



Millinocket

Maine's Biggest Small Town

FY23 ANNUAL REPORT



Millinocket

Maine's Biggest Small Town

From the Desk of the Town Manager:

In fiscal year 2023, the Town of Millinocket made significant strides in planning and executing vital infrastructure projects that will enhance our community's resilience and appeal. Key initiatives included the planning toward the upgrade of the wastewater main pump station, the preparation for the replacement of the Iron Bridge Road culvert and bridge, and critical repairs to municipal buildings. These projects are not only essential for maintaining our infrastructure but also for supporting the long-term sustainability of our town.

We took proactive steps toward embracing modern technology, including the installation of electric vehicle (EV) chargers at no cost to the town. This initiative not only supports environmentally friendly transportation options but also provides a small revenue stream that contributes positively to our town's finances. Furthermore, we enhanced community connectivity by upgrading public Wi-Fi hotspots in key locations, ensuring that residents and visitors can access the internet in our shared spaces.

The newly established dog park has become a celebrated addition to our community, providing a valuable space for residents to gather and enjoy time with their pets. Planning for the ski-tow project is progressing well, with expectations for it to be operational by the winter of 2024-2025. This project is set to boost local tourism and provide recreational opportunities for our families and outdoor enthusiasts.

To improve communication with residents, we installed a digital sign in front of the town office, which serves as an important tool for sharing timely updates and information. Additionally, we are planning new street banners and other beautification efforts in our downtown area, much of which is funded by our Community Development Block Grant. These enhancements aim to create a more inviting and vibrant atmosphere for both residents and visitors alike.

We also embarked on a town-wide revaluation process, aimed at updating obsolete property data on file. This comprehensive effort is designed to create a fresh and accurate slate for property valuations, which is likely to result in increased property values and a decrease in the mil rate. By improving the accuracy of tax bills and reducing the tax burden, we hope to attract new construction and investment, further stimulating our local economy. If all goes according to plan, these new values will be effective on April 1st, 2025, and will be reflected in the following tax commitment.

Throughout the year, we focused on increasing revenues in our municipal budget. By investing responsibly in our staff and operations while minimizing unnecessary spending, we successfully reduced the overall tax request from residents. As the revaluation work progresses and future investments come



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to fruition, we anticipate continued financial health for our community, making Millinocket an attractive destination for potential new investors.

Looking ahead, I am excited about the future of Millinocket. I remain committed to maintaining an open-door policy and fostering steady communication with our community. Together, we are on the rise, and I look forward to building on our achievements to create a thriving environment for all residents.

Respectfully,

Peter Jamieson, Town Manager

TOWN OF MILLINOCKET
TOWN CLERK
197 PENOBSCOT AVENUE
MILLINOCKET, ME 04462



FY 22/23 ANNUAL REPORT

of the

Town Clerk

and

Registrar of Voters

Diana M. Lakeman
Town Clerk/Registrar of Voters



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Dear Maine Resident:

In January, I was privileged to take the Oath of Office to begin my second term as your Governor. I am deeply humbled by the trust the people of Maine have placed in me, and I look forward to continuing to work hard over the next four years to improve the lives and livelihoods of Maine people.

Over the past four years, we have made real progress. We have expanded health care, leading to the largest decline in the uninsured rate of any state in the nation. We fully funded the State's share of public education. We delivered two-years of free community college. We fully restored municipal revenue sharing to five percent. We delivered substantial tax relief, nation-leading inflation relief, and emergency energy relief to help Maine people through difficult times.

Through the Maine Jobs & Recovery Plan, we are strengthening and diversifying our economy. In 2022, our state's gross domestic product – a key measure of economic growth – grew at the 9th fastest rate in the United States. People are moving to Maine at a rate higher than any other New England state, and at one of the highest rates in the nation. We have enacted balanced budgets, and we have built up Maine's "Rainy Day" fund to a record high, preparing our state to continue meeting its commitments in the event of an economic downturn.

While I am proud of the progress we have made, there is more to do, like addressing the housing crisis, the workforce shortage, and the opioid epidemic and strengthening health care, education, and the economy. I know that by working together to tackle these issues head-on, we can improve the lives and livelihoods of Maine people and make Maine the best place to live, work, and raise a family.

Thank you again for the honor to serve you as Governor.

Thank you,

A handwritten signature in blue ink, appearing to read 'Janet T. Mills'.

Janet T. Mills
Governor

SUSAN M. COLLINS
MAINE

113 DAKES SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1904
1907 / 224-7523
(202) 224-7807 (FAX)

United States Senate

WASHINGTON, DC 20510-1904

COMMITTEES
APPROPRIATIONS
Vice Chair
HEALTH, EDUCATION,
LABOR, AND PENSIONS
SELECT COMMITTEE
ON INTELLIGENCE

Dear Friends:

It is an honor to serve the people of Maine in the U.S. Senate, and I welcome this opportunity to share an update on issues important to Maine and America.

One of my priorities for 2023 has been to improve the appropriations process in Congress – the way it decides how to spend taxpayer money. I took over as the Vice Chair of the Senate Appropriations Committee last year. Along with Chair Patty Murray, we decided the best change we could make was not to do something new. Instead, it was to do something old – that is, go back to the regular and transparent committee process that we used to have.

Part of restoring this process included holding 50 public Committee hearings, which allowed for input from senators on both sides of the aisle. As a result, for the first time in five years, the Senate Appropriations Committee passed all twelve of its funding bills on time. This was done with strong bipartisan support. In fact, seven of them passed unanimously.

Now, we need to work with the House of Representatives to pass these twelve bills and turn them into laws.

These bills contain funding for a wide range of Maine priorities, including support for the workforce at Bath Iron Works and Portsmouth Naval Shipyard, our lobster industry, infrastructure improvements, affordable housing, biomedical research, veterans, and heating assistance programs like LIHEAP. These bills also contain nearly \$590 million in Congressionally Directed Spending for 231 projects throughout the State of Maine. These projects would help promote job creation, expand access to health care, and improve public safety, infrastructure, and important resources in communities across all 16 counties of our state. I will continue to work to get these bills signed into law in the new year.

On October 25, the horrific mass shooting in Lewiston claimed the lives of 18 Mainers and injured 13 others. In response, I led Maine's Congressional Delegation in requesting an independent investigation by the U.S. Army Inspector General into the events leading up to the shooting. On December 15, the Under Secretary of the Army wrote to inform me that such an investigation will take place, and the Army Inspector General has instructed her team to immediately begin preparing to conduct this investigation. While nothing can undo the events of October 25, I will continue to work to understand what happened and what could have been done differently, and to find answers for the victims, survivors, and their families.

No one works harder than the people of Maine, and this year I honored that work ethic when I cast my 8,855th consecutive roll call vote.

As we look ahead to 2024, I remain committed to addressing the concerns of Maine families and communities. If you need assistance or wish to share your thoughts, please do not hesitate to reach out to one of my six state offices.

Sincerely,



Susan M. Collins
United States Senator



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
TTY: (207) 287-4469

Kathy Irene Javner

131 Pea Ridge Road
Chester, ME 04457
Residence: (207) 290-1321
Kathy.Javner@legislature.maine.gov

January 2024

Town of Millinocket
197 Penobscot Ave.
Millinocket, ME 04462

Dear Friends and Neighbors,

As the second Regular Session of the Maine State Legislature convenes, I would like to thank you for granting me the opportunity to serve Millinocket, and all of House District 29, in the Maine House of Representatives.

The First Regular Session of the Legislature was a busy one, as lawmakers faced many difficult issues and decisions. I believe you will be pleased with some of the accomplishments of the 131st Legislature so far. My colleagues and I were able to pass multiple bi-partisan spending agreements that included supporting hospitals and long-term care facilities, working to stabilize highway and road funding, and improving the efficient delivery of government services. I continue to support legislation that would reduce high-energy costs while shoring up supply resiliency and capacity, as well as procurement and generation priorities. As a Republican lead of the Legislature's Committee on Health & Human Services, I look forward to continuing our work during the Second Regular Session as we tackle matters that are crucial to our community.

I was elected to the Maine Legislature on the promise to represent you, the people of District 29. To do this, I will be seeking your input regularly and want to hear from you with your comments and concerns. Please call me anytime at (207) 290-1321 or email at Kathy.Javner@legislature.maine.gov to keep me updated on those concerns. If you would like to be added to my email update list, you can do so by signing up at the town office or emailing me directly with your request.

Again, thank you for giving me the honor of serving you in Augusta!

Sincerely,

A handwritten signature in cursive script that reads 'Kathy Javner'.

Kathy I. Javner
State Representative

131st Legislature
Senate of
Maine
Senate District 2

Senator Harold 'Trey' Stewart, III
Senate Republican Leader
3 State House Station
Augusta, ME 04333-0003
(207) 287-1505

January 2024

Dear Friends and Neighbors:

Thank you for the honor of serving you in the Maine Senate and for putting your trust in me to be your voice in Augusta. As a lifelong resident of Aroostook County, I am quite familiar with the many struggles our small towns face each year; and you can rest assured I will continue to work tirelessly on your behalf.

One area of unique success over the past year was the Highway Fund. Previously our Highway Fund has been supported through taxes on gasoline, yet those funds have been declining for years due to more fuel-efficient and electric/hybrid vehicles. Beginning this year the highway budget will now be funded by dedicating 40% of the sales and use tax collected by the State from vehicle purchases. This sustainable, long-term funding model should generate approximately \$200 million per biennium; and our state will be able to address many more transportation needs and projects, such as road and bridge repair.

A major impact that has been felt across Maine's towns, families, seniors and small businesses in general has been high costs and inflation. Tackling policies that have contributed to some of these high costs has been a priority of mine and I certainly will continue these efforts over the next several months and explore ways to ensure your tax dollars are being spent wisely.

In addition to confronting costs, the 131st Legislature was tasked with passing a balanced budget by June 30, 2023. This required careful review of current state spending and a prioritization of allocations that meet the most vital needs of our towns. We were able to continue funding our schools at 55% as well as increase revenue sharing to all cities and towns.

Again, thank you for electing me to be your voice in the Maine State Senate. As the Senate Republican Leader, I will remain steadfast in advocating for your best interests. Please do not hesitate to contact me at 287-1505 or trey.stewart@legislature.maine.gov if you have comments, questions or if you would like assistance in navigating our state's bureaucracy.

Sincerely,



Harold 'Trey' Stewart
State Senator

*Fax: (207) 287-1527 * TTY (207) 287-1583 * Message Service 1-800-423-6900 * Web Site: legislature.maine.gov/senate*

FY22/23

DIRECTORY OF MUNICIPAL OFFICERS AND OFFICIALS

TOWN COUNCIL

Steve Golieb *Resigned 3/29/2023 2021-2023
Tammy McLaughlin *Elected 5/2023 2023-2024
Michael Madore 2021-2024
Cody McEwen *Expired 11/22 2019-2022
Jesse O. Dumais 2022-2025
Jane Danforth 2020-2023
Louis Pelletier 2020-2023
Charles Pray *Expired 11/22 2019-2022
Robert F. Higgins Jr 2022-2025
Matthew Bragdon 2020-2023

SCHOOL BOARD

Warren Steward 2021-2024
Kevin Libby 2022-2025
Donald E. Raymond 2021-2023
Kevin Gregory *Appointed 12/21 2021-2022
>> *Elected 11/8 2022-2025
Julie Hewke *Appointed 7/28 2022-2022
Thomas Malcolm *Appointed 7/28 2022-2022
>> *Elected 11/8 2022-2023

TOWN MANAGER

Peter A. Jamieson Hire Date:1/4/22 Indef.

TREASURER

Mary Alice Cullen 2015-Indef.

SUPERINTENDENT OF SCHOOLS

Shelley Lane 9/22-Indef.
Josh McNaughton *Resigned 7/22 2020-2022

ASSESSOR

Lorna Thompson 2019-Indef.

FIRE CHIEF

Thomas Malcolm *Retired 7/4/2023 2019-2023

POLICE CHIEF

Cameron McDunnah *Contr-12/21/20 2020-2023

TAX COLLECTOR

Sharon Cyr *Hire 8/4/2020 2020-Indef.

TOWN CLERK

Diana M. Lakeman 2017-Indef.

SEALER OF WEIGHTS & MEASURES

State of Maine

GENERAL ASSISTANCE DIRECTOR

Lori Santerre 1997-Indef.

BOARD OF APPEALS

Krystle Garand 2020-2023
Michael Jewers 2019-2022
>> 2022-2025
Richard Antotti 2022-2025
Terrance Leavitt 2019-2022
>> 2022-2025
Dan Bernard 2021-2024

CEMETERY COMMITTEE

Joel Neal Sr. 2017-2022
James Nyman 2017-2022
Linda Campbell 2017-2022
Francis Megno 2017-2022
Robert Healey 2021-2026

BOARD OF ASSESSMENT REVIEW

James Kelley, Jr. 2021-2024
George Martin Jr. 2022-2025
Amy Cyr 2012-2025

PERSONNEL APPEALS BOARD

Anthony Filairo *Expired 11/22 2019-2022
Richard Angotti 2023-2026
James Lawrence 2020-2023
Randy Newcombe *Expired 11/22 2021-2022

PLANNING BOARD

Anthony Filairo (Chair) 2019-2024
Thomas Malcom 2021-2026
Jon Crawford 2020-2025
Avern Danforth 2020-2025
Charles Cirame 2019-2024
Michelle Anderson 2020-2025
Heidi Wheaton 2021-2026
Michael Wallace (ALT) 2022-2027
Maghann Runyon 2022-2027

CODE ENFORCEMENT OFFICER

Evan Campbell	*Resigned 11/22	2/22-11/22
Chris Beyer	*Resigned 4/23	1/4/23-4/23
Shawn Mitchell		6/22/23-Ind

DOG CONSTABLE

Lorri Haskell		2014-Indef.
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ELECTRICAL INSPECTOR

Jon Crawford		1996-Indef.
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HEALTH OFFICER

Thomas Malcolm		2022-2025
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PUBLIC WORKS DIRECTOR

Ralph Soucier	*Retired 12/22	2011-2022.
Bryan Duprey		2022-Indef.

RECREATION DIRECTOR

Jody Nelson		2016-Indef.
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WASTEWATER DIRECTOR

James Charette	*Retired 2/2023	2001-2023
Jason Ingalls		2023-Indef.

RECREATION ADVISORY COMMITTEE

Thomas Malcolm		2021-2024
Richard Rideout		2021-2024
Andrew Caruso		2023-2026
Robin Stevens	*Expired 10/22	2019-2022
Warren Steward		2021-2024
Brennan Turner		2020-2023
Ian Shearer		2022-2025
Stephanie Jamieson		2020-2023
Amanda Shortall (ALT)		2023-2026
Sam Hiscoe (ALT)	*Resigned 2/2023	2021-2024

REGISTRAR OF VOTERS

Diana M. Lakeman		2021-2023
>>		2023-2025

PERSONNEL DIRECTOR

Lori Santerre		1997-Indef.
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PLUMBING INSPECTOR

Michael Wallace Temp 1yr-Mngr Appt		4/2022-23
Chris Beyer		1/23-4/23
Shawn Mithcell		6/23-Indf.

