

TOWN OF BAR HARBOR
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2022

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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.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bar Harbor, Maine, as of June 30, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 10 and 60 through 71, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 basic financial statements. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Town of Bar Harbor, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bar Harbor, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bar Harbor, Maine's internal control over financial reporting and compliance.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
Ellsworth, Maine
March 27, 2023

TOWN OF BAR HARBOR, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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, 2022. 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, 2022 by \$57,502,927 (presented as “net position”). Of this amount, \$15,316,709 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position increased by \$4,149,874 (a 7.8% increase) for the fiscal year ended June 30, 2022. Net position of governmental activities increased by \$3,414,690 (a 9.8% increase), while net position of business-type activities showed an increase of \$735,184 (a 4.0% increase).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2022, the Town's governmental funds reported a combined ending fund balance of \$16,082,361 with \$2,675,738 being general unassigned fund balance. This unassigned fund balance represents approximately 11.8% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by 1,864,937 (10.3%) during the current fiscal year. Long-term debt obligations for governmental activities decreased by \$1,155,980 (9.1%) while long-term debt obligations for business-type activities decreased by \$708,957 (13.2%). Existing debt obligations were retired according to schedule. Additional information on the Town's long-term debt can be found in Note 3h of this report on pages 34-37.

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 11-12 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 13-16 of this report. The basic proprietary fund financial statements can be found on pages 17-19 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 20-59 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 60-71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

67.2% 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.

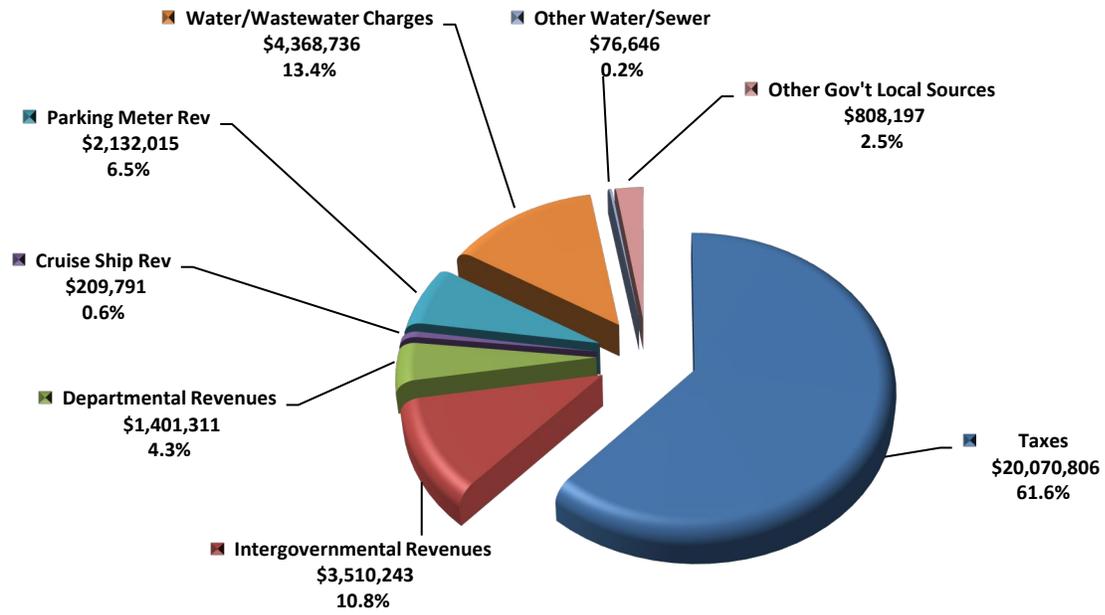
	Governmental Activities	Business-type Activities	Total 2022	Total 2021
Current Assets	19,065,367	5,699,306	24,764,673	21,101,982
Capital Assets	35,526,696	19,365,402	54,892,098	55,255,897
Total Assets	54,592,063	25,064,708	79,656,771	76,357,879
Related to OPEB	241,717		241,717	262,593
Related to Pensions	1,249,956	188,085	1,438,041	828,670
Total Deferred Outflows of Resources	1,491,673	188,085	1,679,758	1,091,263
Total Assets and Deferred Outflows of Resources	56,083,736	25,252,793	81,336,529	77,449,142
Current Liabilities	1,745,270	919,242	2,664,512	4,137,416
Long-Term Liabilities	13,458,214	4,643,218	18,101,432	19,797,191
Total Liabilities	15,203,484	5,562,460	20,765,944	23,934,607
Property Taxes Collected in Advance	34,318		34,318	38,491
Deferred Inflows of Resources from Leases	449,166		449,166	-
Related to OPEB	214,573		214,573	109,447
Related to Pensions	1,975,698	393,903	2,369,601	26,869
Total Deferred Inflows of Resources	2,673,755	393,903	3,067,658	174,807
Net Investment in Capital Assets	23,962,825	14,721,861	38,684,686	37,184,108
Restricted	3,501,532		3,501,532	2,508,258
Unrestricted	10,742,140	4,574,569	15,316,709	13,647,362
Total Net Position	38,206,497	19,296,430	57,502,927	53,339,728
Total Liabilities, Deferred Inflows of Resources and Net Position	56,083,736	25,252,793	81,336,529	77,449,142

Changes in Net Position

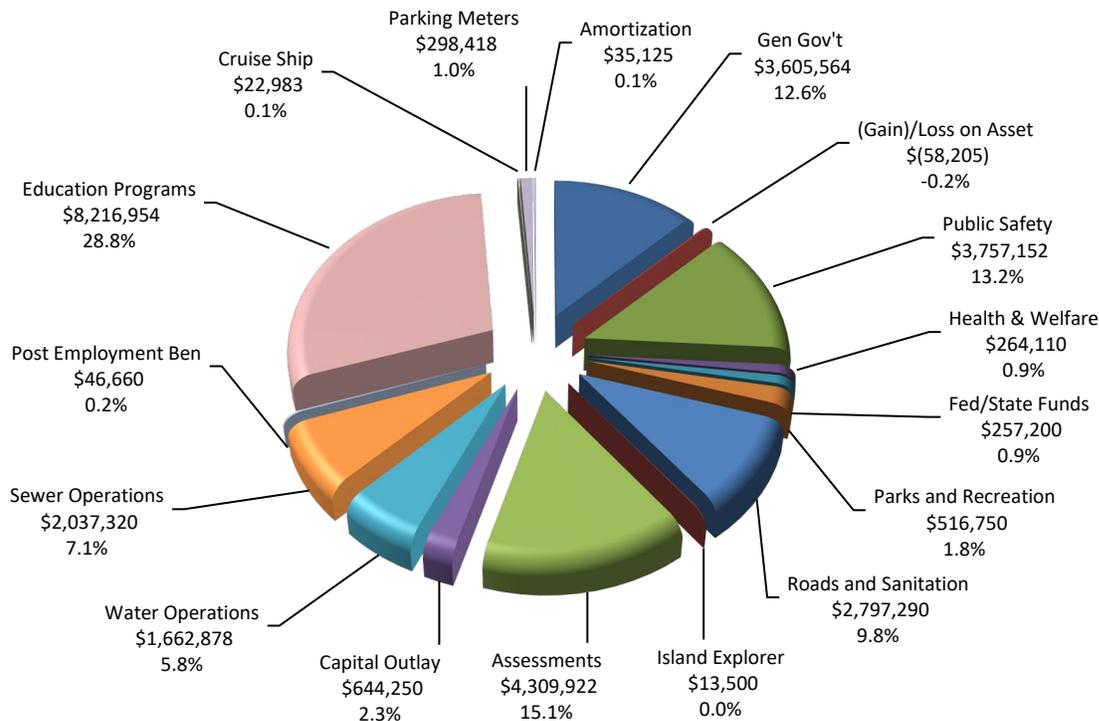
Approximately 61.6% of the Town’s total revenue came from property and excise taxes, approximately 10.8% came from Federal and State subsidies and grants, and approximately 27.6% came from services, investment earnings and other sources. Depreciation expense on the Town’s governmental and business-type activity assets represents \$2,527,920 of the total expenses for the fiscal year. Depreciation for governmental activities was \$1,666,048 while depreciation for business-type activities was \$861,872. The summary below includes the general, capital improvement, cruise ship, parking and school funds under governmental activities.

	Governmental Activities	Business-type Activities	Total 2022	Total 2021
Revenues:				
Taxes	20,070,806		20,070,806	19,516,302
Intergovernmental Revenues	3,510,243		3,510,243	3,037,899
Departmental Revenues	1,401,311	4,368,736	5,770,047	5,351,402
Cruise Ship Revenues	209,791		209,791	1,820
Parking Meter Revenues	2,132,015		2,132,015	1,602,271
Other Local Sources	808,197	76,646	884,843	854,389
Donated Capital Assets	-		-	5,829,360
Internal Transfers	10,000	(10,000)	-	-
Total	28,142,363	4,435,382	32,577,745	36,193,443
Expenses:				
General Government	3,605,564		3,605,564	3,580,498
Public Safety	3,757,152		3,757,152	3,612,281
Health & Welfare	264,110		264,110	393,439
Parks and Recreation	516,750		516,750	486,544
Island Explorer Shuttle Bus	13,500		13,500	-
Roads and Sanitation	2,797,290		2,797,290	2,653,096
Assessments	4,309,922		4,309,922	4,125,490
Capital Outlay	644,250		644,250	985,665
Water Operations		1,662,878	1,662,878	1,601,086
Sewer Operations		2,037,320	2,037,320	1,993,968
Education Programs	8,216,954		8,216,954	7,857,158
Cruise Ship	22,983		22,983	17,748
Parking Meters	298,418		298,418	269,203
Federal/State Funds	257,200		257,200	
Post Employment Benefits	46,660		46,660	(56,910)
Amortization	35,125		35,125	
(Gain)/Loss on Disposal of Assets	(58,205)		(58,205)	25,761
Total	24,727,673	3,700,198	28,427,871	27,545,027
Changes in Net Position	3,414,690	735,184	4,149,874	8,648,416

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 \$16,082,361, an increase of \$2,619,650 in comparison with the prior year. Approximately 16.6 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:

- \$160,2883 positive variance in auto excise revenue resulting from conservative budgeting.
- \$123,452 positive variance in municipal revenue sharing due to a change in the estimated funding after the budget was approved.
- \$80,676 negative variance in Ambulance Billings and Write Offs due to staff shortages resulting in fewer runs.
- \$50,810 positive variance in electrical permits due to an increase in activity from Jackson Lab new housing units.
- \$101,780 positive variance in vacation rental permits due to a new ordinance requiring rental permits to be grandfathered.

-\$110,297 negative variance in investment interest due to changes in the market resulting in a decrease in fair market values.

Expenditures:

- \$30,949 negative variance in legal counsel due to an ongoing suit related to vacation rental fees and land use ordinance issues and the new cruise ship ordinance.
- \$26,836 negative variance in the 27th pay period due to low budgeting
- \$27,857 negative variance in vacation accruals due to payout of two long term staff retirements.
- \$66,097 negative variance in abatements/discount on taxes due to the statistical revaluation and an increase in abatement requests granted.
- There are several general government accounts including contracted services, climate change task force and planning department that have incomplete projects and are encumbering these funds to the following year.
- \$246,244 positive variance in employee benefits due to the following:
 - Health insurance was under budget by \$184,246 due to unfilled positions and other health insurance options available.
 - Health insurance opt-out costs were under budget by \$23,515 due to lower participation and staff terminations.
 - HRA employer costs were under budget by \$25,185 due to fluctuations based on the use of health insurance and the fees being unpredictable.
- \$40,407 positive variance in police department due to the following:
 - Police wages were under budget by \$52,608 due to staff retirements and unfilled positions.
 - Police cruise ship detail was under budget by \$31,006 due a reduction in cruise ship visits.
 - Contracted services for mutual aid were over budget by \$47,421 due to a low budget and the Town of Mount Desert being short staffed and requiring more mutual aid.
- \$16,635 negative variance in emergency management/covid-19 costs due to increased personal protection equipment.
- \$16,235 negative variance in comfort station due to increased cleaning necessary and an increase in the cost of supplies.
- \$83,673 positive variance in the highway division due to the following:
 - Wages were under budget by \$46,732 due to several positions being unfilled, along with the Superintendent position being vacant.
 - Contracted services for line striping were under budget by \$12,160 due to the contractor being short-staffed and not being able to fulfill the agreement. Funds are encumbered to the following year to complete the contract.
 - Repairs and maintenance accounts are under budget by 25,216 due to unfinished projects. Funds are encumbered to the following year to complete the work.
- \$100,659 negative variance in solid waste due to the following:
 - Wages were under budget by \$15,000 due to being short staffed in 2 positions.
 - Disposal and hauling fees were over budget by \$65,134 due to an increase in vendor costs.
 - Single sort fees were over budget by \$59,221 due to increased fees.
 - MSW was under budget by \$21,860 due to an increase in recycling.

Wastewater Fund

Revenues:

- \$21,079 positive variance in residential billings due to a lower budget.
- \$71,110 positive variance in food and lodging billings due a lower budget.
- \$13,475 positive variance in septic tank dumping due to an increase in use by island wide vendors.

Expenses:

- \$53,802 positive variance in hourly and salary employees due to staff vacancies and the half-time superintendent resignation.
- \$37,511 and \$11,701 positive variance in health insurance and health insurance opt out option respectively due to staff vacancies and long-time staff who resigned or retired.
- \$49,004 positive variance in supplies for magnesium hydroxide due to a budget based on prior year spending, but current year requirements below the prior year.
- \$134,497 negative variance in repairs and maintenance of mains & services and equipment due to emergency breaks and electrical and machinery repairs.

Water Fund

Revenues:

- \$34,592 positive variance residential sales due to conservative budgeting.
- \$25,261 positive variance in commercial sales due to conservative budgeting.

Expenses:

- \$27,001 positive variance in hourly and salary wages due to staff vacancies and the half-time superintendent resignation.
- \$38,444 positive variance in repairs and maintenance for meters due to a decrease in work orders.
- \$28,940 negative variance in repairs and maintenance for services due to downtown services emergency repairs.
- \$31,106 positive variance in equipment purchasing, operating due to the SCADA system upgrade being delayed until the following fiscal year.
- The budget for water cip has been included in the bond approved at the annual town meeting in June 2022.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities amounts to \$99,086,942, net of accumulated depreciation of \$44,194,844, leaving a net book value of \$54,892,098. Current year additions included Capital Improvements such as fire and police department equipment, dispatch console, technology and code enforcement equipment and software, vehicles, paving and infrastructure improvements, 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, 2022

Exhibit A

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets:			
Cash and Equivalents	15,514,807	4,823,165	20,337,972
Investments	1,845,503		1,845,503
Receivables:			
Taxes and Liens	396,273	7,104	403,377
User Fees, net		598,904	598,904
Accounts	262,573	10,769	273,342
Ambulance	162,850		162,850
Accrued Interest	6,398		6,398
Lease Receivable	53,220		53,220
Prepaid Expense	-	12,702	12,702
Inventory	41,282	246,662	287,944
Due from Other Governments	183,516		183,516
Leases Receivable-Current	232,620		232,620
Leases Receivable-Non-Current	260,952		260,952
Right to use leased assets, net of accumulated amortization-School	105,373		105,373
Capital Assets:			
Land	6,213,075	164,126	6,377,201
Construction Work in Progress	429,220	3,867	433,087
Other Capital Assets, Net of Depreciation	28,884,401	19,197,409	48,081,810
Total Assets:	54,592,063	25,064,708	79,656,771
Deferred Outflows of Resources:			
Related to Other Post Employment Benefits	241,717		241,717
Related to Pensions	1,249,956	188,085	1,438,041
Total Deferred Outflows of Resources	1,491,673	188,085	1,679,758
Total Assets and Deferred Outflows of Resources	56,083,736	25,252,793	81,336,529
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Accounts Payable	837,728	830,807	1,668,535
Retainage Payable	10,970	-	10,970
Payroll Taxes Deductible	21,659		21,659
Due to Students	6,948		6,948
Accrued Salaries Payable	859,344	46,830	906,174
Accrued Interest Payable		24,113	24,113
Internal Balances	(17,492)	17,492	-
Deposits Payable	26,113		26,113
Long-term Liabilities:			
Accrued Compensated Absences	369,509	28,141	397,650
Lease liability GASB 87 one year	27,232		27,232
Lease liability GASB 87 due in more than one year	57,148		57,148
Net Pension Liability	23,121	(28,464)	(5,343)
Net Post Employment Benefits Obligation	1,417,333		1,417,333
Debt Due Within One Year	1,122,025	418,083	1,540,108
Debt Due in More Than One Year	10,441,846	4,225,458	14,667,304
Total Liabilities	15,203,484	5,562,460	20,765,944
Deferred Inflows of Resources:			
Property Taxes Collected in Advance	34,318		34,318
Deferred Inflows of Resources from Leases	449,166	-	449,166
Related to Other Post Employment Benefits	214,573		214,573
Related to Pensions	1,975,698	393,903	2,369,601
Total Deferred Inflows of Resources	2,673,755	393,903	3,067,658
Net Position:			
Net Investment in Capital Assets	23,962,825	14,721,861	38,684,686
Restricted	3,501,532		3,501,532
Unrestricted	10,742,140	4,574,569	15,316,709
Total Net Position	38,206,497	19,296,430	57,502,927
Total Liabilities, Deferred Inflows of Resources and Net Position	56,083,736	25,252,793	81,336,529

The notes to financial statements are an integral part of this statement.

