terminal and \$600,000 for the parking meters as well as Water and Sewer additions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Bar Harbor, 93 Cottage Street, Bar Harbor, ME 04609.

TOWN OF BAR HARBOR
STATEMENT OF NET POSITION
JUNE 30, 2019

Exhibit A

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Equivalents	8,761,314	3,964,829	12,726,143
Investments	1,815,142		1,815,142
Receivables:			
Taxes and Liens	796,236	30,000	826,236
User Fees, net		541,978	541,978
Accounts	209,107	20,356	229,463
Ambulance	226,751		226,751
Accrued Interest	9,650		9,650
Prepaid Expense	-	10,636	10,636
Inventory	19,036	199,080	218,116
Due from Other Governments	82,017		82,017
Bond Issuance Costs, Net		2,005	2,005
Capital Assets:			
Land	5,463,075	164,126	5,627,201
Construction Work in Progress	335,295	3,867	339,162
Other Capital Assets, Net of Depreciation	24,696,435	19,533,133	44,229,568
Total Assets:	42,414,058	24,470,010	66,884,068
Deferred Outflows of Resources:			
Related to Other Post Employment Benefits	67,308		67,308
Related to Pensions	562,320	114,503	676,823
Total Deferred Outflows of Resources	629,628	114,503	744,131
Total Assets and Deferred Outflows of Resources	43,043,686	24,584,513	67,628,199
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Accounts Payable	493,910	172,041	665,951
Payroll Taxes Deductible	23,829		23,829
Due to Students	4,922		4,922
Accrued Salaries Payable	647,204	33,473	680,677
Accrued Compensated Absences	344,090	34,791	378,881
Accrued Interest Payable		35,552	35,552
Internal Balances	(32,763)	32,763	-
Deposits Payable	12,065		12,065
Debt Due Within One Year	961,142	688,134	1,649,276
Long-term Liabilities:			
Net Pension Liability	1,103,094	262,774	1,365,868
Net Post Employment Benefits Obligation	1,322,787		1,322,787
Debt Due in More Than One Year	13,651,983	6,093,696	19,745,679
Total Liabilities	18,532,263	7,353,224	25,885,487
Deferred Inflows of Resources:			
Property Taxes Collected in Advance	28,902		28,902
Related to Other Post Employment Benefits	88,442		88,442
Related to Pensions	300,230	73,666	373,896
Total Deferred Inflows of Resources	417,574	73,666	491,240
Net Position:			
Net Investment in Capital Assets	15,881,680	12,921,301	28,802,981
Restricted	1,207,200		1,207,200
Unrestricted	7,004,969	4,236,322	11,241,291
Total Net Position	24,093,849	17,157,623	41,251,472
Total Liabilities, Deferred Inflows of Resources and Net Position	43,043,686	24,584,513	67,628,199

TOWN OF BAR HARBOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Primary Government</u>						
<u>Governmental Activities:</u>						
General Government	3,018,676	489,509		(2,529,167)		(2,529,167)
Public Safety	3,355,837	633,418	2,258	(2,720,161)		(2,720,161)
Health and Welfare	158,989			(158,989)		(158,989)
Parks & Recreation	484,035	900		(483,135)		(483,135)
Island Explorer Shuttle Bus	40,157			(40,157)		(40,157)
Roads and Sanitation	2,606,913	23,718		(2,583,195)		(2,583,195)
Assessments	3,850,673			(3,850,673)		(3,850,673)
Capital Outlay	1,110,220	-		(1,110,220)		(1,110,220)
Education	6,804,984	203,533	1,210,385	(5,391,066)		(5,391,066)
Post Employment Benefits	31,726			(31,726)		(31,726)
Parking Meters	54,406	315,740		261,334		261,334
Cruise Ship	121,039	1,023,708		902,669		902,669
<u>Total Governmental Activities</u>	<u>21,637,655</u>	<u>2,690,526</u>	<u>1,212,643</u>	<u>(17,734,486)</u>		<u>(17,734,486)</u>
<u>Business-type Activities:</u>						
Wastewater	1,890,311	2,385,440			495,129	495,129
Water	1,438,400	2,235,434			797,034	797,034
<u>Total Business-type Activities</u>	<u>3,328,711</u>	<u>4,620,874</u>			<u>1,292,163</u>	<u>1,292,163</u>
<u>Total Primary Government</u>	<u>24,966,366</u>	<u>7,311,400</u>	<u>1,212,643</u>	<u>(17,734,486)</u>	<u>1,292,163</u>	<u>(16,442,323)</u>
<u>General Revenues:</u>						
Taxes						
Property				17,487,227		17,487,227
Auto and Boat Excise				1,100,246		1,100,246
Intergovernmental Revenues				436,400		436,400
Other Local Sources				881,177	71,786	952,963
Contributions in Aid of Construction					(4,904)	(4,904)
Gain/(Loss) on Disposal of Assets				(20,456)	(7,600)	(28,056)
<u>Total Revenues, Special Items and Transfers</u>				<u>19,884,594</u>	<u>59,282</u>	<u>19,943,876</u>
<u>Changes in Net Position</u>				<u>2,150,108</u>	<u>1,351,445</u>	<u>3,501,553</u>
<u>Net Position - Beginning, as restated</u>				<u>21,943,741</u>	<u>15,806,178</u>	<u>37,749,919</u>
<u>Net Position - Ending</u>				<u>24,093,849</u>	<u>17,157,623</u>	<u>41,251,472</u>

TOWN OF BAR HARBOR
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

Exhibit C
Page 1 of 2

	General Fund	CIP Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Equivalents	8,759,252		2,062	8,761,314
Investments	1,801,734		13,408	1,815,142
Receivables				
Taxes	53,851			53,851
Tax Liens	742,385			742,385
Accounts	209,107			209,107
Ambulance Fees	226,751			226,751
Accrued Interest	9,650			9,650
Inventory	19,036			19,036
Due from Other Governments	82,017		-	82,017
Due from Other Funds	32,763	4,689,613	-	4,722,376
Total Assets	11,936,546	4,689,613	15,470	16,641,629
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	340,843	153,067		493,910
Payroll Taxes/Deductions	23,829			23,829
Accrued Salaries Payable	647,204			647,204
Accrued Compensated Absences	288,825			288,825
Due to Other Funds	4,689,613		-	4,689,613
Due to Students	4,922			4,922
Deposits Payable	12,065			12,065
Total Liabilities	6,007,301	153,067	-	6,160,368
Deferred Inflows of Resources:				
Property Taxes Collected in Advance	28,902			28,902
Unavailable Property Taxes	586,153			586,153
Unavailable Revenue		7,500		7,500
Unavailable Rental Income	2,070			2,070
Total Deferred Inflows of Resources	617,125	7,500	-	624,625
Fund Balances				
Nonspendable	865		11,757	12,622
Restricted	1,194,578		-	1,194,578
Committed		4,529,046		4,529,046
Assigned	3,129,125		3,713	3,132,838
Unassigned	987,552			987,552
Total Fund Balances	5,312,120	4,529,046	15,470	9,856,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	11,936,546	4,689,613	15,470	16,641,629

(Continued)

TOWN OF BAR HARBOR
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

Exhibit C
Page 2 of 2

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

Total Fund Balance	9,856,636
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$23,029,305	30,494,805
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Revenues	595,723
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(14,585,833)
School Leases Payable	(27,292)
Accrued Compensated Absences - School Department	(55,265)
Deferred Inflows/Outflows Related to Other Post Employment Benefits	(21,134)
Post Employment Benefits Obligations	(1,322,787)
Net Pension Liability	(1,103,094)
Deferred Inflows/Outflows Related to Pensions	262,090
	<u>(16,853,315)</u>
Net Position of Governmental Activities	<u>24,093,849</u>

TOWN OF BAR HARBOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>CIP Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	18,409,625			18,409,625
Intergovernmental Revenues	1,546,452	100,333	2,258	1,649,043
Departmental Revenues	2,480,957	-		2,480,957
Other Local Sources	642,140	442,651	259	1,085,050
Total Revenues	23,079,174	542,984	2,517	23,624,675
Expenditures				
Current:				
General Government	2,988,113			2,988,113
Public Safety	3,202,696		2,258	3,204,954
Health and Welfare	145,956			145,956
Parks and Recreation	416,358			416,358
Island Explorer Shuttle Bus	40,157			40,157
Roads and Sanitation	2,004,343		-	2,004,343
Education	6,746,559			6,746,559
Assessments	3,850,673			3,850,673
Cruise Ship	121,039			121,039
Parking Meters	54,406			54,406
Capital Outlay		7,048,645	-	7,048,645
Total Expenditures	19,570,300	7,048,645	2,258	26,621,203
Excess of Revenues Over (Under)				
Expenditures	3,508,874	(6,505,661)	259	(2,996,528)
Other Financing Sources (Uses)				
Bond Proceeds		4,100,000		4,100,000
Lease Proceeds	7,504			7,504
Transfers In	483,941	2,685,522	-	3,169,463
Transfers Out	(3,169,374)	-	(89)	(3,169,463)
Total Other Financing Sources (Uses)	(2,677,929)	6,785,522	(89)	4,107,504
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	830,945	279,861	170	1,110,976
Fund Balance - July 1	4,481,175	4,249,185	15,300	8,745,660
Fund Balance - June 30	5,312,120	4,529,046	15,470	9,856,636

(Continued)

TOWN OF BAR HARBOR
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit D
Page 2 of 2

Net change in fund balances - total governmental funds	1,110,976
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	5,209,587
Gain/(Loss) on Disposal of Assets	(20,456)
Depreciation expense	(1,330,045)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Revenues	5,696
Unavailable Taxes	177,848
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Bond Proceeds	(4,100,000)
School Lease Proceeds	(7,504)
Capital lease obligation principal payments	13,419
General obligation bond principal payments	715,419
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued compensated absences	(3,759)
Post Employment Benefits Cost	5,400
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	373,527
Change in net position of governmental activities	<u><u>2,150,108</u></u>

TOWN OF BAR HARBOR
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019

Exhibit E

Assets	Wastewater Enterprise	Water Enterprise	Total
Current Assets:			
Cash and Equivalents	2,256,354	1,708,475	3,964,829
Receivables			
User Fees, net	459,405	82,573	541,978
Liens Receivable	30,000	-	30,000
Accounts	15,376	4,980	20,356
Due From Other Funds	-	338	338
Inventory	22,749	176,331	199,080
Prepaid Expenses		10,636	10,636
Total Current Assets	2,783,884	1,983,333	4,767,217
Noncurrent Assets:			
Capital Assets, net	9,605,257	10,095,869	19,701,126
Bond Issuance Costs, net	-	2,005	2,005
Total Noncurrent Assets	9,605,257	10,097,874	19,703,131
Total Assets	12,389,141	12,081,207	24,470,348
Deferred Outflows of Resources:			
Related to Pensions	70,109	44,394	114,503
Total Deferred Outflows of Resources	70,109	44,394	114,503
Total Assets and Deferred Outflows of Resources	12,459,250	12,125,601	24,584,851
Liabilities and Net Position			
Liabilities			
Accounts Payable	88,272	83,769	172,041
Accrued Salaries and Benefits	20,647	12,826	33,473
Accrued Interest Payable	5,474	30,078	35,552
Due to Other Funds	26,651	6,450	33,101
Compensated Absences Payable	23,627	11,164	34,791
Bonds and Notes Payable	106,056	582,078	688,134
Total Current Liabilities	270,727	726,365	997,092
Noncurrent Liabilities:			
Net Pension Liability	157,922	104,852	262,774
Bonds and Notes Payable	1,216,952	4,876,744	6,093,696
Total Noncurrent Liabilities	1,374,874	4,981,596	6,356,470
Total Liabilities	1,645,601	5,707,961	7,353,562
Deferred Inflows of Resources:			
Related to Pensions	44,272	29,394	73,666
Total Deferred Inflows of Resources	44,272	29,394	73,666
Net Position			
Net Investment in Capital Assets	8,282,249	4,639,052	12,921,301
Retained Earnings			
Reserved	2,303,160	674,973	2,978,133
Unreserved	183,968	1,074,221	1,258,189
Total Net Position	10,769,377	6,388,246	17,157,623
Total Liabilities, Deferred Inflows of Resources and Net Position	12,459,250	12,125,601	24,584,851

TOWN OF BAR HARBOR**Exhibit F****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS****FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Proprietary Fund Types</u>		
	<u>Wastewater</u>	<u>Water</u>	
	<u>Enterprise</u>	<u>Enterprise</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	2,375,709	2,232,590	4,608,299
Interest - Late Penalties	9,731	2,844	12,575
Total Operating Revenues:	2,385,440	2,235,434	4,620,874
Operating Expenditures:			
Current:			
Salaries and Benefits	615,023	411,946	1,026,969
Contracted Services	226,088	236,468	462,556
Utilities & Commodities	248,942	61,437	310,379
Repairs & Maintenance	135,475	152,284	287,759
Equipment	8,196	12,672	20,868
Other Expenses	36,979	37,094	74,073
Depreciation and Amortization	531,235	309,060	840,295
Materials and Supplies	158,749	102,373	261,122
Total Operating Expenditures	1,960,687	1,323,334	3,284,021
Net Operating Income	424,753	912,100	1,336,853
Nonoperating Revenues (Expenses)			
Interest Revenue	27,388	28,113	55,501
Nonutility Income, net of expense	-	13,106	13,106
Jobbing Income, net of expense	-	3,179	3,179
Loss on Disposal of Assets	(7,600)	-	(7,600)
Contributions in Aid of Construction	-	(4,904)	(4,904)
Related to Pensions	114,084	27,416	141,500
Interest Expense	(43,708)	(142,482)	(186,190)
Total Nonoperating Revenue (Expenses)	90,164	(75,572)	14,592
Change in Net Position (net income)	514,917	836,528	1,351,445
Total Net Position - Beginning	10,254,460	5,551,718	15,806,178
Total Net Position - Ending	10,769,377	6,388,246	17,157,623

TOWN OF BAR HARBOR
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit G

	Proprietary Fund Types		
	Wastewater	Water	
	Enterprise	Enterprise	Total
Cash Flows from Operating Activities			
Received from Customers	2,385,440	2,235,434	4,620,874
Payments to Suppliers	(777,450)	(565,234)	(1,342,684)
Payments to Employees	(615,023)	(411,946)	(1,026,969)
Other Receipts (Payments)	(44,579)	(25,713)	(70,292)
Net Cash Provided by (Used in) Operating Activities	948,388	1,232,541	2,180,929
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(270,765)	(381,544)	(652,309)
Principal Paid on Capital Debt	(93,753)	(571,943)	(665,696)
Interest Paid on Capital Debt	(43,708)	(142,482)	(186,190)
Net Cash Used in Capital and Related Financing Activities	(415,826)	(1,095,969)	(1,511,795)
Cash Flows from Investing Activities			
(Purchase)/Sale of Investments	34,148	(687,710)	(653,562)
Interest and Dividends	27,388	28,113	55,501
Net Cash Provided by (Used in) Investing Activities	61,536	(659,597)	(598,061)
Net Increase (Decrease) in Cash and Cash Equivalents	594,098	(523,025)	71,073
Balances - beginning of the year	1,662,256	2,231,500	3,893,756
Balances - end of the year	2,256,354	1,708,475	3,964,829
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Net Operating Income (Loss)	424,753	912,100	1,336,853
Adjustment to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	531,235	309,060	840,295
(Increase) Decrease in Accounts Receivable	15,981	(4,635)	11,346
(Increase) Decrease in Due To/From Other Funds	15,403	737,704	753,107
(Increase) Decrease in Inventory	2,475	14,689	17,164
(Increase) Decrease in Prepaid Expense		(173)	(173)
Increase (Decrease) in Accrued Wages Payable	1,983	(3,598)	(1,615)
Increase (Decrease) in Accrued Interest Payable	(389)	(2,128)	(2,517)
Increase (Decrease) in Compensated Absences Payable	1,097	(1,343)	(246)
Increase (Decrease) in Accounts Payable	(44,150)	(729,135)	(773,285)
Net Cash Provided by (Used in) Operating Activities	948,388	1,232,541	2,180,929

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The Town of Bar Harbor operates under an elected Town Council and Town Manager form of government. The Town's Elementary School Department operates under an elected School Committee. The School Department is administered by AOS #91. The Town's major operations include public works, water, wastewater, harbor facilities, public safety, fire protection, education, and general administrative services.

