

TOWN OF BAR HARBOR, MAINE

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

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2024***

**TOWN OF BAR HARBOR
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2024**

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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 Audit of the Financial Statements

Opinions

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 fiscal year ended June 30, 2024, including the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Town of Bar Harbor, Maine as of June 30, 2024, and the respective changes in financial position 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 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's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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, budgetary comparison information, schedules of historical pension information and schedules of historical other post-employment benefit information on pages 4 through 9 and 63 through 74, 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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 accompanying 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 26, 2025 on our consideration of the Town of Bar Harbor, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of 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, CPA

James W. Wadman, CPA
Ellsworth, Maine
March 26, 2025

TOWN OF BAR HARBOR, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

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, 2024. 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, 2024, by \$67,580,914 (presented as “net position”). Of this amount, \$35,783,018 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 \$7,860,357 (a 13.2% increase) for the fiscal year ended June 30, 2024. Net position of governmental activities increased by \$6,459,935 (a 16.2% increase), while net position of business-type activities showed an increase of \$1,400,422 (a 7.1% increase).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2024, the Town's governmental funds reported a combined ending fund balance of \$32,352,746, with \$3,684,115 being general unassigned fund balance. This unassigned fund balance represents approximately 13.3% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations increased by \$42,326,133 (242.2%) during the current fiscal year. Long-term debt obligations for governmental activities increased by \$11,756,587 (98.8%) while long-term debt obligations for business-type activities increased by \$30,569,546 (548.7%). A general obligation bonds in the amount of \$49,810,000 was issued to the Town.. \$16,170,000 was for governmental activities and \$33,640,000 was for business-type activities. 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 35-39.

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 regard to inter-fund activity, payables and receivables. The government-wide financial statements can be found on pages 10-11 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 12-15 of this report.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 19-62 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 63-74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

35.6% 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.

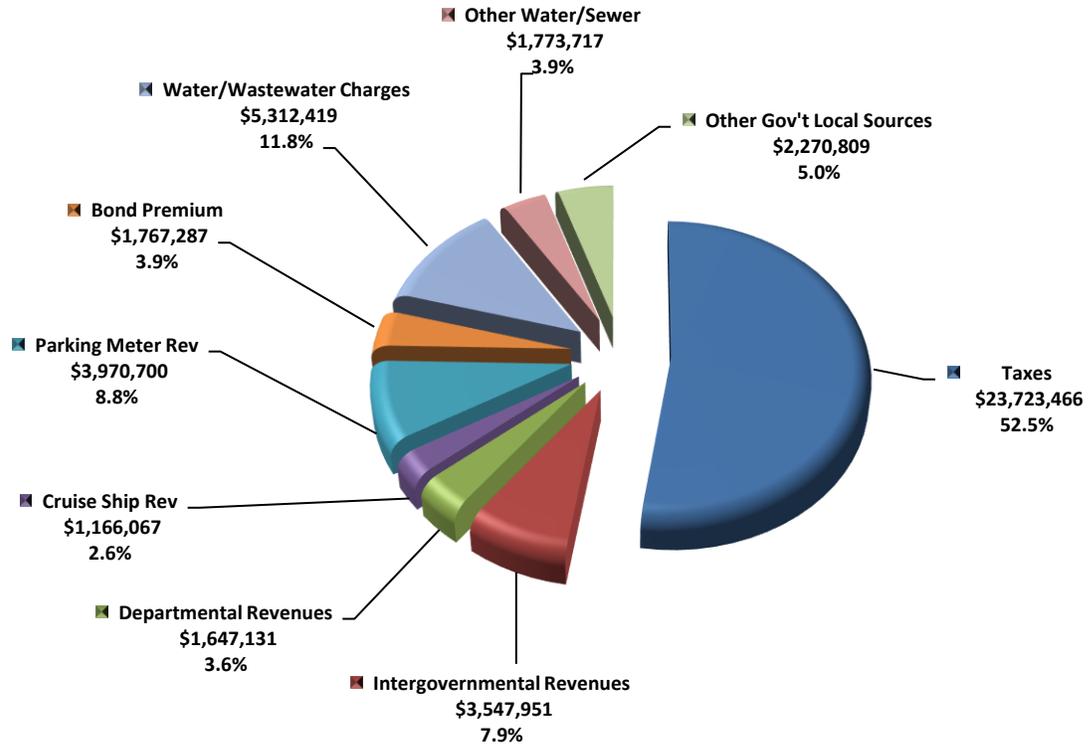
	Governmental Activities	Business-type Activities	Total 2024	Total 2023
Current Assets	37,930,360	38,646,392	76,576,752	24,794,077
Capital Assets	39,893,648	22,831,961	62,725,609	57,130,827
Total Assets	77,824,008	61,478,353	139,302,361	81,924,904
Related to OPEB	218,296		218,296	191,823
Related to Pensions	1,244,065	171,513	1,415,578	1,376,397
Total Deferred Outflows of Resources	1,462,361	171,513	1,633,874	1,568,220
Total Assets and Deferred Outflows of Resources	79,286,369	61,649,866	140,936,235	83,493,124
Current Liabilities	4,504,099	194,517	4,698,616	1,728,298
Long-Term Liabilities	27,292,269	36,438,945	63,731,214	20,761,180
Total Liabilities	31,796,368	36,633,462	68,429,830	22,489,478
Property Taxes Collected in Advance	85,531		85,531	34,707
Deferred Inflows of Resources from Leases	199,978		199,978	176,099
Unamortized Premium on Debt	-	3,842,003	3,842,003	-
Related to OPEB	406,910		406,910	381,321
Related to Pensions	349,156	41,913	391,069	690,962
Total Deferred Inflows of Resources	1,041,575	3,883,916	4,925,491	1,283,089
Net Investment in Capital Assets	16,234,311	7,832,164	24,066,475	39,656,571
Restricted	2,987,575	4,743,846	7,731,421	3,306,365
Unrestricted	27,226,540	8,556,478	35,783,018	16,757,621
Total Net Position	46,448,426	21,132,488	67,580,914	59,720,557
Total Liabilities, Deferred Inflows of Resources and Net Position	79,286,369	61,649,866	140,936,235	83,493,124

Changes in Net Position

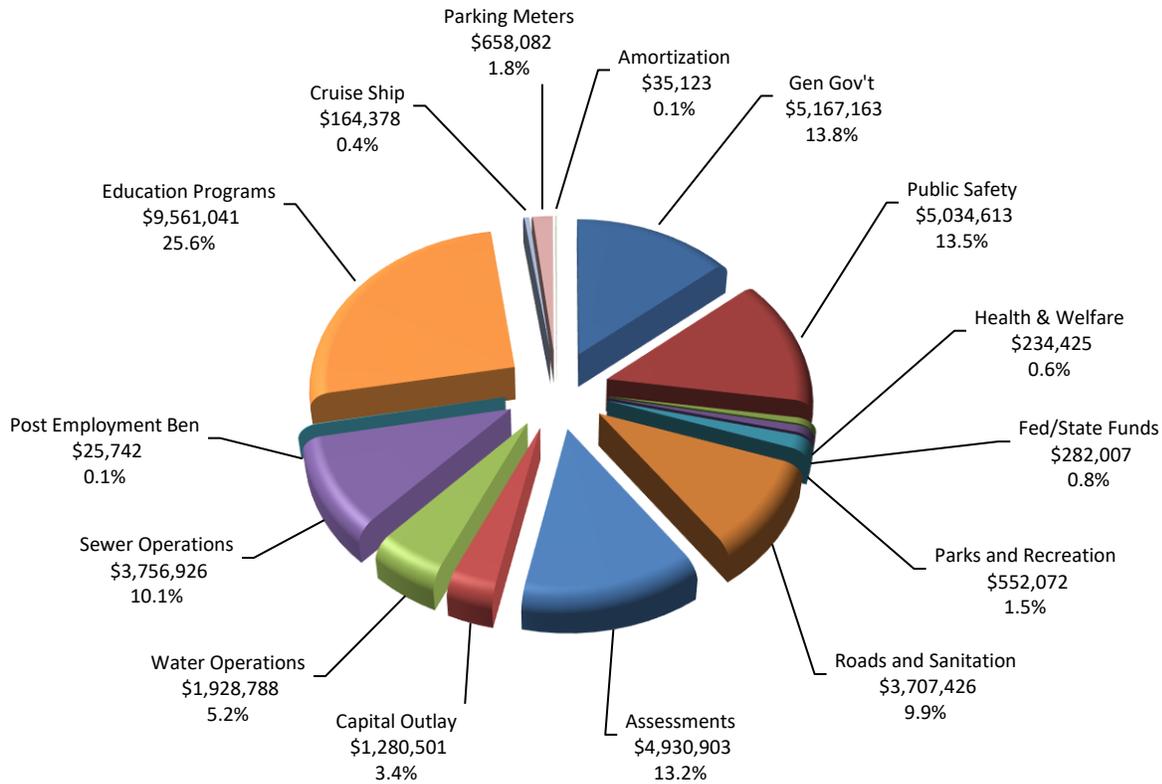
Approximately 52.5% of the Town’s total revenue came from property and excise taxes, approximately 7.9% came from Federal and State subsidies and grants, and approximately 39.6% came from services, investment earnings and other sources. Depreciation expense on the Town’s governmental and business-type activity assets represents \$4,990,766 of the total expenses for the fiscal year. Depreciation for governmental activities was \$2,030,437 while depreciation for business-type activities was \$2,960,329. The summary below includes the general, capital improvement, cruise ship, parking and school funds under governmental activities.

	Governmental Activities	Business-type Activities	Total 2024	Total 2023
Revenues:				
Taxes	23,723,466		23,723,466	21,240,777
Intergovernmental Revenues	3,547,951		3,547,951	3,535,117
Departmental Revenues	1,647,131	5,312,419	6,959,550	6,564,759
Cruise Ship Revenues	1,166,067		1,166,067	1,278,060
Parking Meter Revenues	3,970,700		3,970,700	2,019,183
Bond Premium Proceeds	1,767,287		1,767,287	-
Other Local Sources	2,270,809	1,773,717	4,044,526	1,235,392
Total	38,093,411	7,086,136	45,179,547	35,873,288
Expenses:				
General Government	5,167,163		5,167,163	4,493,656
Public Safety	5,034,613		5,034,613	4,587,758
Health & Welfare	234,425		234,425	249,926
Parks and Recreation	552,072		552,072	550,057
Island Explorer Shuttle Bus	-		-	5,000
Roads and Sanitation	3,707,426		3,707,426	3,362,512
Assessments	4,930,903		4,930,903	4,597,657
Capital Outlay	1,280,501		1,280,501	1,119,099
Water Operations		1,928,788	1,928,788	2,031,307
Sewer Operations		3,756,926	3,756,926	2,331,403
Education Programs	9,561,041		9,561,041	9,342,304
Cruise Ship	164,378		164,378	205,776
Parking Meters	658,082		658,082	621,033
Federal/State Funds	282,007		282,007	45,730
Post Employment Benefits	25,742		25,742	60,857
Amortization	35,123		35,123	35,125
(Gain)/Loss on Disposal of Assets	-	-	-	16,458
Total	31,633,476	5,685,714	37,319,190	33,655,658
Changes in Net Position	6,459,935	1,400,422	7,860,357	2,217,630

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 \$32,352,746, an increase of \$16,816,555 in comparison with the prior year. Approximately 11.4 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:

- \$234,954 positive variance in property taxes due to supplementals being issued in the amount of \$243,785.
- \$103,561 positive variance in auto excise revenue resulting from a conservative budget.
- \$75,496 positive variance in police other revenues resulting from an increase in reimbursement from the reimbursement of 2 positions instead of 1 as budgeted.
- \$614,880 positive variance in interest/change in fair value due to increase market appreciation and higher interest rates.

Expenditures:

- \$66,358 positive variance in town manager resulting from not hiring a new town manager until 5 months into the fiscal year.
- \$220,940 negative variance in legal counsel due to vacation rental legal representation and ongoing cruise ship litigation.
- \$136,236 positive variance in planning resulting from an unfilled position and ongoing services for the comprehensive plan.
- \$62,868 negative variance in vacation accruals due to conservative budgeting and higher expenditures.
- \$35,136 positive variance in public fire protection hydrants due to a budget forecast of a rate increase that did not occur.
- \$33,954 positive variance in parks and recreation resulting from Glen Mary Pool not being open for the season.

Wastewater Fund

Revenues:

- \$56,344 positive variance in residential billings due to a higher budget forecast not met.
- \$59,834 positive variance in Jackson Lab due to a rate increase and higher usage.

Expenses:

- \$178,620 positive variance in engineering due to services charged to the infrastructure project.
- \$32,274 positive variance in repairs and maintenance for mains and services due to increased forecast for emergency repairs that did not occur.
- \$33,338 positive variance in repairs and maintenance for equipment due to less repairs required.

-

Water Fund

Revenues:

- \$86,436 and \$50,955 negative variance in metered residential seasonal sales and metered commercial seasonal sales, respectively, due to anticipated rate increases that did not occur.

Expenses:

- \$87,291 positive variance in salaries due to the Superintendent position not being hired.
- \$219,087 positive variance in engineering and surveying due to services overlapping with the downtown projects and the SCADA work being deferred.
- \$50,000 positive variance in regulatory compliance due to the software not being purchased for lead and copper tracking.
- \$60,000 positive variance in meters due to increasing the budget for this item, however, ultimately not required.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities amounts to \$111,859,369, net of accumulated depreciation of \$49,133,760, leaving a net book value of \$62,725,609. Current year additions included Capital Improvements such as additions to the infrastructure improvements, vehicles, building renovations, parking meters, pier renovations, school building professional services, 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, 2024

Exhibit A

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets:			
Cash and Equivalents	33,991,332	37,375,968	71,367,300
Investments	1,895,103		1,895,103
Receivables:			
Taxes and Liens	590,620	12,906	603,526
User Fees, net		924,341	924,341
Accounts	607,967	13,275	621,242
Ambulance	113,479		113,479
Accrued Interest	9,495		9,495
Prepaid Expense	683	11,825	12,508
Inventory	5,775	308,077	313,852
Due from Other Governments	474,452		474,452
Leases Receivable-Current	32,154		32,154
Leases Receivable-Non-Current	174,175		174,175
Right to use leased assets, net of accumulated amortization-School	35,125		35,125
Capital Assets:			
Land	6,251,262	164,126	6,415,388
Construction Work in Progress	5,625,081	3,867	5,628,948
Other Capital Assets, Net of Depreciation	28,017,305	22,663,968	50,681,273
Total Assets:	77,824,008	61,478,353	139,302,361
Deferred Outflows of Resources:			
Related to Other Post Employment Benefits	218,296		218,296
Related to Pensions	1,244,065	171,513	1,415,578
Total Deferred Outflows of Resources	1,462,361	171,513	1,633,874
Total Assets and Deferred Outflows of Resources	79,286,369	61,649,866	140,936,235
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Accounts Payable	1,819,748	1,415,460	3,235,208
Retainage Payable	-	65,734	65,734
Payroll Taxes Deductible	53,465		53,465
Due to Students	2,648		2,648
Accrued Salaries Payable	848,438	24,075	872,513
Accrued Interest Payable		384,822	384,822
Internal Balances	1,695,574	(1,695,574)	-
Deposits Payable	84,226		84,226
Long-term Liabilities:			
Accrued Compensated Absences	498,289	50,903	549,192
Lease liability GASB 87 one year	29,031		29,031
Lease liability GASB 87 due in more than one year	-		-
Net Pension Liability	1,839,571	246,990	2,086,561
Net Post Employment Benefits Obligation	1,266,041		1,266,041
Debt Due Within One Year	1,600,500	2,040,742	3,641,242
Debt Due in More Than One Year	22,058,837	34,100,310	56,159,147
Total Liabilities	31,796,368	36,633,462	68,429,830
Deferred Inflows of Resources:			
Property Taxes Collected in Advance	85,531		85,531
Unamortized Premium on Debt		3,842,003	3,842,003
Deferred Inflows of Resources from Leases	199,978		199,978
Related to Other Post Employment Benefits	406,910		406,910
Related to Pensions	349,156	41,913	391,069
Total Deferred Inflows of Resources	1,041,575	3,883,916	4,925,491
Net Position:			
Net Investment in Capital Assets	16,234,311	7,832,164	24,066,475
Restricted	2,987,575	4,743,846	7,731,421
Unrestricted	27,226,540	8,556,478	35,783,018
Total Net Position	46,448,426	21,132,488	67,580,914
Total Liabilities, Deferred Inflows of Resources and Net Position	79,286,369	61,649,866	140,936,235

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, 2024

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	5,167,163	931,790		(4,235,373)		(4,235,373)
Public Safety	5,034,613	774,415	112,121	(4,148,077)		(4,148,077)
Health and Welfare	234,425			(234,425)		(234,425)
Parks & Recreation	552,072	850		(551,222)		(551,222)
Island Explorer Shuttle Bus	-			-		-
Roads and Sanitation	3,707,426	23,332		(3,684,094)		(3,684,094)
Assessments	4,930,903			(4,930,903)		(4,930,903)
Capital Outlay	1,280,501	-		(1,280,501)		(1,280,501)
Education	9,561,041	80,029	2,161,598	(7,319,414)		(7,319,414)
Parking Meters	658,082	3,891,860		3,233,778		3,233,778
Federal/State Funds	281,907		107,824	(174,083)		(174,083)
Other Special Revenue Funds	100		31,500	31,400		31,400
Cruise Ship	164,378	1,166,067		1,001,689		1,001,689
Post Employment Benefits	25,742			(25,742)		(25,742)
Amortization on Leases	35,123			(35,123)		(35,123)
<u>Total Governmental Activities</u>	<u>31,633,476</u>	<u>6,868,343</u>	<u>2,413,043</u>	<u>(22,352,090)</u>		<u>(22,352,090)</u>
<u>Business-type Activities:</u>						
Wastewater	3,756,926	3,121,980			(634,946)	(634,946)
Water	1,928,788	2,190,439			261,651	261,651
<u>Total Business-type Activities</u>	<u>5,685,714</u>	<u>5,312,419</u>			<u>(373,295)</u>	<u>(373,295)</u>
<u>Total Primary Government</u>	<u>37,319,190</u>	<u>12,180,762</u>	<u>2,413,043</u>	<u>(22,352,090)</u>	<u>(373,295)</u>	<u>(22,725,385)</u>
<u>General Revenues:</u>						
Taxes						
Property				22,429,640		22,429,640
Auto and Boat Excise				1,293,826		1,293,826
Intergovernmental Revenues				1,166,408		1,166,408
Other Local Sources				2,154,864	1,773,717	3,928,581
Bond Premium				1,767,287		1,767,287
<u>Total Revenues, Special Items and Transfers</u>				<u>28,812,025</u>	<u>1,773,717</u>	<u>30,585,742</u>
<u>Changes in Net Position</u>				<u>6,459,935</u>	<u>1,400,422</u>	<u>7,860,357</u>
<u>Net Position - Beginning</u>				<u>39,988,491</u>	<u>19,732,066</u>	<u>59,720,557</u>
<u>Net Position - Ending</u>				<u>46,448,426</u>	<u>21,132,488</u>	<u>67,580,914</u>