TOWN OF BAR HARBOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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	3,605,564	806,705		(2,798,859)		(2,798,859)
Public Safety	3,757,152	583,283		(3,173,869)		(3,173,869)
Health and Welfare	264,110			(264,110)		(264,110)
Parks & Recreation	516,750	900		(515,850)		(515,850)
Island Explorer Shuttle Bus	13,500			(13,500)		(13,500)
Roads and Sanitation	2,797,290	18,607		(2,778,683)		(2,778,683)
Assessments	4,309,922			(4,309,922)		(4,309,922)
Capital Outlay	644,250	-		(644,250)		(644,250)
Education	8,216,954	110,248	1,896,140	(6,210,566)		(6,210,566)
Parking Meters	298,418	2,129,080		1,830,662		1,830,662
Federal/State Funds	257,200		827,800	570,600		570,600
Cruise Ship	22,983	209,791		186,808		186,808
Post Employment Benefits	46,660			(46,660)		(46,660)
Amortization on Leases	35,125			(35,125)		(35,125)
Total Governmental Activities	24,785,878	3,858,614	2,723,940	(18,203,324)		(18,203,324)
<u>Business-type Activities:</u>						
Wastewater	2,037,320	2,162,556			125,236	125,236
Water	1,652,604	2,206,180			553,576	553,576
Total Business-type Activities	3,689,924	4,368,736			678,812	678,812
Total Primary Government	28,475,802	8,227,350	2,723,940	(18,203,324)	678,812	(17,524,512)
<u>General Revenues:</u>						
Taxes						
Property				18,867,576		18,867,576
Auto and Boat Excise				1,203,230		1,203,230
Intergovernmental Revenues				786,303		786,303
Other Local Sources				692,700	76,646	769,346
Contributions in Aid of Construction					(10,274)	(10,274)
Internal Transfers				10,000	(10,000)	-
Gain/(Loss) on Disposal of Assets				58,205	-	58,205
Total Revenues, Special Items and Transfers				21,618,014	56,372	21,674,386
Changes in Net Position				3,414,690	735,184	4,149,874
Net Position - Beginning				34,791,807	18,561,246	53,353,053
Net Position - Ending				38,206,497	19,296,430	57,502,927

The notes to financial statements are an integral part of this statement.

	<i>General Fund</i>	<i>CIP Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets				
Cash and Equivalents	15,513,465		1,342	15,514,807
Investments	1,830,953		14,550	1,845,503
Receivables				
Taxes	36,111			36,111
Tax Liens	360,162			360,162
Accounts	262,573			262,573
Ambulance Fees	162,850			162,850
Accrued Interest	6,398			6,398
Lease Receivable		53,220		53,220
Leases Receivable-Current	12,949	219,671		232,620
Leases Receivable-Non-Current	78,767	182,185		260,952
Inventory	41,282			41,282
Due from Other Governments	183,516		-	183,516
Due from Other Funds	17,492	6,815,849	570,600	7,403,941
Total Assets	18,506,518	7,270,925	586,492	26,363,935
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	687,813	149,915		837,728
Retainage Payable		10,970		10,970
Payroll Taxes/Deductions	21,659			21,659
Accrued Salaries Payable	859,344			859,344
Accrued Compensated Absences	326,598			326,598
Due to Other Funds	7,386,449		-	7,386,449
Due to Students	6,948			6,948
Deposits Payable	26,113			26,113
Total Liabilities	9,314,924	160,885	-	9,475,809
Deferred Inflows of Resources:				
Property Taxes Collected in Advance	34,318			34,318
Deferred Inflows of Resources from Leases	89,375	359,791		449,166
Unavailable Property Taxes	310,635			310,635
Unavailable Revenue		2,381		2,381
Unavailable Rental Income	9,265			9,265
Total Deferred Inflows of Resources	443,593	362,172	-	805,765
Fund Balances				
Nonspendable	2,206		11,757	13,963
Restricted	2,895,976		570,600	3,466,576
Committed		6,747,868		6,747,868
Assigned	3,174,081		4,135	3,178,216
Unassigned	2,675,738			2,675,738
Total Fund Balances	8,748,001	6,747,868	586,492	16,082,361
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	18,506,518	7,270,925	586,492	26,363,935

(Continued)

The notes to financial statements are an integral part of this statement.

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

Total Fund Balance	16,082,361
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$26,668,787	35,526,696
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Revenues	322,281
Right to use leased assets	105,373
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(11,436,510)
Lease Liabilities	(84,380)
Town Leases Payable	(127,361)
Accrued Compensated Absences - School Department	(42,911)
Deferred Inflows/Outflows Related to Other Post Employment Benefits	27,144
Post Employment Benefits Obligations	(1,417,333)
Net Pension Liability	(23,121)
Deferred Inflows/Outflows Related to Pensions	(725,742)
	<u>(13,830,214)</u>
Net Position of Governmental Activities	<u><u>38,206,497</u></u>

TOWN OF BAR HARBOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

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	20,052,050			20,052,050
Intergovernmental Revenues	2,624,891	57,552	827,800	3,510,243
Departmental Revenues	3,743,117	-		3,743,117
Other Local Sources	415,781	385,808	128	801,717
Total Revenues	26,835,839	443,360	827,928	28,107,127
Expenditures				
Current:				
General Government	3,531,708			3,531,708
Public Safety	3,439,761		-	3,439,761
Health and Welfare	251,490			251,490
Parks and Recreation	445,480			445,480
Island Explorer Shuttle Bus	13,500			13,500
Roads and Sanitation	2,122,720		-	2,122,720
Education	8,217,445			8,217,445
Assessments	4,309,922			4,309,922
Cruise Ship	22,983			22,983
Parking Meters	237,346			237,346
Capital Outlay		2,788,420	-	2,788,420
Federal/State Funds			257,200	257,200
Total Expenditures	22,592,355	2,788,420	257,200	25,637,975
Excess of Revenues Over (Under) Expenditures	4,243,484	(2,345,060)	570,728	2,469,152
Other Financing Sources (Uses)				
Lease Liabilities Issued	140,498			140,498
Transfers In	536,961	3,354,527	-	3,891,488
Transfers Out	(3,881,445)	-	(43)	(3,881,488)
Total Other Financing Sources (Uses)	(3,203,986)	3,354,527	(43)	150,498
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,039,498	1,009,467	570,685	2,619,650
Fund Balance - July 1	7,708,503	5,738,401	15,807	13,462,711
Fund Balance - June 30	8,748,001	6,747,868	586,492	16,082,361

(Continued)

The notes to financial statements are an integral part of this statement.

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, 2022

Net change in fund balances - total governmental funds 2,619,650

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:

Right to use leased assets addition	140,498
Capital asset purchases capitalized	1,062,816
Gain/(Loss) on Disposal of Assets	58,205
Depreciation expense	(1,666,047)
Amortization expense on leased asset	(35,125)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Unavailable Revenues	6,480
Unavailable Taxes	18,756

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:

Capital lease obligation principal payments	123,543
General obligation bond principal payments	981,958
Lease Liabilities Issued	(84,380)

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	3,937
Post Employment Benefits Cost	(74,656)
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	259,055

Change in net position of governmental activities 3,414,690

TOWN OF BAR HARBOR
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

Exhibit E

<i>Assets</i>	<i>Wastewater Enterprise</i>	<i>Water Enterprise</i>	<i>Total</i>
<i>Current Assets:</i>			
Cash and Equivalents	2,566,443	2,256,722	4,823,165
Receivables			
User Fees, net	542,716	56,188	598,904
Liens Receivable	7,104	-	7,104
Accounts	10,196	573	10,769
Due From Other Funds	76,372		76,372
Inventory	28,725	217,937	246,662
Prepaid Expenses		12,702	12,702
<i>Total Current Assets</i>	3,231,556	2,544,122	5,775,678
<i>Noncurrent Assets:</i>			
Capital Assets, net	9,800,566	9,564,836	19,365,402
Bond Issuance Costs, net	-	-	-
<i>Total Noncurrent Assets</i>	9,800,566	9,564,836	19,365,402
<i>Total Assets</i>	13,032,122	12,108,958	25,141,080
<i>Deferred Outflows of Resources:</i>			
Related to Pensions	104,653	83,432	188,085
<i>Total Deferred Outflows of Resources</i>	104,653	83,432	188,085
<i>Total Assets and Deferred Outflows of Resources</i>	13,136,775	12,192,390	25,329,165
<i>Liabilities and Net Position</i>			
<i>Liabilities</i>			
Accounts Payable	722,125	108,682	830,807
Accrued Salaries and Benefits	26,094	20,736	46,830
Accrued Interest Payable	4,300	19,813	24,113
Due to Other Funds	397	93,467	93,864
Compensated Absences Payable	20,046	8,095	28,141
Bonds and Notes Payable	115,661	302,422	418,083
<i>Total Current Liabilities</i>	888,623	553,215	1,441,838
<i>Noncurrent Liabilities:</i>			
Net Pension (Asset)/Liability	(16,341)	(12,123)	(28,464)
Bonds and Notes Payable	884,575	3,340,883	4,225,458
<i>Total Noncurrent Liabilities</i>	868,234	3,328,760	4,196,994
<i>Total Liabilities</i>	1,756,857	3,881,975	5,638,832
<i>Deferred Inflows of Resources:</i>			
Related to Pensions	226,134	167,769	393,903
<i>Total Deferred Inflows of Resources</i>	226,134	167,769	393,903
<i>Net Position</i>			
Net Investment in Capital Assets	8,800,330	5,921,531	14,721,861
Retained Earnings			
Reserved	2,295,027	1,875,441	4,170,468
Unreserved	58,427	345,674	404,101
<i>Total Net Position</i>	11,153,784	8,142,646	19,296,430
<i>Total Liabilities, Deferred Inflows of Resources and Net Position</i>	13,136,775	12,192,390	25,329,165

The notes to financial statements are an integral part of this statement.

TOWN OF BAR HARBOR
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit F

	<u>Proprietary Fund Types</u>		<u>Total</u>
	<u>Wastewater Enterprise</u>	<u>Water Enterprise</u>	
Operating Revenues:			
Charges for Services	2,157,178	2,205,581	4,362,759
Interest - Late Penalties	5,378	599	5,977
Total Operating Revenues:	<u>2,162,556</u>	<u>2,206,180</u>	<u>4,368,736</u>
Operating Expenditures:			
Current:			
Salaries and Benefits	697,402	516,277	1,213,679
Contracted Services	221,100	266,120	487,220
Utilities & Commodities	264,074	65,504	329,578
Repairs & Maintenance	243,290	202,736	446,026
Equipment	16,546	9,664	26,210
Other Expenses	46,765	55,598	102,363
Depreciation and Amortization	526,352	325,806	852,158
Materials and Supplies	111,914	129,390	241,304
Total Operating Expenditures	<u>2,127,443</u>	<u>1,571,095</u>	<u>3,698,538</u>
Net Operating Income	<u>35,113</u>	<u>635,085</u>	<u>670,198</u>
Nonoperating Revenues (Expenses)			
Interest Revenue	15,212	13,167	28,379
Special Assessment	46,484		46,484
Jobbing Income, net of expense	-	1,783	1,783
Transfer to CIP Program		(10,000)	(10,000)
Contributions in Aid of Construction	-	(10,274)	(10,274)
Related to Pensions	125,456	19,629	145,085
Interest Expense	(35,333)	(101,138)	(136,471)
Total Nonoperating Revenue (Expenses)	<u>151,819</u>	<u>(86,833)</u>	<u>64,986</u>
<i>Change in Net Position (net income)</i>	186,932	548,252	735,184
<i>Total Net Position - Beginning</i>	<u>10,966,852</u>	<u>7,594,394</u>	<u>18,561,246</u>
<i>Total Net Position - Ending</i>	<u><u>11,153,784</u></u>	<u><u>8,142,646</u></u>	<u><u>19,296,430</u></u>

The notes to financial statements are an integral part of this statement.

TOWN OF BAR HARBOR
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit G

	<i>Proprietary Fund Types</i>		<i>Total</i>
	<i>Wastewater Enterprise</i>	<i>Water Enterprise</i>	
<i>Cash Flows from Operating Activities</i>			
Received from Customers	2,162,556	2,206,180	4,368,736
Payments to Suppliers	(856,924)	(673,414)	(1,530,338)
Payments to Employees	(697,402)	(516,277)	(1,213,679)
Other Receipts (Payments)	(281)	(74,089)	(74,370)
<i>Net Cash Provided by (Used in) Operating Activities</i>	607,949	942,400	1,550,349
<i>Cash Flows from Capital and Related Financing Activities</i>			
Purchases of Capital Assets	(1,048,369)	(31,884)	(1,080,253)
Principal Paid on Capital Debt	(108,358)	(600,600)	(708,958)
Interest Paid on Capital Debt	(35,333)	(101,138)	(136,471)
<i>Net Cash Used in Capital and Related Financing Activities</i>	(1,192,060)	(733,622)	(1,925,682)
<i>Cash Flows from Investing Activities</i>			
(Purchase)/Sale of Investments	587,814	75,788	663,602
Interest and Dividends	15,212	13,167	28,379
<i>Net Cash Provided by (Used in) Investing Activities</i>	603,026	88,955	691,981
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	18,915	297,733	316,648
<i>Balances - beginning of the year</i>	2,547,528	1,958,989	4,506,517
<i>Balances - end of the year</i>	2,566,443	2,256,722	4,823,165
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>			
Net Operating Income (Loss)	35,113	635,085	670,198
Adjustment to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	526,352	325,806	852,158
(Increase) Decrease in Accounts Receivable	(10,525)	13,288	2,763
(Increase) Decrease in Due To/From Other Funds	(538,684)	(10,101)	(548,785)
(Increase) Decrease in Inventory	(6,523)	(53,187)	(59,710)
(Increase) Decrease in Prepaid Expense	-	(673)	(673)
Increase (Decrease) in Accrued Wages Payable	(1,273)	(2,636)	(3,909)
Increase (Decrease) in Accrued Interest Payable	(421)	(6,579)	(7,000)
Increase (Decrease) in Compensated Absences Payable	(5,749)	(7,106)	(12,855)
Increase (Decrease) in Accounts Payable	609,659	48,503	658,162
<i>Net Cash Provided by (Used in) Operating Activities</i>	607,949	942,400	1,550,349

The notes to financial statements are an integral part of this statement.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (continued)

1. Deposits and Investments (continued)

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, \$310,635 has been so classified and reported on the general fund balance sheet.

Annual property taxes were levied on August 17, 2021, on property values assessed on April 1. Taxes were due in two installments without penalty, due on September 30 and March 31, with interest at 6.0% beginning October 1 and April 1. 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.

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

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 property taxes collected in advance, unavailable property taxes, pensions, other post-employment benefits and leases. These amounts are considered unavailable and will be recognized as 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.

8. Leases Receivable

The Town's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the Town receives set monthly payments from lessees. The lease payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each lease. The deferred inflows of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

9. Right to Use Assets

The School Department has recorded right to use leased assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

10. 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.

11. 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.

12. 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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

13. 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.

Leases-portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

13. Fund Balances/Net Position (Continued)

The Town has identified June 30, 2022 fund balances on the balance sheet as follows:

	<i>General Fund</i>	<i>Capital Improvement Projects</i>	<i>Other Governmental Funds</i>	<i>Total</i>
<u>Nonspendable</u>				
School Lunch Inventory	2,206			2,206
Gurnee Principal			6,488	6,488
Cemetery Principal			5,269	5,269
	2,206	-	11,757	13,963
<u>Restricted</u>				
Parking Meter Fund	1,475,967			1,475,967
Coronavirus State and Local Fiscal Recovery Funds	570,600			570,600
School Restricted Funds	1,420,009			1,420,009
	3,466,576	-	-	3,466,576
<u>Committed</u>				
Capital Improvement Programs		6,747,868		6,747,868
	-	6,747,868	-	6,747,868
<u>Assigned</u>				
Reserve for Working Capital	2,348,000			2,348,000
Designated for Insurance	500,000			500,000
Designated for Fiber Lease	50,000			50,000
General Fund Encumbrances	167,220			167,220
Cruise Ship Fund	108,861			108,861
Gurnee Scholarship			4,135	4,135
	3,174,081	-	4,135	3,178,216
<u>Unassigned</u>				
General Fund	2,675,738			2,675,738
<u>Total Fund Balance</u>	<u>9,318,601</u>	<u>6,747,868</u>	<u>15,892</u>	<u>16,082,361</u>

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

13. Fund Balances/Net Position (Continued)

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$20,337,972 and the bank balance was \$20,711,548 plus \$170,256 cash included with the investment portfolio for a total of \$20,881,804. The Town has no uninsured or uncollateralized deposits as of June 30, 2022.

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, 2022:

- U.S. Treasury securities and corporate bonds in the amount of \$1,845,503 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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (continued)

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.

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		1,931,994,100
Tax Rate (per \$1,000)		<u>9.74</u>
Commitment		<u><u>18,817,623</u></u>
Appropriations		28,020,732
Less:		
State Municipal Revenue Sharing	350,000	
Estimated Revenues	8,650,176	
BETE Reimbursement	49,699	
Homestead Reimbursement	<u>153,234</u>	
		<u>9,203,109</u>
Net Assessment for Commitment		<u><u>18,817,623</u></u>

Uncollected real estate taxes/liens and personal property taxes at June 30 for the current year commitment totaled \$268,149, which represents tax collection of approximately 99.98 % of the current year commitment, including supplemental taxes issued in the amount of \$5,169. The real estate portion of the total taxes due was placed on lien June 30, 2022. Unpaid prior year tax liens at June 30 totaled \$102,249.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2022 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	17,492	7,386,449
Capital Project Funds	6,815,849	-
Coronavirus State and Local Fiscal Recovery Funds	570,600	-
Water Fund	-	93,467
Wastewater Fund	<u>76,372</u>	<u>397</u>
Totals	<u>7,480,313</u>	<u>7,480,313</u>

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, 2022, 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 \$17,492 is expected to be repaid during the next year. The remaining balance will be retired upon use of the funds.