For financial reporting purposes the Town includes all organizations, functions and activities in its financial statements for which it exercises oversight responsibility. Oversight responsibility as defined by the Governmental Accounting Standards Board (GASB) includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

B. Government-wide and Fund Financial Statements

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

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

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Town reports the following major governmental funds:

The General Fund is used to account for all or most of the Town's general activities, including the school, the revenues and expenditures of the Cruise Ship fund, the revenues and expenditures of the Parking Fund, and the collection and disbursement of earmarked monies (special revenue funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

The CIP fund accounts for all the Town and School Department major capital projects and the servicing of general long-term debt (debt service fund).

The Town reports the following major enterprise funds:

The wastewater fund accounts for the activities of the wastewater department. The Town operates the wastewater collection system and related administrative costs, including debt service.

The water fund accounts for the activities of the water department. The Town operates the water collection system and related administrative costs, including debt service.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity

1. Deposits and Investments

Governmental Accounting Standards Statement No. 3, as amended by No. 40, requires the disclosure of interest rate risk, credit risk, and custodial risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short term repurchase obligations and short term investments held by a local banking institution. As a means of limiting its exposure credit risk, the Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/investments in insured commercial banks, insured credit unions, and direct debt securities of the United States Government unless such an investment is expressly prohibited by law. For an investment, custodial risk is the risk that in the event of the failure of the counter party 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.

As a means of limiting its exposure to custodial risk, the Town requires that, at the time funds are invested, collateral for repurchase agreements be held in the Town's name by a custodial agent for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve.

2. Receivables and Payables

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

Property taxes receivable not expected to be collected within 60 days from year end are classified as unavailable revenue. At June 30, \$586,153 has been so classified and reported on the general fund balance sheet.

Annual property taxes were levied on August 17, 2018, on property values assessed on April 1. Taxes were due in two installments without penalty, due on September 28 and March 29, with interest at 8.0% beginning September 29 and March 30. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

3. Inventories

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

4. Capital Assets

Capital assets, which property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

4. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Infrastructure	18-77
Equipment	3-20

5. Deferred Inflows/Outflows of Resources

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

6. Pensions

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

7. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Education Association Benefits Trust (MEABT) and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by MEABT. For this purpose, MEABT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

8. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave, holiday leave and comp time in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. Accordingly, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

9. Estimates

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

10. Long-term Obligations

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

Under State Law, no municipality can incur debt, which would cause its total outstanding debt, exclusive of debt incurred for school, storm or sanitary sewer, energy facilities, or municipal airports, to exceed 7.50% of its last full state valuation. A municipality may incur debt for schools not exceeding 10%, storm or sanitary sewers 7.50%, and municipal airports, water districts and special purpose districts 3% of its last full state valuation. In no event can the total debt exceed 15% of its last full valuation. Full state valuation is the valuation of taxable property as certified by the State Tax Assessor, adjusted to 100%. At June 30, the Town of Bar Harbor is in compliance with the above requirements.

11. Fund Balances/Net Position

Fund Balances

The Town classifies governmental fund balances as follows:

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

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

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

11. Fund Balances/Net Position (Continued)

Fund Balances (continued)

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

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

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

The Town's fund balance policy requires at least 10% of the Town's previous year's total audited general fund revenues to be assigned as designated for working capital.

The Town has identified June 30, 2019 fund balances on the balance sheet as follows:

	General Fund	Capital Improvement Projects	Other Governmental Funds	Total
<u>Nonspendable</u>				
School Lunch Inventory	865			865
Gurnee Principal			6,488	6,488
Cemetery Principal			5,269	5,269
	865	-	11,757	12,622
<u>Restricted</u>				
Parking Meter Fund	261,359			261,359
School Restricted Funds	933,219			933,219
	1,194,578	-	-	1,194,578
<u>Committed</u>				
Capital Improvement Programs		4,529,046		4,529,046
	-	4,529,046	-	4,529,046
<u>Assigned</u>				
Reserve for Working Capital	2,033,000			2,033,000
Designated for Insurance	500,000			500,000
General Fund Encumbrances	55,776			55,776
Cruise Ship Fund - Encumbrances	2,590			2,590
Cruise Ship Fund	537,759			537,759
Gurnee Scholarship			3,713	3,713
	3,129,125	-	3,713	3,132,838
<u>Unassigned</u>				
General Fund	987,552			987,552
<u>Total Fund Balance</u>	<u>5,312,120</u>	<u>4,529,046</u>	<u>15,470</u>	<u>9,856,636</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

11. Fund Balances/Net Position (Continued)

Net Position

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the government’s governmental funds. However, the Town’s School Department does not budget for the revenues and expenditures associated with the employer’s teacher retirement contribution made by the State of Maine on behalf of the town to the Maine Public Employees Retirement System (MPERS). School grant funds and the school lunch fund do not have legally adopted budgets. All annual appropriations lapse at fiscal year-end to the extent that they have not been encumbered.

All agencies of the government submit requests for appropriations to the government’s manager commencing 6 weeks before the manager is required to submit the budget to the government’s council. The manager compiles the data and submits the total budget to the council on or before the third Tuesday in January each year. The council holds public hearings, adopts the budget, and recommends it to the warrant committee on or before February 22. No later than seven days following adoption, the manager submits the budget to the warrant committee, which reviews the budget and submits its recommendation to the council at least four weeks prior to the Town Meeting. The council submits the budget to the Town Meeting along with the recommendation of the warrant committee. The Town Meeting adopts the final budget.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The appropriated budget is prepared by fund, function and department. The manager and department heads may make transfers of appropriations within cost centers, but may not exceed the total cost center appropriation. The council may transfer appropriations between cost centers to the extent of any unencumbered appropriation balance.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits/Investments

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State Statute 5706 requires banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Corporation (FDIC).

The financial institutions holding the Town's cash accounts are participating in the Federal Deposit Insurance Corporation (FDIC) program. For interest and non-interest bearing cash accounts, the Town's cash deposits, including certificates of deposit, are insured up to \$250,000 each (interest bearing and non-interest bearing) by the FDIC.

The Town's investment policy further restricts the investment options delegated to the Town Treasurer. The Town is authorized to invest in only U.S. Treasury bills less than one year, U.S. Treasury notes 1-5 years, certificates of deposit up to \$250,000 per bank with FDIC coverage from only 5 local banks, overnight repurchase agreements or deposit accounts, investment management agreements, local government investment pools, interest bearing checking accounts, or CDARS investment options.

At year-end, the government's carrying amount of deposits was \$12,726,143 and the bank balance was \$12,991,449 plus \$279,215 cash included with the investment portfolio for a total of \$13,270,664. The Town has no uninsured or uncollateralized deposits as of June 30, 2019.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

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

The Town 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 in active markets for identical assets.

Level 2 inputs are significant other observable inputs.

Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2019:

- U.S. Treasury securities and corporate bonds in the amount of \$1,815,142 are valued using quoted market prices (Level 1 inputs)

Generally, the Town's investing activity is managed under the custody of Bar Harbor Trust Services. Investing is performed in order to maximize safety, liquidity and yield, as outlined in the Town Council's Investment Policy.

Custodial credit risk - for an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment securities that are in the possession of an outside party. The investment funds are invested in securities, therefore, there are no uncollateralized investments and thus, no custodial credit risk exists.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rate, the investment funds through Bar Harbor Trust Services are managed by an investment manager to ensure that the funds are invested in less risky investments.

Credit risk - credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The treasurer selects appropriate investments and a trust department to fill each asset class allocation. The individual investment and trust department manager chosen shall be those determined to meet the objectives of the town investment policy in terms of safety, liquidity and yield.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value	1,506,757,400	
Tax Rate (per \$1,000)	<u>11.56</u>	
Commitment	<u>17,418,116</u>	
Appropriations	27,008,774	
Less:		
State Municipal Revenue Sharing	127,000	
Estimated Revenues	9,302,502	
BETE Reimbursement	35,441	
Homestead Reimbursement	<u>125,715</u>	
	<u>9,590,658</u>	
Net Assessment for Commitment	<u>17,418,116</u>	

Uncollected real estate taxes and personal property taxes at June 30 for the current year commitment totaled \$599,873, which represents tax collection of approximately 96.56% of the current year commitment, including supplemental taxes issued in the amount of \$1,520. The real estate portion of the total taxes due was placed on lien June 27, 2019. Unpaid prior year tax liens at June 30 totaled \$173,242.

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2019 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	32,763	4,689,613
Capital Project Funds	4,689,613	
Distracted Driving Grant		-
Water Fund	338	6,450
Wastewater Fund	<u> </u>	<u>26,651</u>
Totals	<u>4,722,714</u>	<u>4,722,714</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables and Payables (Continued)

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. They are classified as Due to/from Other Funds and are eliminated on the Statement of Net Position. At June 30, 2019, the balances above were due between funds. Monies are held in the general fund for ease of investing and disbursements. The balance for the water and wastewater fund of \$32,763 is expected to be repaid during the next year. The remaining balance will be retired upon use of the funds.

D. Capital Assets (Includes School)

Capital asset activity for the year ended June 30, 2019 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	3,060,891	2,402,184		5,463,075
Construction Work in Progress	307,744	284,063	(256,510)	335,297
	<u>3,368,635</u>	<u>2,686,247</u>	<u>(256,510)</u>	<u>5,798,372</u>
<i>Capital assets being depreciated:</i>				
Buildings	15,754,308	603,848		16,358,156
Equipment	7,808,002	850,540	(240,960)	8,417,582
Infrastructure	21,635,486	1,345,463	(30,949)	22,950,000
	<u>45,197,796</u>	<u>2,799,851</u>	<u>(271,909)</u>	<u>47,725,738</u>
<i>Total capital assets being depreciated</i>				
<i>Less accumulated depreciation for:</i>				
Buildings	4,324,285	409,222		4,733,507
Equipment	4,080,779	479,915	(217,408)	4,343,286
Infrastructure	13,525,648	440,908	(14,044)	13,952,512
	<u>21,930,712</u>	<u>1,330,045</u>	<u>(231,452)</u>	<u>23,029,305</u>
<i>Total accumulated depreciation</i>				
<i>Net capital assets being depreciated</i>	<u>23,267,084</u>	<u>1,469,806</u>	<u>(40,457)</u>	<u>24,696,433</u>
<i>Governmental Activities Capital Assets, net</i>	<u>26,635,719</u>	<u>4,156,053</u>	<u>(296,967)</u>	<u>30,494,805</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Business-type Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	161,026			161,026
<i>Capital assets being depreciated:</i>				
Water Fund	13,750,836	381,544	(87,909)	14,044,471
Wastewater Fund	20,538,031	270,765	(79,019)	20,729,777
<i>Total capital assets being depreciated</i>	34,288,867	652,309	(166,928)	34,774,248
<i>Less accumulated depreciation for:</i>				
Water Fund	3,839,527	318,141	(72,291)	4,085,377
Wastewater Fund	10,688,956	531,235	(71,420)	11,148,771
<i>Total accumulated depreciation</i>	14,528,483	849,376	(143,711)	15,234,148
<i>Net capital assets being depreciated</i>	19,760,384	(197,067)	(23,217)	19,540,100
<i>Business-type Activities Capital Assets, net</i>	19,921,410	(197,067)	(23,217)	19,701,126

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

Governmental Activities:

General Government	176,259
Public Safety	333,934
Health and Welfare	13,033
Parks and Recreation	67,677
Roads and Sanitation, including infrastructure	602,570
Education	136,572
Total Depreciation Expense - Governmental Activities	1,330,045

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. Annual debt service payments are budgeted and expended through the Town of Bar Harbor Capital Improvement Fund (CIP).