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

TOWN OF BAR HARBOR
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

Exhibit C
Page 1 of 2

	<i>General Fund</i>	<i>CIP Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets				
Cash and Equivalents	19,880,503	14,109,035	1,794	33,991,332
Investments	1,880,709		14,394	1,895,103
Receivables				
Taxes	215,444			215,444
Tax Liens	375,176			375,176
Accounts	607,967			607,967
Ambulance Fees	113,479			113,479
Accrued Interest	9,495			9,495
Leases Receivable-Current	6,429	25,725		32,154
Leases Receivable-Non-Current	58,661	115,514		174,175
Prepaid Expense	683			683
Inventory	5,775			5,775
Due from Other Governments	142,190	260,911	71,351	474,452
Due from Other Funds	2,369	7,756,803	308,186	8,067,358
Total Assets	23,298,880	22,267,988	395,725	45,962,593
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	981,945	754,348	83,455	1,819,748
Payroll Taxes/Deductions	53,465			53,465
Accrued Salaries Payable	848,438			848,438
Accrued Compensated Absences	440,021			440,021
Due to Other Funds	9,760,563		2,369	9,762,932
Due to Students	2,648			2,648
Deposits Payable	84,226			84,226
Total Liabilities	12,171,306	754,348	85,824	13,011,478
Deferred Inflows of Resources:				
Property Taxes Collected in Advance	85,531			85,531
Deferred Inflows of Resources from Leases	59,047	140,931		199,978
Unavailable Property Taxes	312,860			312,860
Unavailable Revenue				-
Total Deferred Inflows of Resources	457,438	140,931	-	598,369
Fund Balances				
Nonspendable	3,043		11,757	14,800
Restricted	2,679,062		293,713	2,972,775
Committed		21,372,709		21,372,709
Assigned	4,303,916		4,431	4,308,347
Unassigned	3,684,115			3,684,115
Total Fund Balances	10,670,136	21,372,709	309,901	32,352,746
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	23,298,880	22,267,988	395,725	45,962,593

(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	32,352,746
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	39,893,648
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Revenues	312,860
Right to use leased assets	35,125
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	(23,659,337)
Lease Liabilities	(29,031)
Accrued Compensated Absences - School Department	(58,268)
Deferred Inflows/Outflows Related to Other Post Employment Benefits	(188,614)
Post Employment Benefits Obligations	(1,266,041)
Net Pension Liability	(1,839,571)
Deferred Inflows/Outflows Related to Pensions	894,909
	<u>(26,145,953)</u>
Net Position of Governmental Activities	<u><u>46,448,426</u></u>

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

TOWN OF BAR HARBOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

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	23,714,632			23,714,632
Intergovernmental Revenues	3,097,604	342,523	107,824	3,547,951
Departmental Revenues	6,783,898	-		6,783,898
Other Local Sources	1,179,355	1,062,060	31,775	2,273,190
Total Revenues	34,775,489	1,404,583	139,599	36,319,671
Expenditures				
Current:				
General Government	4,921,615		-	4,921,615
Public Safety	4,359,109			4,359,109
Health and Welfare	221,805			221,805
Parks and Recreation	481,655			481,655
Roads and Sanitation	2,717,677		-	2,717,677
Education	9,307,616			9,307,616
Assessments	4,930,903			4,930,903
Cruise Ship	164,378			164,378
Parking Meters	587,046			587,046
Capital Outlay		11,676,140	-	11,676,140
Other Grants			100	100
Federal/State Funds			423,524	423,524
Total Expenditures	27,691,804	11,676,140	423,624	39,791,568
Excess of Revenues Over (Under) Expenditures	7,083,685	(10,271,557)	(284,025)	(3,471,897)
Other Financing Sources (Uses)				
Bond Proceeds		16,170,000		16,170,000
Bond Premium		1,767,287		1,767,287
Solar Array Refund		1,070,801		1,070,801
Transfers In	1,326,689	5,461,132	-	6,787,821
Transfers Out	(6,787,728)	-	(93)	(6,787,821)
Total Other Financing Sources (Uses)	(5,461,039)	24,469,220	(93)	19,008,088
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,622,646	14,197,663	(284,118)	15,536,191
Fund Balance - July 1	9,047,490	7,175,046	594,019	16,816,555
Fund Balance - June 30	10,670,136	21,372,709	309,901	32,352,746

(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, 2024

Exhibit D
Page 2 of 2

Net change in fund balances - total governmental funds	15,536,191
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	5,024,925
Depreciation expense	(2,030,436)
Amortization expense on leased asset	(35,123)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Revenues	(2,381)
Unavailable Taxes	8,834
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Bond Proceeds	(16,170,000)
Capital lease obligation principal payments	28,117
General obligation bond principal payments	4,413,413
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	(16,539)
Post Employment Benefits Cost	(37,160)
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	(259,906)
Change in net position of governmental activities	<u><u>6,459,935</u></u>

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

TOWN OF BAR HARBOR
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

Exhibit E

<i>Assets</i>	<i>Wastewater Enterprise</i>	<i>Water Enterprise</i>	<i>Total</i>
<i>Current Assets:</i>			
Cash and Equivalents	30,489,028	6,886,940	37,375,968
Receivables			
User Fees, net	871,624	52,717	924,341
Liens Receivable	12,906	-	12,906
Accounts	6,894	6,381	13,275
Due From Other Funds	1,446,960	302,484	1,749,444
Inventory	52,129	255,948	308,077
Prepaid Expenses		11,825	11,825
<i>Total Current Assets</i>	32,879,541	7,516,295	40,395,836
<i>Noncurrent Assets:</i>			
Capital Assets, net	12,085,389	10,746,572	22,831,961
<i>Total Noncurrent Assets</i>	12,085,389	10,746,572	22,831,961
<i>Total Assets</i>	44,964,930	18,262,867	63,227,797
<i>Deferred Outflows of Resources:</i>			
Related to Pensions	103,036	68,477	171,513
<i>Total Deferred Outflows of Resources</i>	103,036	68,477	171,513
<i>Total Assets and Deferred Outflows of Resources</i>	45,067,966	18,331,344	63,399,310
<i>Liabilities and Net Position</i>			
<i>Liabilities</i>			
Accounts Payable	780,550	634,910	1,415,460
Retainage Payable	65,734	-	65,734
Accrued Salaries and Benefits	13,914	10,161	24,075
Accrued Interest Payable	309,423	75,399	384,822
Due to Other Funds		53,870	53,870
Compensated Absences Payable	36,259	14,644	50,903
Bonds and Notes Payable	1,486,975	553,767	2,040,742
<i>Total Current Liabilities</i>	2,692,855	1,342,751	4,035,606
<i>Noncurrent Liabilities:</i>			
Net Pension (Asset)/Liability	169,632	77,358	246,990
Bonds and Notes Payable	26,771,001	7,329,309	34,100,310
<i>Total Noncurrent Liabilities</i>	26,940,633	7,406,667	34,347,300
<i>Total Liabilities</i>	29,633,488	8,749,418	38,382,906
<i>Deferred Inflows of Resources:</i>			
Unamortized Premium on Debt	3,255,942	586,061	3,842,003
Related to Pensions	28,786	13,127	41,913
<i>Total Deferred Inflows of Resources</i>	3,284,728	599,188	3,883,916
<i>Net Position</i>			
Net Investment in Capital Assets	5,554,729	2,277,435	7,832,164
Restricted			
Restricted for working capital	495,077		495,077
Restricted for capital improvements	1,839,828	2,408,941	4,248,769
Unrestricted	4,260,116	4,296,362	8,556,478
<i>Total Net Position</i>	12,149,750	8,982,738	21,132,488
<i>Total Liabilities, Deferred Inflows of Resources and Net Position</i>	45,067,966	18,331,344	63,399,310

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, 2024

Exhibit F

	<u>Proprietary Fund Types</u>		<u>Total</u>
	<u>Wastewater Enterprise</u>	<u>Water Enterprise</u>	
Operating Revenues:			
Charges for Services	3,113,824	2,189,502	5,303,326
Interest - Late Penalties	8,156	937	9,093
Total Operating Revenues:	<u>3,121,980</u>	<u>2,190,439</u>	<u>5,312,419</u>
Operating Expenditures:			
Current:			
Salaries and Benefits	896,324	681,128	1,577,452
Contracted Services	376,462	289,740	666,202
Utilities & Commodities	320,380	75,797	396,177
Repairs & Maintenance	143,264	86,579	229,843
Equipment	4,808	3,683	8,491
Other Expenses	59,509	47,025	106,534
Depreciation and Amortization	574,638	355,254	929,892
Materials and Supplies	177,624	155,521	333,145
Total Operating Expenditures	<u>2,553,009</u>	<u>1,694,727</u>	<u>4,247,736</u>
Net Operating Income	<u>568,971</u>	<u>495,712</u>	<u>1,064,683</u>
Nonoperating Revenues (Expenses)			
Interest/Change in Fair Value Revenue	1,448,177	318,014	1,766,191
Special Assessment	3,161		3,161
Jobbing Income, net of expense	-	4,365	4,365
Related to Pensions	41,316	72,304	113,620
Interest Expense	(1,245,233)	(306,365)	(1,551,598)
Total Nonoperating Revenue (Expenses)	<u>247,421</u>	<u>88,318</u>	<u>335,739</u>
Change in Net Position (net income)	816,392	584,030	1,400,422
Total Net Position - Beginning	11,333,358	8,398,708	19,732,066
Total Net Position - Ending	<u>12,149,750</u>	<u>8,982,738</u>	<u>21,132,488</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, 2024

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	3,121,980	2,190,439	5,312,419
Payments to Suppliers	(1,022,538)	(611,320)	(1,633,858)
Payments to Employees	(896,324)	(681,128)	(1,577,452)
Other Receipts (Payments)	(56,348)	(42,660)	(99,008)
<i>Net Cash Provided by (Used in) Operating Activities</i>	1,146,770	855,331	2,002,101
<i>Cash Flows from Capital and Related Financing Activities</i>			
Purchases of Capital Assets	(2,178,206)	(1,351,980)	(3,530,186)
Bond proceeds	30,780,942	6,096,185	36,877,127
Principal Paid on Capital Debt	(1,094,875)	(1,370,702)	(2,465,577)
Related to Pensions	41,316	72,304	113,620
Interest Paid on Capital Debt	(1,245,233)	(306,365)	(1,551,598)
<i>Net Cash Used in Capital and Related Financing Activities</i>	26,303,944	3,139,442	29,443,386
<i>Cash Flows from Investing Activities</i>			
(Purchase)/Sale of Investments	(870,018)	241,831	(628,187)
Interest and Dividends	1,448,177	318,014	1,766,191
<i>Net Cash Provided by (Used in) Investing Activities</i>	578,159	559,845	1,138,004
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	28,028,873	4,554,618	32,583,491
<i>Balances - beginning of the year</i>	2,460,155	2,332,322	4,792,477
<i>Balances - end of the year</i>	30,489,028	6,886,940	37,375,968
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>			
Net Operating Income (Loss)	568,971	495,712	1,064,683
Adjustment to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	574,638	355,254	929,892
(Increase) Decrease in Accounts Receivable	(215,181)	12,417	(202,764)
(Increase) Decrease in Due To/From Other Funds	(216,726)	(641,739)	(858,465)
(Increase) Decrease in Inventory	1,753	9,151	10,904
(Increase) Decrease in Prepaid Expense	-	3,877	3,877
Increase (Decrease) in Accrued Wages Payable	(12,180)	(10,575)	(22,755)
Increase (Decrease) in Accrued Interest Payable	305,123	55,586	360,709
Increase (Decrease) in Compensated Absences Payable	16,213	6,549	22,762
Increase (Decrease) in Accounts Payable	124,159	526,228	650,387
<i>Net Cash Provided by (Used in) Operating Activities</i>	1,146,770	812,460	1,959,230

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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, Deferred Outflows/Inflows of Resources 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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources 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, \$312,860 has been so classified and reported on the general fund balance sheet.

Annual property taxes were levied on August 9, 2023, on property values assessed on April 1. Taxes were due in two installments without penalty, due on September 29 and March 29, with interest at 8.0% beginning September 30 and March 30. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

3. Inventories

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

4. Capital Assets

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

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund 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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund 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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund 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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Equity (Continued)

13. Fund Balances/Net Position (Continued)

The Town has identified June 30, 2024 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><i>Nonspendable</i></u>				
School Lunch Inventory	3,043			3,043
Gurnee Principal			6,488	6,488
Cemetery Principal			5,269	5,269
	3,043	-	11,757	14,800
<u><i>Restricted</i></u>				
Parking Meter Fund	1,128,481			1,128,481
Municipal Revenue Sharing	53,230			53,230
Coronavirus State and Local Fiscal Recovery Funds			151,116	151,116
Community Action Grant			73,624	73,624
EMS Stabilization Grant			66,473	66,473
Connors Emerson Donations			2,500	2,500
School Restricted Funds	1,497,351			1,497,351
	2,679,062	-	293,713	2,972,775
<u><i>Committed</i></u>				
Capital Improvement Programs		21,372,709		21,372,709
	-	21,372,709	-	21,372,709
<u><i>Assigned</i></u>				
Reserve for Working Capital	2,634,000			2,634,000
Designated for Insurance	500,000			500,000
Designated for Fiber Lease	50,000			50,000
General Fund Encumbrances	95,000			95,000
Cruise Ship Fund	1,024,916			1,024,916
Gurnee Scholarship			4,431	4,431
	4,303,916	-	4,431	4,308,347
<u><i>Unassigned</i></u>				
General Fund	3,684,115			3,684,115
<u><i>Total Fund Balance</i></u>	<u>10,670,136</u>	<u>21,372,709</u>	<u>309,901</u>	<u>32,352,746</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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund 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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$71,367,300.00
Investments	\$1,895,103.00
	<hr/>
Total Deposits and Investments	\$73,262,403.00
	<hr/> <hr/>

Deposits and investments as of June 30, 2024 consist of the following:

Statement of Net Position:	
Cash on hand	\$1,120.00
Deposits with financial institutions	\$71,366,180.00
Investments	\$1,895,103.00
	<hr/>
Total Deposits and Investments	\$73,262,403.00
	<hr/> <hr/>

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

Investment Type	Fair Value	Remaining Maturity (In Years)		
		0-1 Years	1-5 Years	> 5 Years
Corporate Bonds	1,675,534	684,710	990,824	-
U.S. Treasury Notes	219,569	-	219,569	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,895,103	684,710	1,210,393	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town’s deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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 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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

The financial institution holding the Town’s cash accounts is participating in the FDIC Program. For time and savings deposit accounts, the Town's savings accounts, including certificates of deposit, are insured up to \$250,000 by the FDIC. Separately, for demand deposit accounts, the Town's cash accounts, including checking and money market accounts are insured up to \$250,000 by the FDIC.

Any cash deposits or certificates of deposits in excess of the \$250,000 FDIC limits are covered by placing the excess funds in the overnight Insured Cash Sweep service (ICS).

At year-end, the government’s carrying amount of deposits was \$71,367,300 and the bank balance was \$71,630,773 plus \$236,115 cash included with the investment portfolio for a total of \$71,866,888. The Town had \$2,324,231 of FDIC insurance and \$69,542,657 of collateral insurance as of June 30, 2024.

As of June 30, 2024, Town investments in the following investment types were held by the same counterparty that was used to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
U.S. Treasury obligations	\$219,569
Corporate Bonds	<u>\$1,675,534</u>
Total	<u>\$1,895,103</u>

Credit risk – Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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 union and direct debt securities of the United States Government, unless such an investment is expressly prohibited by law.

The following are the actual ratings at year-end for each investment type:

<u>Investment Type</u>	<u>S&P Ratings as of Year End</u>		
	<u>Fair Value</u>	<u>Fixed Income</u>	<u>Federal Agency Securities</u>
A	474,529	474,529	
A-	667,788	667,788	
AA	95,747	95,747	
AA-	99,553	99,553	
BBB+	94,293	94,293	
BBB	93,730	93,730	
Not Rated	<u>369,463</u>	<u>149,894</u>	<u>219,569</u>
Total	<u>1,895,103</u>	<u>1,675,534</u>	<u>219,569</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Fair Value Measurements of Investments

The Town categorizes the fair value measurements of its investments within the fair value hierarchy established by accounting principles generally accepted in the United States. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows (in order of priority):

- Level 1 Inputs - Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.
- Level 2 Inputs - Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs - Significant unobservable 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 of June 30, 2024, the Town’s investments measured at fair value, by type, were as follows:

Investment Type	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Corporate Bonds	1,675,534	1,675,534		
U.S. Treasury Notes	219,569	219,569		
Total	1,895,103	1,895,103	-	-

Corporate bonds and U.S. Treasury notes classified as Level 1 inputs are valued using unadjusted quoted prices in active markets for those securities.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		2,550,418,700
Tax Rate (per \$1,000)		<u>8.68</u>
Commitment		<u>22,137,634</u>
Appropriations		36,977,463
Less:		
State Municipal Revenue Sharing	475,000	
Estimated Revenues	14,182,357	
BETE Reimbursement	26,952	
Homestead Reimbursement	<u>155,520</u>	
		<u>14,839,829</u>
Net Assessment for Commitment		<u>22,137,634</u>

Uncollected real estate taxes/liens and personal property taxes at June 30 for the current year commitment totaled \$463,955, which represents tax collection of approximately 97.9 % of the current year commitment, including supplemental taxes issued in the amount of \$243,785. The real estate portion of the total taxes due was placed on lien June 25, 2024. Unpaid prior year tax liens at June 28 totaled \$102,535.