D. Leases Receivable

The Town signed a lease with Downeast Transportation, Inc. (DTI) to extend the original lease that expired 10/31/21. Under the terms of the new lease, DTI is leasing premises consisting of the former “Village Green Comfort Station” located at 19 Firefly Lane, Bar Harbor, Maine. The terms of the lease shall be from 11/1/21-12/31/23. Annual rent for the leased premises shall be payable on July 1 of each year in the amount of \$8,000 for fiscal year 2023 and \$12,000 for fiscal year 2024. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which such rate is not expressly stated in the lease, but deemed a reasonable rate of return. In fiscal year ending June 30, 2022, the Town recognized \$0 of lease revenue and \$0 of interest revenue under the lease.

The Town signed an amendment to an existing lease with Verizon Wireless for floor and antenna space. Under the terms of the lease, Verizon Wireless had the right to construct an equipment room for communications equipment, to use the space on the roof of the building for the installation of a flagpole to house the antennas, and use of space within the building for the installation, operation and maintenance of wires, cables, conduits and pipes. The agreement shall be in effect through 5/31/2024. The agreement could be automatically extended for 2 additional 5-year terms unless the lessee terminates it at the end of the then current term by giving the lessor written notice of the intent to terminate at least 6 months prior to the end of the then current term. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which such rate is not expressly stated in the lease, but deemed a reasonable rate of return. In fiscal year ending June 30, 2022, the Town recognized \$27,292 of lease revenue and \$1,974 of interest revenue under the lease.

On 4/4/2017, the Town signed a lease with Kids’ Corner, Inc. Under the terms of the lease, the tenant is paying the Town for use of the land and building(s) located at 81 Mount Desert Street, Bar Harbor Maine. The lease is for 15 years. The tenant shall pay the Town monthly installments according to the schedule presented in the lease documents. Annual rent ranges from \$6,300 beginning 5/1/17 to \$10,500 beginning 5/1/31. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which such rate is not expressly stated in the lease, but deemed a reasonable rate of

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Leases Receivable (continued)

return. In fiscal year ending June 30, 2022, the Town recognized \$7,538 of lease revenue and \$2,353 of interest revenue under the lease.

On 2/19/19, the Town signed a lease with Atlantic Fleet Services Corporation. Under the terms of the lease, the tenant will pay for the use of the premises (ferry terminal) located at 121 Eden Street, Bar Harbor, Maine. The landlord and tenant enter into the lease for the ferry terminal property in order for the tenant to provide services to Bay Ferries Limited. The terms of the agreement shall be from 2/19/19 through 10/31/23. The tenant shall have the option to renew this lease for a period of 1 year extending to 10/31/24. The tenant shall pay the Town monthly rent payments of \$4,500 from November through May and \$7,500 from June through October. On or before the 15th day of each October during the term, tenant shall pay to landlord the per-passenger, per-vehicle, and per-bus fees on Exhibit B that were incurred in the just completed operating season. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which such rate is not expressly stated in the lease, but deemed a reasonable rate of return. In fiscal year ending June 30, 2022, the Town recognized \$230,611 of lease revenue and \$13,753 of interest revenue under the lease.

E. Capital Assets (Includes School)

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

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental Activities;				
<i>Capital assets not being depreciated</i>				
Land	6,213,075			6,213,075
Construction Work in Progress	365,162	145,084	(81,026)	429,220
	<u>6,578,237</u>	<u>145,084</u>	<u>(81,026)</u>	<u>6,642,295</u>
<i>Capital assets being depreciated:</i>				
Buildings	19,341,852	8,900	-	19,350,752
Equipment	9,084,724	882,481	(305,599)	9,661,606
Infrastructure	26,370,567	173,763	(3,500)	26,540,830
	<u>54,797,143</u>	<u>1,065,144</u>	<u>(309,099)</u>	<u>55,553,188</u>
<i>Total capital assets being depreciated</i>				
<i>Less accumulated depreciation for:</i>				
Buildings	5,595,175	498,388	-	6,093,563
Equipment	4,857,193	645,829	(297,418)	5,205,604
Infrastructure	14,851,290	521,830	(3,500)	15,369,620
	<u>25,303,658</u>	<u>1,666,047</u>	<u>(300,918)</u>	<u>26,668,787</u>
<i>Total accumulated depreciation</i>				
	<u>29,493,485</u>	<u>(600,903)</u>	<u>(8,181)</u>	<u>28,884,401</u>
<i>Net capital assets being depreciated</i>				
Governmental Activities				
Capital Assets, net	<u>36,071,722</u>	<u>(455,819)</u>	<u>(89,207)</u>	<u>35,526,696</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. 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	206,403			206,403
<i>Capital assets being depreciated:</i>				
Water Fund	14,350,830	31,885	(57,592)	14,325,123
Wastewater Fund	21,311,566	1,048,369		22,359,935
<i>Total capital assets being depreciated</i>	<u>35,662,396</u>	<u>1,080,254</u>	<u>(57,592)</u>	<u>36,685,058</u>
<i>Less accumulated depreciation for:</i>				
Water Fund	4,623,311	335,520	(57,592)	4,901,239
Wastewater Fund	12,098,467	526,353		12,624,820
<i>Total accumulated depreciation</i>	<u>16,721,778</u>	<u>861,873</u>	<u>(57,592)</u>	<u>17,526,059</u>
<i>Net capital assets being depreciated</i>	<u>18,940,618</u>	<u>218,381</u>	<u>-</u>	<u>19,158,999</u>
<i>Business-type Activities Capital Assets, net</i>	<u>19,147,021</u>	<u>218,381</u>	<u>-</u>	<u>19,365,402</u>

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

Governmental Activities:

General Government	180,155
Public Safety	502,181
Health and Welfare	12,620
Parks and Recreation	71,270
Roads and Sanitation, including infrastructure	674,570
Education	164,179
Parking Fund	61,072
Total Depreciation Expense - Governmental Activities	<u><u>1,666,047</u></u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Right to Use Leased Assets

The School Department has recorded two right to use leased assets. The first asset is a right to use leased asset for copiers. The second is a right to use leased asset for laptops. The related leases are discussed in the leases subsection of the liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related lease.

Right to use asset activity for the City for the year ended June 30, 2022 is as follows:

<i>Right to use assets:</i>				
Leased Copiers		52,991		52,991
Leased Laptops	-	87,507	-	87,507
<i>Total Right to use assets</i>	-	140,498	-	140,498
<i>Less Accumulated Amortization for:</i>				
Leased Copiers		13,248		13,248
Leased Laptops	-	21,877	-	21,877
<i>Total accumulated amortization</i>	-	35,125	-	35,125
<i>Right to use assets, net</i>	-	105,373	-	105,373

G. Long-Term Liabilities

Long-Term Liability Schedule

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>	<i>Current Portion Of Balance</i>
<i>Governmental activities:</i>					
General Obligation Bonds	12,418,468	-	(981,958)	11,436,510	994,664
Capital Leases	250,904	-	(123,543)	127,361	127,361
Lease Liabilities	-	140,498	(56,118)	84,380	27,232
Compensated Absences	375,074	-	(5,565)	369,509	-
Total OPEB Liability	1,468,679	-	(51,346)	1,417,333	-
Net Pension (Asset)/Liability	1,689,720	-	(1,666,599)	23,121	-
<i>Governmental Activity Long-Term Liabilities</i>	16,202,845	140,498	(2,885,129)	13,458,214	1,149,257
<i>Business-Type Activities:</i>					
General Obligation Bonds	5,352,498	-	(708,957)	4,643,541	418,083
Compensated Absences	45,418	-	(17,277)	28,141	-
Net Pension (Asset)/Liability	392,798	-	(421,262)	(28,464)	-
<i>Business-Type Activity Long-Term Liabilities</i>	5,790,714	-	(1,147,496)	4,643,218	418,083
<i>Total Long-Term Liabilities</i>	21,993,559	140,498	(4,032,625)	18,101,432	1,567,340

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. 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, 2022:

	<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	227,887	-	(52,772)	175,115	55,478
2010 Capital Construction, Roads, Refinanced in 2020	1,445,581	-	(159,186)	1,286,395	159,186
2013 Public Works Complex	2,405,000	-	(150,000)	2,255,000	155,000
2014 Town Hall & Signage	1,695,000	-	(125,000)	1,570,000	130,000
2015 Refinanced Agamont Park & Seawall	160,000	-	(40,000)	120,000	40,000
2015 Public Safety Building	300,000	-	(20,000)	280,000	20,000
2018 Ladder Truck, Public Safety Building & Transfer Station Renovations	2,590,000	-	(160,000)	2,430,000	160,000
2019 Parking Meters, Ferry Terminal	2,415,000	-	(230,000)	2,185,000	230,000
2019 Ferry Terminal Taxable	1,180,000	-	(45,000)	1,135,000	45,000
<i>Sub-Total Bonds Payable</i>	<u>12,418,468</u>	-	<u>(981,958)</u>	<u>11,436,510</u>	<u>994,664</u>
<i>Other Governmental long-term activities:</i>					
Town LED Lights Lease	250,904	-	(123,543)	127,361	127,361
	<u>250,904</u>	-	<u>(123,543)</u>	<u>127,361</u>	<u>127,361</u>
Total Governmental Activities	<u>12,669,372</u>	-	<u>(1,105,501)</u>	<u>11,563,871</u>	<u>1,122,025</u>
<i>Business-Type Activities:</i>					
<i>Bonds payable:</i>					
<i>Water Department:</i>					
2002 Water Tank Purchase	47,184	-	(47,184)	-	-
2010 Water Mains, Refinanced in 2020	234,419	-	(25,814)	208,605	25,814
2011 Water Refinance Mains Replacement & Duck Brook Pump Station	1,026,406	-	(311,642)	714,764	59,339
2012 Safe Drinking Revolving Water Loan	1,660,896	-	(130,960)	1,529,936	132,269
2015 Route 3 Water Main Project	1,275,000	-	(85,000)	1,190,000	85,000
<i>Sub-Total Water Department</i>	<u>4,243,905</u>	-	<u>(600,600)</u>	<u>3,643,305</u>	<u>302,422</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

<i>Wastewater Department:</i>					
2011 Wastewater Mains Replacement & Scada System	783,594	-	(68,358)	715,236	70,661
2015 Refinanced Hulls Cove Wastewater Plant	325,000	-	(40,000)	285,000	45,000
<i>Sub-Total Wastewater Department</i>	<u>1,108,594</u>	<u>-</u>	<u>(108,358)</u>	<u>1,000,236</u>	<u>115,661</u>
Total Business-Type Activities	<u>5,352,499</u>	<u>-</u>	<u>(708,958)</u>	<u>4,643,541</u>	<u>418,083</u>
Total Debt	<u>18,021,871</u>	<u>-</u>	<u>(1,814,459)</u>	<u>16,207,412</u>	<u>1,540,108</u>

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 \$61,421 in fiscal year 2022 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, 2022 was \$175,115.

In 2010, the Town was issued a bond for capital construction roads and sidewalks from Hutchinson, Shockey, Erly & Co. The loan was originally issued for \$3,700,000, but was refinanced in fiscal year 2020 and the town received a bond premium. The bond was reissued in the amount of \$1,604,767 with annual principal and interest payments ranging from \$231,465 in fiscal year 2022 to \$167,146 for the last payment in fiscal year 2030. Interest is payable semiannually at a rate of 3.0 – 4.0%. The balance at June 30, 2022 was \$1,286,395.

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 \$232,988 in fiscal year 2022 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, 2022 was \$2,255,000.

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 \$179,375 in fiscal year 2022 to \$111,787 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, 2022 was \$1,570,000.

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 \$45,400 in fiscal year 2022 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, 2022 was \$120,000.

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 \$30,000 in fiscal year 2022 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, 2022 was \$280,000.

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 \$256,100 in fiscal year 2022 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, 2022 was \$2,430,000.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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 \$319,700 in fiscal year 2022 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, 2022 was \$2,185,000.

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 \$88,400 in fiscal year 2022 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, 2022 was \$1,135,000.

In 2019-20, the Town entered into a capital lease for the LED Lights project with Municipal Leasing Consultants, LLC.. The lease was issued for \$372,762 with annual principal and interest payments of \$131,296. The proceeds of the lease was deposited into an escrow account with City National Bank of Florida, who disburse funds as needed to pay expenditures incurred. Interest is paid annually at a rate of 3.090%. The balance at June 30, 2022 was \$127,361.

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 of \$50,066 in fiscal year 2022. Interest is payable semi-annually at a rate of 2.67%. The balance at June 30, 2022 was \$0.

In 2010, the Town was issued a bond for water mains replacement from Hutchinson, Shockey, Erly & Co. The loan was originally issued for \$600,000, but was refinanced in fiscal year 2020 and the town received a bond premium. The bond was reissued in the amount of \$260,233 with annual principal and interest payments ranging from \$37,535 in fiscal year 2022 to \$27,104 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, 2022 was \$208,605.

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 \$91,862 in fiscal year 2022 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, 2022 was \$715,236.

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 \$338,956 in fiscal year 2022 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, 2022 was \$714,764.

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 \$154,260 in fiscal year 2022 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, 2022 was \$1,529,936.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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 \$127,500 in fiscal year 2022 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, 2022 was \$1,190,000.

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 \$52,250 in fiscal year 2022 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, 2022 was \$285,000.

Annual debt service requirements to maturity including interest of \$3,543,358 (including fees) are as follows:

<i>Year Ended June 30,</i>	<i>Governmental Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	1,122,025	422,937	1,544,962
2024	1,007,509	374,295	1,381,804
2025	900,500	333,336	1,233,836
2026	822,093	297,854	1,119,947
2027	814,186	262,462	1,076,648
2028-2032	3,842,558	831,777	4,674,335
2033-2037	2,515,000	254,718	2,769,718
2038-2039	540,000	15,315	555,315
Total	11,563,871	2,792,694	14,356,565

<i>Year Ended June 30,</i>	<i>Business-Type Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	418,083	125,858	543,941
2024	424,406	114,064	538,470
2025	430,742	102,103	532,845
2026	444,184	89,206	533,390
2027	453,454	75,192	528,646
2028-2032	1,986,564	215,769	2,202,333
2033-2037	486,108	28,472	514,580
2038-2039	-	-	-
Total	4,643,541	750,664	5,394,205
Totals	16,207,412	3,543,358	19,750,770

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

I. Leases

The School Department has entered into an agreement to lease copiers and laptops. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The copier agreement was effective on 8/2/19, to lease copiers and requires 5 yearly payments of \$13,889.99. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which is not stated in the lease agreement. As a result of the lease, the School Department has recorded a right to use asset with a net book value of \$39,743 at June 30, 2022. The right to use asset is discussed in more detail in the receivables section D of this note.

The laptop agreement was effective on 8/16/21, to lease laptops and requires 4 yearly payments. The first payment is due 9/15/21 in the amount of \$42,228 and the remaining 3 payments are due on 7/15/22 through 7/15/24 in the amount of \$16,084.67 each. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.95%, which is stated in the lease agreement. As a result of the lease, the School Department has recorded a right to use asset with a net book value of \$39,743 at June 30, 2022. The right to use asset is discussed in more detail in the receivables section D of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<i>Year Ended June 30,</i>	<i>Principal Payments</i>	<i>Interest Payments</i>	<i>Total</i>
2023	27,232	2,743	29,975
2024	28,117	1,858	29,975
2025	29,031	943	29,974
Total	84,380	5,544	89,924

J. Authorized, Unissued Debt

The Town approved the following bonds at its annual town meeting on 6/7/22. They are authorized but unissued at 6/30/22:

- 1) Priority Infrastructure Improvements Bond – Approved by voters to address combined sewer overflow (CSO) program mandates, sewer and stormwater collection system needs, water distribution and storage system needs, and streetscape and undergrounding needs. The bond was approved in the amount of \$43,897,600.
- 2) Engineering, Design, Procurement, Construction, and Interconnection of a Free Standing Solar Array – Approved by voters to provide monies for engineering and construction of a free standing solar array on the Town owned lot known as Higgins Pit Solar Array, to offset municipal electrical demand. The bond was approved in the amount of \$4,350,000.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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	4,135
Total	<u>11,757</u>	<u>4,135</u>

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, 2020, 2021 and 2022 were \$75,010, \$86,248 and \$72,015 respectively.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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.

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, 2022, the SET Plan member contribution rate was 7.65% and the employer contribution rate was 3.84% of applicable member compensation. The employer (School portion) is also responsible for contributing 14.89% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.29% of the applicable member compensation into the System.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

For the year ended June 30, 2022, the PLD Plan member contribution rate was 7.8% for the regular AC-Age 60 Plan and 7.05% for the regular AC-Age 65 Plan; the employer contribution rate was 10.3% of applicable member compensation for the regular AC Plan and 5.0% for retirees who return to work. The member contribution rate was 8.3% for the Special 4C Plan-Public Safety Plan and the employer contribution rate was 9.8% for the Special 4C Plan of applicable members compensation.

The required contributions paid into the System for the year ended June 30, 2022 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>
2022	\$ 278,341	\$ 164,221	\$ 496,418	\$ 3,638,450	\$ 164,567
2021	\$ 264,926	\$ 179,323	\$ 462,486	\$ 3,463,083	\$ 235,685
2020	\$ 256,047	\$ 152,718	\$ 466,706	\$ 3,347,026	\$ 90,180

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>
2022	\$ 20,625	\$ 25,595	\$ 248,497
2021	\$ 12,844	\$ 16,015	\$ 158,564
2020	\$ 16,397	\$ 20,244	\$ 202,436

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>
2022	\$ 288,353	\$ 377,512	\$ 3,742,142
2021	\$ 262,959	\$ 316,432	\$ 3,268,540
2020	\$ 257,224	\$ 296,904	\$ 3,114,383

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

As of June 30, 2022, the Town of Bar Harbor reported a net pension liability of \$150,726 for the SET Plan and a net pension asset of (\$156,069) for the PLD Plan. The net pension (asset)/liability was measured as of June 30, 2021, and the total pension (asset)/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 (asset)/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, 2021, the Town of Bar Harbor's proportion of contributions was .01782% for the SET Plan and .4856% for the PLD Plan, which was an increase of .010716% and a decrease of .009316% respectively from its proportion measured at June 30, 2020.