The following is a summary of long-term debt transactions of the Town of Bar Harbor for the year ended June 30, 2019:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Governmental activities:</i>					
<i>Bonds payable:</i>					
2004 School Heating System	371,252	-	(45,419)	325,833	47,749
2010 Capital Construction, Roads, etc.	2,220,000	-	(185,000)	2,035,000	185,000
2013 Public Works Complex	2,830,000	-	(140,000)	2,690,000	140,000
2014 Town Hall & Signage	2,070,000	-	(125,000)	1,945,000	125,000
2015 Refinanced Agamont Park & Seawall	280,000	-	(40,000)	240,000	40,000
2015 Public Safety Building	360,000	-	(20,000)	340,000	20,000
2018 Ladder Truck, Public Safety Building & Transfer Station Renovations	3,070,000	-	(160,000)	2,910,000	160,000
2019 Parking Meters, Ferry Terminal		2,875,000		2,875,000	230,000
2019 Ferry Terminal Taxable		1,225,000		1,225,000	-
<i>Sub-Total Bonds Payable</i>	11,201,252	-	(715,419)	14,585,833	947,749
 <i>Other Governmental long-term activities:</i>					
School Department Copier Capital Lease	33,207	-	(10,755)	22,452	11,066
School Department Printer Capital Lease	-	7,504	(2,664)	4,840	2,327
	33,207	7,504	(13,419)	27,292	13,393
 <i>Total Governmental Activities</i>	11,234,459	7,504	(728,838)	14,613,125	961,142
 <i>Business-Type Activities:</i>					
<i>Bonds payable:</i>					
<i>Water Department:</i>					
2002 Water Tank Purchase	181,480	-	(43,588)	137,892	44,755
2010 Water Mains	360,000	-	(30,000)	330,000	30,000
2011 Water Refinance Mains Replacement & Duck Brook Pump Station	1,913,239	-	(286,247)	1,626,992	293,944
2012 Safe Drinking Revolving Water Loan	2,046,046	-	(127,108)	1,918,938	128,379
2015 Route 3 Water Main Project	1,530,000	-	(85,000)	1,445,000	85,000
<i>Sub-Total Water Department</i>	6,030,765	-	(571,943)	5,458,822	582,078

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Wastewater Department:</i>					
2011 Wastewater Mains Replacement & Scada System	976,761	-	(58,753)	918,008	66,056
2015 Refinanced Hulls Cove Wastewater Plant	440,000	-	(35,000)	405,000	40,000
<i>Sub-Total Wastewater Department</i>	1,416,761	-	(93,753)	1,323,008	106,056
 <i>Total Business-Type Activities</i>	 7,447,526	 -	 (665,696)	 6,781,830	 688,134
 <i>Total Debt</i>	 18,681,985	 7,504	 (1,394,534)	 21,394,955	 1,649,276

Governmental Activities:

In 2004, the School Department was issued a bond for the school heating project from the Maine Municipal Bond Bank. The loan was issued for \$805,000 with annual principal and interest payments ranging from \$60,797 in fiscal year 2020 up to \$62,211 in the last fiscal year of 2025. Interest is payable semi annually at a rate of 4.57%. The balance at June 30, 2019 was \$325,833.

In 2010, the Town was issued a bond for capital construction roads and sidewalks from Hutchinson, Shockey, Erly & Co. The loan was issued for \$3,700,000 with annual principal and interest payments ranging from \$258,075 in fiscal year 2020 to \$192,400 for the last payment in fiscal year 2030. Interest is payable semi annually at a rate of 3.0 – 4.0%. The balance at June 30, 2019 was \$2,035,000.

In 2013, the Town was issued a bond for the public works facility from Robert W. Baird, Co. Inc. The loan was issued for \$3,350,000 with annual principal and interest payments ranging from \$231,687 in fiscal year 2020 to \$234,600 for the last payment in fiscal year 2034. Interest is payable semi annually at a rate of 3.0 – 4.0%. The balance at June 30, 2019 was \$2,690,000.

In 2014, the Town was issued a bond for the town hall & signage project from Morgan Stanley & Co. The loan was issued for \$2,442,000 with annual principal and interest payments ranging from \$608,961 in fiscal year 2020 to \$111,785 for the last payment in fiscal year 2035. Interest is payable semi annually at a rate of 2.5 – 4.0%. The balance at June 30, 2019 was \$1,945,000.

In 2015, the Town was issued a bond for the refinance of Agamont Park and seawall from Roosevelt & Cross, Inc. The loan was issued for \$360,000 with annual principal and interest payments ranging from \$47,800 in fiscal year 2020 to \$40,800 for the last payment in fiscal year 2025. Interest is payable semi annually at a rate of 4.0-4.38%. The balance at June 30, 2019 was \$240,000.

In 2015, the Town was issued a bond for the refinance of the public safety building from Roosevelt & Cross, Inc. The loan was issued for \$400,000 with annual principal and interest payments ranging from \$31,200 in fiscal year 2020 to \$20,300 for the last payment in fiscal year 2036. Interest is payable semi annually at a rate of 3.0 – 5.0%. The balance at June 30, 2019 was \$340,000.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

In 2018, the Town was issued a bond for the ladder truck, public safety building and transfer station renovations from Eastern Bank Capital. The loan was issued for \$3,070,000 with annual principal and interest payments ranging from \$272,100 in fiscal year 2020 to \$137,025 for the last payment in fiscal year 2038. Interest is payable semi annually at a rate of 3.0 – 5.0%. The balance at June 30, 2019 was \$2,910,000.

In 2019, the Town was issued a bond for parking meters and the tax exempt portion of the ferry terminal purchase from Roosevelt & Cross, Inc. The loan was issued for \$2,875,000 with annual principal and interest payments ranging from \$341,508 in fiscal year 2020 to \$116,725 for the last payment in fiscal year 2039. Interest is payable semi annually at a rate of 3.0 – 5.0%. The balance at June 30, 2019 was \$2,875,000.

In 2019, the Town was issued a bond for the taxable portion of the ferry terminal purchase from Robert W. Baird & Co. Inc. The loan was issued for \$1,225,000 with annual principal and interest payments ranging from \$48,204 in fiscal year 2020 to \$91,620 for the last payment in fiscal year 2039. Interest is payable semi annually at a rate of 3.0 – 5.0%. The balance at June 30, 2019 was \$1,225,000.

In 2016, the School Department entered into a capital lease for the purchase of copiers through a combined lease through the Mount Desert Island Consolidated School District. The Bar Harbor School Department portion of the lease was for \$53,819 with annual principal and interest payments of \$11,715. Interest is paid annually at a rate of 2.89%. The balance at June 30, 2019 was \$22,452.

In 2019, the School Department entered into a capital lease for the purchase of printers with Access Equipment. The lease was issued for \$7,503.90 with annual principal and interest payments of \$2,715. Interest is paid annually at a rate of 8.00%. The balance at June 30, 2019 was \$4,840.

Business-Type Activities:

In 2002, the Town was issued a bond for the water tank purchase from Maine Municipal Bond Bank. The loan was issued for \$750,000 with annual principal and interest payments ranging from \$49,552 in fiscal year 2020 to \$50,006 for the last payment in fiscal year 2022. Interest is payable semi annually at a rate of 2.67%. The balance at June 30, 2019 was \$137,892.

In 2010, the Town was issued a bond for water mains replacement from Hutchinson, Shockey, Erly & Co. The loan was issued for \$600,000 with annual principal and interest payments ranging from \$41,850 in fiscal year 2020 to \$31,200 for the last payment in fiscal year 2030. Interest is payable semi annually at a rate of 3.0 – 4.0%. The balance at June 30, 2019 was \$330,000.

In 2011, the Town was issued a bond for wastewater mains replacement and SCADA system from Morgan Stanley & Co. The loan was issued for \$1,316,000 with annual principal and interest payments ranging from \$92,955 in fiscal year 2020 to \$72,635 for the last payment in fiscal year 2032. Interest is payable semi annually at a rate of 2.5 – 3.5%. The balance at June 30, 2019 was \$918,008.

In 2011, the Town was issued a bond for water mains and to refinance the original water company purchase from Morgan Stanley & Co. The loan was issued for \$3,739,000 with annual principal and interest payments ranging from \$336,539 in fiscal year 2020 to \$85,077 for the last payment in fiscal year 2032. Interest is payable semi annually at a rate of 2.5 – 3.5%. The balance at June 30, 2019 was \$1,626,992.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

In 2012, the Town was issued a bond for Duck Brook water upgrades from the Safe Drinking Revolving Loan from the Maine Municipal Bond Bank. The loan was issued for \$2,679,150 with \$16,193 forgiven for a net total of \$2,662,957. Annual principal and interest payments ranging from \$154,273 in fiscal year 2020 to \$154,180 for the last payment in fiscal year 2033 are due. Interest is payable semi annually at a rate of 1.5%. The balance at June 30, 2019 was \$1,918,938.

In 2015, the Town was issued a bond for the Route 3 water project from Roosevelt & Cross, Inc. The loan was issued for \$1,700,000 with annual principal and interest payments ranging from \$132,600 in fiscal year 2020 to \$86,275 for the last payment in fiscal year 2036. Interest is payable semi annually at a rate of 2.5 – 5.0%. The balance at June 30, 2019 was \$1,445,000.

In 2015, the Town was issued a bond to refinance the wastewater Hulls Cove plant from Roosevelt & Cross, Inc. The loan was issued for \$510,000 with annual principal and interest payments ranging from \$54,650 in fiscal year 2020 to \$50,625 for the last payment in fiscal year 2028. Interest is payable semi annually at a rate of 4.0 – 4.38%. The balance at June 30, 2019 was \$405,000.

Annual debt service requirements to maturity including interest of \$5,459,116 (including fees) are as follows:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2020	947,749	532,997	1,480,746
2021	1,000,197	492,197	1,492,394
2022	1,007,772	452,587	1,460,359
2023	1,020,478	410,737	1,431,215
2024	1,033,323	367,885	1,401,208
2025-2029	4,311,314	1,303,252	5,614,566
2030-2034	3,585,000	561,126	4,146,126
2035-2039	1,680,000	117,122	1,797,122
Total	14,585,833	4,237,903	18,823,736

Year Ended June 30,	Business-Type Activities		
	Principal	Interest	Total
2020	688,134	174,285	862,419
2021	705,616	159,111	864,727
2022	713,144	141,800	854,944
2023	422,269	124,517	546,786
2024	428,592	113,023	541,615
2025-2029	2,173,267	380,333	2,553,600
2030-2034	1,480,808	123,044	1,603,852
2035-2039	170,000	5,100	175,100
Total	6,781,830	1,221,213	8,003,043

Totals	21,367,663	5,459,116	26,826,779
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TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION

A. Contingent Liabilities

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

The government is a defendant in various lawsuits which results from the normal course of its operations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the government.

B. Permanent Funds

The principal amount of all Permanent Funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The government's Permanent Funds at June 30 are detailed as follows:

<u>Purpose</u>	<u>Nonspendable</u>	<u>Assigned</u>
Cemetery Care	5,269	-
Scholarships	6,488	3,713
Total	11,757	3,713

C. Pension Plans

Plan Description

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

The ICMA RC (International City Management Association Retirement Corporation) is a qualified defined contribution plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular, full-time Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency as defined by the Internal Revenue Code provisions.

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

Funding Policy

Under the ICMA plan, covered employees contribute a percentage of their salary to the plan with the Town contributing 6.5% to 10.0%. The Town's costs for the fiscal years ended June 30, 2017, 2018 and 2019 were \$72,612, \$81,508 and \$77,899 respectively.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

C. Pension Plans (continued)

Social Security

The Town has a section 218 agreement to provide full Social Security coverage for its full time employees and at the Town's discretion may exclude part time employees. This agreement was enacted July 1, 1965.

D. Defined Benefit Employee Pension Plan

Plan Description

Qualifying personnel of the Town of Bar Harbor participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan and the Participating Local Districts (PLD) Consolidated Retirement Plan. Both plans are a multiple-employer, cost-sharing pension plan with a special funding situation for the SET Plan. The State of Maine is a non-employer contributing entity for the SET Plan in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for the teacher members. The System issues a financial report that includes the financial statements and required supplementary information for the plans. That report may be obtained by writing to Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349 or by calling 1-800-451-9800.

Pension Benefits

SET benefit terms are established in Maine Statute. The PLD Consolidated Plan has an advisory group, also established by statute, who review the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occur upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employees and teacher members.

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2019, the SET Plan member contribution rate was 7.65% and the employer contribution rate was 3.97% of applicable member compensation. The employer (School portion) is also responsible for contributing 11.68% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 11.08% of the applicable member compensation into the System. For the year ended June 30, 2019, the PLD Plan member contribution rate was 8.0% for the Regular AC Plan and 9.0% for the Special 4C Plan-Public Safety. Employer contribution rates were 10.0% for the Regular AC Plan and 8.7% for the Special 4C Plan of applicable member compensation.

The required contributions paid into the System for the year ended June 30, 2019 and the previous two years are as follows:

SET Plan:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>State of Maine Contributions</i>	<i>Applicable Member Compensation</i>	<i>Applicable Member Federal Compensation</i>
2019	\$ 237,249	\$ 133,916	\$ 333,383	\$ 3,101,296	\$ 92,422
2018	\$ 230,220	\$ 129,379	\$ 324,046	\$ 3,009,410	\$ 84,805
2017	\$ 233,126	\$ 111,546	\$ 296,672	\$ 3,047,399	\$ 86,602

PLD Plan SCHOOL PORTION:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>Applicable Member Compensation</i>
2019	\$ 13,788	\$ 17,234	\$ 172,344
2018	\$ 14,080	\$ 16,896	\$ 176,002
2017	\$ 14,471	\$ 17,184	\$ 180,888

PLD Plan - TOWN PORTION:

<i>For the year ended June 30,</i>	<i>Employee Contributions</i>	<i>Employer Contributions</i>	<i>Applicable Member Compensation</i>
2019	\$ 245,608	\$ 274,535	\$ 2,911,360
2018	\$ 225,123	\$ 241,823	\$ 2,671,400
2017	\$ 222,452	\$ 229,599	\$ 2,636,895

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Revenue Recognition

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

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

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

As of June 30, 2019, the Town of Bar Harbor reported a net pension liability of \$93,651 for the SET Plan and \$1,272,217 for the PLD Plan. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town of Bar Harbor's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2018, the Town of Bar Harbor's proportion of contributions was .006941% for the SET Plan and .464860% for the PLD Plan, which was a decrease of .000162% and a decrease of .012851% respectively from its proportion measured at June 30, 2017.

For the fiscal year ended June 30, 2019, the Town of Bar Harbor recognized pension expense of \$123,821 for the SET Plan and (\$221,837) for the PLD plan for a total of (\$98,016). At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>SET Plan:</i>	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	2,860	
Changes in Assumption	5,891	
Net Difference between projected and actual earnings on pension plan investments	-	12,176
Changes in proportion and differences between employer contributions and proportionate share of contributions	1	5,064
Employer contributions made subsequent to measurement date	133,916	
	<u>142,668</u>	<u>17,240</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

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

	<i>PLD Plan:</i>	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	3,983	13,973
Changes in Assumption	203,055	-
Net Difference between projected and actual earnings on pension plan investments	-	307,188
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,348	35,495
Employer contributions made subsequent to measurement date	291,769	
	<u>534,155</u>	<u>356,656</u>
Totals	<u>676,823</u>	<u>373,896</u>

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

<i>Year Ended June 30,</i>	<i>SET Plan</i>	<i>PLD Plan</i>
2019	3,215	184,148
2020	236	(10,045)
2021	(8,667)	(208,980)
2022	(3,271)	(79,395)

Actuarial Assumptions

The collective total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

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

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

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Actuarial Assumptions (continued)

Asset Valuation Method

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

Amortization

The IUUAL of the SET Plan is amortized on a level percentage of payrolls over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses, and changes are amortized over twenty-year periods beginning on the date as of which they occur.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follow:

	<u>SET Plan</u>	<u>PLD Plan</u>
Inflation	2.75%	2.75%
Investment Rate of Return:	6.75% per annum, compounded annually	6.75% per annum, compounded annually
Rates of Salary Increase	2.75 - 14.50% per year at selected years of service between 0 to 25 and over years	2.75% to 9.0% per year depending on years of service interval
Cost of Living Benefit:	2.20% per annum for Teachers	1.91% per annum

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
	<u>100.0%</u>	

Discount Rate

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

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the SET Plan and 6.75% for the PLD Plan as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Actuarial Assumptions (continued)

SET Plan:	1% Decrease █ (5.75%)	Current Discount Rate (6.75%)	1% Increase █ (7.75%)
Proportionate Share of the Net Pension Liability	\$ 173,068	\$ 93,651	\$ 27,510
 PLD Plan:	 1% Decrease █ (5.75%)	 Current Discount Rate (6.75%)	 1% Increase █ (7.75%)
Proportionate Share of the Net Pension Liability	\$ 2,998,446	\$ 1,272,217	\$ (341,334)

Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS' Actuarial Valuation Reports available online at www.mainebers.org or contacting the System at (207) 512-3100.