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2024 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	2,369	9,760,563
Capital Project Funds	7,756,803	
Community Action Grant	88,097	
EMS Stabilization Grant	66,473	
DRE/FP Training Grant		2,369
Connors Emerson Donations	2,500	
Coronavirus State and Local Fiscal Recovery Funds	151,116	
Water Fund	302,484	53,870
Wastewater Fund	<u>1,446,960</u>	
Totals	<u>9,816,802</u>	<u>9,816,802</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, 2024, 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 \$1,695,574 is expected to be repaid during the next year. The remaining balance will be retired upon use of the funds.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables and Payables (continued)

Transfers To/From Other Funds at June 30, 2024, were as follows:

	Transfers In	Transfers Out
General Fund	1,236,689	9,143,548
General Dog Control Reserve		1,293
General Shellfish Reserve		2,635
General Municipal Revenue Sharing		475,000
General School Department	6,988,400	90,000
General Cruise Ship Fund		682,967
General Parking Fund		3,290,685
Capital Projects	5,461,132	
Trust Funds		93
Totals	<u>13,686,221</u>	<u>13,686,221</u>

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, 2024, the Town recognized \$11,934 of lease revenue and \$252 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 automatically renewed in June 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, 2024, the Town recognized \$25,765 of lease revenue and \$421 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 return. In fiscal year ending June 30, 2024, the Town recognized \$7,588 of lease revenue and \$2,221 of interest revenue under the lease.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Leases Receivable (continued)

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, 2024, the Town recognized \$118,870 of lease revenue and \$1,579 of interest revenue under the lease.

E. Capital Assets (Includes School)

Capital asset activity for the year ended June 30, 2024 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Governmental Activities;				
<i>Capital assets not being depreciated</i>				
Land	6,213,075	38,187		6,251,262
Construction Work in Progress	1,911,279	4,784,603	(1,070,801)	5,625,081
	8,124,354	4,822,790	(1,070,801)	11,876,343
<i>Capital assets being depreciated:</i>				
Buildings	19,616,690	113,572	-	19,730,262
Equipment	10,105,727	971,592	-	11,077,319
Infrastructure	26,805,673	187,772	-	26,993,445
<i>Total capital assets being depreciated</i>	56,528,090	1,272,936	-	57,801,026
<i>Less accumulated depreciation for:</i>				
Buildings	6,579,540	525,945	-	7,105,485
Equipment	5,284,859	667,923	-	5,952,782
Infrastructure	15,888,886	836,568	-	16,725,454
<i>Total accumulated depreciation</i>	27,753,285	2,030,436	-	29,783,721
<i>Net capital assets being depreciated</i>	28,774,805	(757,500)	-	28,017,305
Governmental Activities				
Capital Assets, net	36,899,159	4,065,290	(1,070,801)	39,893,648

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets (Continued)

	<i>Beginning</i>			<i>Ending</i>
	<i>Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i>
<i>Business-type Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land-Water	140,953			140,953
Land-Wastewater	65,450			65,450
Construction Work In Process-Water	432,220	805,690		1,237,910
Construction Work In Process-Wastewater	1,899,785	1,647,355		3,547,140
	<u>2,538,408</u>	<u>2,453,045</u>	<u>-</u>	<u>4,991,453</u>
<i>Capital assets being depreciated:</i>				
Water Fund	14,406,206	546,288	-	14,952,494
Wastewater Fund	21,707,202	530,851	-	22,238,053
	<u>36,113,408</u>	<u>1,077,139</u>	<u>-</u>	<u>37,190,547</u>
<i>Total capital assets being depreciated</i>				
<i>Less accumulated depreciation for:</i>				
Water Fund	5,229,532	355,253	-	5,584,785
Wastewater Fund	13,190,616	574,638	-	13,765,254
	<u>18,420,148</u>	<u>929,891</u>	<u>-</u>	<u>19,350,039</u>
<i>Total accumulated depreciation</i>				
	<u>17,693,260</u>	<u>147,248</u>	<u>-</u>	<u>17,840,508</u>
<i>Net capital assets being depreciated</i>				
<i>Business-type Activities</i>				
<i>Capital Assets, net</i>	<u>20,231,668</u>	<u>2,600,293</u>	<u>-</u>	<u>22,831,961</u>

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

Governmental Activities:

General Government	181,631
Public Safety	503,362
Health and Welfare	12,620
Parks and Recreation	70,417
Roads and Sanitation, including infrastructure	989,749
Education	201,621
Parking Fund	<u>71,036</u>
Total Depreciation Expense - Governmental Activities	<u>2,030,436</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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 Town for the year ended June 30, 2024 is as follows:

	<i>Beginning</i> <i>Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending</i> <i>Balance</i>
<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	26,496	13,247	-	39,743
Leased Laptops	43,754	21,876	-	65,630
<i>Total accumulated amortization</i>	70,250	35,123	-	105,373
 <i>Right to use assets, net</i>	 70,248	 (35,123)	 -	 35,125

G. Long-Term Liabilities

Long-Term Liability Schedule

	<i>Beginning</i> <i>Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending</i> <i>Balance</i>	<i>Current Portion</i> <i>Of Balance</i>
<i>Governmental activities:</i>					
General Obligation Bonds	11,902,750	16,170,000	(4,413,413)	23,659,337	1,600,500
Capital Leases	-	-	-	-	-
Lease Liabilities	57,148	-	(28,117)	29,031	29,031
Compensated Absences	429,957	68,332	-	498,289	-
Total OPEB Liability	1,227,997	38,044	-	1,266,041	-
Net Pension (Asset)/Liability	1,302,972	536,599	-	1,839,571	-
<i>Governmental Activity Long-Term Liabilities</i>	14,920,824	16,812,975	(4,441,530)	27,292,269	1,629,531
 <i>Business-Type Activities:</i>					
General Obligation Bonds	5,571,506	33,035,124	(2,465,578)	36,141,052	2,040,742
Compensated Absences	41,564	9,339	-	50,903	-
Net Pension (Asset)/Liability	227,286	19,704	-	246,990	-
<i>Business-Type Activity Long-Term Liabilities</i>	5,840,356	33,064,167	(2,465,578)	36,438,945	2,040,742
 <i>Total Long-Term Liabilities</i>	 20,761,180	 49,877,142	 (6,907,108)	 63,731,214	 3,670,273

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024:

	<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	119,637	-	(58,323)	61,314	61,314
2010 Capital Construction, Roads, Refinanced in 2020	1,127,209	-	(159,186)	968,023	159,186
2013 Public Works Complex	2,100,000	1,785,000	(2,105,000)	1,780,000	140,000
2014 Town Hall & Signage	1,440,000	-	(130,000)	1,310,000	130,000
2015 Refinanced Agamont Park & Seawall	80,000	-	(40,000)	40,000	40,000
2015 Public Safety Building	260,000	-	(20,000)	240,000	20,000
2018 Ladder Truck, Public Safety Building & Transfer Station Renovations	2,270,000	-	(160,000)	2,110,000	160,000
2019 Parking Meters, Ferry Terminal	1,955,000	-	(230,000)	1,725,000	115,000
2019 Ferry Terminal Taxable	1,090,000	-	(50,000)	1,040,000	50,000
2023 Priority Infrastructure Bond	1,460,904	-	(1,460,904)	-	-
2024 Fiber Build	-	680,000	-	680,000	35,000
2024 School Plans	-	2,700,000	-	2,700,000	135,000
2024 Priority Infrastructure	-	7,085,000	-	7,085,000	355,000
2024 Solar Array	-	3,920,000	-	3,920,000	200,000
<i>Sub-Total Bonds Payable</i>	<u>11,902,750</u>	<u>16,170,000</u>	<u>(4,413,413)</u>	<u>23,659,337</u>	<u>1,600,500</u>
Total Governmental Activities	<u>11,902,750</u>	<u>16,170,000</u>	<u>(4,413,413)</u>	<u>23,659,337</u>	<u>1,600,500</u>
<i>Business-Type Activities:</i>					
<i>Bonds payable:</i>					
<i>Water Department:</i>					
2010 Water Mains, Refinanced in 2020	182,791	-	(25,814)	156,977	25,814
2011 Water Refinance Mains Replacement & Duck Brook Pump Station	655,425	615,124	(723,525)	547,024	63,025
2012 Safe Drinking Revolving Water Loan	1,397,668	-	(133,593)	1,264,075	134,928
2015 Route 3 Water Main Project	1,105,000	-	(85,000)	1,020,000	85,000
2023 Priority Infrastructure Bond	402,771	-	(402,771)	-	-
2024 Water Priority Infrastructure	-	4,895,000	-	4,895,000	245,000
<i>Sub-Total Water Department</i>	<u>3,743,655</u>	<u>5,510,124</u>	<u>(1,370,703)</u>	<u>7,883,076</u>	<u>553,767</u>
<i>Wastewater Department:</i>					
2011 Wastewater Mains Replacement & Scada System	644,575	604,876	(711,475)	537,976	61,975
2015 Refinanced Hulls Cove Wastewater Plant	240,000	-	(45,000)	195,000	45,000
2023 Priority Infrastructure Bond	943,276	-	(943,276)	-	-
2024 Priority Infrastructure Bond	-	27,525,000	-	27,525,000	1,380,000
<i>Sub-Total Wastewater Department</i>	<u>1,827,851</u>	<u>28,129,876</u>	<u>(1,699,751)</u>	<u>28,257,976</u>	<u>1,486,975</u>
Total Business-Type Activities	<u>5,571,506</u>	<u>33,640,000</u>	<u>(3,070,454)</u>	<u>36,141,052</u>	<u>2,040,742</u>
Total Debt	<u>17,474,256</u>	<u>49,810,000</u>	<u>(7,483,867)</u>	<u>59,800,389</u>	<u>3,641,242</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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 \$61,723 in fiscal year 2023 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, 2024 was \$61,314.

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 \$223,506 in fiscal year 2023 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, 2024 was \$968,023.

In 2013, the Town was issued a bond for the public works facility from Robert W. Baird, Co. Inc. The loan was refinanced in 2024 from U.S. Bank and Trust in the amount of \$1,940,000 less a bond premium of \$155,000 for a net total of \$1,785,000 with annual principal and interest payments ranging from \$61,675 in fiscal year 2024 to \$225,500 for the last payment in fiscal year 2034. Interest is payable semi-annually at a rate of 5.0%. The balance at June 30, 2024 was \$1,780,000.

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 \$179,275 in fiscal year 2023 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, 2024 was \$1,310,000.

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 \$44,000 in fiscal year 2023 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, 2024 was \$40,000.

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 \$29,300 in fiscal year 2023 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, 2024 was \$240,000.

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 \$248,00 in fiscal year 2023 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, 2024 was \$2,110,000.

In 2019, the Town was issued a bond for parking meters and the tax exempt portion of the ferry terminal purchase from Roosevelt & Cross, Inc. The loan was issued for \$2,875,000 with annual principal and interest payments ranging from \$308,200 in fiscal year 2023 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, 2024 was \$1,725,000.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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 \$86,150 in fiscal year 2023 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, 2024 was \$1,040,000.

In 2023, the Town began expending funds related to the priority infrastructure project. The projects were approved at the town meetings dated 6/1/21, 11/2/21 and 6/7/22. The bond was authorized but unissued as of 6/30/23. The bond was issued after year end, on 8/15/23 in the amount of \$49,810,000. The Town recognized bond receivable in the amount of \$1,460,904 for governmental expenditures, \$943,276 for wastewater expenditures and \$402,771 for water expenditures. During the current fiscal year, the bond receivables were included in the new bond. The ending balance at 6/30/24 was \$0.

In 2024, the Town of Bar Harbor was issued a bond in the amount of \$49,810,000 from the Maine Municipal Bond Bank. The par amount of the issued bonds is net of a premium of \$5,871,768.25. The bond was issued for school plans (\$2,700,000), fiber buildout (\$680,000), storm sewer (\$7,085,000), solar array (\$3,920,000) sewer (\$27,525,000), water (\$4,895,000) and refunding of the 2011 bonds (\$1,220,000) and 2013 bonds (\$1,785,000). The total annual principal payments range from \$140,000 in fiscal year 2024 to \$2,325,000 in fiscal year 2044. Interest is payable semi-annually at a rate of 4.0% to 5.0%. The balances at June 30, 2024 were:

Fiber Buildout	\$680,000
School Plans	\$2,700,000
Storm Water	\$7,085,000
Solar Array	\$3,920,000
Refinanced 2013 Bond	\$1,780,000
Water Infrastructure	\$4,895,000
Sewer Infrastructure	\$27,525,000
Water/Sewer Refinanced 2011 Bonds	<u>\$1,085,000</u>
Total	<u>\$49,670,000</u>

Business-Type Activities:

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 \$36,244 in fiscal year 2023 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, 2024 was \$156,977.

In 2011, the Town was issued a bond for wastewater mains replacement and SCADA system from Morgan Stanley & Co. The loan was refinanced in 2024 from U.S. Bank and Trust in the amount of \$644,540 less a bond premium of \$39,644 for a net total of \$604,896 with annual principal and interest payments ranging from \$84,926 in fiscal year 2024 to \$75,857 for the last payment in fiscal year 2032. Interest is payable semi-annually at a rate of 4.0 - 5.0%. The balance at June 30, 2024 was \$537,976.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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 refinanced in 2024 from U.S. Bank and Trust in the amount of \$655,460 less a bond premium of \$40,336 for a net total of \$615,124 with annual principal and interest payments ranging from \$86,365 in fiscal year 2024 to \$78,630 for the last payment in fiscal year 2032. Interest is payable semi-annually at a rate of 4.0 - 5.0%. The balance at June 30, 2024 was \$547,024.

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 \$154,253 in fiscal year 2023 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, 2024 was \$1,264,075.

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 \$124,525 in fiscal year 2023 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, 2024 was \$1,020,000.

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 \$55,750 in fiscal year 2023 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, 2024 was \$195,000.

In 2023, the Town began expending funds related to the priority infrastructure project. The projects were approved at the town meetings dated 6/1/21, 11/2/21 and 6/7/22. The bond was authorized but unissued as of 6/30/23. The bond was issued after year end, on 8/15/23 in the amount of \$49,810,000. The Town recognized bond receivable in the amount of \$1,460,904 for governmental expenditures, \$943,276 for wastewater expenditures and \$402,771 for water expenditures. During the current fiscal year, the bond receivables were included in the new bond. The ending balance at 6/30/24 was \$0.

Annual debt service requirements to maturity including interest of \$2,994,562 (including fees) are as follows:

<i>Year Ended</i> <i>June 30,</i>	<i>Governmental Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	1,600,500	1,032,698	2,633,198
2026	1,527,093	958,742	2,485,835
2027	1,519,186	885,087	2,404,273
2028	1,529,186	812,790	2,341,976
2029	1,539,186	741,493	2,280,679
2030-2034	7,099,186	2,767,661	9,866,847
2035-2039	5,280,000	1,458,372	6,738,372
2040-2044	3,565,000	444,375	4,009,375
Total	23,659,337	9,101,218	32,760,555

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

<i>Year Ended June 30,</i>	<i>Business-Type Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	2,040,742	114,064	2,154,806
2026	2,054,184	102,103	2,156,287
2027	2,063,454	89,206	2,152,660
2028	2,049,830	75,192	2,125,022
2029	2,006,220	63,019	2,069,239
2030-2034	9,561,622	169,746	9,731,368
2035-2039	8,270,000	11,475	8,281,475
2040-2044	8,095,000	-	8,095,000
Total	36,141,052	624,805	36,765,857
Totals	59,800,389	9,726,023	69,526,412

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 recorded a right to use asset in fiscal year 2022. The net book value is \$13,248 at June 30, 2024. 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 recorded a right to use asset in fiscal year 2022. The net book value is \$21,877 at June 30, 2024. 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, 2024, were as follows:

<i>Year Ended June 30,</i>	<i>Principal Payments</i>	<i>Interest Payments</i>	<i>Total</i>
2025	29,031	943	29,974
Total	29,031	943	29,974

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

J. Authorized, Unissued Debt

- 1) Connors Emerson New School Building – Approved by voters 6/13/23 for the construction and equipment of a new elementary school to replace existing structures. The bond was approved in the amount of \$58,538,288.
- 2) Engineering, Design, Procurement, Construction, and Interconnection of a Free-Standing Solar Array – Approved by voters 6/7/22 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 in the amount of \$4,350,000 was issued 10/15/2023 through the bond total of \$49,810,000. During the town meeting on 11/4/24, the purpose of the bond proceeds were amended to (1) delete the Solar Project as the purpose for which the bonds were authorized, and (2) approve a new project consisting of capital improvements to Town-owned properties that are designed to reduce carbon emissions, promote energy efficiency and lower operating expenses.

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	4,431
Total	<u>11,757</u>	<u>4,431</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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

C. Pension Plans (continued)

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, 2022, 2023 and 2024 were \$72,015, \$77,789 and \$99,800 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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (continued)

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, 2024, the SET Plan member contribution rate was 7.65% and the employer contribution rate was 4.47% of applicable member compensation. The employer (School portion) is also responsible for contributing 15.10% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.51% of the applicable member compensation into the System.