For the fiscal year ended June 30, 2022, the Town of Bar Harbor recognized pension expense/(credit) of \$213,789 for the SET Plan and (\$1,111) for the PLD plan for a total of \$212,678. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>SET Plan:</i>	
	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	2,234	3,081
Changes in Assumption	102,763	-
Net Difference between projected and actual earnings on pension plan investments	-	205,377
Changes in proportion and differences between employer contributions and proportionate share of contributions	110,515	1,395
Employer contributions made subsequent to measurement date	164,220	
	<u>379,732</u>	<u>209,853</u>
	 <i>PLD Plan:</i> 	
	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	100,957	10,608
Changes in Assumption	524,067	-
Net Difference between projected and actual earnings on pension plan investments	-	2,127,280
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,178	21,861
Employer contributions made subsequent to measurement date	403,107	
	<u>1,058,309</u>	<u>2,159,749</u>
Totals	<u>1,438,041</u>	<u>2,369,602</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

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

<u>Year Ended June 30,</u>	<u>SET Plan</u>	<u>PLD Plan</u>
2022	212,561	185,780
2023	61,215	(211,845)
2024	(46,652)	(484,245)
2025	(57,246)	(591,129)

Actuarial Assumptions

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the Entry Age Normal actuarial funding method. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

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

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	6.0%
US Government	2.3%
Private Equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural Resources	5.0%
Traditional Credit	3.0%
Alternative Credit	7.2%
Diversifiers	5.9%

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for the SET Plan and 6.50% 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 6.50% for the SET Plan and 6.50% 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:

SET Plan:	<i>1% Decrease</i> ▼ (5.50%)	<i>Current Discount</i> <u>Rate (6.50%)</u>	<i>1% Increase</i> ▼ (7.50%)
Proportionate Share of the Net Pension Liability	\$ 395,824	\$ 150,726	\$ (53,343)
PLD Plan:	<i>1% Decrease</i> ▼ (5.50%)	<i>Current Discount</i> <u>Rate (6.50%)</u>	<i>1% Increase</i> ▼ (7.50%)
Proportionate Share of the Net Pension Liability	\$ 2,220,955	\$ (156,069)	\$ (2,122,181)

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

E. Risk Management (continued)

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, 2022.

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.

F. Other Postemployment Benefits (OPEB)-MPERS Retiree 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, 2021 there were 228 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, 2021, there were 137 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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

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, 2022, the Town of Bar Harbor reported a net OPEB liability of \$25,470 for the PLD Plan. The net OPEB liability was measured as of June 30, 2021, 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, 2021, the Town of Bar Harbor’s proportion of contributions was .246711% for the PLD Plan, which was an increase of .003023% from its proportion measured at June 30, 2020.

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, 2022, the Town of Bar Harbor recognized OPEB expense/(credit) of (\$4,475) for the PLD Plan. At June 30, 2022, 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>	
	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	2,878	-
Changes of Assumptions	4,297	17,176
Difference between projected and actual Investment		
Earnings on OPEB Plan Investments	-	7,818
Changes in proportion and differences between employer premiums and proportionate share of premiums	1,192	2,833
	<u>8,367</u>	<u>27,827</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:

<u><i>Year Ended June 30,</i></u>	<u><i>PLD Plan</i></u>
2022	(7,289)
2023	(3,705)
2024	(4,494)
2025	(4,784)
2026	405
Thereafter	405

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions

The collective total OPEB liability for the plans was determined by an actuarial valuation as of June 30, 2021, 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.

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, 2021, there were 16 years remaining in the amortization schedule for the SET Plan and 9 years remaining for the PLD Plan. The actuarial assumptions used in the June 30, 2021 actuarial valuation was based on the results of an actuarial experience study conducted for the period of June 30, 2016 to June 30, 2020.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2021 are as follows:

	<u>SET Plan</u>	<u>PLD Plan</u>
Investment Rate of Return:	6.50% per annum, compounded annually	6.50% per annum, compounded annually
Inflation	2.75%	2.75%
Annual Salary Increases, Including Inflation	2.80% - 13.03%	2.75% - 11.48 %
Participation Rate for future retirees	100% of those currently enrolled	100% of those currently enrolled
Mortality Rates	Based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance.	Apply to the cost of active group life insurance, not retiree group life insurance.
Form of Benefit Payment	Lump Sum	Lump Sum

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

F. Other Postemployment Benefits (OPEB)-MPERS Retiree 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	6.0%
Real Estate	5.2%
Traditional Credit	3.0%
US Government	2.3%

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.50% for 2021 for the Plans. 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 Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 6.50% 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:

	<u>1% Decrease █ (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase █ (7.50%)</u>
Proportionate Share of the Net OPEB Liability	\$ 37,810	\$ 25,470	\$ 15,572

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

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>
2021	\$9,410	\$504	\$40,170

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

Employees covered by benefit terms:

At June 30, 2022, the following employees were covered under the benefit terms:

Active employees	43
Average age	43.80
Average service	8.40
Retirees Under 65	1
Average Age	56.36
Retirees Over 65	1
Average Age	70.82
Spouses Under 65	0
Average Age	N/A
Spouses Over 65	1
Average Age	70.37

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.06% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

Trend Assumptions:

Medical trend assumptions were developed using the Society of Actuaries (SOA) long-run medical cost trend model. The SOA model was released in December 2007, and version 2020_b was used for this valuation. The following assumptions were input into this model:

Trend Assumption Inputs

Variable	Rate
Rate of Inflation	2.04%
Rate of Growth in Real Income/GDP per capita 2031+	1.10%
Extra Trend due to Taste/Technology 2029+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

Deductibles, co-payments, and out-of-pocket maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capita GDP growth.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial assumptions (continued)

The medical and drug trends were blended to develop non-Medicare and Medicare trends based on experience weights.

Healthy Annuitant:

Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees:

Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020.

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 through June 30, 2021 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.

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, 2021 is based upon an earlier measurement date, as of December 31, 2020 and is 2.12% per annum. The discount rate as of June 30, 2022 is based upon an earlier measurement date, as of December 31, 2021 and is 2.06% 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, 2022

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 6/30/21	535,840	-	535,840
Changes for the year:			-
Service Cost	31,086		31,086
Interest	11,912		11,912
Changes of benefits	-		-
Differences between expected and actual experience	(133,724)		(133,724)
Changes of assumptions	21,283		21,283
Contributions - employer		10,147	(10,147)
Contributions - member			-
Net investment income			-
Benefit payments	(10,147)	(10,147)	-
Administrative expense			-
Net Change	(79,590)	-	(79,590)
Balances at 6/30/22	456,250	-	456,250

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 (1.06%) or 1 percentage point higher (3.06%) than the current discount rate:

	<i>1% Decrease</i> <i>(1.06%)</i>	<i>Current Discount</i> <i>Rate (2.06%)</i>	<i>1% Increase</i> <i>(3.06%)</i>
Net OPEB liability (asset)	\$ 381,436	\$ 456,250	\$ 554,093

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:

	<i>1% Decrease</i>	<i>Healthcare</i> <i>Trend Rates</i>	<i>1% Increase</i>
Net OPEB liability (asset)	\$ 381,436	\$ 456,250	\$ 554,093

A 1% decrease in the healthcare trend rate decreases the TOL by approximately 16.4%. A 1% increase in the healthcare trend rate increases the TOL by approximately 21.4%.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 10 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.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	10,366	150,283
Changes in Assumption	121,920	23,643
Net Difference between projected between projected and actual earnings on pension plan investments	-	
	<u>132,286</u>	<u>173,926</u>

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

2023	1,342
2024	1,342
2025	1,342
2026	1,336
2027	(7,220)
Thereafter	(39,782)

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

Plan Description

The MEA Benefits Trust (MEABT) is a single employer OPEB plan and 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, 2022

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

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, 2019 is 3.50% per annum. The discount rate as of June 30, 2020 is 2.21% 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.

Member Data, Actuarial Methods and Assumptions

Membership Information:

	Active Count	62		
	Active Average Age	49.53		
	Active Average Service	14.51		
<i>Inactive:</i>				
Retirees Under 65	1	Spouses Under 65	-	
Average Age	62	Average Age	N/A	
Retirees Over 65	32	Spouses Over 65	5	
Average Age	77.53	Average Age	76	
Total Retirees	33	Total Spouses	5	
Total Average Age	77.06	Total Average Age	76	

Actuarial Assumptions

The collective total OPEB liability for the plan was determined by an actuarial valuation with a measurement date of June 30, 2021, using the following methods and assumptions, applied to all periods included in the measurement:

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

Changes Since Last Valuation:

This is a roll forward valuation. 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.

Significant Actuarial Assumptions

Discount Rate:	2.16% per annum for yearend 2021 reporting 2.21% per annum for yearend 2020 reporting
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:	Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2030+	1.23%
Extra Trend due to Taste/Technology 2030+	1.10%
Expected Health Share of GDP 2030	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040
<i>Pre-Medicare:</i>	
Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% pre annum	
<i>Medicare:</i>	
Initial trend of 0.00% applied to FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum	
Rate of Mortality:	Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows: <ul style="list-style-type: none"> • 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80 • 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. 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:

	Sensitivity of Net OPEB Liability to Changes in Discount Rate		
	1% Decrease	Current Discount	1% Increase
	(1.16%)	Rate (2.16%)	(3.16%)
Total OPEB Liability	\$ 1,107,351	\$ 935,613	\$ 797,451
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 1,107,351</u>	<u>\$ 935,613</u>	<u>\$ 797,451</u>

A 1% decrease in the discount rate increases the Net OPEB Liability by approximately 18.4%. A 1% increase in the discount rate decreases the Net OPEB Liability by approximately 14.8%.

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%	Healthcare Cost	1%
	Decrease	Trend Rates	Increase
Total OPEB Liability	\$ 778,670	\$ 935,613	\$ 1,136,650
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 778,670</u>	<u>\$ 935,613</u>	<u>\$ 1,136,650</u>

A 1% decrease in the healthcare trend rates decreases the Net OPEB Liability by approximately 16.8%. A 1% increase in the healthcare trend rate increases the Net OPEB Liability by approximately 21.5%.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 Liability</i>
	<i>Net OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	
Total OPEB Liability			
Service cost	\$ 16,692		\$ 16,692
Interest	\$ 20,169		\$ 20,169
Changes of benefits	\$ -		\$ -
Differences between expected and actual experience	\$ -		\$ -
Changes of assumptions	\$ 7,639		\$ 7,639
Contributions - employer		\$ 9,578	\$ (9,578)
Contributions - member			\$ -
Net investment income			\$ -
Benefit payments	\$ (9,578)	\$ (9,578)	\$ -
Administrative expense	\$ -		\$ -
Net change in total OPEB liability	\$ 34,922	\$ -	\$ 34,922
Net OPEB liability beginning	\$ 900,691	\$ -	\$ 900,691
Net OPEB liability ending	<u>\$ 935,613</u>	<u>\$ -</u>	<u>\$ 935,613</u>

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

For the year ended June 30, 2022, Bar Harbor School Department recognized OPEB expense of \$57,445. At June 30, 2022, 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:

	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$ 59,634	\$ -
Changes in Assumptions	\$ 41,430	\$ 12,820
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ -
Total	<u>\$ 101,064</u>	<u>\$ 12,820</u>

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

Year ended June 30,:	
2022	\$ 20,584
2023	\$ 20,582
2024	\$ 26,993
2025	\$ 18,811
2026	\$ 1,274
Thereafter	\$ -

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

I. Adjustment to Beginning Net Position

The following adjustment was made at July 1, 2021 to restate fund balance and net position:

	Governmental Activities	Business-Type Activities	Total Government-Wide
Reclassify School Department Copier Capital Asset and related Lease	13,325	-	13,325
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government-Wide</u>
Net Position, as previously stated 6/30/21	34,778,482	18,561,246	53,339,728
Net Position, as restated 7/1/21	34,791,807	18,561,246	53,353,053

The copier lease capital asset and corresponding lease was reclassified as operating leases to comply with GASB Statement #87.

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, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	19,914,122	19,914,122	20,052,050	137,928
Intergovernmental Revenues	596,834	601,634	728,751	127,117
Departmental Revenues	1,148,916	1,148,916	1,404,246	255,330
Other Local Sources	345,787	345,787	297,349	(48,438)
Total Revenues	22,005,659	22,010,459	22,482,396	471,937
Expenditures				
General Government	3,721,306	3,721,306	3,567,853	153,453
Public Safety	3,433,257	3,438,057	3,416,643	21,414
Health and Welfare	218,366	218,366	251,490	(33,124)
Parks and Recreation	463,090	463,090	445,480	17,610
Roads and Sanitation	2,086,551	2,086,551	2,154,620	(68,069)
Assessments	4,399,710	4,399,710	4,309,922	89,788
Total Expenditures	14,363,182	14,367,982	14,159,508	208,474
Excess Revenues Over Expenditures	7,642,477	7,642,477	8,322,888	680,411
Other Financing Sources				
Transfers In	442,654	442,654	441,961	(693)
Transfers Out	(8,185,131)	(8,185,131)	(8,185,131)	-
Total Other Financing Sources	(7,742,477)	(7,742,477)	(7,743,170)	(693)
Net Change in Fund Balance	(100,000)	(100,000)	579,718	679,718
Beginning Fund Balance - Unassigned			2,198,020	
(Increase) Decrease in Assigned Fund Balances			(102,000)	
Ending Fund Balance - Unassigned			2,675,738	
Reconciliation to Exhibit C:				
Unassigned Fund Balance per above			2,675,738	
Encumbrances			167,220	
Reserve for Working Capital			2,348,000	
Reserve for Insurance			500,000	
Reserved for Fiber Lease			50,000	
School Department			1,475,967	
Cruise Ship Fund			1,422,215	
Parking Meter Fund			108,861	
Total Fund Balance Exhibit C			8,748,001	
Reconciliation to Exhibit D:				
Total Revenues per above			22,482,396	
Dog Control Reserve			2,319	
Shellfish Conservation Reserve			2,930	
School Department			2,006,388	
Cruise Ship Fund			209,791	
Parking Meter Fund			2,132,015	
Total General Fund Revenues per Exhibit D:			26,835,839	
Reconciliation to Exhibit D:				
Total Expenditures per above			14,159,508	
Encumbrances			(45,360)	
Dog Control Reserve			433	
School Department			8,217,445	
Cruise Ship Fund			22,983	
Parking Meter Fund			237,346	
Total General Fund Expenditures per Exhibit D:			22,592,355	

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 1 - Proportionate Share of the Net Pension Liability:

	Town Portion:							
	<i>Year Ended June 30, 2022</i>	<i>Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	Participating Local Districts Plan				
			<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>	
Proportion of net pension (asset)/liability	0.485649%	0.494965%	0.473264%	0.464860%	0.477711%	0.459644%	0.445634%	0.443395%
Proportionate share of net pension (asset)/liability	(\$148,843)	\$1,846,604	\$1,365,730	\$1,193,594	\$1,830,356	\$2,297,894	\$1,339,178	\$633,175
Covered employee payroll	\$3,742,142	\$3,268,541	\$3,114,383	\$2,911,360	\$2,671,400	\$2,636,895	\$2,356,080	\$2,364,202
Proportionate share of the net pension (asset)/liability as a percentage of its covered employee payroll	-3.98%	56.50%	43.85%	41.00%	68.52%	87.14%	56.84%	26.78%
Plan Total Pension (Asset)/Liability	\$3,719,016,414	\$3,409,741,367	\$3,258,819,605	\$3,089,857,220	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	\$3,751,152,623	\$3,012,428,367	\$2,953,156,096	\$2,816,179,855	\$2,607,223,644	\$2,358,409,925	\$2,401,889,308	\$2,455,776,671
Plan Net Pension (Asset)/Liability	(\$32,136,209)	\$397,313,000	\$305,663,509	\$273,677,365	\$409,437,077	\$531,330,709	\$319,046,701	\$153,881,174
Plan Fiduciary Net Position as a % Of the Total Pension (Asset)/Liability	100.864%	88.348%	90.620%	91.143%	86.427%	81.613%	88.274%	94.103%
Plan Covered Employee Payroll	\$646,287,594	\$641,523,784	\$593,884,355	\$561,126,768	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension (Asset)/Liability as a % Of the Covered Employee Payroll	-4.972%	61.933%	51.469%	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							
	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$377,512	\$316,432	\$296,904	\$274,535	\$241,823	\$229,599	\$192,895	\$176,184
Contribution in relation to the contractually required contribution	(\$377,512)	(\$316,432)	(\$296,904)	(\$274,535)	(\$241,823)	(\$229,599)	(\$192,895)	(\$176,184)
Contribution deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered employee payroll	\$3,742,142	\$3,268,541	\$3,114,383	\$2,911,360	\$2,671,400	\$2,636,895	\$2,356,080	\$2,364,202
Contributions as a percentage of covered employee payroll	10.09%	9.68%	9.53%	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, 2022

Schedule 1 - Proportionate Share of the Net Pension Liability:

	School Portion:							
	Participating Local Districts Plan							
	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension (asset)/liability	0.485649%	0.494965%	0.473264%	0.464860%	0.477711%	0.459644%	0.445634%	0.443395%
Proportionate share of net pension (asset)/liability	(\$7,226)	\$119,960	\$80,865	\$78,623	\$125,570	\$144,336	\$82,606	\$49,126
Covered employee payroll	\$248,497	\$158,564	\$202,436	\$172,345	\$176,002	\$180,888	\$148,102	\$145,894
Proportionate share of the net pension (asset)/liability as a percentage of its covered employee payroll	-2.91%	75.65%	39.95%	45.62%	71.35%	79.79%	55.78%	33.67%
Plan Total Pension (Asset)/Liability	\$3,719,016,414	\$3,409,741,367	\$3,258,819,605	\$3,089,857,220	\$3,016,660,721	\$2,889,740,634	\$2,720,936,009	\$2,609,657,845
Plan Fiduciary Net Position	\$3,751,152,623	\$3,012,428,367	\$2,953,156,096	\$2,816,179,855	\$2,607,223,644	\$2,358,409,925	\$2,401,889,308	\$2,455,776,671
Plan Net Pension (Asset)/Liability	(\$32,136,209)	\$397,313,000	\$305,663,509	\$273,677,365	\$409,437,077	\$531,330,709	\$319,046,701	\$153,881,174
Plan Fiduciary Net Position as a % Of the Total Pension (Asset)/Liability	100.864%	88.348%	90.620%	91.143%	86.427%	81.613%	88.274%	94.103%
Plan Covered Employee Payroll	\$646,287,594	\$641,523,784	\$593,884,355	\$561,126,768	\$542,572,528	\$521,870,235	\$497,616,846	\$460,029,637
Plan Net Pension (Asset)/Liability as a % Of the Covered Employee Payroll	-4.972%	61.933%	51.469%	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							
	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$25,595	\$16,015	\$20,244	\$17,234	\$16,896	\$17,184	\$13,181	\$11,380
Contribution in relation to the contractually required contribution	(\$25,595)	(\$16,015)	(\$20,244)	(\$17,234)	(\$16,896)	(\$17,184)	(\$13,181)	(\$11,380)
Contribution deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered employee payroll	\$248,497	\$158,564	\$202,436	\$172,345	\$176,002	\$180,888	\$148,102	\$145,894
Contributions as a percentage of covered employee payroll	10.30%	10.10%	10.00%	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, 2022

Schedule 1 - Proportionate Share of the Net Pension Liability:

	<i>School Portion:</i>							
	<i>State Employees and Teachers Plan</i>							
	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Proportion of net pension (asset)/liability	0.017820%	0.007104%	0.007380%	0.006941%	0.007103%	0.007829%	0.007559%	0.00647%
Proportionate share of net pension (asset)/liability	\$150,726	\$115,955	\$108,182	\$93,651	\$103,174	\$138,312	\$102,069	\$69,897
Covered employee payroll	\$3,638,450	\$3,463,083	\$3,347,026	\$3,101,296	\$3,009,410	\$3,047,399	\$2,998,911	\$2,939,456
Proportionate share of the net pension (asset)/liability as a percentage of its covered employee payroll	4.14%	3.35%	3.23%	3.02%	3.43%	4.54%	3.40%	2.38%
Plan Total Pension (Asset)/Liability	\$16,392,351,328	\$14,865,460,130	\$14,547,222,913	\$14,031,187,845	\$13,484,886,512	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$14,900,644,020	\$12,044,916,279	\$12,035,563,047	\$11,632,192,771	\$10,893,291,864	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension (Asset)/Liability	\$1,491,707,308	\$2,820,543,851	\$2,511,659,866	\$2,398,995,074	\$2,591,594,648	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension (Asset)/Liability	90.900%	81.026%	82.734%	82.902%	80.781%	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$2,096,365,332	\$2,003,075,813	\$1,924,006,618	\$1,808,274,919	\$1,860,230,663	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension (Asset)/Liability as a % Of the Covered Employee Payroll	71.157%	140.811%	130.543%	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:

	<i>School Portion:</i>							
	<i>State Employees and Teachers Plan</i>							
	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>	<i>For the Fiscal Year Ended June 30, 2018</i>	<i>For the Fiscal Year Ended June 30, 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Contractually required contribution	\$164,220	\$179,323	\$152,718	\$133,916	\$129,379	\$111,547	\$110,512	\$90,466
Contribution in relation to the contractually required contribution	(\$164,220)	(\$179,323)	(\$152,718)	(\$133,916)	(\$129,379)	(\$111,547)	(\$110,512)	(\$90,466)
Contribution deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered employee payroll	\$3,638,450	\$3,463,083	\$3,347,026	\$3,101,296	\$3,009,410	\$3,047,399	\$2,998,911	\$2,939,456
Contributions as a percentage of covered employee payroll	4.51%	5.18%	4.56%	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, 2022

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, 2021, is as follows:

A. Actuarial Cost Method

The Entry Age Normal cost 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 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 recognizes in a given year one-third of the investment return that is different from the actual assumption for investment return.

C. Amortization

The IUAL of the SET Plan is amortized on a level percentage of payroll 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. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2021 are as follows:

Inflation	2.75%
Salary Increases	2.75%-11.48% at selected years of service
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	1.91%

For the School Department employees, the mortality rate is Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

TOWN OF BAR HARBOR
REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES - LAST 10 FISCAL YEARS - MAINE MUNICIPAL EMPLOYEES HEALTH TRUST
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit J

Schedule 1 - MMEHT Schedule of Changes in Net OPEB Liability and Related Ratios

	<i>For the Fiscal Year Ended 6/30/2022</i>	<i>For the Fiscal Year Ended 6/30/2021</i>	<i>For the Fiscal Year Ended 6/30/2020</i>	<i>For the Fiscal Year Ended 6/30/2019</i>	<i>For the Fiscal Year Ended 6/30/2018</i>
Total OPEB Liability					
Service Cost (BOY)	31,086	26,862	18,078	20,421	11,534
Interest (includes interest on service cost)	11,912	13,558	17,679	15,376	12,926
Changes of benefit terms	-	-	(9,814)	-	-
Differences between expected and actual experience	(133,724)	-	(43,074)	-	23,326
Changes in assumptions	21,283	32,386	80,249	(42,559)	151,326
Benefit payments, including refunds of member contributions	(10,147)	(9,757)	(6,811)	(6,549)	(4,295)
Net Change in total OPEB liability	(79,590)	63,049	56,307	(13,311)	194,817
Total OPEB liability - beginning	535,840	472,791	416,484	429,795	234,978
Total OPEB liability - ending	456,250	535,840	472,791	416,484	429,795
Plan fiduciary net position					
Contributions - employer	10,147	9,757	6,811	6,549	4,295
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(10,147)	(9,757)	(6,811)	(6,549)	(4,295)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	-	-	-	-	-
Net OBEB liability - ending	456,250	535,840	472,791	416,484	429,795
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	2,541,069	2,337,524	2,337,524	2,464,237	2,464,237
Net OPEB Liability as a % Of the Covered Employee Payroll	18.0%	22.9%	20.2%	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:

	<i>For the Fiscal Year Ended 6/30/2022</i>	<i>For the Fiscal Year Ended 6/30/2021</i>	<i>For the Fiscal Year Ended 6/30/2020</i>	<i>For the Fiscal Year Ended 6/30/2019</i>	<i>For the Fiscal Year Ended 6/30/2018</i>
Contractually required contribution	10,147	9,757	6,811	6,549	4,295
Contribution in relation to the contractually required contribution	(10,147)	(9,757)	(6,811)	(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, 2022**

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

The total OPEB liability in the January 1, 2022 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 2.12% to 2.06% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays and claims curves and trend assumptions were updated since the last valuation.

Net OPEB Liability

The Town’s net OPEB liability was measured as of January 1, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Medical trend assumptions were developed using the Society of Actuaries (SOA) long-run medical cost trend model. The SOA model was released in December 2007, and version 2022_f4 was used for this valuation. The following assumptions were input into this model:

<i>Trend Assumption Inputs</i>	
Variable	Rate
Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capita 2031+	1.10%
Extra Trend due to Taste/Technology 2031+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2021 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.

Healthy Annuitant:

Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees:

Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

TOWN OF BAR HARBOR
 REQUIRED SUPPLEMENTARY INFORMATION
 OPEB SCHEDULES - LAST 10 FISCAL YEARS - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2022

Exhibit K

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

	<u>For the Fiscal Year Ended 6/30/2022</u>	<u>For the Fiscal Year Ended 6/30/2021</u>	<u>For the Fiscal Year Ended 6/30/2020</u>	<u>For the Fiscal Year Ended 6/30/2019</u>	<u>For the Fiscal Year Ended 6/30/2018</u>
Total OPEB Liability					
Service Cost (BOY)	764	1,273	1,168	1,087	1,616
Interest (includes interest on service cost)	4,841	4,732	4,382	4,190	4,214
Changes of benefit terms	894	183	(2,329)	(4,822)	-
Differences between expected and actual experience	-	1,772	-	5,023	-
Changes in assumptions	2,236	(22,042)	2,137	3,816	(14,577)
Benefit payments, including refunds of member contributions	(3,019)	(3,873)	(3,781)	(3,758)	(3,636)
Net Change in total OPEB liability	5,716	(17,955)	1,577	5,536	(12,383)
Total OPEB liability - beginning	72,075	90,030	88,453	82,917	95,300
Total OPEB liability - ending	77,791	72,075	90,030	88,453	82,917
Plan fiduciary net position					
Contributions - employer	2,927	2,746	2,631	2,626	2,704
Contributions - member	495	749	(1,024)	(2,286)	-
Net investment income	12,305	1,834	2,481	3,274	4,533
Benefit payments, including refunds of member contributions	(3,019)	(3,873)	(3,781)	(3,758)	(3,636)
Administrative expense	(315)	(401)	(286)	(328)	(623)
Net change in plan fiduciary net position	12,394	1,055	21	(471)	2,979
Plan fiduciary net position - beginning	39,927	38,872	38,851	39,322	36,344
Plan fiduciary net position - ending	52,321	39,927	38,872	38,851	39,322
Net OBEB liability - ending	25,471	32,148	51,158	49,603	43,594
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	67.26%	55.40%	43.18%	43.92%	47.42%
Covered Employee Payroll	739,562	710,949	678,718	678,417	679,282
Net OPEB Liability as a % Of the Covered Employee Payroll	3.44%	4.52%	7.54%	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:

	<u>For the Fiscal Year Ended 6/30/2022</u>	<u>For the Fiscal Year Ended 6/30/2021</u>	<u>For the Fiscal Year Ended 6/30/2020</u>	<u>For the Fiscal Year Ended 6/30/2019</u>	<u>For the Fiscal Year Ended 6/30/2018</u>
Contractually required contribution	2,927	2,746	2,631	2,626	2,989
Contribution in relation to the contractually required contribution	(2,927)	(2,746)	(2,631)	(2,626)	(2,704)
Contribution deficiency	-	-	-	-	285
Covered employee payroll	739,562	710,949	678,718	678,417	679,282
Contributions as a percentage of covered employee payroll	0.40%	0.39%	0.39%	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, 2022

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, 2021, 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

Assumptions for salary increase, termination, mortality, disability, and retirement were changed based on results of the most recent experience study. The discount rate was also lowered to 6.50%.

Net OPEB Liability

The Town’s net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll over a 30-year period on a closed basis
Amortization period	9 years
Discount Rate	6.50%
Salary Increase Rate	2.75% - 9.00%
Administration and claims expense	3% per annum
Retirement Age	65
Inflation Rate	2.75%
Form of Benefit Payment	Lump Sum

Rates of mortality – 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
 REQUIRED SUPPLEMENTARY INFORMATION
 OPEB SCHEDULES SCHOOL DEPARTMENT MEA BENEFITS TRUST- LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022

Exhibit L

Schedule 1 - Schedule of Changes in Net OPEB Liability and Related Ratios

	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
Total OPEB Liability				
Service Cost (BOY)	\$16,692	\$6,977	\$5,744	\$6,264
Interest (includes interest on service cost)	\$20,169	\$31,590	\$32,795	\$31,450
Changes of benefits	\$0	(\$119,930)	\$0	\$0
Differences between expected and actual experience	\$0	\$89,450	\$0	\$0
Changes in assumptions	\$7,639	\$15,758	\$49,116	(\$38,456)
Benefit payments, including refunds of member contributions	(\$9,578)	(\$37,161)	(\$30,348)	(\$29,299)
Net Change in total OPEB liability	\$34,922	(\$13,316)	\$57,307	(\$30,041)
Total OPEB liability - beginning	\$900,691	\$914,007	\$856,700	\$886,741
Total OPEB liability - ending	\$935,613	\$900,691	\$914,007	\$856,700
Plan fiduciary net position				
Contributions - employer	\$9,578	\$37,161	\$30,348	\$29,299
Contributions - member				
Net investment income				
Benefit payments, including refunds of member contributions	(\$9,578)	(\$37,161)	(\$30,348)	(\$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	\$935,613	\$900,691	\$914,007	\$856,700
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	0.000%	0.000%	0.000%	0.000%
Covered Employee Payroll	\$3,080,420	\$3,005,288	\$3,161,959	\$3,077,332
Net OPEB Liability as a % Of the Covered Employee Payroll	30.373%	29.970%	28.906%	27.839%

Schedule 2 - Schedule of Contributions:

	<i>For the Fiscal Year Ended June 30, 2022</i>	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
Contractually required contribution	\$9,578	\$37,161	\$30,348	\$29,299
Contribution in relation to the contractually required contribution	(\$9,578)	(\$37,161)	(\$30,348)	(\$29,299)
Contribution deficiency	\$0	\$0	\$0	\$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, 2022**

NOTE 1 – Actuarial Methods and Assumptions

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

Benefit Changes

Effective July 1, 2021, the MEABT implemented several Plan updates for the MEA Choice Plus, Standard, Standard 500 and Standard 1000 Plans.

Changes of Assumptions

This is a roll forward valuation. 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.

Net OPEB Liability

The School Department’s net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Discount Rate	2.16% per annum.
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost

Trend assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2030+	1.23%
Extra Trend due to Taste/Technology 2030+	1.10%
Expected Health Share of GDP 2030	20.00%
Health Share of GDP Resistance Point	25.00%
Year of Limiting Cost Growth to GDP Growth	2040

TOWN OF BAR HARBOR
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS-MEABT
FOR THE YEAR ENDED JUNE 30, 2022

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

Pre-Medicare Medical: Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare Medical: Initial trend of 0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Rates of mortality for the different level of participants are described below:

Healthy Annuitants: based on 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows: 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80. 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80.

Healthy Employees: based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-1
Page 1 of 2

	<i>Estimated</i>	<i>Actual</i>	<i>Over(Under)</i> <i>Budget</i>
Taxes			
Property	18,817,622	18,804,036	(13,586)
Auto Excise	1,024,000	1,184,288	160,288
Boat Excise	14,000	18,942	4,942
Interest/Fees on Taxes	58,500	44,784	(13,716)
	<hr/> 19,914,122	<hr/> 20,052,050	<hr/> 137,928
Intergovernmental Revenues			
State of Maine			
Municipal Revenue Sharing	350,000	473,452	123,452
General Assistance	400	1,051	651
Tree Growth	4,200	7,711	3,511
Veterans Reimbursement	2,100	1,617	(483)
Homestead Reimbursement	153,235	152,647	(588)
BETE Reimbursement	49,699	49,819	120
Federal			
Acadia National Park - PILT	42,000	42,454	454
	<hr/> 601,634	<hr/> 728,751	<hr/> 127,117
Departmental Revenues			
Ambulance/Fire			
Ambulance Service	324,200	243,524	(80,676)
Police			
Police Detail	12,400	13,238	838
Dispatch Mutual Aid	3,450	-	(3,450)
Mutual Aid Reimbursement	37,000	58,267	21,267
All Other	141,025	152,879	11,854
Planning / Code			
Building Permits	105,000	151,238	46,238
Plumbing Permits	20,000	32,492	12,492
Electrical Inspections	26,000	76,810	50,810
Vacation Rental Permits	129,500	231,280	101,780
Septic Permit	6,000	6,163	163
Plan Board/Subdivision & Rezoning	4,600	9,030	4,430
Site Plan Review	8,400	16,242	7,842
Parklet Permits	4,000	11,060	7,060
All Other	4,350	16,121	11,771
Harbor Fees			
Docking	45,000	67,351	22,351
Moorings	6,000	10,357	4,357
All Other	15,050	26,102	11,052
Solid Waste			
Sale of Recyclables	-	7,446	7,446
All Other	420	300	(120)
Public Works			
All Other	9,730	10,861	1,131
Parks and Recreation			
Park and Recreation Fees	800	900	100
Fire Department		6,316	6,316

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2022

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	168,051	168,051	-
Auto Registrations	18,500	23,900	5,400
Boat/RV Registrations/Snowmobile Fees	1,670	1,246	(424)
Municipal Building Leases	34,000	34,560	560
Town Clerk			
Clerk's Fees	13,970	19,741	5,771
All Other	9,800	8,771	(1,029)
	<u>1,148,916</u>	<u>1,404,246</u>	<u>255,330</u>
Other Local Sources			
Interest on Investments	62,000	(48,297)	(110,297)
Kids Corner Lease	6,950	7,538	588
Interest on Leases	-	2,353	2,353
Island Explorer Lease	23,402	8,000	(15,402)
Other Rentals	3,100	6,123	3,023
Jackson Laboratory - PILT	107,635	112,409	4,774
Housing Authority - PILT	33,000	34,790	1,790
Other - PILT	16,100	28,887	12,787
Cable TV Franchise	85,000	99,673	14,673
Insurance Dividends	8,100	15,720	7,620
Sale of Tax Acquired Property	-	31,074	31,074
All Other	500	(921)	(1,421)
	<u>345,787</u>	<u>297,349</u>	<u>(48,438)</u>
Operating Transfers In			
Cemetery Income	50	43	(7)
Cruise Ship Fund	97,570	97,569	(1)
Dog Control Reserve	2,400	1,886	(514)
Parking Fund	339,534	339,533	(1)
Shellfish Conservation	3,100	2,930	(170)
	<u>442,654</u>	<u>441,961</u>	<u>(693)</u>
Total Revenues, Operating Transfers and Other Financing Sources	22,453,113	<u>22,924,357</u>	<u>471,244</u>
Beginning Fund Balance Used	<u>100,000</u>		
Total	<u><u>22,553,113</u></u>		