E. Risk Management

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

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

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

Based on the coverage provided by the pools described above, the town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2019.

The Town has separate coverage for its 26' police boat valued at \$176,397 along with \$1,000,000 liability for any one occurrence. Additionally, the Town obtained Marine Terminal Coverage after its purchase of the Ferry Terminal property in 2019 and signing a 5 year lease with Atlantic Fleet Services/Bay Ferries. The policy is \$1,000,000 liability coverage for each occurrence as a Marine Terminal Operators Liability. Separately, the Town requires the lessee (Atlantic Fleet Services and Bay Ferries) to provide evidence of \$5,000,000 each for coverage of General Liability, Marine Terminal Operator's Liability and Pollution Liability.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

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

Plan Description

Qualifying personnel of the School Department participate in the Group Life Insurance Plan for Retired State Employees and Teachers as provided by the Maine Public Employees Retirement System (SET Plan). The Plan is a multiple-employer, cost sharing plan with a special funding situation. As of June 30, 2018 there were 220 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the Plan.

Plan Description (continued)

The Group Life Insurance Plan for Retired Participating Local District (PLD Consolidated Plan) employees is a multiple-employer cost sharing plan. As of June 30, 2018, there were 138 employers participating in the plan.

Benefits

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

Funding Policy

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for basic life insurance for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit monthly a premium of \$0.46 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period.

Special Funding Situation – SET Plan

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

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

As of June 30, 2019, the Town of Bar Harbor reported a net OPEB liability of \$49,603 for the PLD Plan. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of that date. The Town of Bar Harbor's share of the collective net OPEB liability was equal to the collective net OPEB liability multiplied by the projection of the Town of Bar Harbor's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members. At June 30, 2018, the Town of Bar Harbor's proportion of contributions was .245548% for the PLD Plan, which was a decrease of .01516% from its proportion measured at June 30, 2017.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

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

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

For the fiscal year ended June 30, 2019, the Town of Bar Harbor recognized OPEB expense of \$592 for the PLD Plan. At June 30, 2019, the Town of Bar Harbor's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources were:

	<i>PLD Plan:</i>	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	4,186	-
Changes of Assumptions	3,180	9,153
Difference between projected and actual Investment		
Earnings on OPEB Plan Investments	-	2,604
Changes in proportion and differences between employer premiums and proportionate share of premiums	-	6,808
	<u>7,366</u>	<u>18,565</u>

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

<i>Year Ended June 30,</i>	<i>PLD Plan</i>
2019	(3,151)
2020	(3,151)
2021	(3,151)
2022	(2,659)
2023	913

Actuarial Methods and Assumptions

The collective total OPEB liability for the plans was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the funding methodologies. Costs are developed using the individual entry age normal cost method based on a level percentage of payroll. Experience gains and losses, i.e., actual decreases or increases in the liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

Amortization

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2018, there were 19 years remaining in the amortization schedule for the SET Plan and 12 years remaining for the PLD Plan. The actuarial assumptions used in the June 30, 2018 actuarial valuation was based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

	<u>SET Plan</u>	<u>PLD Plan</u>
Inflation	2.75%	
Annual Salary Increases, including Inflation	2.75% - 14.50%	2.75% - 9.00%
Investment Rate of Return	6.875% per annum, compounded annually	
Participation Rates for Future Retirees	100% of those currently enrolled	
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance	
Form of Benefit Payment	Lump Sum	
Mortality Rates	For active members and non-disabled retirees of the Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. These tables are adjusted by percentages ranging from 104% to 120% based on actuarially determined demographic differences.	

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

Assets of the Plans are pooled for investment purposes and are allocated to each Plan based on each Plan's fiduciary net position. The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional Credit	15.0%	3.0%
US Government	10.0%	2.3%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.75% for 2018 for the SET Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on SET Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate used to measure the total OPEB liability for the PLD Plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Projections of the Plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2047. Therefore, the portion of future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

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

The following presents the Town of Bar Harbor's proportionate share of the net OPEB liability calculated using the discount rate of 5.13% for the PLD Plan as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

PLD Plan:

	<i>1% Decrease</i> ▼ <i>(4.13%)</i>	<i>Current Discount</i> <i>Rate (5.13%)</i>	<i>1% Increase</i> ▼ <i>(6.13%)</i>
Proportionate Share of the Net OPEB Liability	\$ 65,533	\$ 49,603	\$ 37,043

On-Behalf Payments

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

	<i>Allocation of:</i>		
	<i>On-Behalf</i>	<i>Benefits</i>	<i>Net OPEB</i>
	<i>Payments</i>	<i>Expense</i>	<i>Liability</i>
2018	\$8,344	\$8,826	\$91,447

G. Other Postemployment Benefits (OPEB)-Maine Municipal Employees Health Trust (MMEHT)

Plan description

Qualifying personnel of the Town can participate in the Maine Municipal Employees Health Trust postretirement benefit plan. The plan is a single employer Other Post Employment Benefit (OPEB) plan.

Benefits provided

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

G. Other Postemployment Benefits (OPEB)-MMEHT (continued)

Benefits provided (continued)

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

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

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

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

Employees covered by benefit terms:

At June 30, 2019, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	50
Average age	45.18
Average service	9.61
Retirees	3
Average Retiree Age	69.25

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.10% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

G. Other Postemployment Benefits (OPEB)-MMEHT (continued)

Actuarial assumptions (continued)

Healthcare cost trend rates:

Pre-Medicare Medical: Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Pre-Medicare Drug: Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Medical: Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Drug: Initial trend of 9.60% applied in FYE 2017 grading over 14 years to 4.00% per annum.

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

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

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal Employees Health Trust through June 30, 2017 were used by the Actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

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

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2019 is based upon an earlier measurement date, as of December 28, 2017 and is 3.44% per annum. The discount rate as of June 30, 2019 is based upon an earlier measurement date, as of December 27, 2018 and is 4.10% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

G. Other Postemployment Benefits (OPEB)-MMEHT (continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at 1/1/18	429,795	-	429,795
Changes for the year:			-
Service Cost	20,421		20,421
Interest	15,376		15,376
Changes of benefits	-		-
Differences between expected and actual experience	-		-
Changes of assumptions	(42,559)		(42,559)
Contributions - employer		6,549	(6,549)
Contributions - member			-
Net investment income			-
Benefit payments	(6,549)	(6,549)	-
Administrative expense			-
Net Change	(13,311)	-	(13,311)
Balances at 1/1/19	416,484	-	416,484

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current discount rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB liability (asset)	\$ 483,427	\$ 416,484	\$ 362,203

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Current Discount	1% Increase
Net OPEB liability (asset)	\$ 356,177	\$ 416,484	\$ 492,833

A 1% decrease in the healthcare trend rate decreases the TOL by approximately 14.5%. A 1% increase in the healthcare trend rate increases the TOL by approximately 18.3%.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

G. Other Postemployment Benefits (OPEB)-MMEHT (continued)

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

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

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

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	18,142	
Changes in Assumption	41,800	37,830
Net Difference between projected between projected and actual earnings on pension plan investments	-	
	<u>59,942</u>	<u>37,830</u>

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

2020	3,835
2021	3,835
2022	3,835
2023	3,835
2024	3,835
Thereafter	2,937

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT)

Plan Description

The AOS 91 – Bar Harbor-Maine Education Association Benefits Plan is a single employer OPEB plan with a measurement date of June 30, 2018, and an employer reporting date of June 30, 2019, for the 2019 year.

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

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

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT) (continued)

Benefits Provided:

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

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

Eligibility:

The employee must have participated in the MEA Benefits Trust Health plan for the 12 months prior to retirement, and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits.

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

Employees Covered by Benefit Terms

Membership Information:

	Active Count	64		
	Active Average Age	49.1		
	Active Average Service	14.3		
Inactive:				
Retirees Under 65	2	Spouses Under 65	-	
Average Age	61.5	Average Age	N/A	
Retirees Over 65	34	Spouses Over 65	4	
Average Age	76.88	Average Age	75	
Total Retirees	36	Total Spouses	4	
Total Average Age	76.03	Total Average Age	74.75	

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT) (continued)

Cost Sharing Provisions

The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members.

The retiree pays 55% of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse. The Maine Education Association Benefits Trust is not responsible for the premium, but instead, the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability throughout the report.

Funding Policy

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2017 is 3.58% per annum. The discount rate as of June 30, 2018 is 3.87% per annum. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Net OPEB Liability

The School's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method

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

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT) (continued)

Asset Valuation Method

This actuarial valuation reflects the use of the Entry Age Normal Cost Method

Significant Actuarial Assumptions

Discount Rate:	3.87% per annum
Salary Increases:	For the level percentage of pay entry method, total payroll is assumed to grow at 2.75% per year
Participation Rates for Future Retirees:	Retirement – 70% for member and 10% for spouse Disability – 100% for member and 20% for spouse
Trend Assumptions:	<i>Pre-Medicare:</i> Initial trend of 5.55% applied in FYE grading over 15 years to 3.73% pre annum <i>Medicare:</i> Initial trend of 3.72% applied to FYE 2018 grading over 15 years to 2.81% per annum
Rate of Mortality:	Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT) (continued)

Changes in Net OPEB Liability

		<i>Increase/(Decrease)</i>	
	<i>Net OPEB</i>	<i>Plan Fiduciary</i>	<i>Net OPEB</i>
	<i>Liability</i>	<i>Net Position</i>	<i>Liability</i>
Total OPEB Liability			
Service cost	\$ 6,264		\$ 6,264
Interest	\$ 31,450		\$ 31,450
Changes of benefits	\$ -		\$ -
Differences between expected and actual experience	\$ -		\$ -
Changes of assumptions	\$ (38,456)		\$ (38,456)
Contributions - employer		\$ 29,299	\$ (29,299)
Contributions - member			\$ -
Net investment income			\$ -
Benefit payments	\$ (29,299)	\$ (29,299)	\$ -
Administrative expense	\$ -		\$ -
Net change in total OPEB liability	\$ (30,041)	\$ -	\$ (30,041)
Net OPEB liability beginning	\$ 886,741	\$ -	\$ 886,741
Net OPEB liability ending	<u>\$ 856,700</u>	<u>\$ -</u>	<u>\$ 856,700</u>

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

Sensitivity of Net OPEB Liability to Changes in Discount Rate

	<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
	<i>(2.87%)</i>	<i>Rate (3.87%)</i>	<i>(4.87%)</i>
Total OPEB Liability	\$ 1,000,904	\$ 856,700	\$ 741,681
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 1,000,904</u>	<u>\$ 856,700</u>	<u>\$ 741,681</u>

A 1% decrease in the discount rate increases the Net OPEB Liability by approximately 16.8%. A 1% increase in the discount rate decreases the Net OPEB Liability by approximately 13.4%.

NOTE 4 - OTHER INFORMATION (Continued)

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

H. Other Postemployment Benefits (OPEB)-AOS #91-Bar Harbor-Maine Education Association Benefits Trust (MEABT) (continued)

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

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 736,272	\$ 856,700	\$ 1,007,753
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 736,272</u>	<u>\$ 856,700</u>	<u>\$ 1,007,753</u>

A 1% decrease in the healthcare trend rates decreases the Net OPEB Liability by approximately 14.1%. A 1% increase in the healthcare trend rate increases the Net OPEB Liability by approximately 17.6%.

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

For the year ended June 30, 2019, Bar Harbor School Department recognized OPEB expense of \$31,305. At June 30, 2019, Bar Harbor School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Deferred Inflows and Outflows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ -
Changes in Assumptions	\$ -	\$ 32,047
Net difference between projected and actual earnings on OPEB plan investments	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ 32,047</u>

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

Year ended June 30,:	
2019	\$ (6,409)
2020	\$ (6,409)
2021	\$ (6,409)
2022	\$ (6,409)
2023	\$ (6,411)
Thereafter	\$ -

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION (Continued)

H. Related Party Transactions

The Town of Bar Harbor had several related party transactions to disclose for fiscal year 2019. Paradis True Value is owned by Paul Paradis, member of the Town Council. Paradis True Value was paid a total of \$19,822.16 for materials/supplies. The Town also paid \$9,840 to the spouse of the planning board chair for consulting.

G. Restatement of Government Wide Net Position

The beginning government wide net position was restated from a beginning balance of \$22,868,938 to the restated balance of \$21,943,741. The beginning balance restatement adjustment in the amount of \$925,197 resulted from recognition of the Maine Education Association Benefits Trust other post-employment benefits liability for health insurance and related deferred outflows and inflows of resources as required by GASB Statement #75.