For the year ended June 30, 2024, the PLD Plan member contribution rate was 7.6% for the regular AC-Age 60 Plan and 6.95% for the regular AC-Age 65 Plan; the employer contribution rate was 10.2% of applicable member compensation for the regular AC Plan and 5.0% for retirees who return to work. The member contribution rate was 8.9% for the Special 4C Plan-Public Safety Plan and the employer contribution rate was 11.3% for the Special 4C Plan of applicable members compensation.

The required contributions paid into the System for the year ended June 30, 2024 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>
2024	\$ 326,088	\$ 206,565	\$ 603,102	\$ 4,262,594	\$ 106,137
2023	\$ 297,177	\$ 175,089	\$ 530,246	\$ 3,884,673	\$ 174,062
2022	\$ 278,341	\$ 164,220	\$ 496,418	\$ 3,638,450	\$ 164,567

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>
2024	\$ 27,917	\$ 36,981	\$ 362,562
2023	\$ 23,171	\$ 31,098	\$ 304,883
2022	\$ 19,383	\$ 25,595	\$ 248,497

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

PLD Plan TOWN PORTION:

<i>For the year ended</i>	<i>Employee</i>	<i>Employer</i>	<i>Applicable</i>
<i>June 30,</i>	<i>Contributions</i>	<i>Contributions</i>	<i>Member</i>
			<i>Compensation</i>
2024	\$ 446,885	\$ 617,279	\$ 5,601,187
2023	\$ 363,766	\$ 494,488	\$ 4,831,815
2022	\$ 288,353	\$ 377,512	\$ 3,742,142

Revenue Recognition

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

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

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

As of June 30, 2024, the Town of Bar Harbor reported a net pension liability of \$176,368 for the SET Plan and a net pension (asset)/liability of \$1,910,193 for the PLD Plan. The net pension (asset)/liability was measured as of June 30, 2023, 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, 2023, the Town of Bar Harbor’s proportion of contributions was .011625% for the SET Plan and .598628% for the PLD Plan, which was an increase of .000304% and an increase of .086223% respectively from its proportion measured at June 30, 2022.

For the fiscal year ended June 30, 2024, the Town of Bar Harbor recognized pension expense/(credit) of \$220,341 for the SET Plan and \$883,185 for the PLD plan for a total of \$1,103,526. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

	<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	14,450	-
Changes in Assumption	-	-
Net Difference between projected and actual earnings on pension plan investments	-	16,362
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,226	50,557
Employer contributions made subsequent to measurement date	206,565	
	<u>224,241</u>	<u>66,919</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	354,630	-
Changes in Assumption	-	-
Net Difference between projected and actual earnings on pension plan investments	-	324,150
Changes in proportion and differences between employer contributions and proportionate share of contributions	182,446	-
Employer contributions made subsequent to measurement date	654,261	
	<u>1,191,337</u>	<u>324,150</u>
Totals	<u>1,415,578</u>	<u>391,069</u>

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

<u><i>Year Ended June 30,</i></u>	<u><i>SET Plan</i></u>	<u><i>PLD Plan</i></u>
2024	174,550	734,435
2025	(38,926)	(211,092)
2026	20,870	328,775
2027	828	15,069
2028	-	-

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

Actuarial Assumptions

The collective total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SET Plan</u>	<u>PLD Plan</u>
Inflation	2.75%	2.75%
Investment Rate of Return:	6.50% per annum, compounded annually	6.50% per annum, compounded annually
Annual Salary Increases, Including Inflation	2.80% - 13.03%	2.75% - 11.48 %
Cost of Living Benefit Increases	2.20% per annum for Teachers	1.91% per annum
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.

The actuarial assumptions used in the June 30, 2023 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, 2023 are summarized in the following table:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Defined Benefit Employee Pension Plan (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	6.0%
US Government	2.6%
Private Equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural Resources	5.0%
Traditional Credit	3.2%
Alternative Credit	7.4%
Diversifiers	5.0%

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:	<u>1% Decrease █ (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase █ (7.50%)</u>
Proportionate Share of the Net Pension Liability	\$ 346,780	\$ 176,368	\$ 34,509
 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 Pension Liability	\$ 5,234,066	\$ 1,910,193	\$ (831,733)

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.maineipers.org or contacting the System at (207) 512-3100.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

E. Risk Management

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

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

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

Based on the coverage provided by the pools described above, the town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2024.

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, 2023 there were 234 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.

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, 2023, there were 146 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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

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 \$0.48 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 \$0.48 per \$1,000 of coverage per month during the post-employment retired period.

Special Funding Situation – SET Plan

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

Actuarial Methods and Assumptions

The collective total OPEB liability for the plans was determined by an actuarial valuation as of June 30, 2023, 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.

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, 2023, there were 14 years remaining in the amortization schedule for the SET Plan and 7 years remaining for the PLD Plan. The actuarial assumptions used in the June 30, 2023 actuarial valuation was based on the results of an actuarial experience study conducted for the period of June 30, 2015 to June 30, 2020.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

	<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

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

As of June 30, 2024, the Town of Bar Harbor reported a net OPEB liability of \$34,526 for the PLD Plan. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the Town of Bar Harbor's proportion of contributions was .253038% for the PLD Plan, which was an increase of .0144% from its proportion measured at June 30, 2022.

For the fiscal year ended June 30, 2024, the Town of Bar Harbor recognized OPEB expense/(credit) of \$1,606 for the PLD Plan. At June 30, 2024, 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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	613	270
Changes of Assumptions	1,687	7,630
Difference between projected and actual Investment Earnings on OPEB Plan Investments	1,112	-
Changes in proportion and differences between employer premiums and proportionate share of premiums	2,599	1,249
	<u>6,011</u>	<u>9,149</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

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>Year Ended June 30,</u>	<u>PLD Plan</u>
2024	(2,693)
2025	(2,997)
2026	2,330
2027	95
2028	127
Thereafter	0

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, 2023 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	3.2%
US Government	2.3%

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.50% for 2023 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:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Methods and Assumptions (continued)

PLD Plan:

	<u>1% Decrease</u> █ (5.50%)	<u>Current Discount</u> Rate (6.50%)	<u>1% Increase</u> █ (7.50%)
Proportionate Share of the Net OPEB Liability	\$ 47,887	\$ 34,526	\$ 23,786

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.

	<u>Allocation of:</u>		
	<u>On-Behalf</u>	<u>Benefits</u>	<u>Net OPEB</u>
	<u>Payments</u>	<u>Expense</u>	<u>Liability</u>
2023	\$12,087	\$11,403	\$88,131

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

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

Employees covered by benefit terms:

At June 30, 2024, the following employees were covered under the benefit terms:

Active employees	46
Average age	44.22
Average service	8.56
Retirees Under 65	0
Average Age	N/A
Retirees Over 65	1
Average Age	72.82
Spouses Under 65	0
Average Age	N/A
Spouses Over 65	1
Average Age	72.37

Net OPEB Liability

The Town’s net OPEB liability was measured as of January 1, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26% 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 2024_f1 was used for this valuation. The following assumptions were input into this model:

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Trend Assumption Inputs

Variable	Rate
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	1.10%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2044

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.

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

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

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, 2023 is based upon an earlier measurement date, as of December 29, 2022 and is 3.72% per annum. The discount rate as of June 30, 2024 is based upon an earlier measurement date, as of December 28, 2023 and is 3.26% 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.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/23	429,670	-	429,670
Changes for the year:			-
Service Cost	21,017		21,017
Interest	16,623		16,623
Changes of benefits	-		-
Differences between expected and actual experience	(92,177)		(92,177)
Changes of assumptions	86,844		86,844
Contributions - employer		7,743	(7,743)
Contributions - member			-
Net investment income			-
Benefit payments	(7,743)	(7,743)	-
Administrative expense			-
Net Change	24,564	-	24,564
Balances at 6/30/24	454,234	-	454,234

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 (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

	<u>1% Decrease (2.26%)</u>	<u>Current Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Net OPEB liability (asset)	\$ 536,682	\$ 454,234	\$ 387,596

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

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:

	<u>1% Decrease</u>	<u>Healthcare Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 377,573	\$ 454,234	\$ 554,407

A 1% decrease in the healthcare trend rate decreases the TOL by approximately 16.9%. A 1% increase in the healthcare trend rate increases the TOL by approximately 22.1%.

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 11 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	5,182	200,194
Changes in Assumption	160,025	59,296
Net Difference between projected between projected and actual earnings on pension plan investments	-	
	<u>165,207</u>	<u>259,490</u>

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

2025	(4,155)
2026	(4,161)
2027	(12,717)
2028	(7,794)
2029	(12,117)
Thereafter	(53,139)

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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.

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.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Cost Sharing Provisions

The retiree is eligible for a State subsidy of 60% (effective November 1, 2023) and 55% (effective July 1, 2021) 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 40% (November 1, 2023 and later) and 45% (July 1, 2021) of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse. The Maine Education Association Benefits Trust is not responsible for the premium, but instead, the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability throughout the report.

Funding Policy

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2022 is 3.54% per annum. The discount rate as of June 30, 2023 is 3.65% 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	60
Active Average Age	49.45
Active Average Service	13.94

Inactive Membership Information:

Members Enrolled in Non-Medicare (NME) Health Insurance

Retirees Under 65	2	Spouses Under 65	1
Average Age	63.00	Average Age	62.00
Retirees Over 65	1	Spouses Over 65	-
Average Age	65.00	Average Age	N/A
Total Retirees	3	Total Spouses	1
Total Average Age	63.67	Total Average Age	62.00

Members Enrolled in Medicare Advantage (MAPD) Health Insurance

Count	28	Spouses Count	6
Average Age	76.04	Average Age	79

Total Retirees

Count	31
Average Age	74.84

Total Spouses

Count	7
Average Age	76.57

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Actuarial Assumptions

The collective total OPEB liability for the plan was determined by an actuarial valuation with a measurement date of June 30, 2023, 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, 2022. 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. The potential impact of changes in Medicare from the Inflation Reduction Act has not been reflected in this valuation.

Changes Since Last Valuation:

This report reflects the updated discount rate as of June 30, 2023.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Significant Actuarial Assumptions

Discount Rate:	3.65% per annum for yearend 2024 reporting 3.54% per annum for yearend 2023 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 2023_f. The following assumptions were applied in this model as below:
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2042
<i>Pre-Medicare:</i>	
Initial trend of 7.95% applied in FYE 2023 grading over 19 years to 4.00% pre annum	
<i>Medicare:</i>	
Initial trend of 0.00% applied to FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% 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, 2024

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 3.65%. 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

	<i>1% Decrease</i> █ (2.65%)	<i>Current Discount</i> Rate (3.65%)	<i>1% Increase</i> █ (4.65%)
Total OPEB Liability	\$ 908,340	\$ 777,281	\$ 670,810
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 908,340</u>	<u>\$ 777,281</u>	<u>\$ 670,810</u>

A 1% decrease in the discount rate increases the Net OPEB Liability by approximately 16.9%. A 1% increase in the discount rate decreases the Net OPEB Liability by approximately 13.7%.

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

	<i>1% Decrease</i>	<i>Healthcare Cost</i> <i>Trend Rates</i>	<i>1% Increase</i>
Total OPEB Liability	\$ 655,413	\$ 777,281	\$ 930,733
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$ 655,413</u>	<u>\$ 777,281</u>	<u>\$ 930,733</u>

A 1% decrease in the healthcare trend rates decreases the Net OPEB Liability by approximately 15.7%. A 1% increase in the healthcare trend rate increases the Net OPEB Liability by approximately 19.7%.

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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	\$ 14,750		\$ 14,750
Interest	\$ 27,289		\$ 27,289
Changes of benefits	\$ -		\$ -
Differences between expected and actual experience	\$ -		\$ -
Changes of assumptions	\$ (13,106)		\$ (13,106)
Contributions - employer		\$ 15,417	\$ (15,417)
Contributions - member			\$ -
Net investment income			\$ -
Benefit payments	\$ (15,417)	\$ (15,417)	\$ -
Administrative expense	\$ -		\$ -
Net change in total OPEB liability	\$ 13,516	\$ -	\$ 13,516
Net OPEB liability beginning	\$ 763,765	\$ -	\$ 763,765
Net OPEB liability ending	<u>\$ 777,281</u>	<u>\$ -</u>	<u>\$ 777,281</u>

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

For the year ended June 30, 2024, Bar Harbor School Department recognized OPEB expense of \$28,600. At June 30, 2024, 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:

	<u><i>Deferred Outflows</i></u>	<u><i>Deferred Inflows</i></u>
Differences between expected and actual experience	\$ 29,818	\$ 88,473
Changes in Assumptions	\$ 17,260	\$ 49,798
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ -
Total	<u>\$ 47,078</u>	<u>\$ 138,271</u>

TOWN OF BAR HARBOR
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

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

Year ended June 30,:	
2024	\$ (7,028)
2025	\$ (15,210)
2026	\$ (32,747)
2027	\$ (34,022)
2028	\$ (2,186)
Thereafter	\$ -

TOWN OF BAR HARBOR
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, 2024

Exhibit H

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Taxes	23,369,134	23,369,134	23,714,632	345,498
Intergovernmental Revenues	351,818	351,818	407,776	55,958
Departmental Revenues	1,496,293	1,496,293	1,725,971	229,678
Other Local Sources	398,100	398,100	1,016,070	617,970
Total Revenues	25,615,345	25,615,345	26,864,449	1,249,104
Expenditures				
General Government	4,273,610	4,927,966	4,939,855	(11,889)
Public Safety	3,946,661	4,421,908	4,365,621	56,287
Health and Welfare	236,058	236,058	221,805	14,253
Parks and Recreation	481,899	515,609	481,655	33,954
Island Explorer Shuttle Bus	13,500	13,500	-	13,500
Roads and Sanitation	2,487,986	2,731,053	2,589,122	141,931
Assessments	5,042,621	5,042,621	4,930,903	111,718
Total Expenditures	16,482,335	17,888,715	17,528,961	359,754
Excess Revenues Over Expenditures	9,133,010	7,726,630	9,335,488	1,608,858
Other Financing Sources				
Transfers In	1,238,418	1,238,418	1,236,689	(1,729)
Transfers Out	(9,093,548)	(9,093,548)	(9,143,548)	(50,000)
Total Other Financing Sources	(7,855,130)	(7,855,130)	(7,906,859)	(51,729)
Net Change in Fund Balance	1,277,880	(128,500)	1,428,629	1,557,129
Beginning Fund Balance - Unassigned			2,476,986	
(Increase) Decrease in Assigned Fund Balances			(221,500)	
Ending Fund Balance - Unassigned			3,684,115	
Reconciliation to Exhibit C:				
Unassigned Fund Balance per above			3,684,115	
Encumbrances			95,000	
Reserve for Working Capital			2,634,000	
Reserve for Insurance			500,000	
Reserved for Fiber Lease			50,000	
Municipal Revenue Sharing			53,230	
School Department			1,500,394	
Cruise Ship Fund			1,024,916	
Parking Meter Fund			1,128,481	
Total Fund Balance Exhibit C			10,670,136	
Reconciliation to Exhibit D:				
Total Revenues per above			26,864,449	
Dog Control Reserve			1,781	
Shellfish Conservation Reserve			2,635	
Municipal Revenue Sharing			528,230	
School Department			2,241,627	
Cruise Ship Fund			1,166,067	
Parking Meter Fund			3,970,700	
Total General Fund Revenues per Exhibit D:			34,775,489	
Reconciliation to Exhibit D:				
Total Expenditures per above			17,528,961	
Encumbrances			103,315	
Dog Control Reserve			488	
School Department			9,307,616	
Cruise Ship Fund			164,378	
Parking Meter Fund			587,046	
Total General Fund Expenditures per Exhibit D:			27,691,804	

TOWN PORTION:
Participating Local Districts Plan

Schedule 1 - Proportionate Share of the Net Pension Liability:

<i>For the Fiscal Year Ended June 30,</i>	<i>Proportion of Net Pension Liability</i>	<i>Proportionate Share of Net Pension Liability (Asset)</i>	<i>Covered Employee Payroll</i>	<i>Proportionate Share of Net Pension Liability (Asset) as a % of Its Covered Employee Payroll</i>	<i>Plan Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Plan Net Pension Liability</i>	<i>Plan Fiduciary Net Position as a % of the Total Pension Liability</i>	<i>Plan Covered Employee Payroll</i>	<i>Plan Net Pension Liability as a % of the Covered Employee Payroll</i>
2024	0.598628%	\$1,796,728	\$5,601,187	32.08%	\$4,165,812,801	\$3,846,717,708	\$319,095,093	92.34%	\$857,368,130	37.218%
2023	0.512405%	\$1,277,289	\$4,831,815	26.43%	\$3,943,572,890	\$3,677,737,551	\$265,835,339	93.26%	\$744,218,538	35.720%
2022	0.485649%	(\$148,843)	\$3,742,142	-3.98%	\$3,719,016,414	\$3,751,152,623	(\$32,136,209)	100.86%	\$646,287,594	-4.972%
2021	0.494965%	\$1,846,604	\$3,268,541	56.50%	\$3,409,741,367	\$3,012,428,367	\$397,313,000	88.35%	\$641,523,784	61.933%
2020	0.473264%	\$1,365,730	\$3,114,383	43.85%	\$3,258,819,605	\$2,953,156,096	\$305,663,509	90.62%	\$593,884,355	51.469%
2019	0.464860%	\$1,193,594	\$2,911,360	41.00%	\$3,089,857,220	\$2,816,179,855	\$273,677,365	91.14%	\$561,126,768	48.773%
2018	0.477711%	\$1,830,356	\$2,671,400	68.52%	\$3,016,660,721	\$2,607,223,644	\$409,437,077	86.43%	\$542,572,528	75.462%
2017	0.459644%	\$2,297,894	\$2,636,895	87.14%	\$2,889,740,634	\$2,358,409,925	\$531,330,709	81.61%	\$521,870,235	101.813%
2016	0.445634%	\$1,339,178	\$2,356,080	56.84%	\$2,720,936,009	\$2,401,889,308	\$319,046,701	88.27%	\$497,616,846	64.115%
2015	0.443395%	\$633,175	\$2,364,202	26.78%	\$2,609,657,845	\$2,455,776,671	\$153,881,174	94.10%	\$460,029,637	33.450%

Schedule 2 - Schedule of Employer Contributions:

<i>For the Fiscal Year Ended June 30,</i>	<i>Contractually Required Contribution</i>	<i>Actual Contribution</i>	<i>Contribution Deficiency</i>	<i>Covered Employee Payroll</i>	<i>Contributions as a % of Covered Employee Payroll</i>
2024	\$617,279	\$617,279	\$0	\$5,601,187	11.02%
2023	\$494,488	\$494,488	\$0	\$4,831,815	10.23%
2022	\$377,512	\$377,512	\$0	\$3,742,142	10.09%
2021	\$316,432	\$316,432	\$0	\$3,268,541	9.68%
2020	\$296,904	\$296,904	\$0	\$3,114,383	9.53%
2019	\$274,535	\$274,535	\$0	\$2,911,360	9.43%
2018	\$241,823	\$241,823	\$0	\$2,671,400	9.05%
2017	\$229,599	\$229,599	\$0	\$2,636,895	8.71%
2016	\$192,895	\$192,895	\$0	\$2,356,080	8.19%
2015	\$176,184	\$176,184	\$0	\$2,364,202	7.45%

* Amounts presented for each fiscal year were determined as of June 30 of the previous fiscal year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

SCHOOL PORTION:
Participating Local Districts Plan

Schedule 1 - Proportionate Share of the Net Pension Liability:

<i>For the Fiscal Year Ended June 30,</i>	<i>Proportion of Net Pension Liability</i>	<i>Proportionate Share of Net Pension Liability (Asset)</i>	<i>Covered Employee Payroll</i>	<i>Proportionate Share of Net Pension Liability (Asset) as a % of Its Covered Employee Payroll</i>	<i>Plan Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Plan Net Pension Liability</i>	<i>Plan Fiduciary Net Position as a % of the Total Pension Liability</i>	<i>Plan Covered Employee Payroll</i>	<i>Plan Net Pension Liability as a % of the Covered Employee Payroll</i>
2024	0.598628%	\$113,465	\$362,562	31.295%	\$4,165,812,801	\$3,846,717,708	\$319,095,093	92.340%	\$857,368,130	37.218%
2023	0.512405%	\$84,862	\$304,883	27.834%	\$3,943,572,890	\$3,677,737,551	\$265,835,339	93.259%	\$744,218,538	35.720%
2022	0.485649%	(\$7,226)	\$248,497	-2.908%	\$3,719,016,414	\$3,751,152,623	(\$32,136,209)	100.864%	\$646,287,594	-4.972%
2021	0.494965%	\$119,960	\$158,564	75.654%	\$3,409,741,367	\$3,012,428,367	\$397,313,000	88.348%	\$641,523,784	61.933%
2020	0.473264%	\$80,865	\$202,436	39.946%	\$3,258,819,605	\$2,953,156,096	\$305,663,509	90.620%	\$593,884,355	51.469%
2019	0.464860%	\$78,623	\$172,345	45.620%	\$3,089,857,220	\$2,816,179,855	\$273,677,365	91.143%	\$561,126,768	48.773%
2018	0.477711%	\$125,570	\$176,002	71.346%	\$3,016,660,721	\$2,607,223,644	\$409,437,077	86.427%	\$542,572,528	75.462%
2017	0.459644%	\$144,336	\$180,888	79.793%	\$2,889,740,634	\$2,358,409,925	\$531,330,709	81.613%	\$521,870,235	101.813%
2016	0.445634%	\$82,606	\$148,102	55.776%	\$2,720,936,009	\$2,401,889,308	\$319,046,701	88.274%	\$497,616,846	64.115%
2015	0.443395%	\$49,126	\$145,894	33.672%	\$2,609,657,845	\$2,455,776,671	\$153,881,174	94.103%	\$460,029,637	33.450%

Schedule 2 - Schedule of Employer Contributions:

<i>For the Fiscal Year Ended June 30,</i>	<i>Contractually Required Contribution</i>	<i>Actual Contribution</i>	<i>Contribution Deficiency</i>	<i>Covered Employee Payroll</i>	<i>Contributions as a % of Covered Employee Payroll</i>
2024	\$36,981	\$36,981	\$0	\$362,562	10.200%
2023	\$31,098	\$31,098	\$0	\$304,883	10.200%
2022	\$25,595	\$25,595	\$0	\$248,497	10.300%
2021	\$16,015	\$16,015	\$0	\$158,564	10.100%
2020	\$20,244	\$20,244	\$0	\$202,436	10.000%
2019	\$17,234	\$17,234	\$0	\$172,345	10.000%
2018	\$16,896	\$16,896	\$0	\$176,002	9.600%
2017	\$17,184	\$17,184	\$0	\$180,888	9.500%
2016	\$13,181	\$13,181	\$0	\$148,102	8.900%
2015	\$11,380	\$11,380	\$0	\$145,894	7.800%

* Amounts presented for each fiscal year were determined as of June 30 of the previous fiscal year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

State Employees and Teachers Plan

Schedule 1 - Proportionate Share of the Net Pension Liability:

<i>For the Fiscal Year Ended June 30,</i>	<i>Proportion of Net Pension Liability</i>	<i>Proportionate Share of Net Pension Liability (Asset)</i>	<i>Covered Employee Payroll</i>	<i>Proportionate Share of Net Pension Liability (Asset) as a % of Its Covered Employee Payroll</i>	<i>Plan Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Plan Net Pension Liability</i>	<i>Plan Fiduciary Net Position as a % of the Total Pension Liability</i>	<i>Plan Covered Employee Payroll</i>	<i>Plan Net Pension Liability as a % of the Covered Employee Payroll</i>
2024	0.011625%	\$176,368	\$4,262,594	4.138%	\$17,520,535,684	\$15,073,148,465	\$2,447,387,219	86.031%	\$2,312,413,537	105.837%
2023	0.011321%	\$168,107	\$3,884,673	4.327%	\$16,981,792,082	\$14,568,691,334	\$2,413,100,748	85.790%	\$2,221,410,193	108.629%
2022	0.017820%	\$150,726	\$3,638,450	4.143%	\$16,392,351,328	\$14,900,644,020	\$1,491,707,308	90.900%	\$2,096,365,332	71.157%
2021	0.007104%	\$115,955	\$3,463,083	3.348%	\$14,865,460,130	\$12,044,918,612	\$2,820,541,518	81.026%	\$2,003,075,813	140.811%
2020	0.007380%	\$108,182	\$3,347,026	3.232%	\$14,547,222,913	\$12,035,563,047	\$2,511,659,866	82.734%	\$1,924,006,618	130.543%
2019	0.006941%	\$93,651	\$3,101,296	3.020%	\$14,031,187,845	\$11,632,179,683	\$2,399,008,162	82.902%	\$1,808,274,919	132.668%
2018	0.007103%	\$103,174	\$3,009,410	3.428%	\$13,484,886,512	\$10,893,291,864	\$2,591,594,648	80.781%	\$1,860,230,663	139.316%
2017	0.007829%	\$138,312	\$3,047,399	4.539%	\$13,069,954,948	\$9,960,335,390	\$3,109,619,558	76.208%	\$1,816,435,084	171.194%
2016	0.007559%	\$102,069	\$2,998,911	3.404%	\$12,616,287,054	\$10,242,097,022	\$2,374,190,032	81.182%	\$1,699,160,889	139.727%
2015	0.006470%	\$69,897	\$2,939,456	2.378%	\$12,320,158,783	\$10,337,615,927	\$1,982,542,856	83.908%	\$1,676,857,294	118.230%

Schedule 2 - Schedule of Employer Contributions:

<i>For the Fiscal Year Ended June 30,</i>	<i>Contractually Required Contribution</i>	<i>Actual Contribution</i>	<i>Contribution Deficiency</i>	<i>Covered Employee Payroll</i>	<i>Contributions as a % of Covered Employee Payroll</i>
2024	\$206,565	\$206,565	\$0	\$4,262,594	4.846%
2023	\$175,089	\$175,089	\$0	\$3,884,673	4.507%
2022	\$164,220	\$164,220	\$0	\$3,638,450	4.513%
2021	\$179,323	\$179,323	\$0	\$3,463,083	5.178%
2020	\$152,718	\$152,718	\$0	\$3,347,026	4.563%
2019	\$133,916	\$133,916	\$0	\$3,101,296	4.318%
2018	\$129,379	\$129,379	\$0	\$3,009,410	4.299%
2017	\$111,547	\$111,547	\$0	\$3,047,399	3.660%
2016	\$110,512	\$110,512	\$0	\$2,998,911	3.685%
2015	\$90,466	\$90,466	\$0	\$2,939,456	3.078%

* Amounts presented for each fiscal year were determined as of June 30 of the previous fiscal year. Retroactive information is not required to be presented. A full 10 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, 2024**

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, 2023, is as follows:

A. Actuarial Cost Method

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

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

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

B. Asset Valuation Method

The actuarial 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 actuarial 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, 2023 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, 2024

Exhibit J

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

	<i>For the Fiscal Year Ended 6/30/2024</i>	<i>For the Fiscal Year Ended 6/30/2023</i>	<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)	21,017	24,811	31,086	26,862	18,078	20,421	11,534
Interest (includes interest on service cost)	16,623	9,847	11,912	13,558	17,679	15,376	12,926
Changes of benefit terms	-	-	-	-	(9,814)	-	-
Differences between expected and actual experience	(92,177)	-	(133,724)	-	(43,074)	-	23,326
Changes in assumptions	86,844	(55,135)	21,283	32,386	80,249	(42,559)	151,326
Benefit payments, including refunds of member contributions	(7,743)	(6,103)	(10,147)	(9,757)	(6,811)	(6,549)	(4,295)
Net Change in total OPEB liability	24,564	(26,580)	(79,590)	63,049	56,307	(13,311)	194,817
Total OPEB liability - beginning	429,670	456,250	535,840	472,791	416,484	429,795	234,978
Total OPEB liability - ending	454,234	429,670	456,250	535,840	472,791	416,484	429,795
Plan fiduciary net position							
Contributions - employer	7,743	6,103	10,147	9,757	6,811	6,549	4,295
Contributions - member							
Net investment income							
Benefit payments, including refunds of member contributions	(7,743)	(6,103)	(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 OPEB liability - ending	454,234	429,670	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%	0.0%	0.0%
Covered Employee Payroll	3,328,881	2,541,069	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	13.6%	16.9%	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 6/30/2024</i>	<i>For the Fiscal Year Ended 6/30/2023</i>	<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	7,743	6,103	10,147	9,757	6,811	6,549	4,295
Contribution in relation to the contractually required contribution	(7,743)	(6,103)	(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, 2024**

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

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Changes of Assumptions

The discount rate was changed from 3.72% to 3.26% per GASB 75 discount rate selection. The 2024 claims costs and administrative expense were updated based on current and expected experience. Updates included evaluation of non-Medicare and Medicare program costs including consideration of high-cost claims contingencies. Trends were updated since the last valuation.

Net OPEB Liability

The Town’s net OPEB liability was measured as of January 1, 2024, 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 2023_f1 was used for this valuation. The following assumptions were input into this model:

Trend Assumption Inputs

Variable	Rate
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capita 2032+	1.50%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2023 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, 2024

Exhibit K

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

	<i>For the Fiscal Year Ended 6/30/2024</i>	<i>For the Fiscal Year Ended 6/30/2023</i>	<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)	781	736	764	1,273	1,168	1,087	1,616
Interest (includes interest on service cost)	5,338	5,064	4,841	4,732	4,382	4,190	4,214
Changes of benefit terms	4,727	(2,546)	894	183	(2,329)	(4,822)	-
Differences between expected and actual experience	-	(357)	-	1,772	-	5,023	-
Changes in assumptions	-	-	2,236	(22,042)	2,137	3,816	(14,577)
Benefit payments, including refunds of member contributions	(3,476)	(2,359)	(3,019)	(3,873)	(3,781)	(3,758)	(3,636)
Net Change in total OPEB liability	7,369	539	5,716	(17,955)	1,577	5,536	(12,383)
Total OPEB liability - beginning	78,330	77,791	72,075	90,030	88,453	82,917	95,300
Total OPEB liability - ending	85,699	78,330	77,791	72,075	90,030	88,453	82,917
Plan fiduciary net position							
Contributions - employer	3,372	3,049	2,927	2,746	2,631	2,626	2,704
Contributions - member	2,641	(1,712)	495	749	(1,024)	(2,286)	-
Net investment income	5,227	(7,234)	12,305	1,834	2,481	3,274	4,533
Benefit payments, including refunds of member contributions	(3,476)	(2,359)	(3,019)	(3,873)	(3,781)	(3,758)	(3,636)
Administrative expense	(358)	(297)	(315)	(401)	(286)	(328)	(623)
Net change in plan fiduciary net position	7,406	(8,553)	12,394	1,055	21	(471)	2,979
Plan fiduciary net position - beginning	43,768	52,321	39,927	38,872	38,851	39,322	36,344
Plan fiduciary net position - ending	51,174	43,768	52,321	39,927	38,872	38,851	39,322
Net OPEB liability - ending	34,526	34,562	25,471	32,148	51,158	49,603	43,594
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	59.71%	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
Covered Employee Payroll	782,694	718,395	739,562	710,949	678,718	678,417	679,282
Net OPEB Liability as a % Of the Covered Employee Payroll	4.41%	4.81%	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:

	<i>For the Fiscal Year Ended 6/30/2024</i>	<i>For the Fiscal Year Ended 6/30/2023</i>	<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	3,372	3,049	2,927	2,746	2,631	2,626	2,989
Contribution in relation to the contractually required contribution	(3,372)	(3,049)	(2,927)	(2,746)	(2,631)	(2,626)	(2,704)
Contribution deficiency	-	-	-	-	-	-	285
Covered employee payroll	782,694	718,395	739,562	710,949	678,718	678,417	679,282
Contributions as a percentage of covered employee payroll	0.43%	0.42%	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, 2024**

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, 2023, using the following methods and assumptions, applied to all periods included in the measurement:

Benefit Changes

The plans provided are those described including the newly introduced Medicare Advantage Plan, effective July 1, 2020.

Changes of Assumptions

The report reflects updated census, demographic and economic assumptions.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2023, 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	7 years
Discount Rate	6.50%
Salary Increase Rate	2.75% - 11.48%
Retirement Age	65
Inflation Rate	2.75%
Form of Benefit Payment	Lump Sum

Rates of mortality – for active members and non-disabled retirees, the 2010 Public Plan General Health Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model 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, 2024

Exhibit L

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

	<i>For the Fiscal Year Ended June 30, 2024</i>	<i>For the Fiscal Year Ended June 30, 2023</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>
<u>Total OPEB Liability</u>						
Service Cost (BOY)	\$14,750	\$18,036	\$16,692	\$6,977	\$5,744	\$6,264
Interest (includes interest on service cost)	\$27,289	\$20,392	\$20,169	\$31,590	\$32,795	\$31,450
Changes of benefits	\$0	\$0	\$0	(\$119,930)	\$0	\$0
Differences between expected and actual experience	\$0	(\$132,709)	\$0	\$89,450	\$0	\$0
Changes in assumptions	(\$13,106)	(\$58,314)	\$7,639	\$15,758	\$49,116	(\$38,456)
Benefit payments, including refunds of member contributions	(\$15,417)	(\$19,253)	(\$9,578)	(\$37,161)	(\$30,348)	(\$29,299)
Net Change in total OPEB liability	\$13,516	(\$171,848)	\$34,922	(\$13,316)	\$57,307	(\$30,041)
Total OPEB liability - beginning	\$763,765	\$935,613	\$900,691	\$914,007	\$856,700	\$886,741
Total OPEB liability - ending	\$777,281	\$763,765	\$935,613	\$900,691	\$914,007	\$856,700
<u>Plan fiduciary net position</u>						
Contributions - employer	\$15,417	\$19,253	\$9,578	\$37,161	\$30,348	\$29,299
Contributions - member						
Net investment income						
Benefit payments, including refunds of member contributions	(\$15,417)	(\$19,253)	(\$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	\$777,281	\$763,765	\$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%	0.000%	0.000%
Covered Employee Payroll	\$2,949,675	\$2,877,732	\$3,080,420	\$3,005,288	\$3,161,959	\$3,077,332
Net OPEB Liability as a % Of the Covered Employee Payroll	26.351%	26.541%	30.373%	29.970%	28.906%	27.839%

Schedule 2 - Schedule of Contributions:

	<i>For the Fiscal Year Ended June 30, 2024</i>	<i>For the Fiscal Year Ended June 30, 2023</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>
Contractually required contribution	\$15,417	\$19,253	\$9,578	\$37,161	\$30,348	\$29,299
Contribution in relation to the contractually required contribution	(\$15,417)	(\$19,253)	(\$9,578)	(\$37,161)	(\$30,348)	(\$29,299)
Contribution deficiency	\$0	\$0	\$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, 2024**

NOTE 1 – Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2023 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, 2022, the MEABT implemented several Plan updates for the MEA Choice Plus, Standard, Standard 500 and Standard 1000 Plans.

Changes of Assumptions

The report reflects updated census, economic and health cost assumptions.

Net OPEB Liability

The School Department’s net OPEB liability was measured as of June 30, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.65% 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 2023_1f. The following assumptions were applied in this model as below:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year of Limiting Cost Growth to GDP Growth	2042

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.

TOWN OF BAR HARBOR
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS-MEABT
FOR THE YEAR ENDED JUNE 30, 2024

Pre-Medicare Medical: Initial trend of 7.95% applied in FYE 2023 grading over 19 years to 4.00% per annum.

Medicare Medical: Initial trend of 0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% 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, 2024

Exhibit A-1
Page 1 of 2

	<i>Estimated</i>	<i>Actual</i>	<i>Over(Under)</i> <i>Budget</i>
Taxes			
Property	22,137,634	22,372,588	234,954
Auto Excise	1,175,000	1,278,561	103,561
Boat Excise	17,000	15,265	(1,735)
Interest/Fees on Taxes	39,500	48,218	8,718
	<hr/> 23,369,134	<hr/> 23,714,632	<hr/> 345,498
Intergovernmental Revenues			
State of Maine			
General Assistance	1,505	4,852	3,347
Tree Growth	4,400	8,884	4,484
Veterans Reimbursement	1,440	1,379	(61)
Homestead Reimbursement	155,521	188,864	33,343
BETE Reimbursement	26,952	26,816	(136)
MDEA Reimbursements	120,000	112,121	(7,879)
Housing Development	-	10,000	10,000
Federal			
Byrne/JAG Police Grant	-	7,507	7,507
Acadia National Park - PILT	42,000	47,353	5,353
	<hr/> 351,818	<hr/> 407,776	<hr/> 55,958
Departmental Revenues			
Ambulance/Fire			
Ambulance Service	302,200	288,564	(13,636)
Police			
Police Detail	12,400	11,625	(775)
Dispatch Mutual Aid	7,500	-	(7,500)
Mutual Aid Reimbursement	86,298	120,160	33,862
All Other	94,996	170,492	75,496
Planning / Code			
Building Permits	115,000	188,130	73,130
Plumbing Permits	21,000	25,212	4,212
Electrical Inspections	31,500	74,765	43,265
Vacation Rental Permits	185,900	184,525	(1,375)
Septic Permit	7,000	444	(6,556)
Plan Board/Subdivision & Rezoning	6,300	4,288	(2,012)
Site Plan Review	10,500	12,054	1,554
Parklet Permits	-	3,060	3,060
All Other	5,450	28,472	23,022
Harbor Fees			
Docking	65,000	69,024	4,024
Moorings	11,200	16,868	5,668
All Other	23,750	22,300	(1,450)
Solid Waste			
Sale of Recyclables	10,000	12,498	2,498
All Other	420	775	355
Public Works			
All Other	11,060	10,059	(1,001)
Parks and Recreation			
Park and Recreation Fees	800	850	50
Fire Department	48,690	70,966	22,276

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2024

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	304,699	278,054	(26,645)
Auto Registrations	23,500	24,164	664
Boat/RV Registrations/Snowmobile Fees	1,420	1,466	46
Mutual Aid Human Resource Manager	47,600	46,692	(908)
Municipal Building Leases	33,000	26,160	(6,840)
Town Clerk			
Clerk's Fees	19,810	23,835	4,025
All Other	9,300	10,469	1,169
	<u>1,496,293</u>	<u>1,725,971</u>	<u>229,678</u>
Other Local Sources			
Interest /Change in Fair Value	85,000	699,880	614,880
Kids Corner Lease	7,800	9,834	2,034
Interst on Leases	-	-	-
Island Explorer Lease	8,000	11,878	3,878
Other Rentals	3,300	3,348	48
Jackson Laboratory - PILT	117,000	119,254	2,254
Housing Authority - PILT	37,000	26,432	(10,568)
Other - PILT	28,500	27,779	(721)
Cable TV Franchise	99,000	96,262	(2,738)
Insurance Dividends	12,000	15,568	3,568
Sale of Capital Assets	-	-	-
All Other	500	5,835	5,335
	<u>398,100</u>	<u>1,016,070</u>	<u>617,970</u>
Operating Transfers In			
Municipal Revenue Sharing	475,000	475,000	-
Cemetery Income	50	93	43
Cruise Ship Fund	351,417	351,417	-
Dog Control Reserve	2,600	1,293	(1,307)
Parking Fund	406,251	406,251	-
Shellfish Conservation	3,100	2,635	(465)
	<u>1,238,418</u>	<u>1,236,689</u>	<u>(1,729)</u>
Total Revenues, Operating Transfers and Other Financing Sources	<u>26,853,763</u>	<u>28,101,138</u>	<u>1,247,375</u>
Beginning Fund Balance Used	<u>128,500</u>		
Total	<u><u>26,982,263</u></u>		

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-2
Page 1 of 2

	<i>Encumbered From 6/30/23</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/25</i>	<i>(Over) Under Budget</i>
General Government					
Town Council		40,490	38,296		2,194
Town Manager		227,074	160,716		66,358
Town Clerk		147,749	141,784		5,965
Finance		499,319	516,665		(17,346)
Legal Counsel		200,750	421,690		(220,940)
Elections		23,050	17,605		5,445
Technology		228,444	208,572		19,872
Municipal Building		89,327	93,646		(4,319)
Town Offices		57,000	71,821		(14,821)
Employee Benefits		2,300,696	2,230,447		70,249
Insurance		103,500	104,824		(1,324)
Assessing		183,848	185,552		(1,704)
Code Enforcement		208,954	185,089		23,865
Planning	34,760	497,765	343,289	53,000	136,236
27th Pay Period		20,000	54,871		(34,871)
Vacation Accruals		30,000	92,868		(62,868)
Contracted Services		-	5,700		(5,700)
Bank Fees		-	1,964		(1,964)
Climate Change Task Force		10,000	-		10,000
Contingency`		40,000	34,177		5,823
Abatements/Discount on Taxes		20,000	12,039		7,961
	34,760	4,927,966	4,921,615	53,000	(11,889)
Public Safety					
Fire Department		1,706,045	1,691,916	7,000	7,129
Public Fire Protection - Hydrants		620,740	585,604		35,136
Police Department		1,597,850	1,574,445		23,405
Public Safety Building		58,606	62,389		(3,783)
Street Lights		15,370	16,537		(1,167)
Dispatch		300,398	297,889		2,509
Harbor Division		122,899	129,841		(6,942)
	-	4,421,908	4,358,621	7,000	56,287
Health and Welfare					
General Assistance		3,000	3,830		(830)
Cooperating Agencies		71,695	71,048		647
Emergency Management		21,200	11,069		10,131
Comfort Station		140,163	135,858		4,305
	-	236,058	221,805	-	14,253

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2024

	<i>Encumbered From 6/30/23</i>	<i>Appropriations</i>	<i>Expenditures Net of Refund</i>	<i>Encumbered to 6/30/25</i>	<i>(Over) Under Budget</i>
Parks and Recreation					
Parks & Recreation		515,609	481,655		33,954
Island Explorer Shuttle Bus	-	13,500	-	-	13,500
Roads and Sanitation					
Public Works	163,555	314,612	342,008	35,000	101,159
Highway Division		1,419,783	1,365,039		54,744
Solid Waste		996,658	1,010,630		(13,972)
	163,555	2,731,053	2,717,677	35,000	141,931
Total Municipal Appropriations, Expenditures and Encumbrances	198,315	12,846,094	12,701,373	95,000	248,036
Assessments					
Regional School District		3,983,104	3,983,104		-
County Tax		947,755	947,755		-
Overlay		111,762	44		111,718
	-	5,042,621	4,930,903	-	111,718
Operating Transfers Out					
Elementary School		6,898,400	6,898,400		-
Capital Improvements Program		2,195,148	2,245,148		(50,000)
	-	9,093,548	9,143,548	-	(50,000)
Totals	198,315	26,982,263	26,775,824	95,000	309,754

TOWN OF BAR HARBOR
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-3

Unassigned Fund Balance, July 1	2,476,986	
Unassigned Fund Balance, June 30	<u>3,684,115</u>	
Increase (Decrease)		<u><u>1,207,129</u></u>
 <i>Analysis of Change:</i>		
Budget Summary:		
Revenue Surplus	1,247,375	
Unexpended Balance of Appropriations	309,754	
Unexpended Balance (Overdraft) of Assessments and Operating Transfers	<u>-</u>	1,557,129
(Increase) Decrease in Assigned Fund Balances:		
Assigned for Working Capital		(221,500)
Fund Balance Used to Fund Appropriations		<u>(128,500)</u>
Increase (Decrease)		<u><u>1,207,129</u></u>

TOWN OF BAR HARBOR
GENERAL RESERVES, COMMITTED FUNDS & SCHOOL DEPARTMENT
COMBINING BALANCE SHEET
JUNE 30, 2024

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>School Department</i>	<i>Cruise Ship Fund</i>	<i>Parking Meter Fund</i>	<i>Total</i>
Cash		36,395		1,235,224	1,271,619
Accounts Receivable		1,296	3,759	147,612	152,667
Due from Other Governments		111,246			111,246
Inventory		3,043			3,043
Due from Other Funds (School)		355,586			355,586
Due from Other Funds (Town)	53,230	2,546,974	1,032,360	2,396	3,634,960
Total Assets	53,230	3,054,540	1,036,119	1,385,232	5,529,121
 <i>Liabilities & Fund Balances</i>					
<i>Liabilities</i>					
Accounts Payable		518,380	3,597	90,903	612,880
Accrued Salaries Payable		677,532	1,588	8,767	687,887
Accrued Compensated Absences			3,622	5,139	8,761
Due to Students		2,648			2,648
Due to Other Funds (School)		355,586			355,586
Due to Other Funds (Town)			2,396	151,942	154,338
Total Liabilities	-	1,554,146	11,203	256,751	1,822,100
 <i>Fund Balances</i>					
Non-Spendable		3,043			3,043
Restricted	53,230	1,497,351		1,128,481	2,679,062
Assigned			1,024,916		1,024,916
Total Fund Balances	53,230	1,500,394	1,024,916	1,128,481	3,707,021
Total Liabilities & Fund Balances	53,230	3,054,540	1,036,119	1,385,232	5,529,121

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, 2024

Exhibit A-5

	<i>Dog Control Reserve</i>	<i>Shellfish Conservation Reserve</i>	<i>Municipal Revenue Sharing</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			528,230	2,161,598			2,689,828
Local Sources				80,029		78,840	158,869
Dog Fees	1,781						1,781
Shellfish Fees/Fines		2,635					2,635
Port Fees					549,599		549,599
Cruise Ship Passenger Fees					616,468		616,468
Parking Fees net of charges						3,823,189	3,823,189
Permit Fees net of charges						68,671	68,671
Total Revenues	1,781	2,635	528,230	2,241,627	1,166,067	3,970,700	7,911,040
Expenditures							
Public Safety	488						488
Education				9,307,616			9,307,616
Cruise Ship Operating					164,378		164,378
Parking Meter Operating						587,046	587,046
Total Expenditures	488	-	-	9,307,616	164,378	587,046	10,059,528
Excess of Revenues Over (Under) Expenditures	1,293	2,635	528,230	(7,065,989)	1,001,689	3,383,654	(2,148,488)
Other Financing Sources (Uses)							
Transfers In				6,988,400			6,988,400
Transfers Out	(1,293)	(2,635)	(475,000)	(90,000)	(682,967)	(3,290,685)	(4,542,580)
Total Other Financing Sources (Uses)	(1,293)	(2,635)	(475,000)	6,898,400	(682,967)	(3,290,685)	2,445,820
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	-	-	53,230	(167,589)	318,722	92,969	297,332
Fund Balance - July 1	-	-	-	1,667,983	706,194	1,035,512	3,409,689
Fund Balance - June 30	-	-	53,230	1,500,394	1,024,916	1,128,481	3,707,021

TOWN OF BAR HARBOR
SCHOOL DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-6

	<i>General Fund</i>	<i>Federal/ State Funds</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Intergovernmental Revenues	1,321,259	633,998	206,341	2,161,598
Local Sources	500		77,663	78,163
Lunch and Milk Sales	-		1,866	1,866
Total Revenues	1,321,759	633,998	285,870	2,241,627
Expenditures				
Regular Instruction	3,277,044			3,277,044
Student & Staff Support:				
Guidance	96,213			96,213
Health Services	204,807			204,807
Improvement of Instruction	25,991			25,991
Library and Audio Visual	166,989			166,989
Technology	159,786			159,786
Assessment for Administration-Student Support	148,908			148,908
Special Education	1,714,718			1,714,718
Other Instruction	81,812			81,812
System Administration:				
School Committee	25,991			25,991
Assessment for Administration	176,521			176,521
Office of Principal	419,374			419,374
Operation/Maintenance-Plant	831,747			831,747
Student Transportation	387,089			387,089
State On-Behalf Contributions	615,189			615,189
Food Services			287,529	287,529
Federal/State Programs		609,285		609,285
Student Activity Funds			69,894	69,894
Reserves/Grants	3,230		5,499	8,729
Total Expenditures	8,335,409	609,285	362,922	9,307,616
Excess of Revenues Over (Under) Expenditures	(7,013,650)	24,713	(77,052)	(7,065,989)
Other Financing Sources (Uses)				
Transfers In	6,898,400	-	90,000	6,988,400
Transfers Out	(90,000)	-	-	(90,000)
Total Other Financing Sources (Uses)	6,808,400	-	90,000	6,898,400
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(205,250)	24,713	12,948	(167,589)
Fund Balance - July 1	1,313,268	16,183	338,532	1,667,983
Fund Balance - June 30	1,108,018	40,896	351,480	1,500,394

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CRUISE SHIP FUND
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-7

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Port Fees	455,396	455,396	549,599	94,203
Cruise Ship Passenger Fees	511,196	511,196	616,468	105,272
Total Revenues	<u>966,592</u>	<u>966,592</u>	<u>1,166,067</u>	<u>199,475</u>
Expenditures				
Cruise Ship Direct Expenses	213,784	213,784	164,378	49,406
Total Expenditures	<u>213,784</u>	<u>213,784</u>	<u>164,378</u>	<u>49,406</u>
Excess of Revenues Over (Under) Expenditures	<u>752,808</u>	<u>752,808</u>	<u>1,001,689</u>	<u>248,881</u>
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(682,967)	(682,967)	(682,967)	-
Total Other Financing Sources (Uses)	<u>(682,967)</u>	<u>(682,967)</u>	<u>(682,967)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	<u>69,841</u>	<u>69,841</u>	318,722	<u>248,881</u>
Fund Balance - July 1			<u>706,194</u>	
Fund Balance - June 30			<u>1,024,916</u>	

TOWN OF BAR HARBOR
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - PARKING METER FUND
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-8

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Investment Interest	1,400	1,400	78,840	77,440
Parking Fees net of charges	3,129,200	3,129,200	3,823,189	693,989
Permit Fees net of charges	19,000	19,000	68,671	49,671
	<u>3,149,600</u>	<u>3,149,600</u>	<u>3,970,700</u>	<u>821,100</u>
Total Revenues				
Expenditures				
Wages and Benefits	372,952	372,952	295,306	77,646
Contracted Services	38,777	38,777	39,712	(935)
Supplies	18,500	18,500	25,915	(7,415)
Utilities	1,100	1,100	5,271	(4,171)
Repairs	3,500	3,500	90	3,410
Equipment	6,500	6,500	2,070	4,430
Advertising	1,500	1,500	-	1,500
Professional Dues and Licenses	600	600	-	600
Insurance	3,300	3,300	2,244	1,056
Postage & Shipping	200	200	-	200
Contingency	10,000	10,000	-	10,000
Island Explorer	216,438	216,438	216,438	-
	<u>673,367</u>	<u>673,367</u>	<u>587,046</u>	<u>76,121</u>
Total Expenditures				
Excess of Revenues Over (Under)				
Expenditures	<u>2,476,233</u>	<u>2,476,233</u>	<u>3,383,654</u>	<u>897,221</u>
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	<u>(3,290,685)</u>	<u>(3,290,685)</u>	<u>(3,290,685)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,290,685)</u>	<u>(3,290,685)</u>	<u>(3,290,685)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures				
	<u>(814,452)</u>	<u>(814,452)</u>	92,969	<u>897,221</u>
Fund Balance - July 1			<u>1,035,512</u>	
Fund Balance - June 30			<u><u>1,128,481</u></u>	

TOWN OF BAR HARBOR
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2024

Exhibit B-1

<i>Assets</i>	<i>Coronavirus State and Local Fiscal Recovery Funds (ACE)</i>	<i>Comors Emerson Donations</i>	<i>MDOT Stream Crossing Grant</i>	<i>EMS Stabilization Grant</i>	<i>DRE/FP Training Grant</i>	<i>Community Action Grant</i>	<i>Total</i>
Due from Other Funds	151,116	2,500		66,473		88,097	308,186
Due from Other Governments			68,982		2,369		71,351
Total Assets	151,116	2,500	68,982	66,473	2,369	88,097	379,537
 <i>Liabilities & Fund Balances</i>							
Liabilities							
Accounts Payable			68,982			14,473	83,455
Due to Other Funds					2,369		2,369
Total Liabilities	-	-	68,982	-	2,369	14,473	85,824
 Fund Balances							
Restricted	151,116	2,500	-	66,473	-	73,624	293,713
Total Fund Balances	151,116	2,500	-	66,473	-	73,624	293,713
Total Liabilities & Fund Balances	151,116	2,500	68,982	66,473	2,369	88,097	379,537

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
SPECIAL REVENUES/GRANTS
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit B-2

	<i>Coronavirus State and Local Fiscal Recovery Funds (ACE)</i>	<i>Dog Park Donations</i>	<i>Connors Emerson Donations</i>	<i>MDOT Stream Crossing Grant</i>	<i>EMS Stabilization Grant</i>	<i>DRE/FP Training Grant</i>	<i>Community Action Grant</i>	<i>Total</i>
Revenues								
Local Revenues			1,500		30,000			31,500
Intergovernmental				68,982	36,473	2,369		107,824
Total Revenues	-	-	1,500	68,982	66,473	2,369	-	139,324
Expenditures								
Salaries and benefits								-
Parks & Recreation								-
Public Works								-
Public Safety	60,000							60,000
Equipment								-
Capital Costs/Professional Services	72,635			68,982			13,168	154,785
Cooperating Agencies	169,320						37,050	206,370
Other		100				2,369		2,469
Construction								-
Total Expenditures	301,955	100	-	68,982	-	2,369	50,218	423,624
Excess of Revenues Over (Under) Expenditures	(301,955)	(100)	1,500	-	66,473	-	(50,218)	(284,300)
Other Financing Sources (Uses)								
Transfers In								-
Transfers Out								-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(301,955)	(100)	1,500	-	66,473	-	(50,218)	(284,300)
Fund Balance - July 1	453,071	100	1,000	-	-	-	123,842	578,013
Fund Balance - June 30	151,116	-	2,500	-	66,473	-	73,624	293,713

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2024**

*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	53	5,571			5,624		5,624
Fiber Engineering Project	-	706,144		(429,620)	276,524		276,524
Virtual Desktop Software-police department	20,000				20,000		20,000
Fire Protection System-Server Room	13,796	1,733			15,529		15,529
WAN & Cable TV System	14,049	5,833		(44)	19,838		19,838
Computer Servers	5,307	20,000		(5,344)	19,963		19,963
Website Improvements	6,835	4,375			11,210		11,210
Town Wide Phone System	40,103	7,545		(98)	47,550		47,550
Security camera System	3,034	5,000		1	8,035		8,035
Municipal Building							
Building Renovation	95,869	10,000		(65,969)	39,900		39,900
Building Energy Audit Improvements	12,000	15,000			27,000		27,000
Code Enforcement							
Pickup Inspection Truck	11,018	3,200			14,218		14,218
Assessing							
GIS Wide Format Scanner	741	3,433			4,174		4,174
Property Tax Revaluation	32,368	20,000		(1,074)	51,294		51,294
Vehicle Purchase	24,414	5,000			29,414		29,414
Aerial Photography	5,507	2,400		(4,500)	3,407		3,407
Planning							
Comprehensive Plan	6,625	30,000		(36,625)	-		-
Lower Main Street Engineering	332,293	60,000			392,293		392,293
Cottage Street Streetscapes	326,726	60,000			386,726		386,726
Ambulance							
Ambulance Reserve	86,543	58,000			144,543		144,543
Defibrillators	37,552	8,000			45,552		45,552
Patient Simulator Dummy	6,552	2,588			9,140		9,140
Fire Department							
Turnout Gear	20,847	24,350	396	(18,467)	27,126		27,126
Hose & Couplings	17,494	4,000	396		21,890		21,890
Rescue Tools	12,083	2,513		(1,200)	13,396		13,396
Fire Engine #2	221,971	75,000		(74,743)	222,228		222,228
Fire Engine #4	124,870	54,050			178,920		178,920
Fire Engine #5	56,055	29,270			85,325		85,325
Portable Radios (20)	4,440	5,000			9,440		9,440
Fire Pickup Trucks and Trailer	5,515	23,744		(2,030)	27,229		27,229
Thermal Imaging Camera	4,078	2,400			6,478		6,478
SCBA's & Cascade System	34,227	21,717		(790)	55,154		55,154
Dry Hydrant	-	6,300		(6,000)	300		300
Police Department							
Parking Meter Vehicle	58,414	(7,352)			51,062		51,062
Parking Meter Equipment	181,900	56,787		(236,266)	2,421		2,421
Cruiser Equipment	-	9,888		(3,953)	5,935		5,935
Electronic Fingerprint Scanner	14,250	7,750		(22,000)	-		-
Port Security Boat	86,898	10,870			97,768		97,768
Cruiser Replacement	28,521	13,750		(42,270)	1		1
Records Management System - Spillman	5,428	1,500			6,928		6,928
Portable Radios	21,000	7,000			28,000		28,000
Tasers	40,644	10,000		(24,480)	26,164		26,164
Firearms	16,678	3,680			20,358		20,358
Speed Trailer & Monitor	11,417	2,600			14,017		14,017
Planning & Public Safety Collaboration	37,500	50,000		(41,367)	46,133		46,133
Dispatch							
Voice Recorder System	-	3,200			3,200		3,200
Radio Command Console	450	4,500			4,950		4,950
Ireson Hill Building & Generator	8,998	6,000			14,998		14,998
Radio Equipment Reserve	37,347	20,000		(17,276)	40,071		40,071

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2024**

*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	42,747	3,892			46,639		46,639
Building Renovations (FD)	35,406	48,566		(40,492)	43,480		43,480
Building Renovations (PD)	5,000	5,000			10,000		10,000
Workout Equipment (FD & PD)	4,500	1,500			6,000		6,000
Harbor Department							
Harbor Master Boat & Trailer	29,194	(26,194)			3,000		3,000
Float Replacement	62,000	24,000	2,294	(4,589)	83,705		83,705
Gangway Replacement	31,981	(5,000)			26,981		26,981
Fishermen's Hoist(s)	14,543	41,047		(33,299)	22,291		22,291
Ferry Terminal Improvements	343,651	105,000	30,088	(53,216)	425,523		425,523
Port Security Office	22,382	10,000			32,382		32,382
Breakwater Repairs	10,000				10,000		10,000
Pier Renovations	19,429	13,000	243,345	(243,345)	32,429		32,429
Boat Pump Out System	9,400	2,600			12,000		12,000
Harbor Pickup Truck	10,000	12,000			22,000		22,000
Parks & Recreation							
Museum in the Streets	12,232	2,000			14,232		14,232
Benches, Lights, Pergola, etc.	21,946	10,000	13,640	(778)	44,808		44,808
Albert Meadow-Grant's Park	15,000	1,000			16,000		16,000
Tree Planting	18,299	13,000			31,299		31,299
Park Irrigations Systems	18,200	3,000			21,200		21,200
Skate Park Reserve	26,239	4,516			30,755		30,755
Mt. Desert Cemetery	23,328				23,328		23,328
Park Equipment	44,000	10,800			54,800		54,800
Launch Ramp-Hadley Point	18,474	2,700			21,174		21,174
Tennis and Basketball Courts	10,586	5,000			15,586		15,586
Village Green Bandstand	58,735	5,000			63,735		63,735
Life Flight Pad Ballfield	-		17,565	(17,565)	-		-
Glen Mary Renovations	108,239	27,000			135,239		135,239
Harborview Park	5,000	5,000			10,000		10,000
Downtown Signage Reserve	40,518	12,000			52,518		52,518
Park Fountains	-	30,000			30,000		30,000
Agamont Park	-	15,000			15,000		15,000
Village Green Water Fill	-	5,000			5,000		5,000
Barker Park Security	-	10,000			10,000		10,000
Ballfield Parking Lot	-	155,000			155,000		155,000
Comfort Stations							
Restroom Renovation Reserve	204,344	32,000			236,344		236,344
Public Works / Highway							
Air Compressor	6,180	402			6,582		6,582
Backhoe Reserve (Cat & Deere)	105,350	70,000		(124,000)	51,350		51,350
Brush Chipper	10,927	2,600			13,527		13,527
Bikeway/Ped Improvements	100,000	60,000			160,000		160,000
Grader Reserve	145,694	75,000			220,694		220,694
Parking Lot Land Acquisition	45,000	50,000		(38,187)	56,813		56,813
Hydraulic Lifts	15,673	2,955			18,628		18,628
Front End Loader Reserve	116,441	20,000		(7,422)	129,019		129,019
Excavator	70,898	9,167			80,065		80,065
Snowblower	25,800	5,000			30,800		30,800
Road Improvement Program	896,233	1,500,000		(555,499)	1,840,734		1,840,734
Fuel Pump System	28,400	5,250			33,650		33,650
Sidewalk Plow	33,254	26,000			59,254		59,254
Sidewalk Reconstruction Program	215,117	220,000		(10,520)	424,597		424,597
Pellet Boiler System	20,000	30,000			50,000		50,000
Washer, Steam Pressure	12,029	500			12,529		12,529
LED Street Lights	109,220	10,000			119,220		119,220
Street Sweeper (Vacuum)	-	50,000			50,000		50,000
Public Works Complex	89,038	10,000		(9,810)	89,228		89,228
School Satellite Park Lot	125,000	50,000			175,000		175,000
Tag Trailer	21,719	2,500		(3,339)	20,880		20,880
Brine Mixing Equipment	10,700	14,300		(17,421)	7,579		7,579

**TOWN OF BAR HARBOR
CAPITAL IMPROVEMENTS PROGRAM
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2024**

*Exhibit C-1
Page 3 of 3*

	<u>Balance July 1</u>	<u>Budget</u>	<u>Revenues and Transfers</u>	<u>Expenditures/ Transfers</u>	<u>Balance (Over) Under</u>	<u>Transfers From (To) Unassigned</u>	<u>Balance June 30</u>
Town Projects (Continued)							
Public Works / Highway							
Water Truck	13,097	900			13,997		13,997
Street Lights-Main Street	33,150	1,000			34,150		34,150
Light Truck Purchase	120,926	52,000			172,926		172,926
Plow Truck Reserve	256,727	100,000			356,727		356,727
Bobcat Loader	24,140	4,700			28,840		28,840
Roller, Vibratory	19,551	1,000			20,551		20,551
Solar Array - Higgins Point	-	3,279,199	1,070,801	(124,443)	4,225,557		4,225,557
Priority Infrastructure-Bond	-	8,528,673		(1,792,093)	6,736,580		6,736,580
Solid Waste Division							
Backhoe Reserve	-	2,950			2,950		2,950
Waste Oil Furnace	5,797	1,757			7,554		7,554
Recycling Facility Reserve	41,791	2,167			43,958		43,958
Transfer Station Reserve	36,106	3,000			39,106		39,106
Storage	24,358	40,000		(16,000)	48,358		48,358
Compactor Unit with Hopper	9,538	3,333			12,871		12,871
Skid Steer	20,500	4,500			25,000		25,000
Hi Pressure Washer	6,000	500			6,500		6,500
Solar Panels	110,157	2,000			112,157		112,157
3/4 Ton Truck	14,350	3,800			18,150		18,150
Debt Service							
Debt Service - Agamont Park	-	42,400		(42,400)	-		-
Debt Service - Municipal Building	-	150,425		(150,425)	-		-
Public Works - FY 13	-	2,193,827		(2,205,263)	(11,436)		(11,436)
Downtown Signs	-	23,650		(23,650)	-		-
Public Works - FY 10	-	215,430		(215,547)	(117)		(117)
Public Safety Building	-	28,500		(28,500)	-		-
Transfer Station	-	240,100		(240,100)	-		-
Ferry Terminal/Parking Meters	-	320,000		(296,700)	23,300		23,300
Ferry Terminal/Taxable	-	86,150		(88,775)	(2,625)		(2,625)
Fiber Build	-	21,500		(22,200)	(700)		(700)
Solar Array	-	125,000		(128,067)	(3,067)		(3,067)
Storm Water	-	227,000		(231,433)	(4,433)		(4,433)
2023 BAN Payoff	-	1,460,904		(1,460,904)	-		-
Town Total	6,336,644	21,445,805	1,378,525	(9,260,097)	19,900,877	-	19,900,877
School Projects							
Capital Outlay Reserve	27,223	10,000			37,223	(12,991)	24,232
Asbestos Removal	15,410				15,410		15,410
Furniture & Equipment	6,211	5,000		(992)	10,219		10,219
Computers & Technology	54,422	35,000		(35,000)	54,422		54,422
Copier Lease/Purchase	539	13,890	-	(13,890)	539		539
Pickup Truck Replacement	12,882	6,000			18,882		18,882
Playground Equipment	-	10,000			10,000		10,000
Roof Repairs	36,300	30,000			66,300		66,300
Technology Infrastructure	63,452	25,000			88,452		88,452
Phone System	-	45,000		(57,991)	(12,991)	12,991	-
Emerson Entry Doors	-				-		-
Safety & Access Control	27,740			(470)	27,270		27,270
Building Concept Designs	485,718			(76,056)	409,662		409,662
Architectural Design	-	2,702,026		(2,041,234)	660,792		660,792
School Van	-	50,000	33	(40,190)	9,843		9,843
Boiler Replacement	-				-		-
Tractor Plow Reserve	30,000	5,000			35,000		35,000
Debt Service - Architectural Plans	-	86,000		(88,200)	(2,200)		(2,200)
Debt Service - 2004 Heating System	-	62,020		(62,020)	-		-
School Total	759,897	3,084,936	33	(2,416,043)	1,428,823	-	1,428,823
Subtotal	7,096,541	24,530,741	1,378,558	(11,676,140)	21,329,700	-	21,329,700
Unassigned Balance	78,505	(24,530,741)	24,495,245		43,009		43,009
Totals	7,175,046	-	25,873,803	(11,676,140)	21,372,709	-	21,372,709

**TOWN OF BAR HARBOR
 COMBINING BALANCE SHEET
 ALL PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024**

Exhibit D-1

<i>Assets</i>	<i>Gurnee Scholarship</i>	<i>Cemetery Trusts</i>	<i>Total</i>
Cash and Equivalents	1,210	584	1,794
Investments	9,709	4,685	14,394
Total Assets	10,919	5,269	16,188
<i>Liabilities & Fund Balances</i>			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Nonspendable	6,488	5,269	11,757
Assigned	4,431	-	4,431
Total Fund Balances	10,919	5,269	16,188
Total Liabilities & Fund Balances	10,919	5,269	16,188

TOWN OF BAR HARBOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit D-2

	<i>Gurnee Scholarship</i>	<i>Cemetery Trusts</i>	<i>Total</i>
Revenues			
New Funds			-
Investment Income	182	93	275
	182	93	275
Expenditures			
Scholarships			-
	-	-	-
Excess of Revenues Over Expenditures	182	93	275
Other Financing Sources (Uses)			
Transfers Out		(93)	(93)
Total Other Financing Sources (Uses)	-	(93)	(93)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	182	-	182
Fund Balance - July 1	10,737	5,269	16,006
Fund Balance - June 30	10,919	5,269	16,188

TOWN OF BAR HARBOR, MAINE
Operating Data
For the Fiscal Year Ended June 30, 2024

MUNICIPAL SERVICES

Public Works

Wastewater Division

<u>Largest Wastewater Customers</u>	<u>Type of Use</u>	<u>CY2023 Revenues</u>	<u>% of Total</u>
Jackson Laboratory	Genetic Research & Mice Prod	\$573,663	25.5%
Witham Family LLC	Hotel & Restaurant	214,017	9.5%
Eden Street Trust	Hotel & Restaurant	77,003	3.4%
Golden Anchor LLC	Hotel	44,287	2.0%
College of the Atlantic	Educational Institution	32,240	1.4%
Birch Bay Retirement Village	Senior Housing	28,731	1.3%
West St. Properties, LLC	Hotel	25,958	1.2%
BHTC 111 LLC	Hotel	24,090	1.1%
WS Atlantic, LLC	Hotel	23,160	1.0%
Mount Desert Island Hospital	Hospital	21,853	1.0%

Water Division

<u>Largest Water Customers</u>	<u>Type of Use</u>	<u>CY2023 Revenues</u>	<u>% of Total</u>
Town of Bar Harbor	Parks, Bldgs, Schools & Hydrants	\$614,519	25.7%
Jackson Laboratory	Genetic Research & Mice Prod	227,973	9.5%
Witham Family LLC	Hotel & Restaurant	103,220	4.3%
College of the Atlantic	Educational Institution	40,391	1.7%
Kebo Valley Club	Golf Course	26,439	1.1%
Golden Anchor LLC	Hotel	22,685	0.9%
Lafayette Bar Harbor, LLC	Hotel	21,936	0.9%
Eden Street Trust	Hotel & Event Center	16,845	0.7%
BHTC 111 LLC	Hotel	14,100	0.6%

Number of Water System Customers	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	1262	1,251	1,271	1,280	1,297
Commercial	520	499	506	509	526
Industrial (Jax Lab)	42	42	42	42	45
Governmental	59	59	50	50	49
Total	1883	1851	1,869	1,881	1,917

Water Sales (per 1,000 gallons)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	55,633	61,274	62,681	60,832	62,914
Commercial	114,587	97,312	113,965	118,499	120,707
Industrial (Jax Lab)	73,590	66,692	61,439	62,538	68,288
Public Authorities	17,821	19,915	13,379	14,546	15,416
Total Water Sales	261,631	245,463	251,464	256,415	267,325

Cal Year Water Sales (Revenue)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	\$572,003	\$601,167	\$600,781	\$610,263	\$614,890
Commercial	613,263	527,107	620,845	631,327	637,424
Industrial (Jax Lab)	209,097	174,290	182,118	180,684	227,973
Public Authorities	77,502	82,126	69,143	70,584	74,499
Public Fire Protection	585,604	585,604	585,604	585,604	585,604
Private Fire Protection	134,208	137,297	148,332	153,853	160,967
Total Water Sales	\$2,191,677	\$2,107,591	\$2,206,823	\$2,232,315	\$2,301,357

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, 2024)
AOS #91	Bar Harbor	Connors-Emerson School	K-8	347
AOS #91	Cranberry Isles	Ashley Bryan School	K-8	5
AOS #91	Frenchboro	Frenchboro Elementary	K-8	2
AOS #91	Mount Desert	Mt Desert Elementary	PK-8	161
AOS #91	Southwest Harbor	Pemetic Elementary	PK-8	127
AOS #91	Tremont	Tremont Consolidated	K-8	127
AOS #91	Trenton	Trenton Elementary	PK-8	120
MSAD No. 76	Swan's Island	Swan's Island Elementary	K-8	29
C.S.D. No. 7	Members of Union #98	Mt Desert Island High	9-12	<u>456</u>
		Total Enrollment		1,374

LABOR RELATIONS

The Town employs approximately 167 full-time personnel, approximately of whom 90 are employees of the Town including its utilities systems; and 77 of whom are employed by the School Department; and various part-time employees. Approximately 52 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, 2024	June 30, 2027
BHTA (MEA)	Teachers Unit	Sept.1, 2024	Aug. 31, 2027

BUILDING ACTIVITY

Calendar Year	Residential		Commercial		Total	
	# Permits	Est. Cost	# Permits	Est. Cost	# Permits	Est. Cost
2024	201	17,393,000	95	61,902,685	296	79,295,685
2023	243	27,942,739	117	40,116,519	360	68,059,258
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

TOWN FINANCES

General Fund Budgets for Fiscal Year Ending June 30.

	2020	2021	2022	2023	2024
Revenues					
Taxes	\$18,927,429	\$19,245,429	\$19,914,622	\$21,098,439	\$23,369,134
Intergovernmental	396,369	457,484	601,634	902,459	706,816
Departmental	1,157,898	1,142,888	1,148,916	1,500,445	1,616,293
Other local sources	751,867	698,838	788,441	985,0201	1,161,518
Total Revenues	21,233,563	21,544,377	22,453,113	24,486,363	26,853,761
Expenditures					
General government	3,311,572	3,586,232	3,762,207	4,287,110	4,941,466
Public safety	3,284,565	3,357,414	3,438,057	3,946,661	4,421,907
Health & welfare	158,596	169,501	218,366	245,369	236,058
Parks & recreation	438,577	423,687	463,090	481,899	515,609
Roads & sanitation	1,988,290	2,017,388	2,086,551	2,487,986	2,731,053
Assessments & Overlay	3,924,020	4,192,418	4,399,711	4,687,446	5,042,620
Transfers to school fund	5,674,670	5,763,043	6,112,039	6,782,772	6,898,400
Transfers to CIP	2,508,273	2,089,694	2,073,092	1,978,620	2,195,148
Total Expenditures	\$21,288,563	\$21,599,377	\$22,553,113	\$24,897,863	\$26,982,261
Excess Exp. Over Revenues	\$55,000	\$55,000	\$100,000	\$411,500	\$128,500
Use of Fund Balance:					
Transfer to CIP	55,000	55,000	100,000	411,500	128,500
Total Use of Fund Balance	\$55,000	\$55,000	\$100,000	\$411,500	\$128,500

Property Tax Levy Limit (LD1)

Fiscal year:	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
State Personal Income Factor:	2.75%	2.89%	3.30%	1.70%	4.31%
Town Prop Growth Factor:	<u>1.21%</u>	<u>0.86%</u>	<u>1.90%</u>	<u>1.09%</u>	<u>1.65%</u>
Growth Limitation Factor:	3.96%	3.75%	5.20%	2.79%	5.96%
Property Tax Levy Limit:	\$8,016,991	\$8,279,884	\$8,709,829	\$8,982,008	\$9,481,096
Property Tax Levy:	<u>8,293,739</u>	<u>8,254,606</u>	<u>8,305,872</u>	<u>8,451,220</u>	<u>11,674,387</u>
Over/(below) Prop Tax Levy Limit:	\$276,748	(\$25,278)	(\$403,957)	(\$530,788)	2,193,293

General Fund Balance as % Revenues (excludes School)

	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
Assigned and Unassigned General Fund Balance (excludes restricted FB)	\$4,116,677	\$4,281,104	\$5,212,002	\$5,849,819	\$6,343,995
Total Revenues (GF & CrShip)-A1&A7	21,707,396	22,284,988	22,365,779	23,134,148	25,836,677
Fund Bal as % Revenues	19.0%	19.3%	23.3%	25.3%	24.6%

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 6/30/24
2024	2,444,400	\$2,550,419	\$10.04	\$22,137,631	\$21,908,633	99.0%	99.0%
2023	2,040,000	\$2,040,000	\$8.68	\$19,915,552	\$19,670,460	98.80%	99.44
2022	1,903,400	1,931,994	9.32	18,817,622	18,549,473	98.58	99.67
2021	1,781,800	1,530,258	9.74	18,210,067	17,885,643	98.22	99.90
2020	1,713,550	1,509,910	11.90	17,892,438	17,197,318	96.12	99.91

Largest Taxpayers

Taxpayer	As of April 1, 2024			
	Type of Business	Assessed Value	Tax	% of Levy
Witham Family, LLC	Hotels	88,740,700	\$890,957	3.40%
Golden Anchor, LC	Hotel-Harborside	41,202,300	413,671	1.58%
Eden Street Trust	Hotel-Regency	35,376,600	355,181	1.36%
Versant Power	Electric Utility	28,141,500	282,541	1.08%
West Street Properties, LLC	Hotel-West St	26,334,200	264,395	1.01%
WS Atlantic LLC	Hotel-Hampton Inn	18,091,800	181,642	0.69%
Jackson Laboratory	Resd'l Housing	17,175,300	172,440	0.66%
Northerly, LLC	Residential	16,480,600	165,465	0.63%
BHTC 111, LLC	Hotels	16,472,100	165,380	0.63%
Kampgrounds of America, Inc	Campground	13,861,400	<u>139,168</u>	<u>0.53%</u>
Top ten taxpayers			\$3,030,840	11.57%

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
2023	\$514,660	\$167,084	\$2,943	\$657,881	\$110,261	\$1,452,829
2022	473,452	152,647	1,051	616,600	116,699	1,360,449
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

-----* 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, 2023			Balance on June 30, 2024	
				General	Proprietary	Total	(Payments)	Total
2004	School (MMBB)	805,000	11/01/24	119,637		119,637	(58,323)	61,314
2005	Beach Wall	800,000	10/15/24	80,000		80,000	(40,000)	40,000
2005	Sewer/Hulls Cove	800,000	10/15/27		240,000	240,000	(45,000)	195,000
2010	Roads & Sidewalks	3,700,000	05/01/30	1,127,209		1,127,209	(159,186)	968,023
2010	Water System	600,000	05/01/30		182,791	182,791	(25,814)	156,977
2011	Sewer System	1,316,000	12/01/31		610,940	610,940	(72,964)	537,976
2011	Water System	1,224,000	12/01/31		609,060	609,060	(62,036)	547,024
2012	Water (SRF)	2,679,150	10/01/32		1,397,667	1,397,667	(133,592)	1,264,075
2013	Public Works Bldg	3,350,000	10/15/33	1,940,000		1,940,000	(160,000)	1,780,000
2014	Municipal Bldg	2,442,000	10/15/34	1,440,000		1,440,000	(130,000)	1,310,000
2015	PubSftyBldg/Wtr	2,100,000	10/15/35	260,000	1,105,000	1,365,000	(105,000)	1,260,000
2017	Transfer Station	3,070,000	10/15/36	2,270,000		2,270,000	(160,000)	2,110,000
2019	FerryTerm/PkMt	2,875,000	10/15/38	1,955,000		1,955,000	(230,000)	1,725,000
2019	FerryTerm-Tax	1,225,000	10/15/38	1,090,000		1,090,000	(50,000)	1,040,000
2023	Solar Array	3,920,000	10/15/43					3,920,000
2023	Fiber Buildout	680,000	10/15/43					680,000
2023	School Arch Plans	2,700,000	10/15/43					2,700,000
2023	Priority Infrastructure	39,505,000	10/15/43					39,505,000
				10,281,846	4,145,458	14,427,304	(1,431,915)	59,800,389

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
2024	5,296	\$2,444,400	\$2,550,419	\$59,800,389	2.45%	\$11,292
2023	5,020	\$2,040,000	\$2,136,862	\$14,667,304	0.72%	\$2,922
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

Debt Obligations, by Fund Type

FY June 30,	General Fund Debt		Enterprise Fund Debt	Total Debt	Ent. Debt as % Total Debt
	(Town)	(School)			
2024	\$13,573,023	\$2,761,314	\$43,466,052	\$59,800,389	72.7%
2023	\$10,062,209	\$119,637	\$4,485,458	\$14,667,304	30.6%
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%

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		
2024	0.56%	0.11%	1.78%	2.45%	\$2,563	\$522	\$8,207	\$11,292
2023	0.49%	0.01%	0.22%	0.72%	\$2,004	\$24	\$894	\$2,922
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

Debt Service Component of Operating Expenses

	2020	2021	2022	2023	2024
Total Current Year Debt Service:	\$1,920,883	\$1,675,813	\$1,690,916	\$1,412,747	\$3,459,123
(less Enterprise Debt Service:)	<u>(727,901)</u>	<u>(701,430)</u>	<u>(708,958)</u>	<u>(438,083)</u>	<u>(1,597,535)</u>
Tax Supported Debt Service	\$1,192,982	\$974,383	\$981,958	\$947,664	\$1,861,588
Budgeted Operating Expense:	\$21,288,563	\$21,599,377	\$22,553,113	\$24,880,745	\$26,982,262
Debt Service as % Oper. Expense:	5.60%	4.51%	4.36%	3.81%	6.90%

Total General Obligation, Overlapping and Contingent Debt

	Direct Debt	Overlapping	Contingent	Total Debt
Town of Bar Harbor (CIP)	\$13,573,023			\$13,573,023
Town of Bar Harbor (School)	2,761,314			2,761,314
Town of Bar Harbor (Enterprise)	43,466,052			43,466,052
MDI Reg. School District (38.3%)		\$40,684		40,684
County of Hancock (12.0%)		0		0
Total A/O June 30, 2024	\$59,800,389	\$40,684	\$0	\$59,841,073
Debt as % Eq State Valuation	2.34%	0.001%	0.00%	2.35%
Per Capita Debt	\$11,292	\$7	\$0.00	\$11,299

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

	2023	2022	2021	2020	2019
ASSETS					
Cash and equivalents	\$12,948,261	\$15,513,465	\$12,778,236	\$10,679,174	\$8,759,252
Investments	1,722,839	1,830,953	1,765,132	1,672,254	1,801,734
Receivables:					
Taxes	37,792	36,111	23,432	40,530	53,851
Tax liens	316,004	360,162	431,574	932,028	742,385
Accounts	389,691	262,573	32,924	33,173	209,107
Ambulance fees	119,935	162,850	167,711	168,653	226,751
Accrued interest	7,797	3,398	8,183	8,654	9,650
Leases Receivable	78,767	91,716			
Prepaid expenses	0	0	0	2,348	0
Inventory	26,391	41,282	21,922	12,548	19,036
Due from other governments	196,292	183,516	476,577	122,828	82,017
Due from other funds	1,802,153	17,492	6,562	35,286	32,763
TOTAL ASSETS	17,645,922	18,506,518	15,712,253	13,707,476	11,936,546
LIABILITIES					
Accounts payable	625,895	687,813	656,390	382,890	340,843
Payroll taxes/Deductions	63,964	21,659	42,551	18,746	23,829
Accrued salaries	752,654	859,344	800,011	719,844	647,204
Accrued compensated absences	388,228	326,598	328,226	362,642	288,825
Due to other funds	6,316,664	7,386,449	5,824,021	4,998,302	4,689,613
Due to students	6,949	6,948	6,949	8,581	4,922
Deposits payable	31,134	26,113	12,447	15,015	12,065
TOTAL LIABILITIES	8,185,488	9,314,924	7,670,595	6,506,020	6,007,301
DEFERRED REVENUES					
Prepaid taxes	34,707	34,318	38,491	21,381	28,902
Property tax	304,026	310,635	291,879	656,357	586,153
Other	0	9,265	2,785	1,000	2,070
Deferred Inflows of Resources from leases	74,211	89,375	0	0	0
TOTAL DEFERRED REVENUES	412,944	443,593	333,155	678,738	617,125
FUND EQUITY					
Non-spendable	2,657	2,206	1,444	2,317	865
Restricted	2,700,838	2,895,976	2,495,057	2,239,297	1,194,578
Committed	0	0	0	0	0
Assigned	3,867,009	3,174,081	3,013,982	3,105,584	3,129,125
Unassigned	2,476,986	2,675,738	2,198,020	1,175,520	987,552
TOTAL FUND EQUITY	9,047,490	8,748,001	7,708,503	6,522,718	5,312,120
TOTAL LIABILITIES AND FUND EQUITY	\$17,645,922	\$18,506,518	\$15,712,253	\$13,707,476	\$11,936,546

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,)

	2023	2022	2021	2020	2019
REVENUES					
Taxes	\$21,247,386	\$20,052,050	\$19,880,780	\$18,969,741	\$18,409,625
Intergovernmental revenue	3,335,838	2,624,891	2,834,258	1,878,265	1,546,452
Departmental revenue	5,098,782	3,743,117	2,736,302	3,390,859	2,480,957
Other local sources	787,512	415,781	456,077	551,744	642,140
TOTAL REVENUES	30,479,518	26,835,839	25,907,417	24,790,609	23,079,174
EXPENDITURES					
General government	4,381,589	3,531,708	3,331,000	3,290,736	2,988,113
Public safety	4,110,819	3,439,761	3,179,446	3,166,884	3,202,696
Health and welfare	237,306	251,490	230,614	195,874	145,956
Parks and recreation	477,893	445,480	414,908	435,961	416,358
Island Explorer	5,000	13,500	-	40,517	40,157
Roads and sanitation	2,662,439	2,122,720	1,997,094	1,850,123	2,004,343
Education	9,172,673	8,217,445	7,824,618	7,167,622	6,746,559
Assessments	4,597,657	4,309,922	4,125,490	3,875,688	3,850,673
Cruise ship- <i>direct exp</i>	205,776	22,983	17,748	96,521	121,039
Parking meters- <i>direct exp</i>	557,085	237,346	208,131	138,348	54,406
TOTAL EXPENDITURES	26,408,237	22,592,355	21,329,049	20,258,274	19,570,300
Excess of Revenue Over (Under) Expenditures	4,071,281	4,243,484	4,578,368	4,532,335	3,508,874
OTHER FINANCING SOURCES					
Lease Liabilities Issued	0	140,498	-	61,923	7,504
Transfers in	727,172	536,961	514,324	552,264	483,941
Transfers out	(4,498,964)	(3,881,445)	(3,939,995)	(3,935,924)	(3,169,374)
TOTAL OTHER FINANCING SOURCES (USES)	(3,771,792)	(3,203,986)	(3,425,671)	(3,321,737)	(2,677,929)
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	299,489	1,039,498	1,152,697	1,210,598	830,945
FUND BALANCE - JULY 1	8,748,001	7,708,503	6,555,806	5,312,120	4,481,175
FUND BALANCE - JUNE 30	\$9,047,490	\$8,748,001	\$7,708,503	\$6,522,718	\$5,312,120

Prepared from Audited Financial Statements – Exhibit D.

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.

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, 2024.

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 operations and maintenance and transportation.

Respectfully submitted,

James W. Wadman, CPA

James W. Wadman, CPA
March 26, 2025

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, 2024, 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 26, 2025.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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 26, 2025

***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

Opinion on 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, 2024. 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, 2024.

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 26, 2025

SCHEDULE I
TOWN OF BAR HARBOR
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

SCHEDULE II
TOWN OF BAR HARBOR, MAINE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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. No 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:

Coronavirus State and Local Fiscal Recovery Funds (ACE), ALN #21.027
Disaster Grants - Public Assistance (Presidentially Declared Disasters), ALN #97.036
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*

NONE

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, 2024

<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 Education Achievement Program	84.358	NONE	-	32,309
<i>Passed Through Maine State Department of Education:</i>				
Special Education Cluster (IDEA):				
Title VI, Part B - Local Entitlement	84.027	013-0346	-	101,393
Title VI, Part B - ARPA Local Entitlement	84.027	025-7170	-	-
Title VI, Part B - Local Entitlement Preschool	84.173	013-6247	-	1,583
Title VI, Part B - ARPA Local Entitlement Preschool	84.173	025-7171	-	-
Sub-total Special Education Cluster (IDEA):			-	<u>102,976</u>
ESSA Title 1A - Basic Disadvantaged Program	84.010	013-3107	108,661	133,780
ESSA Title 1A - Program Improvement	84.010	013-3106	-	4,810
ESSA Title 1A - Summer Reallocation	84.010	NONE	-	35,429
ESSA Title IV, Part A, SSAE Program	84.424	013-3345	-	1,425
ESSA Title IIA - Improving Teacher Quality	84.367	NONE	-	75,733
Elementary and Secondary School Emergency Relief Fund -GEER Grant	84.425C	013-7042	-	-
Elementary and Secondary School Emergency Relief Fund I	84.425D	013-7006	-	-
Elementary and Secondary School Emergency Relief Fund II	84.425D	013-7041	-	64,344
ARP Elementary and Secondary School Emergency Relief Fund 3	84.425U	025-7071	-	155,908
Total U.S. Department of Education			<u>108,661</u>	<u>606,714</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	-	653
State Administrative Expenses	10.560	NONE	-	12,169
			-	<u>12,822</u>
Food Distribution Cluster:				
Food Distribution	10.565	NONE	-	10,987
Sub-total Food Distribution Cluster			-	<u>10,987</u>
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	NONE	-	-
Federal Performance Based Lunch	10.555	013-05A-7142	-	36,673
School Breakfast Program	10.553	013-05A-7127	-	7,976
CARES Grant Child Nutrition	10.559	013-05A-7008	-	-
CARES Grant Summer Food Service Program for Children	10.559	013-05A-7009	-	-
Sub-total Child Nutrition Cluster			-	<u>44,649</u>
Total U.S. Department of Agriculture			-	<u>68,458</u>
U.S. Department of the Treasury:				
Coronavirus State and Local Fiscal Recovery Funds (ACE)	*21.027	NONE	-	301,955
Total U.S. Department of the Treasury			-	<u>301,955</u>
U.S. Department of Justice:				
<i>Passed Through the Maine Department of Public Safety:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00275	-	7,507
Total U.S. Department of Justice			-	<u>7,507</u>
U.S. Department of Highway Safety:				
<i>Passed Through the Maine Department of Public Safety:</i>				
National Priority Safety Programs	20.616	NONE	-	2,369
Total U.S. Department of Highway Safety			-	<u>2,369</u>
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	*97.036	NONE	-	206,844
Total U.S. Department of Homeland Security			-	<u>206,844</u>
Total			-	<u><u>1,193,847</u></u>

TOWN OF BAR HARBOR
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. 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 – NONMONETARY ASSISTANCE

Nonmonetary assistance is reported on the Schedule of Expenditures of Federal Awards totaling \$8,894. This assistance consists of U.S.D.A Donated Commodities which are reported at their fair value.

NOTE E – 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.

NOTE F – MAJOR PROGRAMS

In accordance with the Uniform Guidance, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.