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-2
Page 1 of 2

	<i>Encumbered</i> <i>From 6/30/21</i>	<i>Appropriations</i>	<i>Expenditures</i> <i>Net of Refund</i>	<i>Encumbered</i> <i>to 6/30/23</i>	<i>(Over)</i> <i>Under</i> <i>Budget</i>
General Government					
Town Council	3,500	37,312	38,475		2,337
Town Manager	6,200	136,881	133,902		9,179
Town Clerk		129,579	116,278		13,301
Finance		373,945	371,566		2,379
Legal Counsel		52,950	83,899		(30,949)
Elections		16,777	13,261		3,516
Technology		180,285	170,317	9,950	18
Municipal Building		83,808	82,492		1,316
Town Offices		46,266	48,635		(2,369)
Employee Benefits		1,893,100	1,646,856		246,244
Insurance		99,500	93,199		6,301
Assessing	2,875	140,947	127,437	3,970	12,415
Code Enforcement		141,310	144,983	800	(4,473)
Planning	2,300	245,046	217,593	26,300	3,453
27th Pay Period		17,000	43,836		(26,836)
Vacation Accruals		20,500	48,357		(27,857)
Contracted Services	8,000	16,100	-	20,000	4,100
Climate Change Task Force	15,000	15,000	6,268	20,000	3,732
Contingency`	27,000	55,000	58,257	20,000	3,743
Abatements/Discount on Taxes		20,000	86,097		(66,097)
	<u>64,875</u>	<u>3,721,306</u>	<u>3,531,708</u>	<u>101,020</u>	<u>153,453</u>
Public Safety					
Fire Department	37,485	1,041,192	1,075,204	1,500	1,973
Public Fire Protection - Hydrants		585,604	585,604		-
Police Department		1,344,585	1,304,178	13,300	27,107
Public Safety Building		46,232	47,358		(1,126)
Street Lights		21,370	24,551		(3,181)
Dispatch		259,226	274,050		(14,824)
Harbor Division		139,848	128,383		11,465
	<u>37,485</u>	<u>3,438,057</u>	<u>3,439,328</u>	<u>14,800</u>	<u>21,414</u>
Health and Welfare					
General Assistance		2,670	2,924		(254)
Cooperating Agencies		75,023	75,023		-
Emergency Management/COVID-19		36,400	53,035		(16,635)
Comfort Station		104,273	120,508		(16,235)
	<u>-</u>	<u>218,366</u>	<u>251,490</u>	<u>-</u>	<u>(33,124)</u>

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-2
Page 2 of 2

	<i>Encumbered From 6/30/21</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/23</i>	<i>(Over) Under Budget</i>
Parks and Recreation					
Parks & Recreation		463,090	445,480		17,610
Island Explorer Shuttle Bus	-	40,902	13,500	-	27,402
Roads and Sanitation					
Public Works		163,614	163,297		317
Highway Division	19,500	1,163,871	1,099,698	51,400	32,273
Solid Waste		759,066	859,725		(100,659)
	19,500	2,086,551	2,122,720	51,400	(68,069)
Total Appropriations, Expenditures and Encumbrances	121,860	9,968,272	9,804,226	167,220	118,686
Assessments					
Regional School District		3,476,450	3,476,450		-
County Tax		833,472	833,472		-
Overlay		89,788	-		89,788
	-	4,399,710	4,309,922	-	89,788
Operating Transfers Out					
Elementary School		6,112,039	6,112,039		-
Capital Improvements Program		2,073,092	2,073,092		-
	-	8,185,131	8,185,131	-	-
Totals	121,860	22,553,113	22,299,279	167,220	208,474

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-3

Unassigned Fund Balance, July 1	2,198,020	
Unassigned Fund Balance, June 30	<u>2,675,738</u>	
Increase (Decrease)		<u><u>477,718</u></u>
 <i>Analysis of Change:</i>		
Budget Summary:		
Revenue Surplus	471,244	
Unexpended Balance of Appropriations	208,474	
Unexpended Balance (Overdraft) of Assessments and Operating Transfers	<u>-</u>	679,718
(Increase) Decrease in Assigned Fund Balances:		
Assigned for Working Capital		(102,000)
Fund Balance Used to Fund Appropriations		<u>(100,000)</u>
Increase (Decrease)		<u><u>477,718</u></u>

TOWN OF BAR HARBOR
GENERAL RESERVES, COMMITTED FUNDS & SCHOOL DEPARTMENT
COMBINING BALANCE SHEET
JUNE 30, 2022

Exhibit A-4

<i>Assets</i>	<i>School Department</i>	<i>Cruise Ship Fund</i>	<i>Parking Meter Fund</i>	<i>Total</i>
Cash	22,898		1,598,719	1,621,617
Accounts Receivable	8,224	146,063	32,425	186,712
Due from Other Governments	183,516			183,516
Inventory	2,206			2,206
Due from Other Funds (School)	294,246			294,246
Due from Other Funds (Town)	1,973,410			1,973,410
Total Assets	2,484,500	146,063	1,631,144	4,261,707
 <i>Liabilities & Fund Balances</i>				
<i>Liabilities</i>				
Accounts Payable	191,553		53,002	244,555
Accrued Salaries Payable	569,538		18,704	588,242
Accrued Compensated Absences			1,474	1,474
Due to Students	6,948			6,948
Due to Other Funds (School)	294,246			294,246
Due to Other Funds (Town)		37,202	81,997	119,199
Total Liabilities	1,062,285	37,202	155,177	1,254,664
 <i>Fund Balances</i>				
Non-Spendable	2,206			2,206
Restricted	1,420,009		1,475,967	2,895,976
Assigned		108,861		108,861
Total Fund Balances	1,422,215	108,861	1,475,967	3,007,043
Total Liabilities & Fund Balances	2,484,500	146,063	1,631,144	4,261,707

TOWN OF BAR HARBOR
GENERAL RESERVES, COMMITTED FUNDS & SCHOOL DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-5

	<i>Dog Control Reserve</i>	<i>Shellfish Conservation Reserve</i>	<i>School Department (A-6)</i>	<i>Cruise Ship Fund (A-7)</i>	<i>Parking Meter Fund (A-8)</i>	<i>Total</i>
Revenues						
Intergovernmental Revenues			1,896,140			1,896,140
Local Sources			110,248		2,935	113,183
Dog Fees	2,319					2,319
Shellfish Fees/Fines		2,930				2,930
Port Fees				89,660		89,660
Cruise Ship Passenger Fees				120,131		120,131
Parking Fees net of charges					2,103,018	2,103,018
Permit Fees net of charges					26,062	26,062
Total Revenues	2,319	2,930	2,006,388	209,791	2,132,015	4,353,443
Expenditures						
Public Safety	433					433
Education			8,217,445			8,217,445
Cruise Ship Operating				22,983		22,983
Parking Meter Operating					237,346	237,346
Total Expenditures	433	-	8,217,445	22,983	237,346	8,478,207
Excess of Revenues Over (Under) Expenditures	1,886	2,930	(6,211,057)	186,808	1,894,669	(4,124,764)
Other Financing Sources (Uses)						
Transfers In			6,207,039			6,207,039
Transfers Out	(1,886)	(2,930)	(95,000)	(174,069)	(1,534,468)	(1,808,353)
Total Other Financing Sources (Uses)	(1,886)	(2,930)	6,252,537	(174,069)	(1,534,468)	4,539,184
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	-	41,480	12,739	360,201	414,420
Fund Balance - July 1	-	-	1,380,735	96,122	1,115,766	2,592,623
Fund Balance - June 30	-	-	1,422,215	108,861	1,475,967	3,007,043

TOWN OF BAR HARBOR
SCHOOL DEPARTMENT

Exhibit A-6

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Federal/ State Funds	Other Governmental Funds	Total Governmental Funds
Revenues				
Intergovernmental Revenues	1,126,266	606,545	163,329	1,896,140
Local Sources	71,539		36,470	108,009
Lunch and Milk Sales			2,239	2,239
Total Revenues	1,197,805	606,545	202,038	2,006,388
Expenditures				
Regular Instruction	2,900,277			2,900,277
Student & Staff Support:				
Guidance	83,422			83,422
Health Services	98,104			98,104
Improvement of Instruction	18,068			18,068
Library and Audio Visual	135,308			135,308
Technology	121,631			121,631
Assessment for Administration-Student Support	112,534			112,534
Special Education	1,424,969			1,424,969
Other Instruction	80,668			80,668
System Administration:				
School Committee	61,583			61,583
Assessment for Administration	159,397			159,397
Office of Principal	434,233			434,233
Operation/Maintenance-Plant	725,197			725,197
Student Transportation	346,427			346,427
Capital Outlay	52,991			52,991
State On-Behalf Contributions	505,828			505,828
Food Services			193,304	193,304
Federal/State Programs		689,783		689,783
Student Activity Funds			42,076	42,076
Reserves/Grants	28,590		3,055	31,645
Total Expenditures	7,289,227	689,783	238,435	8,217,445
Excess of Revenues Over (Under) Expenditures	(6,091,422)	(83,238)	(36,397)	(6,211,057)
Other Financing Sources (Uses)				
Lease Liabilities Issued	52,991	87,507		140,498
Transfers In	6,112,039	-	95,000	6,207,039
Transfers Out	(95,000)	-	-	(95,000)
Total Other Financing Sources (Uses)	6,070,030	87,507	95,000	6,252,537
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(21,392)	4,269	58,603	41,480
Fund Balance - July 1	1,131,205	33,380	216,150	1,380,735
Fund Balance - June 30	1,109,813	37,649	274,753	1,422,215

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CRUISE SHIP FUND
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-7

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Port Fees	79,914	79,914	89,660	9,746
Cruise Ship Passenger Fees	94,109	94,109	120,131	26,022
Total Revenues	<u>174,023</u>	<u>174,023</u>	<u>209,791</u>	<u>35,768</u>
Expenditures				
Cruise Ship Direct Expenses	49,994	49,994	22,983	27,011
Total Expenditures	<u>49,994</u>	<u>49,994</u>	<u>22,983</u>	<u>27,011</u>
Excess of Revenues Over (Under) Expenditures	<u>124,029</u>	<u>124,029</u>	<u>186,808</u>	<u>62,779</u>
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(174,069)	(174,069)	(174,069)	-
Total Other Financing Sources (Uses)	<u>(174,069)</u>	<u>(174,069)</u>	<u>(174,069)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	<u>(50,040)</u>	<u>(50,040)</u>	12,739	<u>62,779</u>
Fund Balance - July 1			<u>96,122</u>	
Fund Balance - June 30			<u>108,861</u>	

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - PARKING METER FUND
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit A-8

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Investment Interest	4,000	4,000	2,935	(1,065)
Parking Fees net of charges	1,386,000	1,386,000	2,103,018	717,018
Permit Fees net of charges	21,500	21,500	26,062	4,562
	<u>1,411,500</u>	<u>1,411,500</u>	<u>2,132,015</u>	<u>720,515</u>
Expenditures				
Wages and Benefits	169,654	169,654	159,931	9,723
Contracted Services	27,687	27,687	29,873	(2,186)
Supplies	15,000	15,000	27,457	(12,457)
Utilities	1,100	1,100	1,388	(288)
Repairs	3,500	3,500	2,886	614
Equipment	6,000	6,000	9,816	(3,816)
Advertising	1,500	1,500	-	1,500
Professional Dues and Licenses	600	600	-	600
Insurance	1,200	1,200	2,118	(918)
Postage & Shipping	200	200	-	200
Contingency	10,000	10,000	3,877	6,123
Island Explorer	5,000	5,000	-	5,000
	<u>241,441</u>	<u>241,441</u>	<u>237,346</u>	<u>(7,228)</u>
Excess of Revenues Over (Under) Expenditures	<u>1,170,059</u>	<u>1,170,059</u>	<u>1,894,669</u>	<u>713,287</u>
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(1,534,468)	(1,534,468)	(1,534,468)	-
	<u>(1,534,468)</u>	<u>(1,534,468)</u>	<u>(1,534,468)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	<u>(364,409)</u>	<u>(364,409)</u>	360,201	<u>713,287</u>
Fund Balance - July 1			<u>1,115,766</u>	
Fund Balance - June 30			<u><u>1,475,967</u></u>	

TOWN OF BAR HARBOR
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

Exhibit B-1

<i>Assets</i>	<i>Coronavirus State and Local Fiscal Recovery Funds (ACE)</i>	<i>Total</i>
Due from Other Funds	570,600	570,600
Due from Other Governments		-
Total Assets	570,600	570,600
 <i>Liabilities & Fund Balances</i>		
Liabilities		
Due to Other Funds		-
Total Liabilities	-	-
 Fund Balances		
Restricted	570,600	570,600
Total Fund Balances	570,600	570,600
Total Liabilities & Fund Balances	570,600	570,600

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
SPECIAL REVENUES/GRANTS
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit B-2

	<i>Coronavirus State and Local Fiscal Recovery Funds (ACE)</i>	<i>CDBG Grant</i>	<i>Total</i>
Revenues			
Local Revenues			-
Intergovernmental	627,800	200,000	827,800
Total Revenues	<u>627,800</u>	<u>200,000</u>	<u>827,800</u>
Expenditures			
Salaries and benefits	57,200		57,200
Parks & Recreation			-
Public Works			-
Public Safety			-
Construction		200,000	200,000
Total Expenditures	<u>57,200</u>	<u>200,000</u>	<u>257,200</u>
Excess of Revenues Over (Under) Expenditures	<u>570,600</u>	<u>-</u>	<u>570,600</u>
Other Financing Sources (Uses)			
Transfers In			-
Transfers Out			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	570,600	-	570,600
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u>570,600</u>	<u>-</u>	<u>570,600</u>

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2022**

*Exhibit C-1
Page 1 of 3*

<i>Town Projects</i>	<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>
Technology							
Copier Equipment	17,671	3,471		(3,340)	17,802		17,802
Fiber Engineering Study	17,271	-		(9,593)	7,678		7,678
Virtual Desktop Software-police department	30,000	5,000			35,000		35,000
Fire Protection System-Server Room	10,330	1,733			12,063		12,063
WAN & Cable TV System	11,232	5,833		(1,532)	15,533		15,533
Computer Servers	53,550	20,000		(7,563)	65,987		65,987
Website Improvements	12,085	4,375		(14,000)	2,460		2,460
Town Wide Phone System	32,555	4,545			37,100		37,100
Security camera System	10,795	2,786		(11,064)	2,517		2,517
Municipal Building							
Building Renovation	41,369	27,000		(2,500)	65,869		65,869
Building Energy Audit Improvements	10,000	2,000			12,000		12,000
Code Enforcement							
Pickup Inspection Truck	4,618	3,200			7,818		7,818
Assessing							
GIS Wide Format Scanner	8,625	3,433		(323)	11,735		11,735
Property Tax Revaluation	24,659	15,000		(23,291)	16,368		16,368
Vehicle Purchase	22,353	4,400	350	(3,689)	23,414		23,414
Aerial Photography	23,877	2,400		(12,335)	13,942		13,942
Planning							
Comprehensive Plan	100,000	10,000		(69,153)	40,847		40,847
Lower Main Street Engineering	154,893	80,000		(2,325)	232,568		232,568
Cottage Street Streetscapes	149,326	80,000		(2,325)	227,001		227,001
Ambulance							
Ambulance Reserve	152,347	44,000			196,347		196,347
Defibrillators	22,424	7,600			30,024		30,024
Patient Simulator Dummy	1,376	2,588			3,964		3,964
Fire Department							
Turnout Gear	11,442	11,700		(3,248)	19,894		19,894
Hose & Couplings	14,000	3,500			17,500		17,500
Rescue Tools	9,349	1,867			11,216		11,216
Fire Engine #2	71,971	75,000			146,971		146,971
Fire Engine #4	54,364	36,364			90,728		90,728
Fire Engine #5	15,698	20,200		(43)	35,855		35,855
Portable Radios (20)	3,462	4,000		(7,022)	440		440
Fire Pickup Trucks and Trailer	25,393	9,386			34,779		34,779
Thermal Imaging Camera	5,349	2,400			7,749		7,749
SCBA's & Cascade System	74,122	9,608		(10,604)	73,126		73,126
Police Department							
Parking Meter Vehicle	6,000	5,000			11,000		11,000
Parking Meter Equipment	101,030	40,435			141,465		141,465
Cruiser Equipment	23,498	14,063		(27,821)	9,740		9,740
Electronic Fingerprint Scanner	4,750	4,750			9,500		9,500
Port Security Boat	75,158	5,870			81,028		81,028
Cruiser Replacement	67,765	46,375		(53,287)	60,853		60,853
Records Management System - Spillman	2,428	1,500			3,928		3,928
Portable Radios	12,000	4,500			16,500		16,500
Tasers	18,644	11,000			29,644		29,644
Firearms	24,100	2,700		(12,822)	13,978		13,978
Speed Trailer & Monitor	6,217	2,600			8,817		8,817
Dispatch							
Voice Recorder System	10,570	1,375			11,945		11,945
Radio Command Console	66,003	6,600		(72,603)	-		-
Ireson Hill Building & Generator	2,031	967			2,998		2,998
Radio Equipment Reserve	25,810	8,275		(16,738)	17,347		17,347