TOWN OF BAR HARBOR

Exhibit H

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNASSIGNED FUND BALANCE

BUDGET AND ACTUAL - GENERAL UNASSIGNED FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	18,433,116	18,433,116	18,409,625	(23,491)
Intergovernmental Revenues	336,856	336,856	336,067	(789)
Departmental Revenues	1,051,125	1,053,625	1,141,509	87,884
Other Local Sources	285,367	285,367	432,546	147,179
Total Revenues	20,106,464	20,108,964	20,319,747	210,783
Expenditures				
General Government	3,088,848	3,089,848	2,977,712	112,136
Public Safety	3,213,377	3,214,877	3,202,136	12,741
Health and Welfare	144,401	144,401	145,956	(1,555)
Parks and Recreation	429,722	429,722	416,358	13,364
Island Explorer Shuttle Bus	40,157	40,157	40,157	-
Roads and Sanitation	1,962,695	2,013,695	2,006,043	7,652
Assessments	3,935,692	3,935,692	3,850,673	85,019
Total Expenditures	12,814,892	12,868,392	12,639,035	229,357
Excess Revenues Over Expenditures	7,291,572	7,240,572	7,680,712	440,140
Other Financing Sources				
Transfers In	364,479	364,479	363,941	(538)
Transfers Out	(7,726,051)	(7,726,051)	(7,726,051)	-
Total Other Financing Sources	(7,361,572)	(7,361,572)	(7,362,110)	(538)
Net Change in Fund Balance	(70,000)	(121,000)	318,602	439,602
Beginning Fund Balance - Unassigned			760,950	
(Increase) Decrease in Assigned Fund Balances			(92,000)	
Ending Fund Balance - Unassigned			987,552	

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit I
Page 1 of 3

Schedule 1 - Proportionate Share of the Net Pension Liability:

	Town Portion: Participating Local Districts Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Proportion of net pension liability	0.464860%	0.477711%	0.459644%	0.445634%	0.443395%
Proportionate share of net pension liability	\$1,193,594	\$1,830,356	\$2,297,894	\$1,339,178	\$633,175
Covered employee payroll	\$2,911,360	\$2,671,400	\$2,636,895	\$2,356,080	\$2,364,202
Proportionate share of the net pension liability as a percentage of its covered employee payroll	41.00%	68.52%	87.14%	56.84%	26.78%
Plan Total Pension Liability	\$3,089,857,220	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	<u>\$2,816,179,855</u>	<u>\$2,607,223,644</u>	<u>\$2,358,409,925</u>	<u>\$2,401,889,308</u>	<u>\$2,455,776,671</u>
Plan Net Pension Liability	<u><u>\$273,677,365</u></u>	<u><u>\$409,437,077</u></u>	<u><u>\$531,330,709</u></u>	<u><u>\$319,046,701</u></u>	<u><u>\$153,881,174</u></u>
Plan Fiduciary Net Position as a % Of the Total Pension Liability	91.143%	86.427%	81.613%	88.274%	94.103%
Plan Covered Employee Payroll	\$561,126,768	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension Liability as a % Of the Covered Employee Payroll	48.773%	75.462%	101.813%	64.115%	33.450%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of Contributions:

	Town Portion: Participating Local Districts Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Contractually required contribution	\$274,535	\$241,823	\$229,599	\$192,895	\$176,184
Contribution in relation to the contractually required contribution	<u>(\$274,535)</u>	<u>(\$241,823)</u>	<u>(\$229,599)</u>	<u>(\$192,895)</u>	<u>(\$176,184)</u>
Contribution deficiency	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered employee payroll	\$2,911,360	\$2,671,400	\$2,636,895	\$2,356,080	\$2,364,202
Contributions as a percentage of covered employee payroll	9.43%	9.05%	8.71%	8.19%	7.45%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit I
Page 2 of 3

Schedule 1 - Proportionate Share of the Net Pension Liability:

	School Portion: Participating Local Districts Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Proportion of net pension liability	0.464860%	0.477711%	0.459644%	0.445634%	0.443395%
Proportionate share of net pension liability	\$78,623	\$125,570	\$144,336	\$82,606	\$49,126
Covered employee payroll	\$172,345	\$176,002	\$180,888	\$148,102	\$145,894
Proportionate share of the net pension liability as a percentage of its covered employee payroll	45.62%	71.35%	79.79%	55.78%	33.67%
Plan Total Pension Liability	\$3,089,857,220	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	<u>\$2,816,179,855</u>	<u>\$2,607,223,644</u>	<u>\$2,358,409,925</u>	<u>\$2,401,889,308</u>	<u>\$2,455,776,671</u>
Plan Net Pension Liability	<u><u>\$273,677,365</u></u>	<u><u>\$409,437,077</u></u>	<u><u>\$531,330,709</u></u>	<u><u>\$319,046,701</u></u>	<u><u>\$153,881,174</u></u>
Plan Fiduciary Net Position as a % Of the Total Pension Liability	91.143%	86.427%	81.613%	88.274%	94.103%
Plan Covered Employee Payroll	\$561,126,768	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension Liability as a % Of the Covered Employee Payroll	48.773%	75.462%	101.813%	64.115%	33.450%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of Contributions:

	School Portion: Participating Local Districts Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Contractually required contribution	\$17,234	\$16,896	\$17,184	\$13,181	\$11,380
Contribution in relation to the contractually required contribution	<u>(\$17,234)</u>	<u>(\$16,896)</u>	<u>(\$17,184)</u>	<u>(\$13,181)</u>	<u>(\$11,380)</u>
Contribution deficiency	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered employee payroll	\$172,345	\$176,002	\$180,888	\$148,102	\$145,894
Contributions as a percentage of covered employee payroll	10.00%	9.60%	9.50%	8.90%	7.80%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit I
Page 3 of 3

Schedule 1 - Proportionate Share of the Net Pension Liability:

	School Portion: State Employees and Teachers Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Proportion of net pension liability	0.006941%	0.007103%	0.007829%	0.007559%	0.00647%
Proportionate share of net pension liability	\$93,651	\$103,174	\$138,312	\$102,069	\$69,897
Covered employee payroll	\$3,101,296	\$3,009,410	\$3,047,399	\$2,998,911	\$2,939,456
Proportionate share of the net pension liability as a percentage of its covered employee payroll	3.02%	3.43%	4.54%	3.40%	2.38%
Plan Total Pension Liability	\$14,031,187,845	\$13,484,886,512	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	<u>\$11,632,192,771</u>	<u>\$10,893,291,864</u>	<u>\$9,960,335,390</u>	<u>\$10,242,097,022</u>	<u>\$10,337,615,927</u>
Plan Net Pension Liability	<u>\$2,398,995,074</u>	<u>\$2,591,594,648</u>	<u>\$3,109,619,558</u>	<u>\$2,374,190,032</u>	<u>\$1,982,542,856</u>
Plan Fiduciary Net Position as a % Of the Total Pension Liability	82.902%	80.781%	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$1,808,274,919	\$1,860,230,663	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	132.668%	139.316%	171.194%	139.727%	118.230%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

Schedule 2 - Schedule of Contributions:

	School Portion: State Employees and Teachers Plan				
	For the Fiscal Year Ended June 30, 2019	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2017	For the Fiscal Year Ended June 30, 2016	For the Fiscal Year Ended June 30, 2015
Contractually required contribution	\$133,916	\$129,379	\$111,547	\$110,512	\$90,466
Contribution in relation to the contractually required contribution	<u>(\$133,916)</u>	<u>(\$129,379)</u>	<u>(\$111,547)</u>	<u>(\$110,512)</u>	<u>(\$90,466)</u>
Contribution deficiency	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered employee payroll	\$3,101,296	\$3,009,410	\$3,047,399	\$2,998,911	\$2,939,456
Contributions as a percentage of covered employee payroll	4.32%	4.30%	3.66%	3.69%	3.08%

* Amounts presented for each fiscal year were determined as of June 30.
A full year schedule will be displayed as it becomes available.

**TOWN OF BAR HARBOR
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date June 30, 2018, is as follows:

A. Actuarial Cost Method

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

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

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

B. Asset Valuation Method

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

C. Amortization

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

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

Inflation	2.75%
Salary Increases	2.75% - 14.50% Teachers 2.75% - 9.00% PLD Plan members
Investment Rate of Return	6.75%, per annum, compounded annually
Cost of Living Benefit Increases	2.20%

TOWN OF BAR HARBOR
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

For School Department and Town employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 30, 2018.

TOWN OF BAR HARBOR

Exhibit J

REQUIRED SUPPLEMENTARY INFORMATION

OPEB SCHEDULES - LAST 10 FISCAL YEARS - MAINE MUNICIPAL EMPLOYEES HEALTH TRUST
FOR THE YEAR ENDED JUNE 30, 2019Schedule 1 - MMEHT Schedule of Changes in Net OPEB Liability and Related Ratios

	For the Fiscal Year Ended 6/30/2019	For the Fiscal Year Ended 6/30/2018
<u>Total OPEB Liability</u>		
Service Cost (BOY)	20,421	11,534
Interest (includes interest on service cost)	15,376	12,926
Changes of benefit terms	-	-
Differences between expected and actual experience	-	23,326
Changes in assumptions	(42,559)	151,326
Benefit payments, including refunds of member contributions	(6,549)	(4,295)
Net Change in total OPEB liability	(13,311)	194,817
Total OPEB liability - beginning	429,795	234,978
Total OPEB liability - ending	416,484	429,795
<u>Plan fiduciary net position</u>		
Contributions - employer	6,549	4,295
Contributions - member		
Net investment income		
Benefit payments, including refunds of member contributions	(6,549)	(4,295)
Administrative expense		
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	-	-
Net OPEB liability - ending	416,484	429,795
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.0%	0.0%
Covered Employee Payroll	2,464,237	2,464,237
Net OPEB Liability as a % Of the Covered Employee Payroll	16.9%	17.4%

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

Schedule 2 - Schedule of Contributions:

	For the Fiscal Year Ended 6/30/2019	For the Fiscal Year Ended 6/30/2018
Contractually required contribution	6,549	4,295
Contribution in relation to the contractually required contribution	(6,549)	(4,295)
Contribution deficiency	-	-

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

TOWN OF BAR HARBOR
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 – Actuarial Methods and Assumptions-Maine Municipal Employees Health Trust OPEB

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Changes of Assumptions

The discount rate was changed from 3.44% to 4.10% per GASB 75 discount rate selection. There were no other changes to data, assumptions and methodology.

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age
Amortization method	Level Dollar
Amortization period	30 years
Discount Rate	4.10% per annum
Salary Increase Rate	2.75 per year
Administration and claims expense	3% per annum
Retirement Age	65

Healthcare cost trend rates:

Pre-Medicare Medical: Initial trend of 8.20% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Pre-Medicare Drug: Initial trend of 9.60% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Medical: Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4.00% per annum.

Medicare Drug: Initial trend of 9.60% applied FYE 2017 grading over 14 years to 4.00% per annum.

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

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES - LAST 10 FISCAL YEARS - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit K

Schedule 1 - MPERS PLD Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

	<i>For the Fiscal Year Ended 6/30/2019</i>	<i>For the Fiscal Year Ended 6/30/2018</i>
<u>Total OPEB Liability</u>		
Service Cost (BOY)	1,087	1,616
Interest (includes interest on service cost)	4,190	4,214
Changes of benefit terms	(4,822)	-
Differences between expected and actual experience	5,023	-
Changes in assumptions	3,816	(14,577)
Benefit payments, including refunds of member contributions	(3,758)	(3,636)
Net Change in total OPEB liability	5,536	(12,383)
Total OPEB liability - beginning	82,917	95,300
Total OPEB liability - ending	88,453	82,917
<u>Plan fiduciary net position</u>		
Contributions - employer	2,626	2,704
Contributions - member	(2,286)	-
Net investment income	3,274	4,533
Benefit payments, including refunds of member contributions	(3,758)	(3,636)
Administrative expense	(328)	(623)
Net change in plan fiduciary net position	(471)	2,979
Plan fiduciary net position - beginning	39,322	36,344
Plan fiduciary net position - ending	38,851	39,322
Net OPEB liability - ending	49,603	43,594
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	43.92%	47.42%
Covered Employee Payroll	678,417	679,282
Net OPEB Liability as a % Of the Covered Employee Payroll	7.31%	6.42%

* This information will be presented each year until 10 years of such information is available.

Schedule 2 - Schedule of Employer Contributions:

	<i>For the Fiscal Year Ended 6/30/2019</i>	<i>For the Fiscal Year Ended 6/30/2018</i>
Contractually required contribution	2,626	2,989
Contribution in relation to the contractually required contribution	(2,626)	(2,704)
Contribution deficiency	-	285
Covered employee payroll	678,417	679,282
Contributions as a percentage of covered employee payroll	0.39%	0.40%

* This information will be presented each year until 10 years of such information is available.

TOWN OF BAR HARBOR
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 – Actuarial Methods and Assumptions-Maine Public Employees Retirement System OPEB

Actuarial Methods and Assumptions

The collective total OPEB liability for the plans was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions, applied to all periods included in the measurement:

Benefit Changes

There were no significant changes in benefits during the year.

Changes of Assumptions

The discount rate changed to 5.13%. There were no other changes to assumptions.

Net OPEB Liability

The Town’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Amortization period	12 years	
Discount Rate	5.13%	
Salary Increase Rate	2.75% - 9.00%	
Administration and claims expense	3% per annum	
Retirement Age		65

TOWN OF BAR HARBOR

Exhibit L

REQUIRED SUPPLEMENTARY INFORMATION

OPEB SCHEDULES SCHOOL DEPARTMENT MEA BENEFITS TRUST- LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2019Schedule 1 - Schedule of Changes in Net OPEB Liability and Related Ratios

	For the Fiscal Year Ended June 30, 2019
<u>Total OPEB Liability</u>	
Service Cost (BOY)	\$6,264
Interest (includes interest on service cost)	\$31,450
Changes of benefits	\$0
Differences between expected and actual experience	\$0
Changes in assumptions	(\$38,456)
Benefit payments, including refunds of member contributions	(\$29,299)
Net Change in total OPEB liability	(\$30,041)
Total OPEB liability - beginning	\$886,741
Total OPEB liability - ending	\$856,700
<u>Plan fiduciary net position</u>	
Contributions - employer	\$29,299
Contributions - member	
Net investment income	
Benefit payments, including refunds of member contributions	(\$29,299)
Administrative expense	
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	
Plan fiduciary net position - ending	-
Net OPEB liability - ending	\$856,700
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.000%
Covered Employee Payroll	\$3,077,332
Net OPEB Liability as a % Of the Covered Employee Payroll	27.839%

Schedule 2 - Schedule of Contributions:

	For the Fiscal Year Ended June 30, 2019
Contractually required contribution	\$29,299
Contribution in relation to the contractually required contribution	(\$29,299)
Contribution deficiency	\$0

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

TOWN OF BAR HARBOR
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS-MEABT
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – Actuarial Methods and Assumptions

This is the first valuation performed under GASB No. 75. The valuation report has a measurement date of June 30, 2018 and an employer reporting date of June 30, 2019. The changes that are provided in the deferred inflows and outflows are related to the change in the discount rate between the beginning of the measurement date and the end of the measurement date. No other changes in assumptions were made.

Asset Valuation Method

This actuarial valuation reflects the use of the Entry Age Normal Cost Method

Significant Actuarial Assumptions

Discount Rate:	3.87% per annum
Salary Increases:	For the level percentage of pay entry method, total payroll is assumed to grow at 2.75% per year
Participation Rates for Future Retirees:	Retirement – 70% for member and 10% for spouse Disability – 100% for member and 20% for spouse
Trend Assumptions:	<i>Pre-Medicare:</i> Initial trend of 5.55% applied in FYE grading over 15 years to 3.73% pre annum <i>Medicare:</i> Initial trend of 3.72% applied to FYE 2018 grading over 15 years to 2.81% per annum
Rate of Mortality:	Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-1
Page 1 of 2

	<i>Estimated</i>	<i>Actual</i>	<i>Over(Under) Budget</i>
Taxes			
Property	17,418,116	17,241,788	(176,328)
Auto Excise	940,000	1,085,709	145,709
Boat Excise	13,500	14,537	1,037
Interest/Fees on Taxes	61,500	67,591	6,091
	18,433,116	18,409,625	(23,491)
Intergovernmental Revenues			
State of Maine			
Municipal Revenue Sharing	127,000	135,186	8,186
General Assistance	400	347	(53)
Tree Growth	4,200	5,181	981
Veterans Reimbursement	2,100	1,860	(240)
Homestead Reimbursement	125,715	115,289	(10,426)
BETE Reimbursement	35,441	35,557	116
Federal			
Acadia National Park - PILT	42,000	42,647	647
	336,856	336,067	(789)
Departmental Revenues			
Ambulance/Fire			
Ambulance Service	387,200	340,518	(46,682)
Police			
Police Detail	9,000	14,438	5,438
Parking Tickets	36,000	30,909	(5,091)
Mutual Aid Reimbursement	23,975	38,953	14,978
All Other	117,925	131,987	14,062
Planning / Code			
Building Permits	101,000	137,282	36,282
Plumbing Permits	26,000	14,710	(11,290)
Electrical Inspections	26,000	31,887	5,887
Vacation Rental Permits	900	20,150	19,250
Septic Permit	-	8,743	8,743
Plan Board/Subdivision & Rezoning	4,500	12,360	7,860
Site Plan Review	8,500	12,629	4,129
All Other	4,350	5,800	1,450
Harbor Fees			
Docking	37,000	50,377	13,377
Moorings	4,600	4,153	(447)
All Other	15,300	14,311	(989)
Solid Waste			
Sale of Recyclables	-	9,900	9,900
All Other	300	375	75
Public Works			
All Other	10,883	13,443	2,560
Parks and Recreation			
Park and Recreation Fees	700	900	200
Fire Department	1,500	1,736	236

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-1
Page 2 of 2

	<i>Estimated</i>	<i>Actual</i>	<i>Over(Under)</i> <i>Budget</i>
Departmental Revenues (Continued)			
Finance			
Administrative Services	163,502	163,502	-
Auto Registrations	16,000	16,191	191
Boat/RV Registrations/Snowmobile Fees	1,670	1,365	(305)
Municipal Building Leases	32,500	36,705	4,205
Town Clerk			
Clerk's Fees	14,520	16,269	1,749
All Other	9,800	11,916	2,116
	<u>1,053,625</u>	<u>1,141,509</u>	<u>87,884</u>
Other Local Sources			
Interest on Investments	27,000	149,788	122,788
Kids Corner Lease	6,600	6,650	50
Island Explorer Lease	21,657	21,657	-
Other Rentals	3,000	6,032	3,032
Jackson Laboratory - PILT	88,510	93,900	5,390
Housing Authority - PILT	29,000	33,724	4,724
Other - PILT	16,100	19,437	3,337
Cable TV Franchise	84,000	90,998	6,998
Insurance Dividends	8,000	8,697	697
Donations, Maps, Copies	1,000	1,000	-
All Other	500	663	163
	<u>285,367</u>	<u>432,546</u>	<u>147,179</u>
Operating Transfers In			
Cemetery Income	25	89	64
Cruise Ship Fund	358,354	358,353	(1)
Dog Control Reserve	2,900	2,636	(264)
Shellfish Conservation	3,200	2,863	(337)
	<u>364,479</u>	<u>363,941</u>	<u>(538)</u>
Total Revenues, Operating Transfers and Other Financing Sources	<u>20,473,443</u>	<u>20,683,688</u>	<u>210,245</u>
Beginning Fund Balance Used	<u>121,000</u>		
Total	<u>20,594,443</u>		

TOWN OF BAR HARBOR

GENERAL FUND

STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES

FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-2

Page 1 of 2

	<i>Encumbered From 6/30/18</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/20</i>	<i>(Over) Under Budget</i>
General Government					
Town Council		39,537	35,212		4,325
Town Manager		129,852	124,862		4,990
Town Clerk	6,730	125,904	118,345	2,434	11,855
Finance	1,280	350,562	352,773		(931)
Legal Counsel		36,950	54,220		(17,270)
Elections		15,523	13,189		2,334
Technology	11,805	158,396	155,231	10,600	4,370
Municipal Building	2,250	80,196	86,046		(3,600)
Town Offices		40,851	43,163		(2,312)
Employee Benefits		1,562,759	1,505,017	7,995	49,747
Insurance		92,100	87,660		4,440
Assessing	2,930	141,626	137,892	3,070	3,594
Code Enforcement		72,687	74,430		(1,743)
Planning	15,837	132,839	126,426	11,332	10,918
27th Pay Period		15,000	6,108		8,892
Vacation Accruals		18,000	33,068		(15,068)
Contracted Services		8,700	5,700		3,000
Charter Commission		-	136		(136)
Contingency`	5,000	53,366	15,000		43,366
Abatements/Discount on Taxes		15,000	13,635		1,365
	45,832	3,089,848	2,988,113	35,431	112,136
Public Safety					
Ambulance		-	-		-
Fire Department	3,123	889,130	885,013	1,100	6,140
Public Fire Protection - Hydrants		585,602	585,604		(2)
Police Department		1,273,053	1,272,780		273
Public Safety Building		43,548	45,930		(2,382)
Street Lights		71,575	65,925	2,000	3,650
Dispatch		227,568	220,185		7,383
Harbor Division		124,401	126,722		(2,321)
	3,123	3,214,877	3,202,159	3,100	12,741
Health and Welfare					
General Assistance		1,187	496		691
Cooperating Agencies		45,092	45,092		-
Emergency Management		-	-		-
Comfort Station		98,122	100,368		(2,246)
	-	144,401	145,956	-	(1,555)

TOWN OF BAR HARBOR

GENERAL FUND

STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES

FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-2

Page 2 of 2

	<i>Encumbered From 6/30/18</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/20</i>	<i>(Over) Under Budget</i>
Parks and Recreation					
Parks & Recreation		429,722	416,358		13,364
Island Explorer Shuttle Bus	-	40,157	40,157	-	-
Roads and Sanitation					
Public Works		149,726	148,951		775
Highway Division	14,426	1,132,514	1,082,238	13,445	51,257
Solid Waste	1,119	731,455	773,154	3,800	(44,380)
	15,545	2,013,695	2,004,343	17,245	7,652
Total Appropriations, Expenditures and Encumbrances	64,500	8,932,700	8,797,086	55,776	144,338
Assessments					
Regional School District		3,152,145	3,152,145		-
County Tax		698,528	698,528		-
Overlay		85,019	-		85,019
	-	3,935,692	3,850,673	-	85,019
Operating Transfers Out					
Elementary School		5,430,046	5,430,046		-
			-		-
			-		-
Capital Improvements Program		2,296,005	2,296,005		-
	-	7,726,051	7,726,051	-	-
Totals	64,500	20,594,443	20,373,810	55,776	229,357

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-3

Unassigned Fund Balance, July 1	760,950	
Unassigned Fund Balance, June 30	<u>987,552</u>	
Increase (Decrease)		<u><u>226,602</u></u>
Analysis of Change:		
Budget Summary:		
Revenue Surplus	210,245	
Unexpended Balance of Appropriations	144,338	
Unexpended Balance (Overdraft) of Assessments and Operating Transfers	<u>85,019</u>	439,602
(Increase) Decrease in Assigned Fund Balances:		
Assigned for Working Capital		(92,000)
Fund Balance Used to Fund Appropriations		<u>(121,000)</u>
Increase (Decrease)		<u><u>226,602</u></u>

TOWN OF BAR HARBOR
GENERAL RESERVES, COMMITTED FUNDS & SCHOOL DEPARTMENT
COMBINING BALANCE SHEET
JUNE 30, 2019

Exhibit A-4

Assets	Cruise Ship Fund	Parking Meter Fund	School Department	Total
Cash		283,140		283,140
Accounts Receivable	146,696	14,024	6,979	167,699
Due from Other Governments			81,061	81,061
Inventory			865	865
Due from Other School Funds			141,779	141,779
Due from Other Funds	395,923	-	1,437,355	1,833,278
Total Assets	542,619	297,164	1,668,039	2,507,822
Liabilities & Fund Balances				
Liabilities				
Accrued Salaries Payable		7,659	459,785	467,444
Due to Students			4,922	4,922
Accounts Payable	2,270	22,300	127,469	152,039
Due to Other School Funds			141,779	141,779
Due to Other Funds	-	5,846		5,846
Total Liabilities	2,270	35,805	733,955	772,030
Fund Balances				
Non-Spendable			865	865
Restricted		261,359	933,219	1,194,578
Assigned - Encumbrances	2,590			2,590
Assigned	537,759			537,759
Total Fund Balances	540,349	261,359	934,084	1,735,792
Total Liabilities & Fund Balances	542,619	297,164	1,668,039	2,507,822

TOWN OF BAR HARBOR

Exhibit A-5

GENERAL RESERVES, COMMITTED FUNDS & SCHOOL DEPARTMENT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	<i>Dog Control Reserve</i>	<i>Shellfish Conservation Reserve</i>	<i>Cruise Ship Fund</i>	<i>Parking Meter Fund</i>	<i>School Department</i>	<i>Total</i>
Revenues						
Intergovernmental Revenues					1,210,385	1,210,385
Local Sources				25	203,533	203,558
Dog Fees	2,780					2,780
Shellfish Fees/Fines		3,256				3,256
Port Fees			467,798			467,798
Cruise Ship Passenger Fees			555,910			555,910
Parking Fees net of charges				301,377		301,377
Permit Fees net of charges				14,363		14,363
Total Revenues	2,780	3,256	1,023,708	315,765	1,413,918	2,759,427
Expenditures						
Public Safety	144	393				537
Education					6,746,559	6,746,559
Cruise Ship Operating			121,039			121,039
Parking Meter Operating				54,406		54,406
Total Expenditures	144	393	121,039	54,406	6,746,559	6,922,541
Excess of Revenues Over (Under)						
Expenditures	2,636	2,863	902,669	261,359	(5,332,641)	(4,163,114)
Other Financing Sources (Uses)						
Lease Proceeds					7,504	7,504
Transfers In					5,550,046	5,550,046
Transfers Out	(2,636)	(2,863)	(747,870)	-	(120,000)	(873,369)
Total Other Financing Sources (Uses)	(2,636)	(2,863)	(747,870)	-	5,437,550	4,684,181
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	-	154,799	261,359	104,909	521,067
Fund Balance - July 1	-	-	385,550	-	829,175	1,214,725
Fund Balance - June 30	-	-	540,349	261,359	934,084	1,735,792

TOWN OF BAR HARBOR

Exhibit A-6

SCHOOL DEPARTMENT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues			
Intergovernmental Revenues	819,572	390,813	1,210,385
Local Sources	143,731	2,000	145,731
Lunch and Milk Sales		57,802	57,802
Total Revenues	963,303	450,615	1,413,918
Expenditures			
Regular Instruction	2,472,818		2,472,818
Student & Staff Support:			
Guidance	77,459		77,459
Health Services	50,782		50,782
Improvement of Instruction	21,017		21,017
Library and Audio Visual	126,931		126,931
Technology	138,232		138,232
Assessment for Administration-Student Support	120,509		120,509
Special Education	1,280,398		1,280,398
Co-Curricular Instruction	75,373		75,373
System Administration:			
School Committee	16,566		16,566
Assessment for Administration	137,763		137,763
Office of Principal	370,677		370,677
Operation/Maintenance-Plant	716,260		716,260
Student Transportation	293,434		293,434
State On-Behalf Contributions	341,727		341,727
Food Services		151,325	151,325
Federal/State Programs		347,339	347,339
Reserves/Grants	5,949	2,000	7,949
Total Expenditures	6,245,895	500,664	6,746,559
Excess of Revenues Over (Under)			
Expenditures	(5,282,592)	(50,049)	(5,332,641)
Other Financing Sources (Uses)			
Lease Proceeds	7,504		7,504
Transfers In	5,435,046	115,000	5,550,046
Transfers Out	(120,000)	-	(120,000)
Total Other Financing Sources (Uses)	5,322,550	115,000	5,437,550
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	39,958	64,951	104,909
Fund Balance - July 1	756,404	72,771	829,175
Fund Balance - June 30	796,362	137,722	934,084

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CRUISE SHIP FUND
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-7

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Port Fees	405,424	405,424	467,798	62,374
Cruise Ship Passenger Fees	495,518	495,518	555,910	60,392
Total Revenues	900,942	900,942	1,023,708	122,766
Expenditures				
Cruise Ship Direct Expenses	133,632	133,632	121,039	12,593
Total Expenditures	133,632	133,632	121,039	12,593
Excess of Revenues Over (Under) Expenditures	767,310	767,310	902,669	135,359
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(747,870)	(747,870)	(747,870)	-
Total Other Financing Sources (Uses)	(747,870)	(747,870)	(747,870)	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	19,440	19,440	154,799	135,359
Fund Balance - July 1			385,550	
Fund Balance - June 30			540,349	

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - PARKING METER FUND
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit A-8

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Investment Interest	2,000	2,000	25	(1,975)
Parking Fees net of charges	36,500	36,500	301,377	264,877
Permit Fees net of charges	1,500	1,500	14,363	12,863
Total Revenues	40,000	40,000	315,765	275,765
Expenditures				
Wages and Benefits	11,300	11,300	25,560	(14,260)
Contracted Services	15,025	15,025	9,195	5,830
Supplies	12,655	12,655	19,056	(6,401)
Utilities	420	420	-	420
Professional Dues and Licenses	200	200	595	(395)
Insurance	400	400	-	400
Total Expenditures	40,000	40,000	54,406	(14,406)
Excess of Revenues Over (Under) Expenditures	-	-	261,359	261,359
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	-	261,359	261,359
Fund Balance - July 1			-	
Fund Balance - June 30			261,359	

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
SPECIAL REVENUES/GRANTS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit B-1

	<i>Evidence Based Impaired Driving Grant</i>	<i>Total</i>
Revenues		
Local Revenues		-
Intergovernmental	2,258	2,258
Total Revenues	2,258	2,258
Expenditures		
Public Safety	2,258	2,258
Capital Expenditures		-
Total Expenditures	2,258	2,258
Excess of Revenues Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Transfers In		-
Transfers Out		-
Total Other Financing Sources (Uses)	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-
Fund Balance - July 1	-	-
Fund Balance (Deficit) - June 30	-	-

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2019**

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

	Balance July 1	Budget	Revenues and Transfers	Expenditures/ Transfers	Balance (Over) Under	Transfers From (To) Unassigned	Balance June 30
Town Projects							
Technology							
Copier Equipment	3,629	4,300			7,929		7,929
Fiber Engineering Study	25,000	25,000		(23,875)	26,125		26,125
Virtual Desktop Software-police department	-	5,000			5,000		5,000
Fire Protection System-Server Room	5,148	1,716			6,864		6,864
WAN & Cable TV System	29,242	6,033		(25,909)	9,366		9,366
Computer Servers	24,525	26,667		(46,561)	4,631		4,631
Website Improvements	5,834	2,917			8,751		8,751
Town Wide Phone System	18,400	6,200			24,600		24,600
Security camera System	26,933	2,143			29,076		29,076
Municipal Building							
Building Renovation	16,622	16,622		(11,318)	21,926		21,926
Code Enforcement							
Pickup Inspection Truck	20,888	1,917			22,805		22,805
Assessing							
GIS Wide Format Scanner	8,196	15,000		(18,000)	5,196		5,196
Property Tax Revaluation	31,666	20,000			51,666		51,666
Vehicle Purchase	8,220	2,800			11,020		11,020
Aerial Photography	27,712	2,500		(2,000)	28,212		28,212
Planning							
Comprehensive Plan	-	50,000			50,000		50,000
Lower Main Street Engineering	25,000	10,000		(8,400)	26,600		26,600
Cottage Street Streetscapes	10,000	10,000			20,000		20,000
Ambulance							
Ambulance Reserve	32,708	45,929			78,637		78,637
Defibrillators	9,102	27,600		(3,034)	33,668		33,668
Fire Department							
Turnout Gear	6,000	3,500			9,500		9,500
Hose & Couplings	3,500	3,500			7,000		7,000
Rescue Tools	3,748	1,867			5,615		5,615
Fire Engine #2	175,635				175,635		175,635
Fire Engine #4	40,631			(3,766)	36,865		36,865
Fire Engine #5	266,916	5,000			271,916		271,916
Fire Pickup Trucks and Trailer	39,939	5,444		(37,620)	7,763		7,763
Thermal Imaging Camera	3,539	1,600			5,139		5,139
SCBA's & Cascade System	47,165	8,941			56,106		56,106
Police Department							
Cruiser Equipment	6,113	15,500		(4,711)	16,902		16,902
Parking Meter Equipment	-				-	93,390	93,390
Port Security Boat	48,418	10,870			59,288		59,288
Cruiser Replacement	26,863	46,000		(26,742)	46,121		46,121
Records Management System - Spillman	8,088	1,213		(968)	8,333		8,333
Portable Radios	2,500	2,500			5,000		5,000
Tasers	4,828	5,184			10,012		10,012
Radio Base Station & Console	5,100	8,275			13,375	(13,375)	-
Firearms	7,900	5,400			13,300		13,300
Speed Trailer & Monitor	5,816	5,500			11,316		11,316
Dispatch							
Voice Recorder System	2,320	2,750			5,070		5,070
Radio Command Console	3,000	10,503			13,503		13,503
Ireson Hill Building & Generator	500	829		(2,321)	(992)	992	-
Radio Equipment Reserve	-				-	13,375	13,375

TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit C-1
Page 2 of 3

Town Projects (Continued)	Balance July 1	Budget	Revenues and Transfers	Expenditures/ Transfers	Balance (Over) Under	Transfers From (To) Unassigned	Balance June 30
Public Safety Building							
Public Safety Bldg. Generator	23,287	3,892			27,179		27,179
Building Renovations	42,458	(130)		(25,836)	16,492		16,492
Building Envelope Repairs	35,349	49,609		(35,348)	49,610		49,610
Harbor Department							
Harbor Master Boat & Trailer	29,544	2,200			31,744		31,744
Float Replacement	9,666	14,047			23,713		23,713
Gangway Replacement	24,131	1,787			25,918		25,918
Fishermen's Hoist(s)	3,964	2,167			6,131		6,131
Ferry Terminal Improvements	743	3,560,000	137,005	(3,652,308)	45,440		45,440
Port Security Office	7,500	5,000		(5,630)	6,870		6,870
Breakwater Repairs	-	10,000			10,000		10,000
Pier Renovations	26,543	13,333			39,876		39,876
Parks & Recreation							
Museum in the Streets	18,383	4,000		(21,391)	992		992
Benches, Lights, Pergola, etc.	16,600	15,000	2,400	(17,490)	16,510		16,510
Albert Meadow-Grant's Park	-	6,000			6,000		6,000
Tree Planting	4,401	8,000		(8,900)	3,501		3,501
Park Irrigations Systems	4,800	2,400			7,200		7,200
Skate Park Reserve	3,612	4,516	1,000	(1,088)	8,040		8,040
Mt. Desert Cemetery	60,728				60,728		60,728
Park Equipment	-	5,800			5,800		5,800
Launch Ramp-Hadley Point	4,974	2,700			7,674		7,674
Tennis and Basketball Courts	11,250	4,286			15,536		15,536
Village Green Bandstand	9,333	1,467			10,800		10,800
Glen Mary Renovations	13,073	8,800			21,873		21,873
Harborview Park	70,000	5,000			75,000		75,000
Downtown Signage Reserve	14,486	10,000			24,486		24,486
Comfort Stations							
Restroom Renovation Reserve	40,760	32,500			73,260		73,260
Public Works / Highway							
Air Compressor	12,909	402			13,311		13,311
Backhoe Reserve (Cat & Deere)	115,284	11,917			127,201		127,201
Brush Chipper	36,377	8,800		(45,000)	177		177
Grader Reserve	56,494	4,600			61,094		61,094
Parking Meters	-	600,000	47,136	(553,746)	93,390	(93,390)	-
Hydraulic Lifts	17,095	11,000		(7,003)	21,092		21,092
Front End Loader Reserve	39,941	15,000			54,941		54,941
Excavator	25,063	9,167			34,230		34,230
Snowblower	4,300	4,300			8,600		8,600
Road Improvement Program	549,582	290,000		(575,067)	264,515		264,515
Fuel Pump System	-	6,300			6,300		6,300
Sidewalk Plow	72,088	15,200			87,288		87,288
Sidewalk Reconstruction Program	376,915	72,000		(21,000)	427,915		427,915
Washer, Steam Pressure	13,704	1,100		(5,775)	9,029		9,029
Route #3 Construction	321,875				321,875		321,875
LED Street Lights	-	3,000			3,000		3,000
Street Sweeper (Vacuum)	-	39,000			39,000		39,000
Public Works Complex	36,832	11,000			47,832		47,832
Tag Trailer	15,859	840			16,699		16,699
Brine Mixing Equipment	-	1,500			1,500		1,500
Water Truck	8,597	900			9,497		9,497
Street Lights-Main Street	20,632	7,917		(12,789)	15,760		15,760
Light Truck Purchase	57,289	42,423			99,712		99,712
Plow Truck Reserve	258,730	65,229		(69,169)	254,790		254,790
Bobcat Loader	640	4,700			5,340		5,340
Roller, Vibratory	40,087	1,427			41,514		41,514

TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit C-1
Page 3 of 3

	<i>Balance July 1</i>	<i>Budget</i>	<i>Revenues and Transfers</i>	<i>Expenditures/ Transfers</i>	<i>Balance (Over) Under</i>	<i>Transfers From (To) Unassigned</i>	<i>Balance June 30</i>
Town Projects (Continued)							
Solid Waste Division							
Waste Oil Furnace	1,886	883			2,769		2,769
Recycling Facility Reserve	13,624	12,000			25,624		25,624
Transfer Station Reserve	398,747	2,000		(238,234)	162,513		162,513
Storage	6,883				6,883		6,883
Compactor Unit with Hopper	-	3,333			3,333		3,333
Skid Steer	-	4,500			4,500		4,500
Solar Panels	-	10,000			10,000		10,000
Debt Service							
Debt Service - Agamont Park	-	49,200		(49,200)	-		-
Debt Service - Municipal Building	-	171,875		(171,875)	-		-
Public Works - FY 13	-	235,888		(235,888)	-		-
Downtown Signs	-	21,875		(21,875)	-		-
Public Works - FY 10	-	263,625		(263,625)	-		-
Public Safety Building	-	31,900		(31,900)	-		-
Transfer Station	-	331,808		(331,808)	-		-
Ferry Terminal/Parking Meters	-		67,884		67,884		67,884
Town Total	4,014,362	6,565,703	255,425	(6,617,170)	4,218,320	992	4,219,312
School Projects							
Building Assessment/Repairs	-				-		-
ADA Act Renovations	2,284				2,284		2,284
Capital Outlay Reserve	4,408	10,000			14,408	1	14,409
Asbestos Removal	9,410	2,000			11,410		11,410
Furniture & Equipment	5,821	5,000		(7,892)	2,929		2,929
Computers & Technology	14,281	50,000		(30,545)	33,736		33,736
Copier Lease/Purchase	-	14,429		(14,429)	-		-
Pickup Truck Replacement	21,918	5,986			27,904		27,904
Playground Equipment	2,000				2,000		2,000
Roof Repairs	16,613	11,500		(14,356)	13,757		13,757
Technology Infrastructure	-	15,000			15,000		15,000
Waterproof Wall	-	185,271		(185,271)	-		-
Water Main Rep	-	19,759		(19,759)	-		-
Safety & Access Control	-	10,703		(10,703)	-		-
Building Concept Designs	-	99,530		(45,139)	54,391		54,391
Boiler Replacement	-	42,023		(42,022)	1	(1)	-
Tractor Plow Reserve	5,000	5,000			10,000		10,000
Security Panel	10,909			(906)	10,003		10,003
Debt Service - 2004 Heating System	-	60,453		(60,453)	-		-
School Total	92,644	536,654	-	(431,475)	197,823	-	197,823
Subtotal	4,107,006	7,102,357	255,425	(7,048,645)	4,416,143	992	4,417,135
Unassigned Balance	142,179	(7,102,357)	7,073,081		112,903	(992)	111,911
Totals	4,249,185	-	7,328,506	(7,048,645)	4,529,046	-	4,529,046

**TOWN OF BAR HARBOR
COMBINING BALANCE SHEET
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit D-1

Assets	Gurnee Scholarship	Cemetery Trusts	Total
Cash and Equivalents	1,360	702	2,062
Investments	8,841	4,567	13,408
Total Assets	10,201	5,269	15,470
Liabilities & Fund Balances			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Nonspendable	6,488	5,269	11,757
Assigned	3,713	-	3,713
Total Fund Balances	10,201	5,269	15,470
Total Liabilities & Fund Balances	10,201	5,269	15,470

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit D-2

	<i>Gurnee Scholarship</i>	<i>Cemetery Trusts</i>	<i>Total</i>
Revenues			
New Funds			-
Investment Income	170	89	259
	170	89	259
Expenditures			
Scholarships			-
	-	-	-
Excess of Revenues Over Expenditures	170	89	259
Other Financing Sources (Uses)			
Transfers to Other Funds		(89)	(89)
Total Other Financing Sources (Uses)	-	(89)	(89)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	170	-	170
Fund Balance - July 1	10,031	5,269	15,300
Fund Balance - June 30	10,201	5,269	15,470

TOWN OF BAR HARBOR, MAINE
Operating Data
For the Fiscal Year Ended June 30, 2019

MUNICIPAL SERVICES

Public Works

Wastewater Division

<u>Largest Wastewater Customers</u>	<u>Type of Use</u>	<u>CY2018 Revenues</u>	<u>% of Total</u>
Jackson Laboratory	Genetic Research & Mice Prod	\$428,736	20.0%
Witham Family LTD Part	Hotels (7)	210,755	9.8%
Eden Street Trust	Hotel	72,503	3.4%
West Street Properties LLC	Hotel	41,701	2.0%
Golden Anchor LC	Hotel	39,791	1.9%
Mt Desert Island Hospital	Hospital	37,977	1.8%
Bar Harbor Housing Authority	Low Income/Elderly Housing	33,045	1.5%
Town of Bar Harbor	School, Muni Bldgs, Comfrt Stat's	32,121	1.5%
BHTC 111, LLC	Tennis & Swim Club, Restaurant	28,248	1.3%
WS Atlantic LLC	Hotel	24,870	<u>1.2%</u>
			44.4%

Water Division

<u>Largest Water Customers</u>	<u>Type of Use</u>	<u>CY2017 Revenues</u>	<u>% of Total</u>
Town of Bar Harbor	Parks, Bldgs, Schools & Hydrants	\$643,999	29.4%
Jackson Laboratory	Genetic Research & Mice Prod	205,595	9.4%
Witham Family LTD Part	Hotels (7)	97,221	4.4%
Kebo Valley Club	Golf Course	32,226	1.5%
College of the Atlantic	College	28,747	1.3%
Golden Anchor, LC	Hotel	22,372	1.0%
Mount Desert Hospital	Hospital	20,791	1.0%
Lafayette Bar Harbor, LLC	Hotel	19,269	0.9%
Eden Street Trust	Hotel	16,811	0.8%
Bar Harbor Housing Authority	Low Income Elderly Housing	16,583	<u>0.8%</u>
			50.5%

<u>Number of Water System Customers</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential	1,241	1,250	1,248	1,253	1,263
Commercial	491	515	516	516	517
Industrial (Jax Lab)	43	47	47	43	42
Governmental	51	56	57	60	59
Total	1826	1868	1,868	1,872	1,881

<u>Water Sales (per 1,000 gallons)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential	59,766	55,761	58,242	55,574	66,745
Commercial	107,376	111,619	121,831	107,157	128,798
Industrial (Jax Lab)	56,251	60,628	57,027	54,702	65,155
Public Authorities	5,357	12,450	13,419	13,050	15,548
Total Water Sales	228,750	240,458	250,519	230,483	276,246

Water Sales (Revenue)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential	\$482,859	\$469,232	\$565,386	\$553,026	\$593,948
Commercial	526,799	500,570	656,301	609,028	640,968
Industrial (Jax Lab)	136,958	139,336	156,378	159,184	164,825
Public Authorities	51,637	59,099	71,267	72,899	72,587
Public Fire Protection	480,468	480,468	585,604	585,604	585,604
Private Fire Protection	107,952	109,711	126,445	129,278	131,376
Total Water Sales	\$1,786,673	\$1,758,416	\$2,161,381	\$2,109,019	\$2,189,308

PUBLIC EDUCATION

Composition of MDI RSS

<i>Former Administrative Unit</i>	<i>Community</i>	<i>School</i>	<i>Grade</i>	Enrollment (as of Oct. 1, 2019)
AOS #91	Bar Harbor	Conners-Emerson School	K-8	337
AOS #91	Cranberry Isles	Ashley Bryan School	K-8	10
AOS #91	Frenchboro	Frenchboro Elementary	K-8	4
AOS #91	Mount Desert	Mt Desert Elementary	K-8	162
AOS #91	Southwest Harbor	Pemetic Elementary	K-8	142
AOS #91	Tremont	Tremont Consolidated	K-8	125
AOS #91	Trenton	Trenton Elementary	K-8	152
MSAD No. 76	Swan's Island	Swan's Island Elementary	K-8	32
C.S.D. No. 7	Members of Union #98	Mt Desert Island High	9-12	<u>545</u>
Total Enrollment				1,509

LABOR RELATIONS

The Town employs approximately 149 full-time personnel, approximately of whom 74 are employees of the Town including its utilities systems; and 75 of whom are employed by the School Department; and various part-time employees. Approximately 44 full-time Town employees, not included in the table below, are not represented by unions.

Union	Bargaining Unit	Date of Contract	
		Effective	Expiration
Teamsters Local No. 340	Highway & Wastewater Unit	July 1, 2017	June 30, 2020
IAFF (AFL/CIO)	Fire Department Unit	July 1, 2017	June 30, 2020
BHSEA (MEA)	School Support Unit	July 1, 2018	June 30, 2021
BHTA (MEA)	Teachers Unit	Sept.1, 2018	Aug. 31, 2021

BUILDING ACTIVITY

Calendar Year	Residential		Commercial		Total	
	# Permits	Est. Cost	# Permits	Est. Cost	# Permits	Est. Cost
2018	184	\$11,386,405	93	\$7,624,886	277	\$19,011,291
2017	202	12,145,602	84	7,374,025	286	19,519,627
2016	217	16,236,458	95	17,105,863	312	33,342,321
2015	230	14,767,390	94	9,099,114	324	23,866,504
2014	186	10,730,656	93	4,289,181	379	15,019,837

TOWN FINANCES

General Fund Budgets for Fiscal Year Ending June 30.

	2016	2017	2018	2019	2020
Revenues					
Taxes	\$16,557,858	\$16,886,945	\$17,412,251	\$18,433,116	\$18,927,429
Intergovernmental	219,637	223,123	272,830	336,856	396,369
Departmental	1,032,901	1,039,580	1,050,809	1,052,125	1,157,898
Other local sources	534,465	549,174	637,764	648,846	751,867
Total Revenues	18,344,861	18,700,822	19,373,654	20,470,943	21,233,563
Expenditures					
General government	2,883,143	2,992,762	3,062,271	3,129,005	3,311,572
Public safety	2,795,896	2,912,896	3,104,172	3,213,377	3,284,565
Health & welfare	137,648	133,928	141,042	144,401	158,596
Parks & recreation	235,251	239,154	352,879	429,722	438,577
Roads & sanitation	1,810,053	1,829,810	1,899,222	1,962,695	1,988,290
Assessments & Overlay	3,615,766	3,629,013	3,807,302	3,935,692	3,924,020
Transfers to school fund	5,223,669	5,265,115	5,400,763	5,430,046	5,674,670
Transfers to CIP	1,753,435	1,773,144	1,691,003	2,296,005	2,508,273
Total Expenditures	\$18,454,861	\$18,805,822	\$19,458,654	\$20,540,943	\$21,288,563
Excess Exp. Over Revenues	\$110,000	\$105,000	\$85,000	\$70,000	\$55,000
Use of Fund Balance:					
Transfer to CIP	110,000	105,000	85,000	70,000	55,000
Total Use of Fund Balance	\$110,000	\$105,000	\$85,000	\$70,000	\$55,000

Property Tax Levy Limit

Fiscal year:	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
State Personal Income Factor:	0.86%	2.67%	2.75%	2.61%	2.75%
Town Prop Growth Factor:	<u>0.70%</u>	<u>1.21%</u>	<u>1.97%</u>	<u>1.67%</u>	<u>1.21%</u>
Growth Limitation Factor:	1.56%	3.88%	4.72%	4.28%	3.96%
Property Tax Levy Limit:	\$6,774,604	\$7,040,190	\$7,389,121	\$7,707,492	\$8,016,991
Property Tax Levy:	<u>6,731,982</u>	<u>6,897,817</u>	<u>7,201,186</u>	<u>8,052,378</u>	<u>8,293,739</u>
Over/(below) Prop Tax Levy Limit:	(\$42,622)	(\$142,373)	(\$187,935)	\$344,886	\$276,748

General Fund Balance as % Revenues

	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Assigned and Unassigned General Fund					
Balance (exclude School FB)	\$2,977,582	\$2,796,140	\$3,050,679	\$3,357,037	\$3,652,000
Total Revenues (excl School Rev)	18,594,081	19,151,528	18,840,256	19,274,797	20,182,676
Fund Bal as % Revenues	16.0%	14.6%	16.2%	17.4%	18.0%

Tax Levy and Collections

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy	Collections (after Supplements and Abatements)		
					Year End	% of Levy	% of Levy A/O 6/30/19
2019	1,633,550	\$1,506,757	\$11.56	\$17,418,116	\$16,818,243	96.56%	96.56%
2018	1,577,200	1,497,194	10.96	16,409,251	16,020,406	97.64	97.64
2017	1,493,600	1,481,606	10.73	15,896,513	15,503,505	97.53	99.27
2016	1,428,800	1,471,964	10.59	15,588,095	15,239,884	97.76	99.98
2015	1,404,100	1,449,121	10.22	14,810,016	14,334,981	96.79	99.98

Largest Taxpayers

Taxpayer	As of April 1, 2019			
	Type of Business	Assessed Value	Tax	% of Levy
Emera Maine	Electric Utility	20,414,600	\$241,913	1.34%
Golden Anchor, LC	Hotel-Harborside	20,169,500	239,009	1.33%
Eden Street Trust	Hotel-Regency	17,957,500	212,796	1.18%
West Street Properties, LLC	Hotel-West Street	13,654,300	161,800	0.90%
Witham Family LTD, Partners	Hotel-BH Inn	13,616,200	161,352	0.90%
BHTC 111, LLC	Rest/Club	10,434,400	123,648	0.69%
Witham Family LTD	Hotel-Oceanside	10,379,300	122,995	0.68%
WS Atlantic, LLC	Hotel-Hampton	8,626,500	102,224	0.57%
Colket, Tristram C Jr	Residential	8,165,500	96,761	0.54%
Lafayette Bluenose, LLC	Hotel-Bluenose	6,763,300	<u>80,145</u>	<u>0.44%</u>
Top ten taxpayers			\$1,542,643	8.57%

Revenues from the State

Fiscal Yr. End June 30,	State Revenue Sharing	Homestead Exemption	General Assistance	State School Subsidy*	Other State Aid**	Total From State
2018	\$133,267	\$89,037	\$104	\$350,074	\$62,380	\$634,862
2017	128,220	64,565	1,253	290,474	60,631	545,143
2016	132,854	59,678	821	226,431	55,700	475,484
2015	124,871	35,399	1,028	257,349	55,132	473,779
2014	133,206	47,655	279	239,614	73,286	494,040

-----* School subsidy paid directly to AOS 91

-----**Local Roads Assistance Program (LRAP), BETE & Veterans programs

DEBT - PRINCIPAL

Year Issued	Purpose	Amount Issued	Final Maturity	Balance on June 30, 2018			Balance on June 30, 2019	
				General	Proprietary	Total	(Payments)	Total
2002	Water Tank (SRF)	750,000	10/01/21		181,479	181,479	(43,587)	137,892
2004	School (MMBB)	805,000	11/01/24	\$371,252		371,252	(45,419)	325,833
2005	Beach Wall	800,000	10/15/24	280,000		280,000	(40,000)	240,000
2005	Sewer/Hulls Cove	800,000	10/15/27		440,000	440,000	(35,000)	405,000
2010	Roads & Sidewalks	3,700,000	05/01/30	2,220,000		2,220,000	(185,000)	2,035,000
2010	Water System	600,000	05/01/30		360,000	360,000	(30,000)	330,000
2011	Sewer System	1,316,000	12/01/31		976,761	976,761	(58,753)	918,008
2011	Water System	1,224,000	12/01/31		863,239	863,239	(81,247)	781,992
2011	Ref'd'g Water-01	2,515,000	12/01/21		1,050,000	1,050,000	(205,000)	845,000
2012	Water (SRF)	2,679,150	10/01/32		2,046,046	2,046,046	(127,108)	1,918,938
2013	Public Works Bldg	3,350,000	10/15/33	2,830,000		2,830,000	(140,000)	2,690,000
2014	Municipal Bldg	2,442,000	10/15/34	2,070,000		2,070,000	(125,000)	1,945,000
2015	PubSftyBldg/Wtr	2,100,000	10/15/35	360,000	1,530,000	1,890,000	(105,000)	1,785,000
2017	Transfer Station	3,070,000	10/15/36		3,070,000	3,070,000	(160,000)	2,910,000
2019	FerryTerm/PkMt	2,875,000	10/15/38			0		2,875,000
2019	FerryTerm-Tax	1,225,000	10/15/38			0		1,225,000
				8,131,252	10,517,525	18,648,777	(1,381,114)	21,367,663

Debt Ratios

Fiscal Yr. End June 30,	Population	Equalized State Val. (000)	Assessed Valuation (000)	Total G.O. Debt	Debt as % Eq. Val.	Per Capita Debt
2019	5,235	\$1,633,550	\$1,506,757	\$21,367,663	1.31%	\$4,082
2018	5,235	1,577,200	1,497,194	18,648,777	1.18%	3,562
2017	5,235	1,493,600	1,481,606	17,240,252	1.16%	3,293
2016	5,235	1,428,800	1,471,964	18,879,769	1.28%	3,606
2015	5,235	1,404,100	1,449,121	18,285,088	1.30%	3,493

Debt Obligations, by Fund Type

FY June 30,	General Fund Debt		Enterprise Fund Debt	Total Debt	Ent. Debt as % Total Debt
	(Town)	(School)			
2019	\$14,260,000	\$325,833	\$6,781,830	\$21,367,663	31.7%
2018	10,830,000	371,252	7,447,525	18,648,777	40.0%
2017	8,265,000	414,456	8,560,796	17,240,252	49.7%
2016	8,765,000	455,552	9,659,217	18,879,769	51.1%
2015	8,842,000	494,644	8,948,444	18,285,088	48.9%

Debt Ratios, by Fund Type

Fiscal Year End June 30,	Debt as % of Equalized State Val.				Per Capita Debt			
	General Fund		Enterprise Fund	Total	General Fund		Enterprise Fund	Total
	Town	School			Town	School		
2019	0.87%	0.02%	0.42%	1.31%	\$2,724	\$62	\$1,296	\$4,082
2018	0.69	0.02	0.47	1.18	2,069	71	1,423	3,563
2017	0.56	0.03	0.57	1.16	1,579	79	1,635	3,293
2016	0.61	0.03	0.68	1.32	1,674	87	1,845	3,606
2015	0.63	0.04	0.63	1.30	1,689	95	1,709	3,493

Debt Service Component of Operating Expenses

	2015	2016	2017	2018	2019
Total Current Year Debt Service:	\$1,907,026	\$2,034,204	\$2,319,332	\$2,299,577	\$2,146,027
(less Enterprise Debt Service:)	(1,217,234)	(1,201,047)	(1,340,309)	(1,329,585)	(854,403)
Tax Supported Debt Service	\$689,792	\$833,157	\$979,023	\$969,992	\$1,291,624
Budgeted Operating Expense:	17,920,232	\$18,454,861	\$18,805,822	\$19,458,654	\$20,540,943
Debt Service as % Oper. Expense:	3.85%	4.51%	5.21%	4.99%	6.29%

Total General Obligation, Overlapping and Contingent Debt

	<u>Direct Debt</u>	<u>Overlapping</u>	<u>Contingent</u>	<u>Total Debt</u>
Town of Bar Harbor (CIP)	\$14,260,000			\$14,260,000
Town of Bar Harbor (School)	325,833			325,833
Town of Bar Harbor (Enterprise)	6,781,830			6,781,830
MDI Reg. School District (38.3%)		\$524,075		524,075
County of Hancock (12.0%)		0		0
Total A/O June 30, 2019	\$21,367,663	\$524,075	\$0	\$21,891,738
Debt as % Eq State Valuation	1.31%	0.03%	0.00%	1.34%
Per Capita Debt	\$4,082	\$100	\$0.00	\$4,182

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

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

Members of the School Committee
Bar Harbor School Department
Bar Harbor, Maine 04649

We have audited the financial statements of the Bar Harbor School Department for the year ended June 30, 2019.

In connection with our audit, we make the following statements of assurances and determinations:

1. The audit has been conducted in accordance with applicable State and Federal laws relating to financial and compliance audits.
2. Budgetary controls are in place.
3. The corrected annual financial report submitted to the Department of Education and Cultural Services is materially correct.
4. The Bar Harbor School Department has complied with the applicable provisions of the Maine Essential Programs and Services Funding Act.
5. The Bar Harbor School Department has complied with the transfer limitations between budget cost centers.
6. The Bar Harbor School Department has complied with the statutory budget content requirements.
7. The Bar Harbor School Department has not exceeded its authority to expend funds as provided with the total budget summary articles, except for operations and maintenance and office of principal.

Respectfully submitted,

James W. Wadman, CPA

James W. Wadman, CPA
December 5, 2019

TOWN OF BAR HARBOR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education:				
Rural School Achievement Program	84.358		-	15,325
<i>Passed Through State Department of Education and Cultural Services:</i>				
Special Education Cluster (IDEA):				
Title VI, Part B - Local Entitlement	84.027	013-05A-3046-12	-	97,894
Title VI, Part B - Local Entitlement Preschool	84.027	013-05A-3009-10	-	555
Sub-total Special Education Cluster (IDEA):			-	98,449
ESEA Title 1A - Basic Disadvantaged Program	84.010	013-05A-3057-13	100,787	126,831
ESEA Title IV, Part A, SSAE Program	84.424	013-05A-3345-66-6306-3345SSG-F2018		63,730
ESEA Title IIA - Improving Teacher Quality	84.367	013-05A-3042-11	-	43,004
Total U.S. Department of Education			100,787	347,339
U.S. Department of Agriculture:				
<i>Passed Through State Department of Education and Cultural Services:</i>				
Food Distribution	10.560	NONE	-	8,589
Child Nutrition Cluster:				
National School Lunch Program	10.555	013-05A-7128-05	-	27,000
Federal Performance Based Lunch	10.555	013-05A-7142-05	-	1,452
School Breakfast Program	10.553	013-05A-7127-05	-	4,742
Sub-total Child Nutrition Cluster			-	33,194
Total U.S. Department of Agriculture			-	41,783
U.S. Department of Transportation:				
2018 Distracted Driving Enforcement Grant	20.616	013 16A FLXE 012 6401 DD4518	-	3,918
2019 Evidence Based Impaired Driving HVE	20.616	013 16A 405D 012 6401 ID067	-	1,043
Total U.S. Department of Transportation			-	4,961
Total			-	394,083