DIRECTORY OF COMMITTEES AND COMMISSIONS
July 1, 2022 - June 30, 2023

Town Council: 7 Members/3 Year Term

Steve Golieb/Chair – 249-5786/ s.golieb@millinocket.org	11/2021- Resigned 3/31/23
Tammy McLaughlin - 447-1534/t.mclaughlin@millinocket.org	05/2023 - 11/2024
Michael Madore - 723-8937/ mmadore@millinocket.org	11/2021 - 11/2024
Cody McEwen – 731-8023/ c.mcewen@millinocket.org	11/2019 - 11/2022
Jesse Dumais - 447-5027/j.dumais@millinocket.org	11/2022 - 11/2025
Charles Pray – 731-4017/ c.pray@millinocket.org	11/2019 - 11/2022
Robert F. Higgins Jr. 731-4069/b.higgins@millinocket.org	11/2022 - 11/2025
Louis Pelletier – 723-5460/ l.pelletier@millinocket.org	11/2020 - 11/2023
Matthew Bragdon – 447-0006/ m.bragdon@millinocket.org	11/2020 - 11/2023
Jane Danforth – 723-5288/ j.danforth@millinocket.org	11/2020 - 11/2023

School Board: 5 Members/3 Year Term

Warren Steward – 723-5491/ wsteward@millinocketschools.org	11/2021 - 11/2024
Donald Raymond - 723-3665/ draymond@millinocketschools.org	11/2021 - 11/2023
Kevin Gregory - 723-5178/kgregory@millinocketschools.org	12/9/2021 - 11/2022 Appt.
>>>>cont.	11/2022 - 11/2025 Elected
Julie Hewke - jhewke@millinocketschools.org	7/28/2022 - 11/2022 Appt.
Thomas Malcolm- 447-0911/tmalcolm@millinocketschools.org	7/28/2022 - 11/2022 Appt.
>>>>cont.	11/2022 - 11/2023 Elected
Kevin Libby -723-28276/klibby@millinocketschools.org	11/2022 - 11/2025

Board of Assessment Review: 3 Members/3 Year Term

George Martin – 723-4078/447-1290/ georgehmartin@aol.com	05/2022 - 05/2025
Amy Cyr – 447-0780/ acyr3485@gmail.com	05/2022 - 05/2025
James Kelley, Jr. – 723-1749/ jim@kelleyfarms.com	09/2021 - 09/2024

Board of Appeals: 5 Members/3 Year Term

Richard Angotti – 217-0385day/723-5947night/ richard.angotti@gmail.com	03/2022 - 03/2025
Terrance Leavitt – 723-1169 day/723-8845 night	03/2022 - 03/2025
Krystle Garand – 731-4563/ krystlelee59@gmail.com	12/2020 - 12/2023
Dan Bernard – 447-9704/ dancmamaine@gmail.com	01/2021 - 01/2024
Michael Jewers – 723-9627/ jewersca@hotmail.com	03/2022 - 03/2025

Planning Board: 7 Members/2 Alternates/5 Year Term

Anthony Filauro – 723-9401/ filauroa@yahoo.com	03/2019 - 03/2024
Tom Malcolm – 447-0911/ chiefmalcolm@millinocket.org	11/2021 - 11/2026
Jon Crawford – 447-1628/ jonyac@aol.com	11/2020 - 11/2025
Avern Danforth – 723-9536/ danforthab@myfairpoint.net	02/2020 - 02/2025
Charles Cirame – 723-8700/ charlie1@beeline-online.net	03/2019 - 03/2024
Michelle Anderson – 447-8028/ mbanderson@startmail.com	09/2020 - 09/2025
Heidi Wheaton - 254-9653/ heidijwheaton@yahoo.com	12/2021 - 12/2026
Michael Wallace (Alternate) – 205-8021/ 58mwallace@gmail.com	01-2022 - 01/2027
Maghann Runyon (Alternate) - 719-464-1423/merunyon1983@gmail.com	12/2022 - 12/2027

Personnel Appeals Board: 3 Members/3 Year Term

Anthony Filauro – 723-9401/ filauroa@yahoo.com 11/2019 - 11/2022
Randy Newcombe – 207-992-2222/ ydnar723@gmail.com 11/2021 - 11/2022
James Lawrence – 380-3624/ jigmaring@outlook.com 12/2020 - 12/2023
Richard Angotti – 217-0385/ richard.angotti@gmail.com 02/2023 - 02/2026

Recreation Advisory Committee: 7 Members/1 Alternate/3 Year Term

Thomas Malcolm –723-4193/ chiefmalcolm@millinocket.org 08/2021 - 08/2024
Richard Rideout – 723-8497/ rideoutr@hotmail.com 08/2021 - 08/2024
Warren Steward – 723-5491/ gangleader@gwi.net 12/2021 - 12/2024
Ian Shearer – 723-6399/ ian@fbcmillinocket.org 03/2022 - 03/2025
Brennan Turner – 828-674-6164 12/2020 - 12/2023
Stephanie Jamieson – 447-8619/ stephanieshorey@gmail.com 12/2020 - 12/2023
Andrew Caruso - 717-6140/ andrew.p.caruso@gmail.com 02/2023 - 02/2026
Amanda Shortall (ALT)- 329-5871/ aeshortall@gmail.com 04/2023 - 04/2026

Cemetery Committee: 5 Members/5 Year Term

Debra J. Bradford - 723-8505/ dj1559@hotmail.com 07/2022 - 07/2025
Robert Healey – 207-570-2161/ behmill1942@gmail.com 09/2021 - 09/2026
Leola Dubois - 723-4908/ jimleola@gmail.com 01/2023 - 01-2028
Francis Mengo – 723-8238 07/2022 - 07-2027
James Nyman – 723-5559/ nyman41@gmail.com 07/2022 - 07-2027

EMERGENCY

911

FIRE CHIEF - Thomas Malcolm 723-7026/ chiefmalcolm@millinocket.org

POLICE CHIEF -Cameron McDunnah

911

(NON EMERGENCY) 723-9731

Animal Control Officer -Lorri Haskell 723-9731

HEALTH OFFICER - Thomas Malcolm 723-7026/ chiefmalcolm@millinocket.org

CODE ENFORCEMENT/LPI-

723-7005/ code@millinocket.org

Evan Campbell 02/28/2022 - 11/2022 Resigned

Christopher Beyer 01/12/2023 - 04/2023 Resigned

Licensed Plumbing Inspector- Michael Wallace -1yr Appt - 4/22/22 - 4/23

TOWN MANAGER

723-7000 Ext 5/ manager@millinocket.org

Peter Jamieson - Start Date: 1/3/2022

TOWN FAX

723-7002

TAX ASSESSOR - Lorna Thompson

723-7005/ assessor@millinocket.org

TOWN CLERK - Diana M. Lakeman

723-7007/ townclerk@millinocket.org

TAX COLLECTOR - Sharon Cyr

723-7006/ taxcollector@millinocket.org

PUBLIC WORKS DIRECTOR -

723-7030/ publicworks@millinocket.org

Ralph Soucier - 12/1/2022 Retired

Bryan Duprey - 12/2022 Start

RECREATION DIRECTOR- Jody Nelson

746-3553/ jodynelson@gwi.net

SOLID WASTE DIRECTOR-

Ralph Soucier - 12/1/2022 Retired

Bryan Duprey - 12/2022 Start

723-7037/ publicworks@millocket.org

WASTEWATER DIRECTOR-

James Charette - 2/2023 Retired

Jason Ingalls - 2/2023 Start

723-7040/ wastewater@millinocket.org

GENERAL ASSISTANCE- Lori Santerre

723-7000 Ext. 2/ humanresource@millinocket.org

TREASURER - Mary Alice Cullen

723-7000 Ext. 4/ treasurer@millinocket.org

AIRPORT DIRECTOR- Jeffrey Campbell

723-6649/ airport@millinocket.org

SUPERINTENDENT OF SCHOOLS

Joshua McNaughton - Resigned 8/5/22

Beth Peavey Interim - 2022

Shelley Lane - Start Date: 9/19/2022

723-6400/ slane@millinocketschools.org

REPORT OF THE TOWN CLERK

The following Vital Records were recorded during Fiscal Year 2022/2023:

BIRTHS TO MILLINOCKET RESIDENTS: 23

In Bangor: 26
In Millinocket: 1

DEATHS: 112

Residents in Millinocket: 73
Residents in Bangor: 13
Residents in Brewer: 1
Residents in Dexter: 1
Residents in Falmouth: 1
Residents in Portland: 1
Residents in T6R8 Wels: 1

Non-Residents in Millinocket: 21

MARRIAGES: 43

Residents in Millinocket: 8
Residents in Bangor: 1
Residents in Camden: 1
Residents in Kossuth Twp: 1
Residents in Machias: 1
Residents in Silver Ridge: 1
Residents in Staceyville: 1
Residents in T4 IP TWP: 1
Residents in Winterport: 1

Non-Residents in Millinocket: 24

Non-Residents in Indian Purchase TWPS: 3

DOG LICENSES: 787

Dogs: 780 Service: 7 Dangerous: 0
Kennel(s): 0

MISCELLANEOUS LICENSES: 48

Victualer's: 24
Entertainment: 11
Peddlers: 25
Farmer's Market: 9
Business Licenses: 7

License and Registration totals for each month: FY22/23

	GAME LICENSES	BOAT REGS	ATV REGS	SNOWMOBILE
July	15	96	51	0
August	4	24	34	0
September	14	7	3	0
October	24	1	3	4
November	10	0	1	31
December	158	7	2	142
January	34	5	0	145
February	10	3	2	51
March	8	8	0	14
April	22	113	1	0
May	32	294	35	0
June	18	145	61	0
Totals	349	703	193	387

Respectfully submitted, Diana M. Lakeman, Town Clerk

REPORT OF THE REGISTRAR OF VOTERS

Voter registration enrollments were accepted during regular business hours as well as when the polls were open.

Three elections were held during FY22/23. The School Budget Validation Referendum election was held on September 13th, 2022, the General Referendum and Municipal Elections were held on November 8th, 2022, and the Special Municipal election and School Budget Validation Referendum was held on May 23, 2023. The breakdown as of June 30, 2023, of the total number of Registered Voters for the Town of Millinocket and the Penobscot and Piscataquis Unorganized Territories is as follows:

RESIDENTS OF:	<u>TOWN OF MILLINOCKET</u>	<u>UNORGANIZED TOWNSHIPS</u>
Democratic Party	1061	109
Republican Party	978	109
Green Independent	97	6
Libertarian	4	0
Un-enrolled Voters	1094	118
Ineligible –Age Pending	0	0
<hr/>		
Total Registered Voters	3234	342

Respectfully submitted,



Diana M. Lakeman
Town Clerk

**Report of the Tax Collector
FY23**

Tax Commitment (Revenues by dept Trio Report)

Real Estate	\$	4,334,579.55
Personal Property	\$	1,081,836.27
Total	\$	5,416,415.82

Collections

Ending Balance 6.30.20 (General ledger Detail Report)

Real Estate	\$	37,757.60
Real Estate Lien	\$	205,754.71
Personal Property	\$	1,799.83
Total	\$	245,312.14

Supplemental (Revenues by Trio Report)

Real Estate Supplemental	\$	3,250.90
Personal Property	\$	-
Total	\$	3,250.90

Abatements (Payments Activity Report)

Real Estate Tax Abatements	\$	1,534.00
Personal Property Tax Abatements	\$	4,417.33
Total		\$5,951.33

Taxes Collected for Motor Vehicle and Boat Excise Tax

Motor Vehicle	\$	808,125.09
Boats	\$	5,748.00
Total		\$813,873.09

Submitted by:

Tax Collector



Sharon Cyr

UNPAID REAL ESTATE 2023 AS OF 06/30/23

104 WASSAU STREET LLC	\$7,011.45 *	HASKELL, LAWRENCE	\$896.10
ADAMS, DOUGLAS & PAULA	\$704.35	HAYES, DALE& RICK CYR	\$211.70 *
AFRIDI, ASAD KHAN	\$813.50	HAYES, DALE& RICK CYR	\$152.70 *
AINSWORTH, WALTER	\$285.45	HEWES, MARY	\$1,250.10
ALLEN, LYNN & MELVIN	\$1,680.80	HUNTER, BILLIE JO	\$371.00
BAKER, DARIA HEIRS	\$1,565.75	INGESOLL, KEVIN & DARCY	\$1,627.70
BEACH, JEFFREY	\$937.40	KELLY, JOHN	\$2,683.80 *
BEARDSLEY, CHASTAIN	\$1,043.31 *	KEYDOM DEVELOPMENT LLC	\$1,621.80 *
BELL, NICHOLAS	\$430.00 *	KEYDOM DEVELOPMENT LLC	\$1,067.20 *
BERUBE, ISAAC	\$574.55	KEYDOM DEVELOPMENT LLC	\$1,406.45 *
BLACK, NICOLE& BROWN, LOREN	\$884.30	KIDNEY, ASHLEY	\$559.80 *
BLANCHETTE, ERIC	\$612.90	KIERSTEAD, REBECCA	\$447.70
BLUE BIRCH PROPERTIES, LLC	\$683.70	KOZLOVICH, STEPHEN	\$1,854.85 *
BLUE BIRCH PROPERTIES, LLC	\$1,350.40	KWW HOLDINGS GROUP, LLC	\$1,792.90 *
BOOKMAN, JAMES	\$40.54 *	LAMM, RHONDA	\$679.11 *
BOUCHARD, PEGGY	\$1,117.95 *	LAMSON REALTY LLC	\$6,509.95 *
BURKE, WILLIAM	\$884.30	LAPLANTE, BEVERLY	\$373.95
CAMPBELL, SHAWN	\$618.80 *	LOWRY, BRIAN	\$1,037.70 *
CHASSE, MICHAEL	\$1,305.74 *	LYONS, KURT	\$717.88
COGSWELL, DONNA	\$111.10 *	MACQUARRIE, SHANNON	\$1,719.15
COTE, RODERICK	\$955.10	MAGIC CITY PROPERTIES	\$2,781.15 *
COX, JERRY	\$1,167.50	MAGIC CITY PROPERTIES	\$4,621.95 *
CUMMINGS, JUSTIN	\$1,922.70	MAGIC CITY PROPERTIES	\$58.30 *
CYR, HOLLIE	\$934.45 *	MAGIC CITY PROPERTIES	\$1,781.10 *
CYR, LESTER	\$117.30	MAGIC CITY PROPERTIES	\$3,766.45 *
CYR, RICK AND LORRI	\$1,112.92 *	MAGLIARDITI, JOSEPH	\$1,008.20
CYR, RUTH, HEIRS	\$1,527.40	MALASPINO, ALEXANDER	\$376.79 *
DARLING, RONALD & MARY ALICE	\$418.20	MANZO FAMILY IRREVOCABLE TRUST	\$1,598.20
DECKER-LEMIRE, ALEXANDER	\$1,011.15	MANZO, DENNIS	\$957.73 *
DENNIS, SANDRA	\$2,486.15	MARINO, RONALD	\$524.40 *
DEROSA, DAVID & JOHNSON, CHRISTOPHER	\$792.85	MASELAN, JAMES	\$1,084.90
DILL, DIANE	\$1,297.30 *	MCEWEN, JOY	\$695.50
DILL, DIANE	\$1,223.55 *	MCGREEVY, WILLIAM	\$878.40 *
DUBOIS, ISAIAH	\$639.45 *	MCINNIS, DONALD	\$1,356.30
DUVAL, ROBERT	\$1,913.85 *	MCKINNEY, ADAM	\$112.70 *
FERLAND, WAYNE	\$1,816.50	MCLAIN, HAROLD	\$621.51 *
FERLAND, WAYNE	\$956.68 *	MELLO, SUSAN	\$1,683.75
FERLAND, WAYNE	\$4,076.20	MICHAUD, TAMMY	\$459.50
FERLAND, WAYNE	\$1,671.95	MOORE, LETRICIA	\$2,949.30
FOLSOM, EDWIN ARDEN	\$41.14 *	MOORE, LETRICIA	\$2,291.45 *
FOSTER, DANA	\$518.50	MOORE, VANESSA	\$1,073.10 *
GLIDDEN, JOHN	\$2,483.20	MORRIS, DALE	\$840.05
GNP HOLDINGS II LLC	\$158.60	MORRISON, CATHY	\$630.60
GOODWIN, JACOB	\$2,244.25	NADEAU, DONNA	\$784.00 *
GOULET, JENNIFER	\$31.75 *	NELSON, DANIEL	\$3,822.50
GROELLY, LISA RITA	\$179.25	NICHOLSON, STEVEN	\$1,424.96 *
GROELY, LISA	\$1,114.40	NUTTING, BRIAN	\$727.27 *
HARRIS, CONNIE	\$203.23 *	OAKES, WARNER JR HEIRS	\$1,766.35 *
HARIN, STERLING	\$41.89 *	OLIVEIRA, GEORGE HEIRS	\$87.14 *
HARTLEY, JASON	\$580.45	OLIVER, HARRY	\$197.15 *

UNPAID REAL ESTATE 2023 AS OF 06/30/23

OLIVER, KAREN	\$604.05
PELLETIER, CHARLES	\$1,453.65
PELLETIER,DANIEL & BERTRAND	\$222.25 *
PFORTE, KIMBERLY	\$1,350.72
PLOURDE, BRIAN	\$943.30
POTVIN, JERRY	\$514.32
POTVIN,LLC	\$643.30
PREO,JONATHAN MICHAEL	\$375.72 *
RAYMOND, BOBBY	\$636.50 *
RIDLEY, JILL	\$1,229.45
ROSS, BRIAN	\$1,241.25
RUSH, ANDREAJ HEIRS	\$1,542.15
RUSH, FRANK W & SONS INC	\$50.64 *
RUSH, FRANK W & SONS INC	\$279.55 *
SALIBA,KELLY	\$1,138.00 *
SCOTT, HEATHER LYNN	\$769.25
SHERWOOD, TIMOTHY	\$2,371.10
SLEDGE, ELGREE DENISE	\$632.82 *
SOUND THOUGHT REALTY LLC	\$1,256.00 *
SPEED, MISHA	\$562.75 *
STANLEY, DUSTIN & JENNIFER(MURRAY)	\$1,297.30
STERRY, MICHAEL	\$1,079.00
THREE RIVERS HOLDING LLC	\$8,655.33 *
TRAVERS, DONNA & MCKINNEY, PAUL J	\$566.06 *
TRINITY REALTY PARTNERS LLC	\$1,831.25 *
WALLACE, ALAN	\$1,347.45
WEYMOUTH, RICHARD	\$804.34 *
WEYMOUTH, ROSANNE G	\$661.69 *
WIDEN, ANDREW	\$1,524.45 *
WIDEN, ANDREW	\$1,775.20 *
WIDEN, ANDREW	\$1,489.05 *
YORK, JENNIFER L (NUTTING)	\$828.25

* Paid after June 30,2023

UNPAID PERSONAL PROPERTY AS OF 06/30/2023

AIRPORT CABINS	\$17.70
AIUTOMATIC VENDING & GAMES	\$103.25
COTE, ANGELA	\$73.75
CYR, ED & SONS INC	\$73.75
DUVAL, ROBERT	\$29.50
FERLAND, WAYNE	\$132.75
GETCHELL, BROS INC	\$29.50
GLIDDEN, JOHN	\$383.50
HARRY E REED INSURANCE AGENCY	\$220.32
JANDREAU CLEANING	\$23.60
KELLEY MOBILE HOME PARK	\$135.70
LAMSON REALTY INC	\$2,191.85 *
MAINELY COFFEE	\$279.01 *
PELLETIERS GERALD INC	\$750.77 *
ROOTS 2 REMEDIES	\$11.80
SURPRENANT DAVID & LUISA	\$914.50
SUPRENANT DAVID & LUISA	\$147.50
THREE RIVERS HOLDING LLC	\$495.60

* INDICATES PAID AFTER 06/30/2023

Assessor's Annual Report FY23

REAL ESTATE VALUATION

Land	\$ 44,641,200
Buildings/Improvements	\$ 102,293,700
Total Real Estate Valuation	\$146,934,900

PERSONAL PROPERTY VALUATION

Machinery and Equipment	\$31,364,700
Business Equipment	\$ 1,107,230
All Other	\$ 4,157,520
Total Personal Property	\$ 36,629,450

TOTAL TAXABLE VALUATION **\$183,564,350**

Town Tax Rate : \$29.50 per thousand

Total Tax for Commitment: \$5,415,148

Total Number of Homestead Exemptions Granted: 1,265

Taxes assessed for Fiscal Year 2023 (July 1, 2022 through June 30, 2023) were based on April 1, 2022. Total amount to be raised includes \$296,979 for County Taxes.

Are you eligible for an Exemption?

Homestead Exemption: If you have owned your home for more than a year and it is your primary residence, you may qualify.

Veteran's Exemption: If you served during a federally recognized war period and have reached the age of 62 or if you are receiving 100% service-connected disability, you may qualify.

Blind Exemption: If you have been deemed legally blind by your doctor, you may qualify.

Note: Taxpayers must complete an application for each exemption. All applications must be received by April first to qualify for the tax bill that is mailed the following August. Veteran's applications must include a copy of your DD214 and blind applications must have a letter from a licensed doctor certifying that you are legally blind.

GENERAL ASSISTANCE

NOTE/STATEMENT **

The General Assistance Program is an emergency service administered by the Town. The program is to provide aid to eligible persons who are unable to provide the necessities essential to maintaining themselves and their families. The requirements of the program are eligibility standards and levels of assistance pursuant to applicable State of Maine statutes, and the Town of Millinocket General Assistance Ordinance as ordered by the Town Council. The General Assistance program is reimbursed by the State of Maine at 70% for its expenditures. The program is confidential therefore aggregate numbers are used.

In fiscal year 2022-2023, \$17,150.00 was appropriated for General Assistance, \$20,327.06 was expended and \$14,228.94 was received in reimbursement from the State of Maine.

In fiscal year 2022- 2023, the General Assistance Program financially assisting 41 households. These households consisted of 50 individuals. The number of appointments for 2022-2023 was 45.

Aspire, a state-run program, has assisted in helping individuals become employed and more self-sufficient. The program requires TANF clients, to work as a volunteer in their community a certain number of hours as an eligibility requirement for their TANF checks. This has increased the amount of people going out and becoming employed, which will help decreased their need for General Assistance. This office continues to assist individuals in applying for Social Security, Temporary Aid to Needy Families, Women Infants Children Program, Fuel Assistance Program, Food Stamps, and other programs. The office has a Workfare program, which is an eligibility requirement for applicants to receive General Assistance. Applicants are assigned to work at one of the Towns Department sites.

**The Millinocket Public Welfare Department's goal is to help more clients to become self-sufficient, therefore decreasing the need for public assistance.

Respectfully Submitted,

Lori A. Santerre

Lori A. Santerre
Welfare Director

PERSONNEL OFFICE

NOTE/STATEMENT**

The Personnel Office oversees monitors and participates in the application and employment process for all Town of Millinocket personnel. The Personnel officer also implements and review's the Affirmative Action Plan of the Town and other duties as designated by the Town Manager.

The office is responsible for updating all job descriptions annually and preparation of all advertisements for positions within the Town of Millinocket. Screening of applications, scheduling and administration of all testing used in the selection process. Participation in interviews with appropriate department heads assist in the determination of the best-qualified applicant according to the criteria set forth.

Personnel is responsible for all personnel records and prepares monthly reports of vacations, personal time off and sick leave taken. Participates in the Grievance Procedure as outline in Personnel Policy. Responsible for preparation and presentation of annual budget.

Daily written and oral communication with Maine State Retirement System, Maine Municipal Employee Health Trust, Workers' Compensation, Unum, Vendors, Community Service Organization and Town employees to inquiry or to retrieve information essential to the Town of Millinocket or its employee's.

**The Personnel Offices goal is to continue to service the employee's and correspondence in a courteous and efficient manner.

Respectfully, Submitted,

Lori A. Santerre

Lori A. Santerre
Personnel Director



Millinocket

Maine's Biggest Small Town
Wastewater Treatment Facility

Annual report

2022-2023

To The Rate Payers of Millinocket:

In the past year, the Wastewater treatment Facility collected and treated 330,196,000 million gallons of wastewater. Removal rates of 92 percent for BOD (Biochemical Oxygen Demand) and 95 percent for TSS (Total Suspended Solids) were achieved this year.

Some upgrading occurred throughout the summer and into the fall with two new roofs put on. The first one was put on the Bates Street Pump Station and the other roof was put on the garage part of the Wastewater treatment plant. Also, two new pumps were purchased to replace the two old pumps at the Stearns High School Pump Station. The Main Pump Station design is nearing completion with construction starting in the summer of 2024. This a much-needed upgrade to the station and is funded through grants. Olver Associates Engineering is the firm dedicated to the project.

The Wastewater Treatment continues to provide adequate treatment for our community's sewerage. The percentage of removal at the treatment facility continues to show the dedication of the three-person staff along with their commitment to excellence in the preservation of our waterways.

Respectfully Submitted,

Jason Ingalls/Superintendent of Wastewater Treatment



Millinocket

Maine's Biggest Small Town

February 1, 2024

To the citizens of Millinocket:

RE: Yearly report FY23 ending June 30, 2023

I would like to thank everyone in the Town of Millinocket for their cooperation and understanding when encountering any of the employees working hard to serve you. We aim to keep the inconvenience of roadwork and town maintenance to a minimum. However, there are times when we need reroute traffic or close lanes to accommodate our work zones.

We have two stream crossings that need attention. The Penobscot Ave culvert that has been scheduled for a Summer 2024 replacement failed a safety inspection in early 2023 and the road was closed for everyone's safety. The Station Rd Bridge received short term repairs including resurfacing to avoid water infiltration and repairs to the concrete guardrails and sidewalk.

We sent two plow trucks to Pelletier MFG in Millinocket for rebuilding of the sander units. The trucks are both 2006 units and the work performed, along regular maintenance, will extend the life of these for many more years. I plan to have the hydraulic systems overhauled in the near future to further extend the life of them. The Public Works crew assisted the Rec Department with repairing the floating dock and picnic table shelters at Jerry Pond. We also replaced the basketball backboards and installed new signs at multiple playgrounds in town.

The transfer site is still collecting recyclable materials. The rate of material coming in for recycling is low. The only option for our solid waste has been to send it to Juniper Ridge Landfill. The cost of sending our waste to the landfill has increased almost four dollars per ton this year over last. All material we can recycle helps to offset this increase.

The cemetery was busy with over 70 burials in the 2023 calendar year. An unanticipated spike in the price of fertilizer prevented us from applying fertilizer to the cemetery this year. However, it turned out to be a wet summer and the grounds looked good all summer.

I want to thank the employees of the three departments mentioned above. Their knowledge and dedication makes the departments operate smoothly and allows us to respond to whatever unexpected events may arise.

Respectfully yours,

Bryan Duprey

Millinocket Public Works Dept



Millinocket

Maine's Biggest Small Town

4/10/2024

To the Citizens of Millinocket:

Continuing on from last year's Airport update, the Terminal Building design is now complete and shovel ready. The next step in that process is financing, which is well underway by our Community Initiatives Director and others. Also, the reconstruction of our main runway is in the engineering, design, and environmental assessment stage looking forward to FY24. The tree removal work has been completed for the taxiway extension, that will allow for new hangars to be built. Aircraft activity including jets and helicopters remains steady providing income from fuel sales. A new flight school has begun training students this year as well. I am very much looking forward to the completion of these very important upgrades to our facility.

Respectfully,

Jeff Campbell, Airport Manager



Millinocket

Maine's Biggest Small Town

**TOWN OF MILLINOCKET
FIRE/EMS DEPARTMENT**

222 Aroostook Avenue

Millinocket, Maine 04462

Tel. (207)723-7026 Fax (207)723-7022

E-Mail: chiefmalcolm@millinocket.org

Web Site: www.millinocket.org

Chief-Thomas Malcolm

Mission Statement

The staff of the Millinocket Fire Department, a combination department, are committed to providing fire prevention, community education, fire suppression, emergency medical care, natural & human-caused disasters response to our community and its visitors through quality improvement, state-of-the-art equipment, proactive strategic planning, and sound resource management.

During fiscal year 2022/2023, the Millinocket Fire and Ambulance Service managed 1002 calls for service. The Department responded to 905 Ambulance calls and 97 Fire calls in 2022/2023. The following is the breakdown of the calls for 2022/2023:

FY 2022/2023

AMBULANCE

LOCAL CALLS: 565

TRANSFERS: 189

ASSIST OR NO TRANSPORT CALLS: 193

POLICE ASSISTS: 27

ACLS INTERCEPTS: 2

TOTAL CALLS: 905

FIRE:

PUBLIC ASSIST: 12

STRUCTURES: 3

OUT OF TOWN STRUCTURES: 2

ALARM ACTIVATIONS: 13

ELECTRICAL ISSUES: 17

10-55: 3

HAZ-MAT: 2

FALSE ALARM: 2

RESCUE: 1

HEATING SOURCE: 2

ILLEGAL BURN: 3

SMOKE COMPLAINT: 8

BRUSH/GRASS: 3

CHIMNEY: 2

VEHICLE: 3

DEBRIS: 1

POLICE ASSIST: 4

CO ALARM: 2

AMBULANCE ASSIST: 10
COOKING: 1
MUTUAL AID: 4

TOTAL: 97

The Millinocket Fire Department consists of a Fire/EMS/EMA Chief, 1 Assistant Chief, 1 2nd Assistant Chief, and 5 FF/EMT'S The Department is also supplemented with fifteen dedicated call Firefighters/EMT/Spare Drivers. Full time staff consists of Fire Chief/EMA Director/A EMT Thomas Malcolm, Assistant Chief/ B EMT Jonathan Cote, 2nd Asst. Chief/A EMT Matthew Farrington, FF/Paramedic Addison Matthews, FF/Paramedic Katie Cullen, FF/Paramedic Jennifer Bernier, FF/B EMT Aaron Lee, FF/B EMT Joshua McGreevy. Assistant Chief Cote joined out department in November 2023 in anticipation of Chief Malcolm retirement at end of this budget cycle. Have two additional FF/EMT positions approved in this year's budget that we are advertising for at this time with hopes of getting applications to bring the Department back to a Chief and 8 full time staff having the ability to have 2 staff on duty 24 Hrs. a day 7 days a week.

Training is ongoing for all Firefighters and Emergency Medical Technicians.

We hold fire extinguisher and safety inspections for various businesses as well as for the citizens of our community. We also do alternative heating sources inspections and chimney inspections for the citizens and businesses within our community and provide LSC inspections upon request and with the Town of Millinocket Assistance Program.

Our current equipment consists of a 2012 Metalfab 1500-gallon pumper, a 2021 Chevrolet 4500 4X4 Type I ambulance, a 2020 Ski Doo 900 Expedition Snow Sled, a 2019 Ford 350 Type III ambulance, a 2015 Chevrolet 3500 Type III ambulance, a 2002 KME 750-gallon pumper, a Rescue Boogan to go with the Rescue Sled, 2 Rescue Boogan , a 16 Ft Rescue Boat equipped with a 30HP motor, a 2018 Chevrolet 4X4 extra cab equipped with a fiberglass cap. This equipment is maintained and evaluated annually and is in excellent condition. Have a new 2023 Chevrolet 4500 4X4 Type 1 ambulance on order should arrive late 2023 or 2024 this unit will be exactly like our 2021 Chevrolet 4500 4X4 and will replace our 2015 Chevrolet 3500 Type III unit.

The Millinocket Fire Department, with the assistance from Millinocket CID Amber Wheaton was awarded a grant from the Stephen King Foundation for \$20,000.00 which was used to upgrade existing turnout gear that was much needed. Also, we were able to replace two of our power stretchers with the newest Styker Power Pro 2 unit as well as 2 Pedi Mate child ambulance restraints. Received a grant from MMA Safety Grants to purchase a Mangar ELK lifting device for our lead ambulance. Also, we can purchase 10 Scot Bottles for our SCBA'S to replace ones that will be outdated. We're able to replace 8 of our portable radios that were getting hard to obtain parts for.

I would like to thank the citizens, Town Manager, and Town Council and other department heads for their continued support of the department. And a Thank You to the full time and part time members of this department for their continued support and dedication to the Town of Millinocket.

Finally, I would like to take this opportunity to Thank the Town of Millinocket, its citizens, Town Managers and other Department Heads as well as the staff at Millinocket Fire for the opportunity to serve you for the past 48.5 years at the Millinocket Fire Department. It has been a wonderful career and I have truly enjoyed it and have so many great memories of the community.

Respectfully Submitted.
Chief Thomas Malcolm



Millinocket

Maine's Biggest Small Town

Dear Residents,

The 2022-2023 season was very successful. Our summer was very busy with arts and crafts, summer lunches and the pool. The pool was very busy this past summer, we averaged around 80 swimmers per day.

Along with our regular programs, we with work with other agencies to provide more opportunities for the communities. Little Pro Basketball, Field hockey, Flag Football, Little Giant Football, Youth Soccer, Softball and Little League, Father/ Daughter Dance and Mother /Son Dances, and the Easter Egg Hunts are always well attended by all three communities.

We run indoor soccer and kindergarten and first grade basketball as an afterschool program that runs for 6 weeks at Granite Street.

We want to thank all the individuals who have volunteered for us; they donate countless hours and without these wonderful people we would not be able to accomplish what we do. The Recreation Commission has contributed many hours of their time and has been a considerable help. It is our goal to keep the Recreation Department as a vital part of the Katahdin Region. We are looking forward to a strong 2023 season and as always appreciate your support.

Sincerely Yours,



Jody Nelson

Director of Recreation

Federal Compliance Audit

Town of Millinocket, Maine

June 30, 2023



Proven Expertise & Integrity

TOWN OF MILLINOCKET, MAINE

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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Millinocket
Millinocket, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Millinocket, Maine as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Millinocket, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Millinocket, Maine as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Millinocket, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Millinocket, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 84 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 Millinocket, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also 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, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements 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 July 16, 2024, on our consideration of the Town of Millinocket, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Millinocket, 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 Millinocket, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
July 16, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of Town of Millinocket, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Millinocket's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund and education fund budgetary comparison schedules, pension and OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Millinocket are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, fringe benefits, community services, education and grant funds/misc. accounts.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Millinocket include the wastewater treatment.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Millinocket, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Millinocket can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues, are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These

reconciliations are presented on the page immediately following each governmental funds financial statement.

The Town of Millinocket presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, the education fund and the capital reserve fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and education fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund provide comparisons of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Millinocket maintains one proprietary fund, the Wastewater Treatment Fund. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

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 Financial Statements can be found following the Statement of Cash Flows - Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions, Schedule of Proportionate Share of the Net OPEB Liability - Set Plan, Schedule of Contributions - OPEB, a Schedule of Changes in Net OPEB Liability - MMEHT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, Schedule of Changes in Net OPEB Liability - MEABT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, Schedule of Changes in Net OPEB Liability - Millinocket School Department Retiree Insurance Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - Millinocket School Department Retiree Insurance Plan and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities decreased by \$208,094 from \$6,045,756 to \$5,837,662. For the business-type activities, total net position increased by \$97,907 from \$7,907,110 to \$8,005,017.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is a deficit balance of \$5,192,854 at the end of this year for governmental activities and a balance of \$3,464,090 for the business-type activities.

Table 1
Town of Millinocket, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2023	2022 (Restated)	2023	2022
Assets:				
Current Assets	\$ 10,527,919	\$ 10,676,623	\$ 3,529,446	\$ 3,888,117
Noncurrent Assets - Capital Assets	10,422,555	10,329,800	7,724,136	7,696,109
Total Assets	20,950,474	21,006,423	11,253,582	11,584,226
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	714,921	823,873	-	-
Deferred Outflows Related to OPEB	1,180,435	521,760	-	-
Total Deferred Outflows of Resources	1,895,356	1,345,633	-	-
Liabilities:				
Current Liabilities	1,322,929	1,741,034	202,144	424,451
Noncurrent Liabilities	14,482,587	12,406,172	3,046,421	3,252,665
Total Liabilities	15,805,516	14,147,206	3,248,565	3,677,116
Deferred Inflows of Resources:				
Deferred Revenue	550,377	511,697	-	-
Prepaid Taxes	25,416	28,858	-	-
Deferred Inflows Related to Pensions	450,396	1,549,498	-	-
Deferred Inflows Related to OPEB	176,463	69,041	-	-
Total Deferred Inflows of Resources	1,202,652	2,159,094	-	-
Net Position:				
Net Investment in Capital Assets	9,253,462	9,279,415	4,540,927	4,340,927
Restricted	1,777,054	2,084,070	-	-
Unrestricted (Deficit)	(5,192,854)	(5,317,729)	3,464,090	3,566,183
Total Net Position	\$ 5,837,662	\$ 6,045,756	\$ 8,005,017	\$ 7,907,110

Revenues and Expenses

Revenues for the Town's governmental activities increased by 0.68%, while total expenses increased by 38.95%. The increase in revenues was primarily due to charges for services and operating grants and contributions partially offset by reductions in grants and contributions not restricted to specific programs. The increases in expenses was primarily due to public works, education, grants and funds/misc. accounts and State of Maine on-behalf payments.

Revenues decreased by 46.41% in the Town's business type activities, while the total expenses increased by 3.88%.

Table 2
Town of Millinocket, Maine
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 975,780	\$ 787,697	\$ 1,018,675	\$ 1,060,626
Operating grants and contributions	4,933,895	4,358,755	-	-
Capital grants and contributions	270,512	217,749	-	-
<i>General Revenues:</i>				
Taxes	6,216,440	6,285,738	-	-
Grants and contributions not restricted to specific programs	4,225,257	4,907,600	-	900,000
Investment income	111,918	33,571	35,695	13,763
Miscellaneous	671,561	696,406	5,170	2,843
Total Revenues	17,405,363	17,287,516	1,059,540	1,977,232
Expenses				
General government	1,006,851	1,018,140	-	-
Public safety	2,318,094	2,120,888	-	-
Public works	1,544,350	1,028,626	-	-
Fringe benefits	43,569	10,361	-	-
Community services	1,126,123	901,396	-	-
Education	8,978,216	6,135,495	-	-
County tax	296,979	275,516	-	-
Grant funds/misc. accounts	1,250,321	638,934	-	-
State of Maine on-behalf payments	980,904	477,532	-	-
Interest on long-term debt	68,050	69,142	-	-
Wastewater treatment	-	-	961,633	925,734
Total Expenses	17,613,457	12,676,030	961,633	925,734
Change in Net Position	(208,094)	4,611,486	97,907	1,051,498
Net Position - July 1, Restated	6,045,756	1,434,270	7,907,110	6,855,612
Net Position - June 30	\$ 5,837,662	\$ 6,045,756	\$ 8,005,017	\$ 7,907,110

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Millinocket, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 117,428	\$ 114,011	\$ 3,417
Restricted	310,014	470,938	(160,924)
Assigned	1,197,665	1,018,112	179,553
Unassigned	4,611,808	4,366,236	245,572
Education Fund:			
Restricted	458,103	611,151	(153,048)
Committed	515,967	392,360	123,607
Capital Reserve Fund:			
Committed	296,274	308,983	(12,709)
Total Major Funds	<u>\$ 7,507,259</u>	<u>\$ 7,281,791</u>	<u>\$ 225,468</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 6,888	\$ 25,509	\$ (18,621)
Restricted	845,003	823,277	21,726
Committed	13,425	74,025	(60,600)
Assigned	132,763	105,859	26,904
Permanent Funds:			
Nonspendable	16,401	16,401	-
Restricted	23,217	22,783	434
Total Nonmajor Funds	<u>\$ 1,037,697</u>	<u>\$ 1,067,854</u>	<u>\$ (30,157)</u>

The changes to total fund balances for the general fund, the education fund, the capital reserve fund and aggregate nonmajor funds occurred due to the regular activity of operations.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The wastewater treatment fund had an increase in net position of \$97,907, which is a decrease from the prior year change in net position of \$1,051,498. This is due primarily to grant revenue.

Budgetary Highlights

The differences between the original and final budget for the general fund was the use of assigned fund balance and applied receipts.

The general fund actual revenues exceeded budgeted amounts by \$995,268. This was due to all revenue categories being receipted over budgeted amounts with the exception of general tax revenue and charges for services.

The general fund actual expenditures were expended under budgeted amounts by \$603,598. Most expenditure categories coming within or under budgeted amounts except for grants funds/misc accounts.

There was no difference between the original and final budget for the education fund.

The education fund actual revenues were below budgeted amounts by \$549,120. This was due to all revenue categories being receipted at or below budgeted amounts with the exception of other revenue.

The education fund actual expenditures were expended under budgeted amounts by \$519,679. All expenditure categories were expended within or under budgeted amounts except for career and technical, system administration, transportation and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town increased by \$120,782. This increase is a result of capital additions of \$1,276,141 less net disposals of \$100,896 and current year depreciation expense of \$1,054,463. Refer to Note 5 of Notes to Financial Statements for additional information.

Table 4
Town of Millinocket, Maine
Capital Assets (Net of Depreciation)
June 30,

	2023	2022
Land	\$ 465,841	\$ 205,841
Construction in progress	225,751	385,416
Land improvements	3,996,319	3,795,330
Buildings and improvements	3,218,460	3,371,207
Machinery, equipment and vehicles	3,026,776	2,957,022
Infrastructure	7,213,544	7,311,093
Total	\$ 18,146,691	\$ 18,025,909

Debt

At June 30, 2023, the Town had \$4,352,302 in bonds and a note from direct borrowings payable versus \$4,405,567 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately seven months, while also maintaining significant reserve accounts for future capital and program needs. The FY 24 School Department budget could be severely impacted by the reduction of funding from the State.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 197 Penobscot Avenue, Millinocket, Maine 04462.

STATEMENT A

TOWN OF MILLINOCKET, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,722,787	\$ 2,582,738	\$ 10,305,525
Investments	379,940	-	379,940
Accounts receivable (net of allowance for uncollectibles):			
Taxes	298,452	-	298,452
Other	1,355,382	848,369	2,203,751
Liens receivable	-	47,276	47,276
Due from other governments	698,105	-	698,105
Prepaid items	8,475	-	8,475
Inventory	48,103	-	48,103
Tax acquired property	67,738	-	67,738
Internal balances	(51,063)	51,063	-
Total current assets	10,527,919	3,529,446	14,057,365
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	538,007	153,585	691,592
Buildings and vehicles net of accumulated depreciation	9,884,548	7,570,551	17,455,099
Total noncurrent assets	10,422,555	7,724,136	18,146,691
TOTAL ASSETS	20,950,474	11,253,582	32,204,056
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	714,921	-	714,921
Deferred outflows related to OPEB	1,180,435	-	1,180,435
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,895,356	-	1,895,356
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,845,830	\$ 11,253,582	\$ 34,099,412

STATEMENT A (CONTINUED)
TOWN OF MILLINOCKET, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 293,496	\$ 21,494	\$ 314,990
Accrued payroll	521,501	-	521,501
Accrued expenses	133,823	3,634	137,457
Due to other governments	162,150	-	162,150
Current portion of long-term obligations	211,959	177,016	388,975
Total current liabilities	1,322,929	202,144	1,525,073
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	895,265	3,010,216	3,905,481
Note from direct borrowings payable	83,242	-	83,242
Accrued compensated absences	192,360	36,205	228,565
Net pension liability	899,891	-	899,891
Net OPEB liability	12,411,829	-	12,411,829
Total noncurrent liabilities	14,482,587	3,046,421	17,529,008
TOTAL LIABILITIES	15,805,516	3,248,565	19,054,081
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	550,377	-	550,377
Prepaid taxes	25,416	-	25,416
Deferred inflows related to pensions	450,396	-	450,396
Deferred inflows related to OPEB	176,463	-	176,463
TOTAL DEFERRED INFLOWS OF RESOURCES	1,202,652	-	1,202,652
NET POSITION			
Net investment in capital assets	9,253,462	4,540,927	13,794,389
Restricted	1,777,054	-	1,777,054
Unrestricted (deficit)	(5,192,854)	3,464,090	(1,728,764)
TOTAL NET POSITION	5,837,662	8,005,017	13,842,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 22,845,830	\$ 11,253,582	\$ 34,099,412

See accompanying independent auditor's report and notes to financial statements.

STATEMENT B

TOWN OF MILLINOCKET, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 1,006,851	\$ 160,046	\$ 20,638	\$ -	\$ (826,167)	\$ -	\$ (826,167)
Public safety	2,318,094	368,135	-	-	(1,949,959)	-	(1,949,959)
Public works	1,544,350	27,300	45,040	-	(1,472,010)	-	(1,472,010)
Fringe benefits	43,569	-	-	-	(43,569)	-	(43,569)
Community services	1,126,123	234,602	-	-	(891,521)	-	(891,521)
Education	8,978,216	185,697	3,887,313	-	(4,905,206)	-	(4,905,206)
County tax	296,979	-	-	-	(296,979)	-	(296,979)
State of Maine on-behalf payments	980,904	-	980,904	-	-	-	-
Grant funds/misc. accounts	1,250,321	-	-	270,512	(979,809)	-	(979,809)
Interest on long-term debt	68,050	-	-	-	(68,050)	-	(68,050)
Total governmental activities	17,613,457	975,780	4,933,895	270,512	(11,433,270)	-	(11,433,270)
Business-type activities:							
Sewer department	961,633	1,018,675	-	-	-	57,042	57,042
Total business-type activities	961,633	1,018,675	-	-	-	57,042	57,042
Total government	\$ 18,575,090	\$ 1,994,455	\$ 4,933,895	\$ 270,512	(11,433,270)	57,042	(11,376,228)

STATEMENT B (CONTINUED)
TOWN OF MILLINOCKET, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(11,433,270)	57,042	(11,376,228)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	5,402,567	-	5,402,567
Excise taxes	813,873	-	813,873
Grants and contributions not restricted to specific programs	4,225,257	-	4,225,257
Investment income, net of unrealized gains/(losses)	111,918	35,695	147,613
Miscellaneous	671,561	5,170	676,731
Total general revenues	11,225,176	40,865	11,266,041
Change in net position	(208,094)	97,907	(110,187)
NET POSITION - JULY 1, RESTATED	6,045,756	7,907,110	13,952,866
NET POSITION - JUNE 30	<u>\$ 5,837,662</u>	<u>\$ 8,005,017</u>	<u>\$ 13,842,679</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C

TOWN OF MILLINOCKET, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Education Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,322,026	\$ -	\$ 169,554	\$ 231,207	\$ 7,722,787
Investments	-	-	-	379,940	379,940
Accounts receivables (net of allowance for uncollectibles):					
Taxes/liens	298,452	-	-	-	298,452
Other	867,078	143,212	-	345,092	1,355,382
Due from other governments	-	-	-	698,105	698,105
Prepaid items	8,475	-	-	-	8,475
Inventory	41,215	-	-	6,888	48,103
Tax acquired property	67,738	-	-	-	67,738
Due from other funds	872,520	1,499,444	285,301	83,714	2,740,979
TOTAL ASSETS	\$ 9,477,504	\$ 1,642,656	\$ 454,855	\$ 1,744,946	\$ 13,319,961
LIABILITIES					
Accounts payable	\$ 202,160	\$ 77,637	\$ -	\$ 13,699	\$ 293,496
Accrued payroll	43,218	478,283	-	-	521,501
Accrued expenses	41,546	36,182	-	56,095	133,823
Due to other governments	162,150	-	-	-	162,150
Due to other funds	1,919,522	76,484	158,581	637,455	2,792,042
TOTAL LIABILITIES	2,368,596	668,586	158,581	707,249	3,903,012
DEFERRED INFLOWS OF RESOURCES					
Deferred debt service revenue	450,000	-	-	-	450,000
Deferred revenues	100,377	-	-	-	100,377
Prepaid taxes	25,416	-	-	-	25,416
Deferred tax revenues	296,200	-	-	-	296,200
TOTAL DEFERRED INFLOWS OF RESOURCES	871,993	-	-	-	871,993
FUND BALANCES					
Nonspendable	117,428	-	-	23,289	140,717
Restricted	310,014	458,103	-	868,220	1,636,337
Committed	-	515,967	296,274	13,425	825,666
Assigned	1,197,665	-	-	132,763	1,330,428
Unassigned	4,611,808	-	-	-	4,611,808
TOTAL FUND BALANCES	6,236,915	974,070	296,274	1,037,697	8,544,956
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,477,504	\$ 1,642,656	\$ 454,855	\$ 1,744,946	\$ 13,319,961

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances	\$ 8,544,956
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	10,422,555
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	296,200
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	714,921
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	1,180,435
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,057,524)
Note from direct borrowings payable	(111,569)
Accrued compensated absences	(213,733)
Net pension liability	(899,891)
Net OPEB liability	(12,411,829)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(450,396)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(176,463)
	(176,463)
Net position of governmental activities	\$ 5,837,662

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E

TOWN OF MILLINOCKET, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Education Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General tax revenue	\$ 6,187,340	\$ -	\$ -	\$ -	\$ 6,187,340
Intergovernmental revenue	3,254,468	3,887,313	-	1,306,979	8,448,760
Charges for services	790,083	166,636	-	19,061	975,780
Investment income, net of unrealized gains/(losses)	82,401	-	1,868	27,649	111,918
State of Maine on-behalf payments	-	441,273	-	-	441,273
Other revenue	350,931	100,930	-	219,700	671,561
TOTAL REVENUES	10,665,223	4,596,152	1,868	1,573,389	16,836,632
EXPENDITURES					
Current:					
General government	991,538	-	-	-	991,538
Public safety	2,208,882	-	-	-	2,208,882
Public works	1,733,239	-	-	-	1,733,239
Fringe benefits	43,569	-	-	-	43,569
Community services	915,265	-	-	-	915,265
Education	-	6,960,431	-	1,594,655	8,555,086
County tax	296,979	-	-	-	296,979
State of Maine on-behalf payments	-	\$441,273	-	-	441,273
Grant funds/misc. accounts	1,250,321	-	-	-	1,250,321
Debt service:					
Principal	43,911	93,208	-	-	137,119
Interest	64,334	3,716	-	-	68,050
TOTAL EXPENDITURES	7,548,038	7,498,628	-	1,594,655	16,641,321
EXCESS REVENUES OVER (UNDER) EXPENDITURES	3,117,185	(2,902,476)	1,868	(21,266)	195,311
OTHER FINANCING SOURCES					
Transfers in	14,577	2,886,240	-	13,205	2,914,022
Transfers (out)	(2,864,144)	(13,205)	(14,577)	(22,096)	(2,914,022)
TOTAL OTHER FINANCING SOURCES (USES)	(2,849,567)	2,873,035	(14,577)	(8,891)	-
NET CHANGE IN FUND BALANCES	267,618	(29,441)	(12,709)	(30,157)	195,311
FUND BALANCES - JULY 1	5,969,297	1,003,511	308,983	1,067,854	8,349,645
FUND BALANCES - JUNE 30	\$ 6,236,915	\$ 974,070	\$ 296,274	\$ 1,037,697	\$ 8,544,956

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 195,311</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	991,128
Capital asset disposals	(100,896)
Depreciation expense	<u>(797,477)</u>
	<u>92,755</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	(108,952)
OPEB	<u>658,675</u>
	<u>549,723</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported:	
Taxes and liens receivable	<u>29,100</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(331,700)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>212,992</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	1,099,102
OPEB	<u>(107,422)</u>
	<u>991,680</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	13,857
Net pension liability	(861,481)
Net OPEB liability	<u>(1,100,331)</u>
	<u>(1,947,955)</u>
Change in net position of governmental activities (Statement B)	<u>\$ (208,094)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Enterprise Fund</u> <u>Wastewater</u> <u>Treatment</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,582,738
Accounts receivable (net of allowance for uncollectibles)	848,369
Liens receivable (net of allowance for uncollectibles)	47,276
Due from other funds	51,063
Total current assets	<u>3,529,446</u>
Noncurrent assets:	
Capital assets:	
Construction in progress	153,585
Buildings and improvements	4,824,153
Machinery, equipment and vehicles	2,023,219
Infrastructure	10,744,559
Total capital assets	<u>17,745,516</u>
Less: accumulated depreciation	<u>(10,021,380)</u>
Total noncurrent assets	<u>7,724,136</u>
TOTAL ASSETS	\$ 11,253,582
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 21,494
Accrued payroll	3,634
Current portion of long-term obligations	177,016
Total current liabilities	<u>202,144</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	3,010,216
Accrued compensated absences	36,205
Total noncurrent liabilities	<u>3,046,421</u>
TOTAL LIABILITIES	3,248,565
NET POSITION	
Net investment in capital assets	4,540,927
Unrestricted	3,464,090
TOTAL NET POSITION	8,005,017
TOTAL LIABILITIES AND NET POSITION	\$ 11,253,582

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Fund Wastewater Treatment
OPERATING REVENUES	
Charges for services	\$ 1,018,675
Other	5,170
TOTAL OPERATING REVENUES	1,023,845
OPERATING EXPENSES	
Salaries and wages	199,843
Fringe benefits	134,477
Contracted services	48,989
Insurance	31,394
Utilities	82,149
Fuel / motor	13,700
Repairs, maintenance and equipment	42,735
Supplies and office	5,358
Chemicals	6,300
Depreciation	256,986
Other	103,886
TOTAL OPERATING EXPENSES	925,817
OPERATING INCOME (LOSS)	98,028
NONOPERATING REVENUES (EXPENSES)	
Interest income	35,695
Interest expense	(35,816)
TOTAL NONOPERATING REVENUES (EXPENSES)	(121)
CHANGE IN NET POSITION	97,907
NET POSITION - JULY 1	7,907,110
NET POSITION - JUNE 30	\$ 8,005,017

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Enterprise Fund</u> <u>Wastewater</u> <u>Treatment</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,347,048
Other receipts	5,170
Internal activity - receipts (payments) from/to other funds	(3)
Payments to employees	(371,265)
Payments to suppliers	(554,144)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>426,806</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	35,695
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>35,695</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital assets purchased	(285,013)
Interest payments on bond payable	(35,816)
Principal payments on bond payable	(171,973)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(492,802)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30,301)
CASH AND CASH EQUIVALENTS - JULY 1	<u>2,613,039</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 2,582,738</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 98,028
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	256,986
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	375,649
(Increase) decrease in liens receivable	(47,276)
(Increase) decrease in due from other funds	(3)
(Decrease) increase in accounts payable	(219,136)
(Decrease) increase in accrued expenses	(497)
(Decrease) increase in accrued compensated absences	(36,945)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 426,806</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Millinocket was incorporated under the laws of the State of Maine. The Town operates under Town Council-manager form of government and provides the following services: general government, public safety, public works, fringe benefits, community services, education and program expenses.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's wastewater treatment fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Education Fund is used to account for all financial resources of the Millinocket School Department. Revenue sources are from intergovernmental revenues, charges for services and other revenues.
- c. Capital Reserve Funds are used to account for transactions related to capital reserves held by the Town. Revenue sources are transfers from other funds.

Nonmajor Funds

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

Revenues per budgetary basis	\$ 7,041,119
Add: On-behalf payments	441,273
Total GAAP basis	<u>\$ 7,482,392</u>
Expenditures per budgetary basis	\$ 7,070,560
Add: On-behalf payments	441,273
Total GAAP basis	<u>\$ 7,511,833</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Town Council.

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

It is the policy of the Town of Millinocket, Maine to invest public funds in a manner in which will provide safety of principal with a market rate of return while meeting the daily cash flow demands of the Town and conforming to all state and local statutes governing the investment of public funds.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$151,335 as of June 30, 2023. Accounts and liens receivable netted with allowances for uncollectibles were \$2,949,132 for the year ended June 30, 2023.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). The general fund inventory consists of diesel fuel and gasoline. The school lunch fund inventory consists of school lunch supplies and food on hand at the end of the year.

Tax Acquired Property

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired the Town Council is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by the provisions of the Town Policy.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and land improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depend on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, a note from direct borrowings payable, accrued compensated absences, litigation liability, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Participating Local District (PLD) Consolidated Plan and State Employee and Teacher (SET) Plan and additions to/deductions from the PLD Consolidated and SET Plans' fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated and SET Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), Millinocket School Department Retiree Insurance OPEB Plan and Maine Education Association Benefits Trust (MEABT), which determined the School's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT, Millinocket School Department and MEABT to complete the actuarial report. Additions to/deductions from the MMEHT, Millinocket School Department Retiree Insurance OPEB Plan and MEABT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT, Millinocket School Department Retiree Insurance OPEB Plan and MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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 State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town or the Town Council in accordance with its charter. The inhabitants of the Town, through Town meetings, are the highest level of decision-making authority of the Town in that they must approve certain annual budgets (School), bonding and appropriation of unassigned fund balance. The Town Council must approve other annual budgets (capital and Town operating) and spending. Commitments may be modified or rescinded in the same manner they were established.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance given by the Town Charter and is expressed by the Town Council.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB, which are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 29, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due on October 29, 2022 and January 29, 2023. Interest on unpaid taxes commenced on October 30, 2022 and January 30, 2023, at 4% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$78,950 for the year ended June 30, 2023.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds under the Treasurer's control.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2023, the Town's cash and cash equivalents balance of \$10,305,525 was comprised of bank deposits and cash equivalents amounting to \$10,883,091. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, \$2,605,276 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$25 were insured by the National Credit Union Share Insurance Fund (NCUSIF), \$44,344 were insured by the Securities Investor Protection Corporation (SIPC) and the remaining bank deposits of \$8,233,446 were collateralized with securities held by the financial institution in the Town's name.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 724,966
Savings accounts	25
ICS account	1,880,310
Repurchase agreement	8,233,446
Cash and cash equivalents	44,344
	<u>\$ 10,883,091</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. However, in accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. Of the Town's investments, \$175,210 were covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk and \$204,730 were covered by National Credit Union Share Insurance Fund (NCUSIF) and consequently were not exposed to custodial credit risk.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$204,730 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value

At June 30, 2023, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>	<u>>5 Years</u>
Debt securities:					
U.S. Agency Securities	\$ 8,741	\$ -	\$ -	\$ -	\$ 8,741
Equity securities:					
Common stock - domestic and exchange traded funds	147,469	147,469	-	-	-
Mutual funds - domestic and foreign	19,000	19,000	-	-	-
	<u>\$ 175,210</u>	<u>\$ 166,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,741</u>

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certificates of deposit held with Katahdin Federal Credit Union for \$204,730 are excluded from the fair value hierarchy as these investments are considered held to maturity and are therefore not measured at fair value. The Town has the following recurring fair value measurements as June 30, 2023:

	June 30, 2023 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
U.S. Agency Securities	\$ 8,741	\$ -	\$ 8,741	\$ -
Total debt securities	8,741	-	8,741	-
Equity securities:				
Common stock - domestic and exchange traded funds	147,469	147,469	-	-
Mutual funds - domestic and foreign	19,000	19,000	-	-
Total equity securities	166,469	166,469	-	-
Total investments by fair value level	\$ 175,210	\$ 166,469	\$ 8,741	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	4,596			
Total cash equivalents measured at the NAV	4,596			
Total investments and cash equivalents measured at fair value	\$ 179,806			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in repurchase agreements and various insured certificates of deposit.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Amounts included in both the cash and cash equivalents and the investments, as detailed in this Note, include School Department balances concerning student activities and scholarships for which the Town Council and the Town Treasurer do not have active procedural control. Legal council will determine the ultimate responsibility for these balances.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 872,520	\$ 1,919,522
Education fund	1,499,444	76,484
Capital projects funds	285,301	158,581
Nonmajor special revenue funds	83,714	633,655
Nonmajor permanent funds	-	3,800
Proprietary funds	51,063	-
	\$ 2,792,042	\$ 2,792,042

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2023, the Town had the following interfund transfers:

	Transfers In	Transfers Out
General fund	\$ 14,577	\$ 2,864,144
Education fund	2,886,240	13,205
Nonmajor special revenue funds	13,205	22,096
	\$ 2,914,022	\$ 2,914,022

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Disposals	Balance, 6/30/23
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 205,841	\$ 260,000	\$ -	\$ 465,841
Construction in progress	358,835	70,129	(356,798)	72,166
	<u>564,676</u>	<u>330,129</u>	<u>(356,798)</u>	<u>538,007</u>
Depreciated assets:				
Land improvements	5,518,541	346,943	-	5,865,484
Buildings and improvements	9,599,976	141,195	(38,747)	9,702,424
Machinery, equipment and vehicles	7,363,682	529,659	(118,146)	7,775,195
Infrastructure	3,441,980	-	-	3,441,980
	<u>25,924,179</u>	<u>1,017,797</u>	<u>(156,893)</u>	<u>26,785,083</u>
Less: accumulated depreciation	<u>(16,159,055)</u>	<u>(797,477)</u>	<u>55,997</u>	<u>(16,900,535)</u>
	<u>9,765,124</u>	<u>220,320</u>	<u>(100,896)</u>	<u>9,884,548</u>
Net capital assets	<u>\$ 10,329,800</u>	<u>\$ 550,449</u>	<u>\$ (457,694)</u>	<u>\$ 10,422,555</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ 26,581	\$ 127,004	\$ -	\$ 153,585
	<u>26,581</u>	<u>127,004</u>	<u>-</u>	<u>153,585</u>
Depreciated assets:				
Buildings and improvements	4,824,153	-	-	4,824,153
Machinery, equipment and vehicles	1,967,965	55,254	-	2,023,219
Infrastructure	10,641,804	102,755	-	10,744,559
	<u>17,433,922</u>	<u>158,009</u>	<u>-</u>	<u>17,591,931</u>
Less: accumulated depreciation	<u>(9,764,394)</u>	<u>(256,986)</u>	<u>-</u>	<u>(10,021,380)</u>
	<u>7,669,528</u>	<u>(98,977)</u>	<u>-</u>	<u>7,570,551</u>
Net capital assets	<u>\$ 7,696,109</u>	<u>\$ 28,027</u>	<u>\$ -</u>	<u>\$ 7,724,136</u>
<u>Current year depreciation expense:</u>				
General government				\$ 14,830
Public safety				109,212
Public works				170,859
Community services				210,858
Education				291,718
Subtotal governmental				<u>797,477</u>
Sewer department				<u>256,986</u>
Subtotal business-type				<u>256,986</u>
Total depreciation expense				<u>\$ 1,054,463</u>

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 937,352	\$ 260,000	\$ (139,828)	\$ 1,057,524	\$ 162,259
Note from direct borrowings payable	113,033	71,700	(73,164)	111,569	28,327
Total governmental activities	<u>\$ 1,050,385</u>	<u>\$ 331,700</u>	<u>\$ (212,992)</u>	<u>\$ 1,169,093</u>	<u>\$ 190,586</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 3,355,182	\$ -	\$ (171,973)	\$ 3,183,209	\$ 172,993
Total business-type activities	<u>\$ 3,355,182</u>	<u>\$ -</u>	<u>\$ (171,973)</u>	<u>\$ 3,183,209</u>	<u>\$ 172,993</u>

The following is a summary of the outstanding bonds and notes from direct borrowings payable:

	<u>Governmental</u>	<u>Business-type</u>
<u>Bonds:</u>		
\$1,050,000, 2008 Taxable Sewer Bond through the Clean Water Revolving Loan Fund due in annual principal installments and semiannual interest installments through April of 2028. Interest is charged at a fixed rate of 1.80% per annum. Annual principal installments vary from \$62,036 to \$66,131.	\$ -	\$ 298,594
\$1,465,000, 2011 General Obligation Bond due in annual principal and interest installments of \$93,208 through November of 2025. Interest is charged at 0.00% per annum.	439,713	-
\$450,000, 2019 General Obligation Bond due in annual principal installments and semiannual interest installments through July of 2029. Interest is charged at a fixed rate of 4.65% per annum. Annual principal installments vary from \$45,569 to \$54,685. A note receivable in the amount of \$450,000 has been recorded for the remaining amount of this bond due to a loan made to Our Katadhin and GP West which was directly related to this debt.	357,811	-
\$2,200,000, 2021 Taxable Sewer Bond through the Clean Water Revolving Loan Fund due in annual principal installments of \$84,615 October 2047. Interest is charged at a fixed rate of 1.00% per annum.	-	2,115,384
\$805,000, 2021 Taxable Sewer Bond through the Clean Water Revolving Loan Fund due in annual principal installments of \$30,769 October 2047. Interest is charged at a fixed rate of 1.00% per annum. Upon closing, this bond was awarded \$5,000 of principal forgiveness.	-	769,231
\$260,000 2022 General Obligation Bond to enable the Town to purchase land for the Capital Acquisition Project. Principal and interest payments are \$32,536.25 made annually. Maturity in November of 2032.	260,000	-
Total bonds payable	<u>\$ 1,057,524</u>	<u>\$ 3,183,209</u>

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

	<u>Governmental</u>	<u>Business-type</u>
<u>Notes from direct borrowings payable:</u>		
Sixty month lease with Xerox for copier equipment with monthly principal and interest payments of \$116.	\$ 3,828	\$ -
Five year lease with Stryker Sales Corporation for medical equipment with annual principal and interest payments of \$12,595.	50,381	-
Five year lease with Xerox for copier equipment with annual payments of \$14,340 through 2027.	57,360	-
Total notes from direct borrowings payable	<u>\$ 111,569</u>	<u>\$ -</u>

The following is a summary of outstanding bond and note from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

	<u>Governmental Activities</u>				<u>Business-type Activities</u>		
	<u>Bonds Payable</u>		<u>Notes from Direct Borrowings Payable</u>		<u>Bonds Payable</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 162,259	\$ 26,700	\$ 28,327	\$ -	\$ 172,993	\$ 33,644	\$ 423,923
2025	164,235	23,581	28,327	-	174,029	31,453	421,625
2026	166,362	20,285	27,979	-	175,084	29,244	418,954
2027	168,509	16,940	26,936	-	176,160	27,015	415,560
2028	144,403	13,495	-	-	177,253	24,767	359,918
2029-2033	251,756	24,099	-	-	576,923	100,962	953,740
2034-2038	-	-	-	-	576,923	72,115	649,038
2039-2043	-	-	-	-	576,923	43,269	620,192
2044-2048	-	-	-	-	576,921	14,423	591,344
	<u>\$ 1,057,524</u>	<u>\$ 125,100</u>	<u>\$ 111,569</u>	<u>\$ -</u>	<u>\$ 3,183,209</u>	<u>\$ 376,892</u>	<u>\$ 4,854,294</u>

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the business-type activities for the year ended June 30, 2023 was \$35,816.

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Deletions	Balance, 6/30/23	Current Portion
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 227,590	\$ -	\$ (13,857)	\$ 213,733	\$ 21,373
Net pension liability (asset) - PLD	(90,333)	729,622	-	639,289	-
Net pension liability - SET	128,743	131,859	-	260,602	-
Net OPEB liability- MMEHT	700,944	31,264	(90,221)	641,987	-
Net OPEB liability - Millinocket	6,601,833	-	-	6,601,833	-
Net OPEB liability - MEABT	4,008,721	1,297,522	(138,234)	5,168,009	-
	<u>\$ 11,577,498</u>	<u>\$ 2,190,267</u>	<u>\$ (242,312)</u>	<u>\$ 13,525,453</u>	<u>\$ 21,373</u>
<u>Business-type activities:</u>					
Accrued compensated absences	\$ 77,173	\$ -	\$ (36,945)	\$ 40,228	\$ 4,023

Refer to Notes 8, 16, 17, 18 and 19 for more detailed information regarding other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2023, the Town's liability for compensated absences is \$253,961.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023:

	Governmental activities	Business-type activities
Invested in capital assets	\$ 27,323,090	\$ 17,745,516
Accumulated depreciation	(16,900,535)	(10,021,380)
Outstanding capital related debt	(1,169,093)	(3,183,209)
	<u>\$ 9,253,462</u>	<u>\$ 4,540,927</u>

NOTE 10 - RESTRICTED NET POSITION

At June 30, 2023, the Town had the following restricted net position:

General fund	\$ 427,442
Education fund	458,103
Nonmajor special revenue funds (Schedule E)	851,891
Nonmajor permanent funds (Schedule I)	39,618
	<u>\$ 1,777,054</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2023, the Town had the following nonspendable fund balances:

General fund:	
Inventory	\$ 41,215
Tax acquired property	67,738
Nonmajor special revenue funds (Schedule E)	6,888
Nonmajor permanent funds (Schedule I)	16,401
	<u>\$ 140,717</u>

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - RESTRICTED FUND BALANCES

At June 30, 2023, the Town had the following restricted fund balances:

General fund:	
Northern Penobscot Association	\$ 440
CDBG match donation	2,000
DARE	32
Record preservation	500
4th of July fireworks	7,605
Other events	835
Dog care	7,721
AARP Challenge grant	163
NPAC grant ski/rope tow project	600
Penobscot County ARPA (elevator upgrade)	49,999
Community resilience/action grant (heat pumps)	35,075
American Rescue Plan Act 2021	205,044
Education fund	458,103
Nonmajor special revenue funds (Schedule E)	845,003
Nonmajor permanent funds (Schedule I)	23,217
	<u>\$ 1,636,337</u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2023, the Town had the following committed fund balances:

Education fund	\$ 515,967
Capital projects fund	296,274
Nonmajor special revenue funds (Schedule E)	13,425
	<u>\$ 825,666</u>

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

General fund:

Carryforwards:	
FY23	\$ 17,179
Airport terminal	7,508
Municipal revaluation	102,745
Municipal revaluation payback for jet fuel purchase	32,371
FY24 Bates Street culvert	280,000
FY24 Budget excl culvert	756,062
Maine service fellow program match	1,800
Nonmajor special revenue funds (Schedule E)	132,763
	<u>\$ 1,330,428</u>

NOTE 15 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2023, Penobscot County had no outstanding debt.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. 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 contract with PLD employers under applicable statutory provisions. As of June 30, 2022, there were 311 employers in the plan.

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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's fire and ambulance department employees are part of the PLDs special plan "4C" and are required to contribute 8.3% of their annual salary, while all other employees are part of regular plan "AC" and are required to contribute 7.5% of their annual salary. The Town is required to contribute the actuarially determined rates of 9.8% for special plan "4C" members' covered payroll and 10.3% for regular plan "AC" members' covered payroll during the year. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2023 was \$168,159.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineper.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years 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. 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 employee and teacher members. As of June 30, 2022, there were 239 employers, including the State of Maine, participating in the plan.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Department's teachers are required to contribute 7.65% of their compensation to the retirement system. The Department's payroll for teachers covered by this program was approximately \$3,172,503 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% of the Department's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$433,285 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 3.84%, which totaled \$157,642 for 2023. In addition, the Department is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.89% of compensation and totaled \$27,302 the year ended June 30, 2023.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2023, the Town reported a liability of \$639,289 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2022, the Town's proportion was 0.240483%, which was a decrease of 0.04061% from its proportion measured as of June 30, 2021.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

SET Plan

At June 30, 2023, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 260,602
State's proportionate share of the net pension liability associated with the Town	<u>3,097,358</u>
Total	<u>\$ 3,357,960</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2022, the Town's proportion was 0.01755%, which was an increase of 0.00233% from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2023, the Town recognized total pension expense of \$139,708 for the PLD plan and total pension expense of \$532,510 and revenue of \$444,324 for support provided by the State of Maine for the SET plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,808	\$ -	\$ 12,982	\$ -
Changes of assumptions	129,754	-	50,603	-
Net difference between projected and actual earnings on pension plan investments	-	268,313	-	51,326
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	121,931	35,714	8,826
Contributions subsequent to the measurement date	219,449	-	147,611	-
Total	\$ 468,011	\$ 390,244	\$ 246,910	\$ 60,152

\$219,449 for the PLD plan and \$147,611 for the SET plan were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan	SET Plan
Plan year ended June 30:		
2023	\$ (3,504)	\$ 50,198
2024	(97,512)	(12,413)
2025	(166,691)	(22,847)
2026	126,023	24,208
2027	-	-
Thereafter	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

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 (UAL) rate.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 his or her expected future salary. The normal cost for each member is the product of the member's pay and 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.

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.

Amortization

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.

The net pension liability of the State Employee and Teacher Retirement 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 ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2022 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.50% per annum for the year ended June 30, 2022 and 2021, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% - 11.48%; teachers, 2.80% - 13.03% per year.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Mortality Rates - For the PLD Consolidated Plan and the State Employee and Teacher Plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2022.

The long-term expected rate of return on pension plan assets 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2022 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2022 for each of 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 pension plan's

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

The following table shows how the collective net pension liability as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability/(asset)	\$ 1,888,641	\$ 639,289	\$ (393,345)
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability/(asset)	\$ 510,321	\$ 260,602	\$ 52,685

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2022 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2022 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2022 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan. For 2022 and 2017, this was three years for the SET Plan.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2022 valuation were based on the results of an actuarial experience study for the period of June 30, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2022 Annual Comprehensive Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2023, the following employees were covered by the benefit terms:

Active members	23
Retirees and spouses	<u>10</u>
Total	<u>33</u>

TOWN OF MILLINOCKET, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

		Single	Family
POS C	<u>Pre-Medicare</u>	\$ 1,141	\$ 2,559
	<u>Medicare</u>	\$ 601	\$ 1,201

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$641,987 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which 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 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Town recognized OPEB revenue of \$8,478. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,451	\$ 34,856
Changes of assumptions	53,573	63,380
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	13,798	-
Total	<u>\$ 81,822</u>	<u>\$ 98,236</u>

\$13,798 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended June 30:	
2023	\$ (3,282)
2024	(10,500)
2025	(16,430)
2026	-
2027	-
Thereafter	-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for June 30, 2023 was based upon a measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB liability	\$ 716,078	\$ 641,987	\$ 579,196
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 716,078</u>	<u>\$ 641,987</u>	<u>\$ 579,196</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 573,662	\$ 641,987	\$ 722,890
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 573,662</u>	<u>\$ 641,987</u>	<u>\$ 722,890</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 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 is used to determine costs. 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 this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2023, they are as follows:

Discount Rate - 3.72% per annum for year end 2023 reporting. 2.06% per annum for year end 2022 reporting.

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 2023_fl was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capital 2031+	1.50%
Extra Trend due to Taste/Technology 2031+	0.80%
Expected Health Share of GDP 2031	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

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 judgements 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 MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections, and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

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 capital GDP growth.

Administrative and claims expense: 3% per annum

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Rate of Mortality:

Healthy Annuitant- 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.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 was (\$20,405).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2023 actuarial valuation 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 first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 197 Penobscot Avenue, Millinocket, Maine 04462.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2022, there were 228 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 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 the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2023 were approximately \$7,988.

OPEB Liabilities and OPEB Expense

At June 30, 2023, the School reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School. The total portion of the net OPEB liability that was associated with the School were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the School		<u>67,018</u>
Total	\$	<u>67,018</u>

For the year ended June 30, 2023, the District recognized net OPEB expense of \$7,121 and revenue of \$7,121 for support provided by the State of Maine.

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning the administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits*

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Other Than Pensions. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active members	49
Retirees and spouses	<u>129</u>
Total	<u>178</u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 55% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 45% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

<u>Pre-Medicare</u>	<u>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Employee/ Family</u>
Choice Plus	\$ 976	\$ 2,200	\$ 1,727	\$ 2,677
Standard	\$ 1,054	\$ 2,376	\$ 1,866	\$ 2,892
Medicare	\$ 388	\$ 776		

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$5,168,009 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which 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 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$557,556. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MEABT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 503,025	\$ -
Changes of assumptions	365,354	78,227
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	230,234	-
Total	<u>\$ 1,098,613</u>	<u>\$ 78,227</u>

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

\$230,234 were reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MEABT</u>
Plan year ended June 30:	
2023	\$ 406,445
2024	461,934
2025	(78,227)
2026	-
2027	-
Thereafter	-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20- year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.54% per annum for June 30, 2023 was based upon a measurement date of June 30, 2022. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 5,799,688	\$ 5,168,009	\$ 4,635,187
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,799,688</u>	<u>\$ 5,168,009</u>	<u>\$ 4,635,187</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 4,634,899	\$ 5,168,009	\$ 5,791,605
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 4,634,899</u>	<u>\$ 5,168,009</u>	<u>\$ 5,791,605</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. 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 this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Assumptions

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, i.e. trend rates, were developed based on historical information, national trend surveys and professional judgement:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Discount Rate - 3.54% per annum for year-end 2022 reporting, 2.16% per annum for year-end 2021 reporting.

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	19.90%
Year for 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. Sample medical trends are listed in the table below.

Pre-Medicare - Initial trend of 7.95% applied in FYE 2023 and 4.00% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2022, they are as follows:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - None

Disability Incidence - None

Retirement Contribution Increases - Assumed to increase at the same rate as health care trend rates

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives

Salary Increase Rate - 2.75% per year

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2022 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants: Based on the 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

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

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.

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, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2022, they are as follows:

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2022 and projects through June 30, 2023 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2022, there were no differences between expected and actual experience.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2021, this average is 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2023. For the fiscal year ended June 30, 2022, there were no changes in assumptions.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 197 Penobscot Avenue, Millinocket, Maine 04462.

MILLINOCKET SCHOOL DEPARTMENT RETIREE INSURANCE OPEB PLAN

Plan Description

The Millinocket School Department contributes to the Millinocket School Department Retiree Insurance OPEB Plan (Plan), a single employer defined benefit plan.

Benefits Provided

This Plan pays medical insurance premiums during retirement to Medicare and non-Medicare retirees of the Millinocket School Department and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. This applies to:

- Teachers employed during and prior to the 1995-96 school year and who have 16 or more years of creditable teacher service with the Maine State Retirement System, with the completion of 20 years of service in the Millinocket School Department.
- Teachers employed during and prior to the 1995-96 school year and who have 15 or fewer years of creditable teacher service with the Maine State Retirement System, with 25 years of service in the Millinocket School Department or with the completion 20 years of service in the Millinocket School Department and having attained at least 59 years of age at the time of retirement.
- Custodians, secretaries and clerical assistants hired prior to July 1, 1998, who retire with 23 or more years of service in the Millinocket School Department.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active members	3
Retirees and spouses	<u>95</u>
Total	<u>98</u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 55% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The School Department contributes the remaining 45% of blended single premium and spouse must contribute 0% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

	<u>Single</u>	<u>2 Persons</u>
MEA Standard	\$ 1,054	\$ 2,376
MEA Choice Plus	\$ 976	\$ 2,200
MEA Group Comp	\$ 388	\$ 775

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the School Department reported a liability of \$6,601,833 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date. The School Department's total OPEB liability was based on the Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date and was determined using Entry Age Normal Level Percentage of Salary method where Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

to pay for the participant's benefit at retirement and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

For the year ended June 30, 2023, the School Department recognized OPEB expense of \$0. At June 30, 2023, the School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Millinocket School Department</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Millinocket School Dept.</u>	
Plan year ended June 30:		
2022	\$	-
2023		-
2024		-
2025		-
2026		-
Thereafter		-

Discount Rate

Discount rate as of the measurement date has been updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)**

or higher (or equivalent quality on another rating scale). The prior valuation used a discount rate of 2.66% as of July 1, 2020. The current full valuation uses a discount rate of 2.19% as of June 30, 2021. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	3.09%	4.09%	5.09%
Total OPEB liability	\$ 7,303,144	\$ 6,601,833	\$ 6,003,956
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 7,303,144</u>	<u>\$ 6,601,833</u>	<u>\$ 6,003,956</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 5,966,296	\$ 6,601,833	\$ 7,335,562
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,966,296</u>	<u>\$ 6,601,833</u>	<u>\$ 7,335,562</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

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

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Actuarial Cost Method

The Entry Age Normal Level Percent of Salary Method is used to determine costs. Allocation of Actuarial Present Value of Future Benefits for services prior and after the measurement date where Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Assumptions

The demographic actuarial assumptions are based on the census information provided by the School Department in June 2021.

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, i.e. trend rates, were developed based on historical and future projections of long-term health care rates:

Discount Rate - 2.19% per annum for year-end 2021 reporting, 2.66% per annum for year-end 2020 reporting.

Trend Assumptions:

Health care trend assumptions used were developed using a combination of employer history, national trend surveys and professional judgment. The ultimate trend rate was selected based on historical medical CPI information.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021. As of June 30, 2021, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Retirement Contribution Increases - Assumed to increase according to health care trend rates.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method

Rate of Mortality:

General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

Teacher Retirees: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

Disabled Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2021 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of the beginning of the measurement period, this average was 1 year. For the fiscal year ended June 30, 2021, there were no differences between expected and actual experience.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 1 year. For the fiscal year ended June 30, 2021, there were no changes in assumptions.

TOWN OF MILLINOCKET, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 197 Penobscot Avenue, Millinocket, Maine 04462.

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 21 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2023. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF MILLINOCKET, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 22 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 23 - RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2022 to account for the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions - an amendment of GASB Statement No. 45, as amended (issued 06/04), and GASB Statement No. 57 (issued 12/09) for the Millinocket School Department OPEB Plan. The beginning net position was restated by a decrease of \$3,590,067. The resulting restatement decreased net position from \$9,635,823 to \$6,045,756.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Proportionate Share of the Net OPEB Liability - Set Plan
- Schedule of Changes in Net OPEB Liability - MMEHT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Changes in Net OPEB Liability - Millinocket School Department Retiree Insurance Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - Millinocket School Department Retiree Insurance Plan
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF MILLINOCKET, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,969,297	\$ 5,969,297	\$ 5,969,297	\$ -
Resources (Inflows):				
General tax revenue	6,245,148	6,245,148	6,187,340	(57,808)
Intergovernmental revenue	2,276,571	2,316,613	3,254,468	937,855
Charges for services	768,899	790,476	790,083	(393)
Investment income	7,200	7,200	82,401	75,201
Other revenue	189,512	320,440	350,931	30,491
Transfers from other funds	4,655	4,655	14,577	9,922
Amounts Available for Appropriation	<u>15,461,282</u>	<u>15,653,829</u>	<u>16,649,097</u>	<u>995,268</u>
Charges to Appropriations (Outflows):				
General government	1,100,691	1,141,253	991,538	149,715
Public safety	2,495,901	2,536,105	2,208,882	327,223
Public works	1,850,678	1,935,840	1,733,239	202,601
Fringe benefits	10,765	43,569	43,569	-
Community services	770,795	924,103	915,265	8,838
County tax	296,979	296,979	296,979	-
Debt service:				
Principal	43,912	43,912	43,911	1
Interest	95,650	95,650	64,334	31,316
Overlay	78,950	78,950	-	78,950
Grant funds/misc accounts	633,500	1,055,255	1,250,321	(195,066)
Transfers to other funds	2,864,164	2,864,164	2,864,144	20
Total Charges to Appropriations	<u>10,241,985</u>	<u>11,015,780</u>	<u>10,412,182</u>	<u>603,598</u>
Budgetary Fund Balance, June 30	\$ <u>5,219,297</u>	\$ <u>4,638,049</u>	\$ <u>6,236,915</u>	\$ <u>1,598,866</u>
Utilization of assigned fund balance	\$ <u>750,000</u>	\$ <u>1,331,248</u>	\$ <u>-</u>	\$ <u>(1,331,248)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,003,511	\$ 1,003,511	\$ 1,003,511	\$ -
Revenues (Inflows):				
Local assessments	2,864,144	2,864,144	2,864,144	-
Intergovernmental revenues	3,890,139	3,890,139	3,887,313	(2,826)
Charges for services	352,296	352,296	166,636	(185,660)
Other revenue	91,300	91,300	100,930	9,630
Transfers from other funds	392,360	392,360	22,096	(370,264)
Amounts Available for Appropriation	<u>8,593,750</u>	<u>8,593,750</u>	<u>8,044,630</u>	<u>(549,120)</u>
Charges to Appropriations (Outflows):				
Regular instruction	2,596,118	2,596,118	2,331,633	264,485
Special education	1,375,417	1,375,417	1,224,486	150,931
Career and technical	28,803	28,803	35,355	(6,552)
Other instruction	350,986	350,986	273,630	77,356
Student and staff support	429,918	429,918	419,711	10,207
System administration	774,098	774,098	783,622	(9,524)
School administration	391,840	391,840	379,100	12,740
Transportation	273,065	273,065	287,272	(14,207)
Facilities maintenance	1,259,581	1,259,581	1,225,622	33,959
Debt service:				
Principal	93,208	93,208	93,208	-
Interest	4,000	4,000	3,716	284
Other expenditures	13,205	13,205	-	13,205
Transfers to other funds	-	-	13,205	(13,205)
Total Charges to Appropriations	<u>7,590,239</u>	<u>7,590,239</u>	<u>7,070,560</u>	<u>519,679</u>
Budgetary Fund Balance, June 30	<u>\$ 1,003,511</u>	<u>\$ 1,003,511</u>	<u>\$ 974,070</u>	<u>\$ (29,441)</u>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 2

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>									
Proportion of the net pension liability/(asset)	0.24%	0.28%	0.32%	0.33%	0.33%	0.35%	0.37%	0.40%	0.44%
Proportionate share of the net pension liability/(asset)	\$ 639,289	\$ (90,333)	\$ 1,273,583	\$ 1,007,085	\$ 908,168	\$ 1,448,355	\$ 1,990,211	\$ 1,283,487	\$ 671,257
Covered payroll	\$ 1,813,041	\$ 1,755,058	\$ 1,541,628	\$ 1,488,417	\$ 1,425,319	\$ 1,486,759	\$ 1,503,493	\$ 1,563,371	\$ 1,630,911
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	35.26%	-5.15%	82.61%	67.66%	63.72%	97.42%	132.37%	82.10%	41.16%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.30%	94.10%
<u>SET Plan:</u>									
School Department's proportion of the net pension liability/(asset)	0.02%	0.02%	0.01%	0.02%	0.04%	0.04%	0.04%	0.02%	0.02%
School Department's proportionate share of the net pension liability/(asset)	\$ 260,602	\$ 128,743	\$ 214,266	\$ 278,986	\$ 542,584	\$ 625,535	\$ 630,839	\$ 324,906	\$ 190,840
State's proportionate share of the net pension liability/(asset) associated with the School Department	3,097,358	1,680,691	3,140,481	2,515,406	2,121,140	2,306,109	2,817,208	2,297,146	1,913,567
Total	\$ 3,357,960	\$ 1,809,434	\$ 3,354,747	\$ 2,794,392	\$ 2,663,724	\$ 2,931,644	\$ 3,448,047	\$ 2,622,052	\$ 2,104,407
School Department's covered payroll	\$ 2,646,435	\$ 2,896,296	\$ 2,495,052	\$ 2,193,194	\$ 1,925,971	\$ 1,919,207	\$ 1,871,169	\$ 1,904,047	\$ 1,913,819
School Department's proportionate share of its net pension liability/(asset) as a percentage of its covered payroll	9.85%	4.45%	8.59%	12.72%	28.17%	32.59%	33.71%	17.06%	9.97%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	76.21%	81.18%	83.91%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

SCHEDULE 3

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>									
Contractually required contribution	\$219,449	\$ 188,267	\$ 192,267	\$ 167,160	\$ 156,393	\$ 139,669	\$ 141,953	\$ 138,322	\$ 130,694
Contributions in relation to the contractually required contribution	(219,449)	(188,267)	(192,267)	(167,160)	(156,393)	(139,669)	(141,953)	(138,322)	(130,694)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$2,154,016	\$ 1,813,041	\$ 1,755,058	\$ 1,541,628	\$ 1,488,417	\$ 1,425,319	\$ 1,486,759	\$ 1,503,493	\$ 1,563,371
Contributions as a percentage of covered payroll	10.19%	10.38%	10.96%	10.84%	10.51%	9.80%	9.55%	9.20%	8.36%
<u>SET Plan:</u>									
Contractually required contribution	\$147,611	\$ 162,561	\$ 150,601	\$ 103,794	\$ 87,069	\$ 76,461	\$ 64,485	\$ 62,872	\$ 50,458
Contributions in relation to the contractually required contribution	(147,611)	(162,561)	(150,601)	(103,794)	(87,069)	(76,461)	(64,485)	(62,872)	(50,458)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Department's covered payroll	\$3,362,923	\$ 2,646,435	\$ 2,896,296	\$ 2,495,052	\$ 2,193,194	\$ 1,925,971	\$ 1,919,207	\$ 1,871,169	\$ 1,904,047
Contributions as a percentage of covered payroll	4.39%	6.14%	5.20%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 4

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>						
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	67,018	33,043	66,467	65,081	62,138	68,609
Total	\$ 67,018	\$ 33,043	\$ 66,467	\$ 65,081	\$ 62,138	\$ 68,609
Covered payroll	\$ 2,646,435	\$ 2,896,296	\$ 2,495,052	\$ 2,193,194	\$ 1,925,971	\$ 1,919,207
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	62.90%	55.40%	49.51%	49.22%	48.04%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

SCHEDULE 5

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/22 (Reporting 6/30/22)	\$ 700,944	\$ -	\$ 700,944
Changes for the year:			
Service cost	16,731	-	16,731
Interest	14,533	-	14,533
Changes of benefits	-	-	-
Differences between expected and actual experience	(65,726)	-	(65,726)
Changes of assumptions	-	-	-
Contributions - employer	-	24,495	(24,495)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(24,495)	(24,495)	-
Administrative expense	-	-	-
Net changes	(58,957)	-	(58,957)
Balances at 1/1/23 (Reporting 6/30/23)	\$ 641,987	\$ -	\$ 641,987

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 6

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MMEHT PLAN

LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ 16,731	\$ 24,175	\$ 21,054	\$ 12,679	\$ 14,136	\$ 10,898
Interest (includes interest on service cost)	14,533	14,945	17,960	25,453	23,053	25,151
Changes of benefit terms	-	-	-	(13,578)	-	-
Differences between expected and actual experience	-	(41,434)	-	(70,696)	-	(72,247)
Changes of assumptions	(65,726)	36,854	35,389	104,968	(48,439)	70,426
Benefit payments, including refunds of member contributions	(24,495)	(28,586)	(27,487)	(37,378)	(35,940)	(29,485)
Net change in total OPEB liability	\$ (58,957)	\$ 5,954	\$ 46,916	\$ 21,448	\$ (47,190)	\$ 4,743
Total OPEB liability - beginning	\$ 700,944	\$ 694,990	\$ 648,074	\$ 626,626	\$ 673,816	\$ 669,073
Total OPEB liability - ending	\$ 641,987	\$ 700,944	\$ 694,990	\$ 648,074	\$ 626,626	\$ 673,816
<u>Plan fiduciary net position</u>						
Contributions - employer	24,495	28,586	27,487	37,378	35,940	29,485
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(24,495)	(28,586)	(27,487)	(37,378)	(35,940)	(29,485)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 641,987	\$ 700,944	\$ 694,990	\$ 648,074	\$ 626,626	\$ 673,816
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 1,071,091	\$ 1,071,091	\$ 1,409,291	\$ 1,409,291	\$ 1,362,131	\$ 1,362,131
Net OPEB liability as a percentage of covered payroll	59.94%	65.44%	49.31%	45.99%	46.00%	49.47%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 7

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2021 (Reporting June 30, 2022)	\$ 4,008,721	\$ -	\$ 4,008,721
Changes for the year:			
Service cost	17,219	-	17,219
Interest	85,475	-	85,475
Changes of benefits	-	-	-
Differences between expected and actual experience	754,537	-	754,537
Changes of assumptions	440,291	-	440,291
Contributions - employer	-	138,234	(138,234)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(138,234)	(138,234)	-
Administrative expense	-	-	-
Net changes	1,159,288	-	1,159,288
Balances at 6/30/2022 (Reporting June 30, 2023)	\$ 5,168,009	\$ -	\$ 5,168,009

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT PLAN
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019
<u>Total OPEB liability</u>					
Service cost (BOY)	\$ 17,219	\$ 11,358	\$ 4,390	\$ 3,589	\$ 3,935
Interest (includes interest on service cost)	85,475	87,715	131,437	141,732	137,741
Changes of benefit terms	-	-	(349,608)	-	-
Differences between expected and actual experience	754,537	-	464,746	-	-
Changes of assumptions	440,291	24,505	136,529	156,454	(127,315)
Benefit payments, including refunds of member contributions	(138,234)	(144,219)	(216,288)	(202,796)	(195,787)
Net change in total OPEB liability	\$ 1,159,288	\$ (20,641)	\$ 171,206	\$ 98,979	\$ (181,426)
Total OPEB liability - beginning	\$ 4,008,721	\$ 4,029,362	\$ 3,858,156	\$ 3,759,177	\$ 3,940,603
Total OPEB liability - ending	\$ 5,168,009	\$ 4,008,721	\$ 4,029,362	\$ 3,858,156	\$ 3,759,177
<u>Plan fiduciary net position</u>					
Contributions - employer	138,234	144,219	216,288	202,796	195,787
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(138,234)	(144,219)	(216,288)	(202,796)	(195,787)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 5,168,009	\$ 4,008,721	\$ 4,029,362	\$ 3,858,156	\$ 3,759,177
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered payroll	\$ 1,976,439	\$ 2,339,389	\$ 2,282,331	\$ 2,106,860	\$ 2,050,472
Net OPEB liability as a percentage of covered payroll	261.5%	171.4%	176.5%	183.1%	183.3%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 9

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
MILLINOCKET SCHOOL DEPARTMENT RETIREE INSURANCE OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Net OPEB Liability (a)	Increase (Decrease)		Net OPEB Liability (a) - (b)
		Plan Fiduciary Net Position (b)		
Balances at 6/30/2021 (Reporting June 30, 2022)	\$ 6,601,834	\$ -	\$ -	\$ 6,601,834
Changes for the year:				
Service cost	-	-	-	-
Interest	-	-	-	-
Changes of benefits	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions	-	-	-	-
Contributions - employer	-	-	-	-
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	-	-	-	-
Administrative expense	-	-	-	-
Net changes	-	-	-	-
Balances at 6/30/2022 (Reporting June 30, 2023)	\$ 6,601,834	\$ -	\$ -	\$ 6,601,834

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 10

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MILLINOCKET SCHOOL DEPARTMENT RETIREE INSURANCE OPEB PLAN
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ -	\$ 27,195	\$ 33,573	\$ 27,218	\$ 26,868	\$ 29,703
Interest (includes interest on service cost)	-	193,537	233,121	345,395	437,646	451,367
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(772,328)	(1,067,900)	(1,728,660)	(990,373)	(813,664)
Changes of assumptions	-	(1,440,364)	1,334,290	788,802	(372,548)	(430,170)
Benefit payments, including refunds of member contributions	-	(430,302)	(475,626)	(553,673)	(586,142)	(623,131)
Net change in total OPEB liability	\$ -	\$ (2,422,262)	\$ 57,458	\$ (1,120,918)	\$ (1,484,549)	\$ (1,385,895)
Total OPEB liability - beginning	\$ 6,601,834	\$ 9,024,096	\$ 8,966,638	\$ 10,087,556	\$ 11,572,105	\$ 12,958,000
Total OPEB liability - ending	\$ 6,601,834	\$ 6,601,834	\$ 9,024,096	\$ 8,966,638	\$ 10,087,556	\$ 11,572,105
<u>Plan fiduciary net position</u>						
Contributions - employer	-	430,302	475,626	553,673	586,142	623,131
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	(430,302)	(475,626)	(553,673)	(586,142)	(623,131)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 6,601,834	\$ 6,601,834	\$ 9,024,096	\$ 8,966,638	\$ 10,087,556	\$ 11,572,105
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,362,923	\$ 2,646,435	\$ 2,896,296	\$ 2,495,052	\$ 2,193,194	\$ 1,925,971
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MMEHT:</u>						
Employer contributions	\$ 24,495	\$ 28,586	\$ 27,487	\$ 27,487	\$ 253,943	\$ 149,825
Benefit payments	(24,495)	(28,586)	(27,487)	(27,487)	(253,943)	(149,825)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,071,091	\$ 1,071,091	\$ 1,409,291	\$ 1,409,291	\$ 1,362,131	\$ 1,362,131
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Millinocket School Department Retiree Insurance OPEB Plan:</u>						
Employer contributions	\$ -	\$ 430,302	\$ 475,626	\$ 553,673	\$ 586,142	\$ 623,131
Benefit payments	-	(430,302)	(475,626)	(553,673)	(586,142)	(623,131)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
* The amounts presented for each fiscal year are for those years for which information is available.						
<u>MEABT:</u>						
Employer contributions	\$ 138,234	\$ 144,219	\$ 216,288	\$ 216,288	\$ 202,796	\$ 195,787
Benefit payments	(138,234)	(144,219)	(216,288)	(216,288)	(202,796)	(195,787)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,976,439	\$ 2,339,369	\$ 2,282,331	\$ 2,282,331	\$ 2,106,860	\$ 2,050,472
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
* The amounts presented for each fiscal year are for those years for which information is available.						

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions

MEPERS PLD Plan:

There were no changes of assumptions.

MEPERS SET Plan:

There were no changes of assumptions.

MMEHT Plan:

There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

MEABT Plan:

There was a change in the discount rate from 2.16% to 3.54% per GASB 75 discount rate selection.

Millinocket School Department Retiree Insurance OPEB Plan

There were no changes of assumptions.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Capital Reserve Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Reserve Funds
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds

SCHEDULE A

TOWN OF MILLINOCKET, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 5,415,148	\$ 5,415,148	\$ 5,373,467	\$ (41,681)
Vehicle excise taxes	825,000	825,000	808,125	(16,875)
Boat excise taxes	5,000	5,000	5,748	748
Intergovernmental revenues:				
Homestead exemption	670,266	670,266	670,266	-
State revenue sharing	1,300,000	1,337,873	1,753,278	415,405
BETE	44,161	44,161	42,508	(1,653)
Tree growth	25,900	25,900	11,123	(14,777)
Veterans	7,720	7,720	7,710	(10)
LRAP	45,290	45,290	45,040	(250)
General assistance	12,005	12,005	20,638	8,633
Airport CARES grant	32,000	32,000	32,000	-
Other	139,229	141,398	671,905	530,507
Charges for services:				
Recreation fees	1,100	1,100	772	(328)
Economic development	74,139	81,139	75,138	(6,001)
Town clerk fees	74,950	74,950	79,500	4,550
Planning fees	2,250	2,250	5,408	3,158
Solid waste/recycling	132,480	147,057	98,825	(48,232)
Ambulance	333,500	333,500	336,042	2,542
Fire department	6,500	6,500	26,748	20,248
Police department	-	-	5,345	5,345
Public works	25,250	25,250	27,300	2,050
Airport	96,730	96,730	106,705	9,975
Cemetery	22,000	22,000	28,300	6,300
Investment income:				
Investment income	7,200	7,200	82,401	75,201
Other income:				
Interest/fees on taxes	55,000	55,000	24,323	(30,677)
Payment in lieu of taxes	18,500	18,500	11,437	(7,063)
Proceeds from sale of assets	18,000	18,000	3,219	(14,781)
Rent	29,500	29,500	29,500	-
Misc grants	64,062	177,092	270,512	93,420
Other	4,450	22,348	11,940	(10,408)
Transfers from other funds:				
Special revenue funds	4,655	4,655	-	(4,655)
Capital project funds	-	-	14,577	14,577
Total Revenues	<u>9,491,985</u>	<u>9,684,532</u>	<u>10,679,800</u>	<u>995,268</u>
Use of fund balance	750,000	1,331,248	-	(1,331,248)
Total	<u>\$ 10,241,985</u>	<u>\$ 11,015,780</u>	<u>\$ 10,679,800</u>	<u>\$ (335,980)</u>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE B

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
General government					
Council	\$ 8,800	-	8,800	8,800	\$ -
Manager	90,000	-	90,000	85,307	4,693
Treasurer/Town auditor	69,843	-	69,843	69,843	-
Assistant bookkeeper/HR director	60,000	-	60,000	60,239	(239)
Part time	10,927	-	10,927	8,635	2,292
Elections	9,124	-	9,124	5,689	3,435
Town clerk and Tax collector	251,176	-	251,176	245,191	5,985
Assessing	75,600	-	75,600	73,631	1,969
Municipal building	70,500	24,597	95,097	87,088	8,009
Audit	16,000	-	16,000	16,000	-
Legal	100,000	-	100,000	55,972	44,028
Administration	83,885	-	83,885	78,366	5,519
Planning/code/dev	74,372	8,965	83,337	46,823	36,514
Economic development	50,480	7,000	57,480	23,265	34,215
Reserve other fringe	129,984	-	129,984	126,689	3,295
	<u>1,100,691</u>	<u>40,562</u>	<u>1,141,253</u>	<u>991,538</u>	<u>149,715</u>
Public safety					
Police department	790,874	-	790,874	700,196	90,678
Fire department	52,479	20,000	72,479	51,576	20,903
Ambulance	184,153	1,898	186,051	142,583	43,468
Fire and ambulance general	836,014	-	836,014	666,453	169,561
Community services	510,076	9,247	519,323	519,323	-
Insurances	104,995	9,059	114,054	113,940	114
Enforcement officials	1,713	-	1,713	1,682	31
Dog constable	15,597	-	15,597	13,129	2,468
	<u>2,495,901</u>	<u>40,204</u>	<u>2,536,105</u>	<u>2,208,882</u>	<u>327,223</u>

SCHEDULE B (CONTINUED)

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
Public works					
Administration	123,730	-	123,730	108,231	15,499
Garage maintenance	36,000	-	36,000	27,657	8,343
Roads & construction	1,271,764	70,585	1,342,349	1,187,641	154,708
Transfer site	419,184	14,577	433,761	409,710	24,051
	<u>1,850,678</u>	<u>85,162</u>	<u>1,935,840</u>	<u>1,733,239</u>	<u>202,601</u>
Fringe benefits	10,765	32,804	43,569	43,569	-
Community services					
Library	100,000	-	100,000	100,000	-
Community initiatives	83,362	-	83,362	82,811	551
General assistance	17,150	3,822	20,972	20,972	-
Public health/welfare agency	1,400	23,370	24,770	24,770	-
Cemetery	48,795	-	48,795	45,958	2,837
Recreation	195,395	4,000	199,395	195,713	3,682
Snowsled & ATV program	83,840	93,030	176,870	182,310	(5,440)
Airport	231,853	21,086	252,939	257,391	(4,452)
Holiday observation & events	9,000	8,000	17,000	5,340	11,660
	<u>770,795</u>	<u>153,308</u>	<u>924,103</u>	<u>915,265</u>	<u>8,838</u>
County tax	296,979	-	296,979	296,979	-

SCHEDULE B (CONTINUED)

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
Debt service					
Principal	43,912	-	43,912	43,911	1
Interest	95,650	-	95,650	64,334	31,316
	<u>139,562</u>	<u>-</u>	<u>139,562</u>	<u>108,245</u>	<u>31,317</u>
Overlay	<u>78,950</u>	<u>-</u>	<u>78,950</u>	<u>-</u>	<u>78,950</u>
Grant funds/misc accounts					
Capital improvements	633,500	48,388	681,888	800,348	(118,460)
Airport	-	-	-	80,702	(80,702)
ARPA	-	373,367	373,367	244,556	128,811
Miscellaneous	-	-	-	124,715	(124,715)
	<u>633,500</u>	<u>421,755</u>	<u>1,055,255</u>	<u>1,250,321</u>	<u>(195,066)</u>
Transfers to other funds					
Education fund	2,864,164	-	2,864,164	2,864,144	20
	<u>2,864,164</u>	<u>-</u>	<u>2,864,164</u>	<u>2,864,144</u>	<u>20</u>
Total Departmental Operations	<u>\$ 10,241,985</u>	<u>\$ 773,795</u>	<u>\$ 11,015,780</u>	<u>\$ 10,412,182</u>	<u>\$ 603,598</u>

See accompanying independent auditor's report and notes to financial statements.

Capital Reserve Funds

Capital reserve funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust fund.

TOWN OF MILLINOCKET, MAINE

COMBINING BALANCE SHEET - CAPITAL RESERVE FUND
JUNE 30, 2023

	General	Airport	Ambulance	Police	Fire	Public Works
ASSETS						
Cash and cash equivalents	\$ 169,554	-	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	24,413	91,344	30,696	42,599	1,515
TOTAL ASSETS	\$ 169,554	\$ 24,413	\$ 91,344	\$ 30,696	\$ 42,599	\$ 1,515
LIABILITIES						
Due to other funds	\$ 158,581	-	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	158,581	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	10,973	24,413	91,344	30,696	42,599	1,515
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	10,973	24,413	91,344	30,696	42,599	1,515
TOTAL LIABILITIES AND FUND BALANCES	\$ 169,554	\$ 24,413	\$ 91,344	\$ 30,696	\$ 42,599	\$ 1,515

SCHEDULE C (CONTINUED)

TOWN OF MILLINOCKET, MAINE

COMBINING BALANCE SHEET - CAPITAL RESERVE FUND
JUNE 30, 2023

	Transfer Station	Cemetery	SMI TIF Proceeds	Wastewater	Minor Capital Projects	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,554
Due from other funds	50,586	8,351	9,477	20,125	6,195	285,301
TOTAL ASSETS	<u>\$ 50,586</u>	<u>\$ 8,351</u>	<u>\$ 9,477</u>	<u>\$ 20,125</u>	<u>\$ 6,195</u>	<u>\$ 454,855</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,581
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,581</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	50,586	8,351	9,477	20,125	6,195	296,274
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>50,586</u>	<u>8,351</u>	<u>9,477</u>	<u>20,125</u>	<u>6,195</u>	<u>296,274</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,586</u>	<u>\$ 8,351</u>	<u>\$ 9,477</u>	<u>\$ 20,125</u>	<u>\$ 6,195</u>	<u>\$ 454,855</u>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE D

TOWN OF MILLINOCKET, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CAPITAL RESERVE FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	General	Airport	Ambulance	Police	Fire	Public Works
REVENUES						
Interest income	\$ 1,868	-	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>1,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	(14,577)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,577)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(12,709)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JULY 1	<u>23,682</u>	<u>24,413</u>	<u>91,344</u>	<u>30,696</u>	<u>42,599</u>	<u>1,515</u>
FUND BALANCES - JUNE 30	<u>\$ 10,973</u>	<u>\$ 24,413</u>	<u>\$ 91,344</u>	<u>\$ 30,696</u>	<u>\$ 42,599</u>	<u>\$ 1,515</u>

SCHEDULE D (CONTINUED)

TOWN OF MILLINOCKET, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CAPITAL RESERVE FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Transfer Station	Cemetery	SMI TIF Proceeds	Wastewater	Minor Capital Projects	Total
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,868
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,868
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	1,868
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(14,577)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(14,577)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(12,709)
FUND BALANCES - JULY 1	50,586	8,351	9,477	20,125	6,195	308,983
FUND BALANCES - JUNE 30	\$ 50,586	\$ 8,351	\$ 9,477	\$ 20,125	\$ 6,195	\$ 296,274

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 187,789	\$ 43,418	\$ 231,207
Investments	379,940	-	379,940
Accounts receivable (net of allowance for uncollectibles)	345,092	-	345,092
Due from other governments	698,105	-	698,105
Inventory	6,888	-	6,888
Due from other funds	83,714	-	83,714
TOTAL ASSETS	\$ 1,701,528	\$ 43,418	\$ 1,744,946
LIABILITIES			
Accounts payable	\$ 13,699	\$ -	\$ 13,699
Accrued payroll	56,095	-	56,095
Due to other funds	633,655	3,800	637,455
TOTAL LIABILITIES	703,449	3,800	707,249
FUND BALANCES			
Nonspendable	6,888	16,401	23,289
Restricted	845,003	23,217	868,220
Committed	13,425	-	13,425
Assigned	132,763	-	132,763
Unassigned	-	-	-
TOTAL FUND BALANCES	998,079	39,618	1,037,697
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,701,528	\$ 43,418	\$ 1,744,946

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE F

TOWN OF MILLINOCKET, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental revenues	\$ 1,306,979	\$ -	\$ 1,306,979
Charges for services	19,061	-	19,061
Investment income, net of unrealized gains/(losses)	-	434	434
Interest income	27,215	-	27,215
Other income	219,700	-	219,700
TOTAL REVENUES	<u>1,572,955</u>	<u>434</u>	<u>1,573,389</u>
EXPENDITURES			
Education	1,594,655	-	1,594,655
TOTAL EXPENDITURES	<u>1,594,655</u>	<u>-</u>	<u>1,594,655</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,700)</u>	<u>434</u>	<u>(21,266)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,205	-	13,205
Transfers (out)	(22,096)	-	(22,096)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,891)</u>	<u>-</u>	<u>(8,891)</u>
NET CHANGE IN FUND BALANCES	(30,591)	434	(30,157)
FUND BALANCES, JULY 1	<u>1,028,670</u>	<u>39,184</u>	<u>1,067,854</u>
FUND BALANCES, JUNE 30	<u>\$ 998,079</u>	<u>\$ 39,618</u>	<u>\$ 1,037,697</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

SCHEDULE G

TOWN OF MILLINOCKET, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	CDBG Loan Fund	Recreation	Comprehensive Plan	School Categorical Programs	School Lunch	Adult Education	Other Scholarships	Student Activities	Total
ASSETS									
Cash and cash equivalents	\$ 57,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,596	\$ 125,763	\$ 187,789
Investments	-	-	-	-	-	-	379,940	-	379,940
Accounts receivable (net of allowance for uncollectibles)	326,153	-	-	-	18,939	-	-	-	345,092
Due from other governments	-	-	-	698,105	-	-	-	-	698,105
Inventory	-	-	-	-	6,888	-	-	-	6,888
Due from other funds	-	3,311	10,114	71	70,218	-	-	-	83,714
TOTAL ASSETS	\$ 383,583	\$ 3,311	\$ 10,114	\$ 698,176	\$ 96,045	\$ -	\$ 384,536	\$ 125,763	\$ 1,701,528
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ 11,707	\$ 1,992	\$ -	\$ -	\$ -	\$ 13,699
Accrued payroll	-	-	-	53,676	2,419	-	-	-	56,095
Due to other funds	17,098	-	-	604,557	-	-	12,000	-	633,655
TOTAL LIABILITIES	17,098	-	-	669,940	4,411	-	12,000	-	703,449
FUND BALANCES									
Nonspendable	-	-	-	-	6,888	-	-	-	6,888
Restricted	366,485	-	-	21,236	84,746	-	372,536	-	845,003
Committed	-	3,311	10,114	-	-	-	-	-	13,425
Assigned	-	-	-	7,000	-	-	-	125,763	132,763
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	366,485	3,311	10,114	28,236	91,634	-	372,536	125,763	998,079
TOTAL LIABILITIES AND FUND BALANCES	\$ 383,583	\$ 3,311	\$ 10,114	\$ 698,176	\$ 96,045	\$ -	\$ 384,536	\$ 125,763	\$ 1,701,528

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE H

TOWN OF MILLINOCKET, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	CDBG Loan Fund	Recreation	Comprehensive Plan	School Categorical Programs	School Lunch	Adult Education	Other Scholarships	Student Activities	Total
REVENUES									
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 990,390	\$ 316,589	\$ -	\$ -	\$ -	\$ 1,306,979
Charges for services	-	-	-	-	19,061	-	-	-	19,061
Interest income	10,623	-	-	-	-	-	16,592	-	27,215
Other income	-	-	-	-	24,255	-	8,536	186,909	219,700
TOTAL REVENUES	10,623	-	-	990,390	359,905	-	25,128	186,909	1,572,955
EXPENDITURES									
Education	-	-	-	981,286	364,380	3,205	85,779	160,005	1,594,655
TOTAL EXPENDITURES	-	-	-	981,286	364,380	3,205	85,779	160,005	1,594,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,623	-	-	9,104	(4,475)	(3,205)	(60,651)	26,904	(21,700)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	10,000	3,205	-	-	13,205
Transfers (out)	-	-	-	(22,096)	-	-	-	-	(22,096)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(22,096)	10,000	3,205	-	-	(8,891)
NET CHANGE IN FUND BALANCES (DEFICITS)	10,623	-	-	(12,992)	5,525	-	(60,651)	26,904	(30,591)
FUND BALANCES (DEFICITS), JULY 1, RESTATED	355,862	3,311	10,114	41,228	86,109	-	433,187	98,859	1,028,670
FUND BALANCES (DEFICITS), JUNE 30	\$ 366,485	\$ 3,311	\$ 10,114	\$ 28,236	\$ 91,634	\$ -	\$ 372,536	\$ 125,763	\$ 998,079

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Millinocket, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the preservation and/or maintenance of cemeteries.

TOWN OF MILLINOCKET, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2023

	Cemetery Perpetual Fund	Peluso Welfare Trust	Ministerial and School Fund	Total
ASSETS				
Cash and cash equivalents	\$ 4,463	\$ 16,091	\$ 22,864	\$ 43,418
TOTAL ASSETS	\$ 4,463	\$ 16,091	\$ 22,864	\$ 43,418
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 3,800	\$ 3,800
TOTAL LIABILITIES	-	-	3,800	3,800
FUND BALANCES				
Nonspendable	1,401	4,000	11,000	16,401
Restricted	3,062	12,091	8,064	23,217
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	4,463	16,091	19,064	39,618
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,463	\$ 16,091	\$ 22,864	\$ 43,418

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND
BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Cemetery Perpetual Fund	Peluso Welfare Trust	Ministerial and School Fund	Total
REVENUES				
Investment income, net of unrealized gains/(losses)	\$ 44	\$ 161	\$ 229	\$ 434
Other income	-	-	-	-
TOTAL REVENUES	<u>44</u>	<u>161</u>	<u>229</u>	<u>434</u>
EXPENDITURES				
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	44	161	229	434
FUND BALANCES, JULY 1	<u>4,419</u>	<u>15,930</u>	<u>18,835</u>	<u>39,184</u>
FUND BALANCES, JUNE 30	<u>\$ 4,463</u>	<u>\$ 16,091</u>	<u>\$ 19,064</u>	<u>\$ 39,618</u>

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed-through State of Maine - Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 71,693	\$ -
National School Lunch Program	10.555	N/A	143,769	-
Summer Food Service Program for Children	10.559	3016	10,815	-
Subtotal Child Nutrition Cluster			<u>226,277</u>	<u>-</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	<u>3,850</u>	<u>-</u>
Pandemic EBT Administrative Costs	10.549	N/A	<u>1,256</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>231,383</u>	<u>-</u>
U.S. Department of Transportation				
Passed-through State of Maine Bureau of Highway Safety:				
Airport Improvement Program and COVID-19 Airports Programs	20.106	3-23-0030-024-2021	43,605	-
Airport Improvement Program and COVID-19 Airports Programs	20.106	3-23-0030-025-2022	32,000	-
Airport Improvement Program and COVID-19 Airports Programs	20.106	3-23-0030-026-2023	37,097	-
			<u>112,702</u>	<u>-</u>
Total U.S. Department of Transportation			<u>112,702</u>	<u>-</u>
U.S. Department of Treasury				
Passed-through State of Maine - Department of Education:				
Coronavirus State and Local Recovery Funds	21.027		<u>244,970</u>	<u>-</u>
			<u>244,970</u>	<u>-</u>
Total U.S. Department of Treasury			<u>244,970</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed-through State of Maine - Department of Economic Development:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	N/A	<u>124,715</u>	<u>-</u>
			<u>124,715</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>124,715</u>	<u>-</u>
U.S. Environmental Protection Agency				
Direct Funding:				
Clean Water State Revolving Fund Cluster:				
Clean Water Revolving Loan Fund	66.458	N/A	<u>137,309</u>	<u>-</u>
Subtotal Clean Water State Revolving Fund Cluster			<u>137,309</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>137,309</u>	<u>-</u>
U.S. Department of Education				
Passed-through State of Maine - Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	Tier III SIG	26,963	-
Title I Grants to Local Educational Agencies	84.010A	Title I	<u>241,123</u>	<u>-</u>
			<u>268,086</u>	<u>-</u>
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	3046	192,704	-
Special Education Grants to States ARP	84.027X	3046	9,859	-
Special Education Preschool Grants	84.173A	3046	6,918	-
Special Education Preschool Grants ARP	84.173X	6247	<u>3,459</u>	<u>-</u>
Subtotal Special Education Cluster (IDEA)			<u>212,940</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367A		<u>2,825</u>	<u>-</u>
Rural Education	84.358	3305	<u>2,749</u>	<u>-</u>
Education Stabilization Fund	84.425D	013-05A-7041-90-6306-7041GRT	26,213	-
Education Stabilization Fund	84.425D	025-05A-707e1-94-6306-7071GRT	341,605	-
Education Stabilization Fund	84.425D	N/A	14,337	-
Education Stabilization Fund	84.425U	N/A	<u>18,593</u>	<u>-</u>
			<u>400,748</u>	<u>-</u>
Total U.S. Department of Education			<u>887,348</u>	<u>-</u>
Northern Border Regional Development				
Direct:				
Northern Border Regional Development	90.601		<u>173,408</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>173,408</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,911,835</u>	<u>\$ -</u>

TOWN OF MILLINOCKET, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Millinocket, Maine under programs of the federal government for the year ended June 30, 2023. 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 Millinocket, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Millinocket, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Town of Millinocket, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



Proven Expertise & Integrity

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

Town Council
Town of Millinocket
Millinocket, Maine

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Millinocket, Maine as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Millinocket, Maine's basic financial statements and have issued our report thereon dated July 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Millinocket, Maine's internal control over financial reporting (internal control) to determine the 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 Millinocket, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Millinocket, 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.

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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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Millinocket, 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 determination of financial statement amounts. 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*. We noted certain other matters that we reported to management of the Town of Millinocket in a separate letter dated June 27, 2024.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
July 16, 2024



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

Town Council
Town of Millinocket
Millinocket, Maine

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Town of Millinocket, Maine's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Millinocket, Maine's major federal programs for the year ended June 30, 2023. The Town of Millinocket, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on ALN 84.010A Title I Grants to Local Educational Agencies and ALN 84.425D Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Town of Millinocket, Maine complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 84.010A Title I grants to Local Educational Agencies and ALN 84.425D Education Stabilization Fund for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Town of Millinocket, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards); 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 Responsibility section of our report.

We are required to be independent of the Town of Millinocket, 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 Millinocket, Maine's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on ALN 84.010A Title I Grants to Local Educational Agencies and ALN 84.425D Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, the Town of Millinocket, Maine did not comply with requirements regarding ALN 84.010A Title I grants to Local Educational Agencies and ALN 84.425D Education Stabilization Fund as described in finding numbers 2023-001 and 2023-002 - Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the Town of Millinocket, Maine to comply with the requirements applicable to that program.

Management's Responsibility

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 Millinocket, Maine's federal programs.

Auditor's Responsibility

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 Millinocket, 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 GAAS, 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 Millinocket, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 Millinocket, 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 Millinocket, 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 Millinocket, 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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility 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 and therefore, material

weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiency.

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.

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

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.

RHR Smith & Company

Buxton, Maine
July 16, 2024

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I - Grants to Local Educational Agencies
84.425D/84.425U	Education Stabilization Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Section III - Federal Awards Findings and Questioned Costs

SIGNIFICANT DEFICIENCIES

2023-001 - Allowable Costs/Cost Principles

Federal Program Information:

Department of Education -

Passed through the Maine Department of Education:

ALN: - 84.425 - Education Stabilization Fund

ALN: - 84.010 - Title I - Grants to Local Educational Agencies

Criteria: The following CFR(s) apply to this finding: 2 CFR 200.303, 2 CFR 200.430(i)

Condition: During audit procedures, it was identified that the school department does not follow a consistent, documented method to ensure employees were paid the proper amount ensuring that only allowable costs are being charged to the program.

Cause: The school department does not have the necessary internal controls over compliance.

Effect: The school department is at an increased risk for unallowable cost to be charged to the program.

Identification of Questioned Costs: None identified.

Context: The population for the test consisted of transactions of 121 payroll expenditures. 79 payroll samples were selected using the haphazard method. Of the 79 samples, we identified issues with 17 payroll charges. One employee contract accounted for 11 of those charges. The contract did not accurately describe the employee's classification. The remaining 6 of the 17 payroll charges had insufficient documentation to support the amount paid. This is not a statistically valid sample.

Repeat Finding: This is not a repeat finding.

Recommendation: It is recommended that the school department develop and implement internal policies and procedures to ensure that sufficient documentation to support the charge and to ensure that only allowable costs are charged to the program.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by Town of Millinocket School Department.

TOWN OF MILLINOCKET, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-002 - Allowable Costs/Cost Principles

Federal Program Information:

Department of Education -

Passed through the Maine Department of Education:

ALN: - 84.010 - Title I - Grants to Local Educational Agencies

Criteria: The following CFR(s) apply to this finding: 2 CFR 200.430(i)

Condition: During the audit process it was identified that the School Department did not maintain sufficient documentation that reflected the work performed.

Cause: The school department does not have the necessary internal controls over compliance.

Effect: This School Department does not have records that reflect an accurate account of the employee's time and effort devoted to the program, which could have allowed incorrect amounts to be charged to the grant.

Identification of Questioned Costs: None identified.

Context: The population for the test consisted of 53 payroll expenditures. We tested 18 out of 21 employees. The School Department completed time and effort certifications for all employees; however, the following issues were identified. 18 employees did not have the proper documentation for the distribution of their wages. The entity's internal control noted that the direct supervisor overseeing the work completed should sign the documentation, where in these cases the superintendent signed. The documentation for 7 out of the 18 employees time and effort certifications were signed prior to the work being completed and the documentation for 2 out of the 18 employees noted an incorrect percentage charged to the grant. This is not a statistically valid sample.

Repeat Finding: This is a repeat finding of 2022-001.

Recommendation: It is recommended that the School Department implement internal control processes and procedures to ensure that time certifications are completed at the period end to ensure charges reflect an accurate account of the employee's time devoted to the program.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by Town of Millinocket School Department.

TOWN OF MILLINOCKET, MAINE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SIGNIFICANT DEFICIENCIES

2022-001 - Allowable Costs/Cost Principles

Criteria: The following CFR(s) apply to this finding: 2 CFR 200.430(i)(1)(vii)

Condition: During audit procedures, it was identified that the School Department certifications for time and effort records were missing or incomplete.

Cause: The School Department does not have the necessary internal controls over compliance.

Effect: The School Department is not obtaining the required employee certifications that 100% of their time was spent on the grant cost objective ensuring that charges to the program reflect an accurate account of the employee's time and effort devoted to the program.

Recommendation: It is recommended that the School Department implement internal control processes and procedures to ensure that time certifications are completed at the period end to ensure charges reflect an accurate account of the employee's time devoted to the program.

Current status: *The school district received notification of this finding towards the end of the fiscal year and was unable to implement internal controls to ensure employees paid with federal funds had their time and effort properly documented.*



Millinocket School Department

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CORRECTIVE ACTION PLAN (Concerning Finding 2023-001)

Contact Person Responsible for Corrective Action: Rhonda Casey, Business Manager

Corrective Action: The Millinocket School Department will take the following actions to address finding 2023-001: The School Department will ensure that each employee's classification is identified in his/her Letter of Contract and that each contract appropriately outlines job duties and responsibilities as they pertain to each funding source. Additionally, the School Department will revise times sheets to reflect hours worked under each funding source.

Anticipated Completion Date: July 1, 2024

CORRECTIVE ACTION PLAN (Concerning Finding 2023-002)

Contact Person Responsible for Corrective Action: Rhonda Casey, Business Manager

Corrective Action: The Millinocket School Department will take the following actions to address finding 2023-002: The School Department will complete semi-annual wage certifications every six months to ensure that time certifications are completed at the period end and that all charges reflect an accurate account of the employee's time devoted to the program.

Anticipated Completion Date: January 31, 2024



State Compliance

State compliance includes financial information and reports that are presented for purposes of additional analysis as required by Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Independent Auditor's Report on State Requirements
- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Town Council
Town of Millinocket, Maine
Millinocket, Maine

We have audited the financial statements of Town of Millinocket, Maine for the year ended June 30, 2023 and have issued our report thereon dated July 16, 2024. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Town of Millinocket, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Millinocket, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Millinocket, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town of Millinocket, Maine and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the Town Council, School Board, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
July 16, 2024

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MILLINOCKET SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2023

	General Fund (1000)	Special Revenue Funds (2000) & (6000)	Capital Projects Fund (3000) & (4000)	Total
June 30 Balance per Maine Education Financial System	\$ -	\$ -	\$ -	\$ -
Adjustments:				
General Fund	974,070	-	-	974,070
Sarah Thompson scholarship	-	179,806	-	179,806
Other scholarships	-	192,730	-	192,730
Student activities	-	125,763	-	125,763
School lunch (600)	-	91,634	-	91,634
MYAN grant	-	4	-	4
Teacher incentive fund	-	6,172	-	6,172
King Foundation reserve	-	586	-	586
MELMAC grant	-	5,210	-	5,210
Transition grant	-	50	-	50
Title IA grant	-	1	-	1
Tier III program improvements	-	(1)	-	(1)
Local entitlement	-	(3)	-	(3)
Title V	-	1	-	1
REAP grant	-	188	-	188
Summer food program	-	16,028	-	16,028
Capital Project Reserve (400)	-	-	6,195	6,195
Audited GAAP Basis Fund Balance June 30	\$ 974,070	\$ 618,169	\$ 6,195	\$ 1,598,434