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2022**

*Exhibit C-1
Page 2 of 3*

<i>Town Projects (Continued)</i>	<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>
Public Safety Building							
Public Safety Bldg. Generator	34,963	3,892			38,855		38,855
Building Renovations (FD)	7,716	48,566		(21,964)	34,318		34,318
Building Renovations (PD)	12,320	-			12,320		12,320
Workout Equipment (FD & PD)	1,500	1,500			3,000		3,000
Harbor Department							
Harbor Master Boat & Trailer	37,744	2,200			39,944		39,944
Float Replacement	12,000	25,000			37,000		37,000
Gangway Replacement	29,881	2,100			31,981		31,981
Fishermen's Hoist(s)	10,337	2,103			12,440		12,440
Ferry Terminal Improvements	317,448	100,000		(74,497)	342,951		342,951
Port Security Office	4,382	10,000		(2,000)	12,382		12,382
Breakwater Repairs	10,000				10,000		10,000
Pier Renovations	66,542	3,333		(4,990)	64,885		64,885
Boat Pump Out System	4,200	2,600			6,800		6,800
Parks & Recreation							
Museum in the Streets	8,232	2,000			10,232		10,232
Benches, Lights, Pergola, etc.	31,160	5,000	2,975	(29,757)	9,378		9,378
Albert Meadow-Grant's Park	13,000	1,000			14,000		14,000
Tree Planting	19,501	8,000		(9,202)	18,299		18,299
Park Irrigations Systems	12,200	3,000			15,200		15,200
Skate Park Reserve	17,863	4,516		(656)	21,723		21,723
Mt. Desert Cemetery	60,728				60,728		60,728
Park Equipment	22,400	10,800			33,200		33,200
Launch Ramp-Hadley Point	13,074	2,700			15,774		15,774
Tennis and Basketball Courts	586	5,000			5,586		5,586
Village Green Bandstand	13,735				13,735		13,735
Glen Mary Renovations	35,073	8,000			43,073		43,073
Downtown Signage Reserve	31,209	4,200		(4,364)	31,045		31,045
Comfort Stations							
Restroom Renovation Reserve	102,344	27,000			129,344		129,344
Public Works / Highway							
Air Compressor	14,115	402			14,517		14,517
Backhoe Reserve (Cat & Deere)	151,034	3,000		(118,000)	36,034		36,034
Brush Chipper	5,727	2,600			8,327		8,327
Bikeway/Ped Improvements	20,000	40,000			60,000		60,000
Grader Reserve	95,694	35,000			130,694		130,694
Parking Lot Land Acquisition	5,000	20,000			25,000		25,000
Hydraulic Lifts	39,092	16,000			55,092		55,092
Front End Loader Reserve	84,941	15,000			99,941		99,941
Excavator	52,564	9,167			61,731		61,731
Snowblower	17,200	4,300			21,500		21,500
Road Improvement Program	430,137	350,000		(63,411)	716,726		716,726
Fuel Pump System	17,900	5,250			23,150		23,150
Sidewalk Plow	127,106	26,000			153,106		153,106
Sidewalk Reconstruction Program	424,561	100,000		(177,099)	347,462		347,462
Washer, Steam Pressure	11,029	500			11,529		11,529
LED Street Lights	79,220	20,000			99,220		99,220
Street Sweeper (Vacuum)	112,000	40,000			152,000		152,000
Public Works Complex	67,038	11,000			78,038		78,038
School Satellite Park Lot	25,000	50,000			75,000		75,000
Tag Trailer	18,379	840			19,219		19,219
Brine Mixing Equipment	6,300	2,200			8,500		8,500
Water Truck	11,297	900			12,197		12,197
Street Lights-Main Street	29,855	133,000		(131,297)	31,558		31,558
Light Truck Purchase	80,443	47,571		(51,621)	76,393		76,393
Plow Truck Reserve	314,838	66,000		(190,111)	190,727		190,727
Bobcat Loader	14,740	4,700			19,440		19,440
Roller, Vibratory	17,551	1,000			18,551		18,551
Priority Infrastructure-Bond	-			(1,740)	(1,740)		(1,740)

TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit C-1
Page 3 of 3

	<i>Balance</i> <i>July 1</i>	<i>Budget</i>	<i>Revenues and</i> <i>Transfers</i>	<i>Expenditures/</i> <i>Transfers</i>	<i>Balance</i> <i>(Over) Under</i>	<i>Transfers</i> <i>From (To)</i> <i>Unassigned</i>	<i>Balance</i> <i>June 30</i>
<i>Town Projects (Continued)</i>							
Solid Waste Division							
Waste Oil Furnace	4,283	757			5,040		5,040
Recycling Facility Reserve	38,624	1,000			39,624		39,624
Transfer Station Reserve	30,106	3,000			33,106		33,106
Storage	25,883	12,000		(16,455)	21,428		21,428
Compactor Unit with Hopper	9,999	3,333			13,332		13,332
Skid Steer	11,500	4,500			16,000		16,000
Solar Panels	110,157				110,157		110,157
3/4 Ton Truck	6,750	3,800			10,550		10,550
Debt Service							
Debt Service - Agamont Park	-	45,400		(45,400)	-		-
Debt Service - Municipal Building	-	159,225		(159,225)	-		-
Public Works - FY 13	-	232,987		(232,987)	-		-
Downtown Signs	-	20,150		(20,150)	-		-
Public Works - FY 10	-	231,465		(231,465)	-		-
Public Safety Building	-	30,000		(30,000)	-		-
Transfer Station	-	256,100		(256,100)	-		-
Ferry Terminal/Parking Meters	(1)	319,700		(319,700)	(1)		(1)
Ferry Terminal/Taxable		88,400		(88,400)	-		-
Town Total	5,082,710	3,358,156	3,325	(2,647,812)	5,796,379	-	5,796,379
<i>School Projects</i>							
Capital Outlay Reserve	14,709	7,286			21,995	(4,772)	17,223
Asbestos Removal	15,410				15,410		15,410
Furniture & Equipment	4,649	5,000		(4,532)	5,117		5,117
Computers & Technology	63,134	50,000		(1,040)	112,094		112,094
Copier Lease/Purchase	539	13,890		(13,890)	539		539
Pickup Truck Replacement	39,876	5,986		(38,980)	6,882		6,882
Playground Equipment	1,061			(5,833)	(4,772)	4,772	-
Roof Repairs	18,508	10,000		(2,208)	26,300		26,300
Technology Infrastructure	45,000	5,000			50,000		50,000
Safety & Access Control	17,740	10,000			27,740		27,740
Building Concept Designs	419,007	211,563		(12,704)	617,866		617,866
Tractor Plow Reserve	20,000	5,000			25,000		25,000
Debt Service - 2004 Heating System	-	61,421		(61,421)	-		-
School Total	659,633	385,146	-	(140,608)	904,171	-	904,171
Subtotal	5,742,343	3,743,302	3,325	(2,788,420)	6,700,550	-	6,700,550
Unassigned Balance	(3,942)	(3,743,302)	3,794,562		47,318	-	47,318
Totals	5,738,401	-	3,797,887	(2,788,420)	6,747,868	-	6,747,868

TOWN OF BAR HARBOR
COMBINING BALANCE SHEET
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit D-1

<i>Assets</i>	<i>Gurnee Scholarship</i>	<i>Cemetery Trusts</i>	<i>Total</i>
Cash and Equivalents	897	445	1,342
Investments	9,726	4,824	14,550
Total Assets	10,623	5,269	15,892
<i>Liabilities & Fund Balances</i>			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Nonspendable	6,488	5,269	11,757
Assigned	4,135	-	4,135
Total Fund Balances	10,623	5,269	15,892
Total Liabilities & Fund Balances	10,623	5,269	15,892

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit D-2

	<i>Gurnee Scholarship</i>	<i>Cemetery Trusts</i>	<i>Total</i>
Revenues			
New Funds			-
Investment Income	85	43	128
	85	43	128
Expenditures			
Scholarships			-
	-	-	-
Excess of Revenues Over Expenditures	85	43	128
Other Financing Sources (Uses)			
Transfers Out		(43)	(43)
Total Other Financing Sources (Uses)	-	(43)	(43)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	85	-	85
Fund Balance - July 1	10,538	5,269	15,807
Fund Balance - June 30	10,623	5,269	15,892

TOWN OF BAR HARBOR, MAINE
Operating Data
For the Fiscal Year Ended June 30, 2022

MUNICIPAL SERVICES

Public Works

Wastewater Division

<u>Largest Wastewater Customers</u>	<u>Type of Use</u>	<u>CY2021 Revenues</u>	<u>% of Total</u>
Jackson Laboratory	Genetic Research & Mice Prod	\$542,926	25.2%
Witham Family LTD Part	Hotels (6)	215,097	9.8%
Eden Street Trust	Hotel	60,802	2.9%
Golden Anchor, LC	Hotel	47,068	2.2%
Mt Desert Island Hospital	Hospital	36,843	1.7%
West St. Properties, LLC	Hotel & Commc'l Bldg	31,877	1.5%
Bar Harbor Housing Authority	Low Income/Elderly Housing (2)	29,915	1.3%
WS Atlantic LL	Hotel	23,448	1.2%
College of the Atlantic	Educational Institution	22,408	1.1%
Town of Bar Harbor	Muni Bldgs, School, Comfort Stat's	22,611	<u>1.1%</u>
			48.0%

Water Division

<u>Largest Water Customers</u>	<u>Type of Use</u>	<u>CY2021 Revenues</u>	<u>% of Total</u>
Town of Bar Harbor	Parks, Bldgs, Schools & Hydrants	\$637,206	30.1%
Jackson Laboratory	Genetic Research & Mice Prod	223,918	10.6%
Witham Family LTD Part	Hotels (7)	101,222	4.8%
Kebo Valley Club	Golf Course	32,614	1.5%
College of the Atlantic	Educational Institution	31,466	1.5%
Golden Anchor, LC	Hotel	19,689	0.9%
Mount Desert Island Hospital	Hospital	19,443	0.9%
Lafayette Bar Harbor, LLC	Hotel	19,281	0.9%
Bar Harbor Housing Authority	Low Income/Elderly Housing	15,919	0.8%
BHTC 111, LLC	Banquet/Tennis/Swim Club	14,022	<u>0.7%</u>
			52.7%

<u>Number of Water System Customers</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	1,253	1,263	1,262	1,251	1,271
Commercial	516	517	520	499	506
Industrial (Jax Lab)	43	42	42	42	42
Governmental	60	59	59	59	50
Total	1872	1881	1,883	1,851	1,869

<u>Water Sales (per 1,000 gallons)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	55,574	66,745	55,633	61,274	62,681
Commercial	107,157	128,798	114,587	97,312	113,965
Industrial (Jax Lab)	54,702	65,155	73,590	66,962	61,439
Public Authorities	13,050	15,548	17,821	19,915	13,379
Total Water Sales	230,483	276,246	261,631	245,463	251,464

Cal Year Water Sales (Revenue)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	\$553,026	\$593,948	\$572,003	\$601,167	\$600,781
Commercial	609,028	640,968	613,263	527,107	620,845
Industrial (Jax Lab)	159,184	164,825	209,097	174,290	182,118
Public Authorities	72,899	72,587	77,502	82,126	69,143
Public Fire Protection	585,604	585,604	585,604	585,604	585,604
Private Fire Protection	129,278	131,376	134,208	137,297	148,332
Total Water Sales	\$2,109,019	\$2,189,308	\$2,191,677	\$2,107,591	\$2,206,823

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, 2021)
AOS #91	Bar Harbor	Connors-Emerson School	K-8	334
AOS #91	Cranberry Isles	Ashley Bryan School	K-8	7
AOS #91	Frenchboro	Frenchboro Elementary	K-8	5
AOS #91	Mount Desert	Mt Desert Elementary	PK-8	153
AOS #91	Southwest Harbor	Pemetic Elementary	PK-8	142
AOS #91	Tremont	Tremont Consolidated	K-8	118
AOS #91	Trenton	Trenton Elementary	PK-8	140
MSAD No. 76	Swan's Island	Swan's Island Elementary	K-8	25
C.S.D. No. 7	Members of Union #98	Mt Desert Island High	9-12	<u>497</u>
		Total Enrollment		1,421

LABOR RELATIONS

The Town employs approximately 153 full-time personnel, approximately of whom 77 are employees of the Town including its utilities systems; and 76 of whom are employed by the School Department; and various part-time employees. Approximately 47 full-time Town employees, not included in the table below, are not represented by unions.

Union	Bargaining Unit	Date of Contract	
		Effective	<i>Expiration</i>
Teamsters Local No. 340	Highway & Wastewater Unit	July 1, 2022	June 30, 2025
IAFF (AFL/CIO)	Fire Department Unit	July 1, 2022	June 30, 2025
BHSEA (MEA)	School Support Unit	July 1, 2021	June 30, 2024
BHTA (MEA)	Teachers Unit	Sept.1, 2021	Aug. 31, 2024

BUILDING ACTIVITY

Calendar Year	Residential		Commercial		Total	
	# Permits	Est. Cost	# Permits	Est. Cost	# Permits	Est. Cost
2022	228	\$26,072,933	99	\$22,496,113	327	\$48,569,046
2021	227	28,923,280	98	10,971,996	325	39,895,276
2020	227	15,725,752	91	18,480,000	318	34,205,752
2019	209	15,816,352	73	19,304,000	282	35,120,352
2018	184	11,386,405	93	7,624,886	277	19,011,291

TOWN FINANCES

General Fund Budgets for Fiscal Year Ending June 30.

	2019	2020	2021	2022	2023
Revenues					
Taxes	\$18,433,116	\$18,927,429	\$19,245,167	\$19,914,1622	\$21,098,439
Intergovernmental	336,856	396,369	457,484	601,634	902,459
Departmental	1,052,125	1,157,898	1,142,888	1,148,916	1,500,445
Other local sources	648,846	751,867	698,838	788,441	985,020
Total Revenues	20,470,943	21,233,563	21,544,377	22,453,113	24,486,363
Expenditures					
General government	3,129,005	3,311,572	3,586,232	3,762,207	4,287,110
Public safety	3,213,377	3,284,565	3,357,414	3,438,057	3,946,661
Health & welfare	144,401	158,596	169,501	218,366	245,369
Parks & recreation	429,722	438,577	423,687	463,090	481,899
Roads & sanitation	1,962,695	1,988,290	2,017,388	2,086,551	2,487,986
Assessments & Overlay	3,935,692	3,924,020	4,192,418	4,399,711	4,687,446
Transfers to school fund	5,430,046	5,674,670	5,763,043	6,112,039	6,782,772
Transfers to CIP	2,296,005	2,508,273	2,089,694	2,073,092	1,978,620
Total Expenditures	\$20,540,943	\$21,288,563	\$21,599,377	\$22,553,113	\$24,897,863
Excess Exp. Over Revenues	\$70,000	\$55,000	\$55,000	\$100,000	\$411,500
Use of Fund Balance:					
Transfer to CIP	70,000	55,000	55,000	100,000	411,500
Total Use of Fund Balance	\$70,000	\$55,000	\$55,000	\$100,000	\$411,500

Property Tax Levy Limit (LD1)

Fiscal year:	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
State Personal Income Factor:	2.61%	2.75%	2.89%	3.30%	1.70%
Town Prop Growth Factor:	<u>1.67%</u>	<u>1.21%</u>	<u>0.86%</u>	<u>1.90%</u>	<u>1.09%</u>
Growth Limitation Factor:	4.28%	3.96%	3.75%	5.20%	2.79%
Property Tax Levy Limit:	\$7,707,492	\$8,016,991	\$8,279,884	\$8,709,829	\$8,982,008
Property Tax Levy:	<u>8,052,378</u>	<u>8,293,739</u>	<u>8,254,606</u>	<u>8,305,872</u>	<u>8,451,220</u>
Over/(below) Prop Tax Levy Limit:	\$344,886	\$276,748	(\$25,278)	(\$403,957)	(\$530,788)

General Fund Balance as % Revenues (excludes School)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Assigned and Unassigned General Fund Balance (excludes restricted FB)	\$3,357,037	\$3,652,000	\$4,116,677	\$4,281,104	\$5,212,002
Total Revenues (GF & CrShip)-A1&A7	19,274,797	20,182,676	21,707,396	22,284,988	22,365,779
Fund Bal as % Revenues	17.4%	18.0%	19.0%	19.3%	23.3%

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 June 30,	% of Levy June 30,	% of Levy A/O 6/30/22
2022	1,903,400	\$1,931,994	\$9.74	\$18,817,622	\$18,549,473	98.58%	98.58%
2021	1,781,800	1,530,258	11.90	18,210,067	17,885,643	98.22	99.59
2020	1,713,550	1,509,910	11.85	17,892,438	17,197,318	96.12	99.90
2019	1,633,550	1,506,757	10.56	17,418,116	16,818,243	96.56	99.99
2018	1,577,200	1,497,194	10.96	16,409,251	16,020,406	97.64	99.97

Largest Taxpayers

Taxpayer	As of April 1, 2022			
	Type of Business	Assessed Value	Tax	% of Levy
Witham Family, LLC	Hotels	62,931,000	\$586,517	2.94%
Golden Anchor, LC	Hotel-Harborside	29,601,400	275,885	1.38%
Eden Street Trust	Hotel-Regency	26,229,200	244,456	1.23%
Versant Power	Electric Utility	24,042,100	224,072	1.12%
West Street Properties, LLC	Hotel-West St	24,040,700	224,059	1.12%
WS Atlantic LLC	Hotel-Hampton Inn	13,114,600	122,228	0.61%
BHTC 111, LLC	Rest/Club	12,423,400	115,786	0.58%
Colket, Ruth M EtAls Trustees	Residential	9,918,900	92,444	0.46%
Northerly, LLC	Residential	8,438,700	78,649	0.39%
Jackson Laboratory	Resid. Housing	7,971,400	<u>74,293</u>	<u>0.37%</u>
Top ten taxpayers			\$2,038,389	10.21%

Recurring 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
2021	\$312,117	\$157,239	\$2,296	\$585,536	\$65,094	\$1,122,282
2020	219,972	134,437	280	545,467	105,448	1,005,624
2019	135,186	115,289	347	463,669	99,472	813,963
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

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

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

DEBT - PRINCIPAL

Year Issued	Purpose	Amount Issued	Final Maturity	Balance on June 30, 2021			Balance on June 30, 2022	
				General	Proprietary	Total	(Payments)	Total
2002	Water Tank (SRF)	750,000	10/01/21		47,184	47,184	(47,184)	-
2004	School (MMBB)	805,000	11/01/24	\$227,887		227,887	(52,772)	175,115
2005	Beach Wall	800,000	10/15/24	160,000		160,000	(40,000)	120,000
2005	Sewer/Hulls Cove	800,000	10/15/27		325,000	325,000	(40,000)	285,000
2010	Roads & Sidewalks	3,700,000	05/01/30	1,445,581		1,445,581	(159,186)	1,286,395
2010	Water System	600,000	05/01/30		234,419	234,419	(25,814)	208,605
2011	Sewer System	1,316,000	12/01/31		783,594	783,594	(68,358)	715,236
2011	Water System	1,224,000	12/01/31		736,406	736,406	(21,642)	714,764
2011	Ref'd'g Water-01	2,515,000	12/01/21		290,000	290,000	(290,000)	-
2012	Water (SRF)	2,679,150	10/01/32		1,660,896	1,660,896	(130,960)	1,529,936
2013	Public Works Bldg	3,350,000	10/15/33	2,405,000		2,405,000	(150,000)	2,255,000
2014	Municipal Bldg	2,442,000	10/15/34	1,695,000		1,695,000	(125,000)	1,570,000
2015	PubSftyBldg/Wtr	2,100,000	10/15/35	300,000	1,275,000	1,575,000	(105,000)	1,470,000
2017	Transfer Station	3,070,000	10/15/36	2,590,000		2,590,000	(160,000)	2,430,000
2019	FerryTerm/PkMt	2,875,000	10/15/38	2,415,000		2,415,000	(230,000)	2,185,000
2019	FerryTerm-Tax	1,225,000	10/15/38	1,180,000		1,180,000	(45,000)	1,135,000
				12,418,468	5,352,499	17,770,967	(1,690,916)	16,080,051

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
2022	5,020	\$1,903,400	\$1,931,994	\$16,080,051	0.84%	\$3,203
2021	5,020	1,781,800	1,530,258	17,770,967	1.00%	3,540
2020	5,235	1,713,050	1,509,910	19,446,780	1.14%	3,714
2019	5,235	1,633,550	1,506,757	21,367,663	1.31%	3,082
2018	5,235	1,577,200	1,497,194	18,648,777	1.18%	3,562

Debt Obligations, by Fund Type

FY June 30,	General Fund Debt		Enterprise Fund Debt	Total Debt	Ent. Debt as % Total Debt
	(Town)	(School)			
2022	\$11,261,395	\$175,115	\$4,643,541	\$16,080,051	28.9%
2021	12,190,581	227,887	5,352,499	17,770,967	30.1%
2020	13,114,767	278,084	6,053,929	19,446,780	31.1%
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%

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		
2022	0.59%	0.01%	0.24%	0.84%	\$2,243	\$35	\$925	\$3,203
2021	0.68	0.01	0.31	1.00	2,428	46	1,066	3,540
2020	0.77	0.02	0.35	1.14	2,505	53	1,156	3,714
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	3,562

Debt Service Component of Operating Expenses

	2018	2019	2020	2021	2022
Total Current Year Debt Service:	\$2,229,577	\$2,146,027	\$1,920,883	\$1,675,813	\$1,690,916
(less Enterprise Debt Service:)	(1,329,585)	(854,403)	(727,901)	(701,430)	(708,958)
Tax Supported Debt Service	\$969,992	\$1,291,624	\$1,192,982	\$974,383	\$981,958
Budgeted Operating Expense:	19,458,654	\$20,594,443	\$21,288,563	\$21,599,377	\$22,553,113
Debt Service as % Oper. Expense:	4.99%	6.29%	5.60%	4.51%	4.36%

Total General Obligation, Overlapping and Contingent Debt

	Direct Debt	Overlapping	Contingent	Total Debt
Town of Bar Harbor (CIP)	\$11,261,395			\$11,261,395
Town of Bar Harbor (School)	175,115			175,115
Town of Bar Harbor (Enterprise)	4,643,541			4,643,541
MDI Reg. School District (38.3%)		\$201,803		201,803
County of Hancock (12.0%)		0		0
Total A/O June 30, 2022	\$16,080,051	\$201,803	\$0	\$16,281,854
Debt as % Eq State Valuation	0.84%	0.02%	0.00%	0.86%
Per Capita Debt	\$3,203	\$40	\$0.00	\$3,243

**COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)**

	2021	2020	2019	2018	2017
ASSETS					
Cash and equivalents	\$12,778,236	\$10,679,174	\$8,759,252	\$8,470,956	\$7,173,243
Investments	1,765,132	1,672,254	1,801,734	1,755,630	1,807,093
Receivables:					
Taxes	23,432	40,530	53,851	36,943	30,942
Tax liens	431,574	932,028	742,385	497,414	508,202
Accounts	32,924	33,173	209,107	126,750	133,619
Ambulance fees	167,711	168,653	226,751	178,634	139,872
Accrued interest	8,183	8,654	9,650	8,093	3,124
Prepaid expenses	0	2,348	0	0	871
Inventory	21,922	12,548	19,036	19,436	12,998
Due from other governments	476,577	122,828	82,017	89,606	45,912
Due from other funds	6,562	35,286	32,763	3,240	50,522
TOTAL ASSETS	15,712,253	13,707,476	11,936,546	11,186,702	9,906,398
LIABILITIES					
Accounts payable	656,390	382,890	340,843	316,029	200,490
Payroll taxes/Deductions	42,551	18,746	23,829	16,005	6,011
Accrued salaries	800,011	719,844	647,204	634,812	648,523
Accrued compensated absences	328,226	362,642	288,825	276,178	280,930
Due to other funds	5,824,021	4,998,302	4,689,613	4,881,654	4,106,063
Due to students	6,949	8,581	4,922	4,271	4,617
Deposits payable	12,447	15,015	12,065	14,239	10,972
TOTAL LIABILITIES	7,670,595	6,506,020	6,007,301	6,143,188	5,257,606
DEFERRED REVENUES					
Prepaid taxes	38,491	21,381	28,902	150,160	32,075
Property tax	291,879	656,357	586,153	408,305	403,839
Other	2,785	1,000	2,070	3,874	2,070
Bond purchase premium	0	0	0	0	0
TOTAL DEFERRED REVENUES	333,155	678,738	617,125	562,339	437,984
FUND EQUITY					
Non-spendable	1,444	2,317	865	1,986	2,471
Restricted	2,495,057	2,239,297	1,194,578	827,189	851,300
Committed	0	0	0	0	0
Assigned	3,013,982	3,105,584	3,129,125	2,891,050	2,735,434
Unassigned	2,198,020	1,175,520	987,552	760,950	621,603
TOTAL FUND EQUITY	7,708,503	6,522,718	5,312,120	4,481,175	4,210,808
TOTAL LIABILITIES AND FUND EQUITY	\$15,712,253	\$13,707,476	\$11,936,546	\$11,186,702	\$9,906,398

Prepared from Audited Financial Statements – Exhibit C.

TOWN OF BAR HARBOR
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
(For the Years Ended June 30,)

	2021	2020	2019	2018	2017
REVENUES					
Taxes	\$19,880,780	\$18,969,741	\$18,409,625	\$17,543,563	\$17,014,110
Intergovernmental revenue	2,834,258	1,878,265	1,546,452	1,317,452	1,147,417
Departmental revenue	2,736,302	3,390,859	2,480,957	2,000,752	1,719,113
Other local sources	456,077	551,744	642,140	451,585	400,034
TOTAL REVENUES	25,907,417	24,790,609	23,079,174	21,313,351	20,280,674
EXPENDITURES					
General government	3,331,000	3,290,736	2,988,113	3,027,155	2,803,118
Public safety	3,179,446	3,166,884	3,202,696	3,083,681	2,855,007
Health and welfare	230,614	195,874	145,956	144,450	135,176
Parks and recreation	414,908	435,961	416,358	352,720	236,375
Island Explorer	-	40,517	40,157	39,823	39,512
Roads and sanitation	1,997,094	1,850,123	2,004,343	1,927,802	1,823,451
Education	7,824,618	7,167,622	6,746,559	6,556,034	6,340,281
Assessments	4,125,490	3,875,688	3,850,673	3,763,224	3,597,013
Cruise ship- <i>direct exp</i>	17,748	96,521	121,039	142,695	120,761
Parking meters- <i>direct exp</i>	208,131	138,348	54,406	-	-
TOTAL EXPENDITURES	21,329,049	20,258,274	19,570,300	19,037,584	17,950,694
Excess of Revenue Over (Under) Expenditures	4,578,368	4,532,335	3,508,874	2,275,767	2,329,980
OTHER FINANCING SOURCES					
Lease/Bond proceeds	-	61,923	7,504	-	53,819
Transfers in	514,324	552,264	483,941	481,922	397,262
Transfers out	(3,939,995)	(3,935,924)	(3,169,374)	(2,487,322)	(2,391,207)
TOTAL OTHER FINANCING SOURCES (USES)	(3,425,671)	(3,321,737)	(2,677,929)	(2,005,400)	(1,940,126)
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES					
	1,152,697	1,210,598	830,945	270,367	389,854
FUND BALANCE - JULY 1	6,555,806	5,312,120	4,481,175	4,210,808	3,820,954
FUND BALANCE - JUNE 30	\$7,708,503	\$6,522,718	\$5,312,120	\$4,481,175	\$4,210,808

Prepared from Audited Financial Statements – Exhibit D.

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, 2022.

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 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 system administration, school administration and operations and maintenance.

Respectfully submitted,

James W. Wadman, CPA

James W. Wadman, CPA
March 27, 2023

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.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bar Harbor, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Bar Harbor, Maine's basic financial statements and have issued our report thereon dated March 27, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2022-01 through 2022-03 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Town of Bar Harbor, Maine's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Bar Harbor, Maine's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Bar Harbor, Maine's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA
Ellsworth, Maine
March 27, 2023

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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Bar Harbor, Maine's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Bar Harbor, Maine's major federal programs for the year ended June 30, 2022. The Town of Bar Harbor, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Bar Harbor, Maine complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Bar Harbor, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Bar Harbor, Maine's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Bar Harbor, Maine's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Bar Harbor, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Bar Harbor, Maine's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Bar Harbor, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Bar Harbor, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bar Harbor, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA
Ellsworth, Maine
March 27, 2023

SCHEDULE I
TOWN OF BAR HARBOR
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

NONE

SCHEDULE II
TOWN OF BAR HARBOR, MAINE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

A. *SUMMARY OF AUDITOR'S RESULTS*

1. The auditor's report expresses an unmodified opinion on the financial statements of the Town of Bar Harbor, Maine.
2. 3 material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Bar Harbor were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the *Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs for the Town of Bar Harbor expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for the Town of Bar Harbor are reported in Part C of this schedule.
7. The programs tested as major programs include:

Community Development Block Grants, ALN #14.228
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act, ALN #84.425D, #84.425U
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Bar Harbor was not determined to be a low-risk auditee.

B. *FINDINGS – FINANCIAL STATEMENT AUDIT*

2022-01 Material Weakness over reconciling withholding/liability accounts

Condition: The Town did not reconcile payroll withholding and liability accounts before the start of fieldwork. The reconciliations were performed during and after the time of audit field work.

Criteria: Payroll withholding accounts and liability accounts should be reconciled timely to ensure accurate financial reporting and timely adjustments when necessary.

Cause: The Town experienced several changes in personnel and positions, creating additional time necessary for training. Personnel did not have the time to reconcile these accounts.

Effect: Payroll withholding, liability, and employer expenditure accounts were inaccurate. This resulted in additional audit work and adjustments for year end.

Recommendation: We recommend that payroll/withholding accounts be reconciled monthly.

Response: Management concurs with the recommendation. A newly hired supervisor has implemented procedures for reconciling payroll withholdings and liability accounts on a monthly basis.

2022-02 Material Weakness over capital asset accounting

Condition: The Town had a significant number of post-close adjustments to its capital assets to correct the year-end reporting. Such adjustments relate to errors (both material and immaterial). Additional errors were detected in the depreciation calculations, resulting in additional adjustments.

Criteria: The Town must maintain an adequate system of internal control over financial reporting in order to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles, which includes the proper capitalization and recordation of capital assets.

Cause: The Town experienced several changes in personnel and positions, creating additional time necessary for training. The spreadsheets used to track capital assets are complicated with all the formulas used.

Effect: The Town had significant audit adjustments and audit work on the capital asset spreadsheets. The Town is not able to establish accurate balances of capital assets and depreciation.

Recommendation: We recommend that the Town establish procedures for accounting for capital assets throughout the year and consider updating to a capital asset management software instead of excel spreadsheets.

Response: Management concurs with the recommendation. The Town has entered into a contract to purchase new software for capital asset and depreciation management, replacing the manual spreadsheets.

2022-03 Material Weakness over Grant Accounting-School Department

Condition: Grant revenues were not completely reconciled with grant expenditures. Reimbursements for several grants were not recorded as accounts receivable and prior year accounts receivable/payable were not reconciled with current year activity. Grants were not reconciled within the 10 separate school department records.

Criteria: The School Department is responsible for properly tracking and accounting for State, Federal and other grants in accordance with accounting principles generally accepted in the United States of America.

Cause: The finance department reports grant revenue, grant accounts receivable and grant balances based on the information provided and maintained within 10 separate school department records. The structure of the AOS #91 system requires additional work to account for each individual school department's grants. Expenditures and payroll are charged to each individual school and grant revenue from Bar Harbor school is used to reimburse those schools. Staff time is not always available to perform these tasks completely.

Effect: The School Department is not able to establish accurate balances of grant accounts receivable and grant account balances; expenditures reported on the Schedule of Federal Awards could be misstated.

Recommendation: We recommend timely and proper reconciliation of grant account balances within all 10 school departments.

Response: Management concurs with the recommendation.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

TOWN OF BAR HARBOR
SCHEDULE III
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Education:				
Rural School Achievement Program	84.358		-	24,224
<i>Passed Through Maine State Department of Education:</i>				
Special Education Cluster (IDEA):				
Title VI, Part B - Local Entitlement	84.027	013-05AS-3046-12-6306-3046SLG	-	94,156
Title VI, Part B - Local Entitlement Preschool	84.173	013-05A-6247-23-6306-6247SPG	-	1,359
Sub-total Special Education Cluster (IDEA):			-	95,515
ESSA Title 1A - Basic Disadvantaged Program	84.010	013-05A-3107-13-6306-3107CDG	100,863	123,114
ESSA Title IV, Part A, SSAE Program	84.424	013-05A-3345-66-6306-3345SSG	-	49,137
ESSA Title IV, Part A, SSAE Program	84.424	013-05A-3345-66-6306-3345SSG	-	-
ESSA Title IIA - Improving Teacher Quality	84.367	013-05A-3042-11-6306-3042ITG	-	65,730
ESSA Title IIA - Improving Teacher Quality	84.367	013-05A-3042-11-6306-3042ITG	-	-
Elementary and Secondary School Emergency Relief Fund 1	84.425D*	013-05A-7006-90-6306-7006ESG-F2020	-	3,928
Elementary and Secondary School Emergency Relief Fund II	84.425D*	013-05A-7041-90-6306-7041GRT-F2021	-	107,901
Elementary and Secondary School Emergency Relief Fund II	84.425D*	013-05A-7041-90-6306-7041GRT-F2021	-	6,360
ARP Elementary and Secondary School Emergency Relief Fund 3	84.425U*	025-05A-7071-94-6306-7071GRT-F2022	-	84,139
Total U.S. Department of Education			<u>100,863</u>	<u>560,048</u>
U.S. Department of Agriculture:				
<i>Passed Through Maine State Department of Education:</i>				
State Pandemic Electronic Benefit Transfer Administrative Costs	10.649	NONE	-	614
State Administrative Expenses	10.560	NONE	-	10,557
			-	11,171
Food Distribution Cluster:				
Food Distribution	10.565	NONE	-	5,378
Sub-total Food Distribution Cluster			-	5,378
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	NONE	-	-
Federal Performance Based Lunch	10.555	013-05A-7142	-	136,615
School Breakfast Program	10.553	013-05A-7127	-	8,322
Sub-total Child Nutrition Cluster			-	144,937
Total U.S. Department of Agriculture			-	161,486
U.S. Department of the Treasury:				
Coronavirus State and Local Fiscal Recovery Funds (ACE)	21.027	NONE	-	57,200
Total U.S. Department of the Treasury			-	57,200
U.S. Department of Justice:				
<i>Passed Through the Town of Bucksport:</i>				
Bulletproof Vest Partnership Program	16.607	NONE	-	2,206
Total U.S. Department of Justice			-	2,206
U.S. Department of Housing and Urban Development:				
<i>Passed Through Maine State Department of Economic and Community Development:</i>				
CDBG	14.228*	CT 19A 20201123000000001601	-	200,000
Total U.S. Department of Housing and Urban Development			-	200,000
Total			-	<u>980,940</u>

TOWN OF BAR HARBOR
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Town of Bar Harbor, Maine under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Bar Harbor, Maine, it is not intended to and does not present the financial position or changes in net position of the Town of Bar Harbor, Maine.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C – INDIRECT COST RATE

The Town of Bar Harbor, Maine has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – PASS-THROUGH AWARDS

The Town of Bar Harbor, Maine receives certain federal awards in the form of pass-through awards from the State of Maine. Such amounts received as pass-through awards are specifically identified on the Schedule.

TOWN OF BAR HARBOR
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2022-01 Material Weakness over reconciling withholding/liability accounts

Name of contact person: Sarah Gilbert, Finance Director, Interim Town Manager

Corrective Action: Management concurs with the recommendation. A newly hired supervisor has implemented procedures for reconciling payroll withholdings and liability accounts on a monthly basis.

Proposed Completion Date: Immediately

2022-02 Material Weakness over capital asset accounting

Name of contact person: Sarah Gilbert, Finance Director, Interim Town Manager

Corrective Action: Management concurs with the recommendation. The Town has entered into a contract to purchase new software for capital asset and depreciation management, replacing the manual spreadsheets.

Proposed Completion Date: Immediately

2022-03 Material Weakness over Grant Accounting-School Department

Name of contact person: Nancy Thurlow, Finance Director

Corrective Action: Management concurs with the recommendation.

Proposed Completion Date: Immediately

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE