

Audited Financial Statements and  
Other Supplemental Information

**Town of Stonington, Maine**

December 31, 2020



*Proven Expertise & Integrity*

TOWN OF STONINGTON, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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## INDEPENDENT AUDITORS' REPORT

Selectboard  
Town of Stonington  
Stonington, Maine

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly,

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we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and OPEB information on pages 4 through 11 and 54 through 58 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stonington, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, combining and individual nonmajor fund financial statements and capital

asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Departmental Operations - General Fund, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, combining and individual nonmajor fund financial statements and capital asset schedules 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 September 11, 2021, on our consideration of the Town of Stonington, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 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 Stonington, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
September 11, 2021

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Stonington, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Stonington'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 budgetary comparison schedule, 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 regards 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 Stonington 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, health and sanitation, public works, special assessments, social services, culture and recreation and unclassified.
- *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. The Town of Stonington has one business-type activity, the water department.

### **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 Stonington, 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 Stonington 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 fund financial statement.

The Town of Stonington presents three 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 and the fish pier fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget for. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

*Proprietary Funds:* The Town of Stonington maintains one proprietary fund, the water department. These funds are 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, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB 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 regards to nonmajor funds, capital asset activity 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 funds is \$13,450,638 compared to \$12,865,386 in the prior year, an increase of \$585,252. For the business-type activities total net position is \$2,312,785 as compared to \$2,370,537 in the prior year, a decrease of \$57,752.

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 \$4,421,962 at the end of this year for governmental activities, an increase of \$574,096. The business-type activities unrestricted net position is \$76,572, an increase of \$46,055.

**Table 1**  
**Town of Stonington, Maine**  
**Net Position**  
**December 31,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019 (Restated)</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>				
Current Assets	\$ 4,833,283	\$ 4,281,643	\$ 89,293	\$ 56,109
Noncurrent Assets - Capital Assets	8,957,340	9,034,217	3,057,471	3,180,427
Total Assets	<u>13,790,623</u>	<u>13,315,860</u>	<u>3,146,764</u>	<u>3,236,536</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows Related to Pensions	11,596	2,277	-	-
Total Deferred Outflows of Resources	<u>11,596</u>	<u>2,277</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Current Liabilities	135,896	194,029	32,252	45,123
Noncurrent Liabilities	194,504	237,909	801,727	820,876
Total Liabilities	<u>330,400</u>	<u>431,938</u>	<u>833,979</u>	<u>865,999</u>
<b>Deferred Inflows of Resources</b>				
Prepaid Taxes	6,684	3,498	-	-
Deferred Inflows Related to OPEB	14,497	17,315	-	-
Total Deferred Inflows of Resources	<u>21,181</u>	<u>20,813</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	8,750,091	8,738,961	2,236,213	2,340,020
Restricted	278,585	278,559	-	-
Unrestricted	4,421,962	3,847,866	76,572	30,517
Total Net Position	<u>\$ 13,450,638</u>	<u>\$ 12,865,386</u>	<u>\$ 2,312,785</u>	<u>\$ 2,370,537</u>

**Table 2**  
**Town of Stonington, Maine**  
**Changes in Net Position**  
**For The Years Ended December 31,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>				
<i>Program revenues:</i>				
Charges for services	\$ 838,264	\$ 1,021,940	\$ 249,255	\$ 245,522
Operating grants and contributions	75,027	108,051	-	114,129
<i>General revenues:</i>				
Property taxes	3,383,154	3,464,566	-	-
Excise taxes	245,526	247,324	-	-
Grants and contributions not restricted to specific programs	127,047	206,249	-	-
Investment income, net	25,181	32,474	113	231
Other revenue	64,306	124,666	12,453	41,809
Total Revenues	<u>4,758,505</u>	<u>5,205,270</u>	<u>261,821</u>	<u>401,691</u>
<b>Expenses</b>				
General government	293,668	384,245	-	-
Public safety	213,823	243,649	-	-
Health and sanitation	280,491	261,663	-	-
Public works	320,661	479,444	-	-
Special assessments	1,833,948	1,841,256	-	-
Social services	11,876	11,806	-	-
Culture and recreation	24,261	19,510	-	-
Unclassified	1,091,469	1,337,615	299,220	330,778
Capital outlay	-	58,688	-	-
Depreciation	84,414	77,247	-	-
Interest on long-term debt	18,642	22,036	20,353	20,356
Total Expenses	<u>4,173,253</u>	<u>4,737,159</u>	<u>319,573</u>	<u>351,134</u>
Change in Net Position	585,252	468,111	(57,752)	50,557
Net Position - January 1, Restated	<u>12,865,386</u>	<u>12,397,275</u>	<u>2,370,537</u>	<u>2,319,980</u>
Net Position - December 31	<u>\$ 13,450,638</u>	<u>\$ 12,865,386</u>	<u>\$ 2,312,785</u>	<u>\$ 2,370,537</u>

**Revenues and Expenses**

Revenues for the Town's governmental activities decreased by 8.58%, while total expenses decreased by 11.90%. All revenue categories saw decreases when compared to the prior year. The largest decreases in expenses were in general government, public works and unclassified.

Revenues for the proprietary fund decreased by 34.82% from the prior year. This was mainly the result of the decrease in operating grants and contributions. Expenses for the proprietary fund saw a decrease of 8.99% and was mainly the result of the decrease in contracted services.

### 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 Stonington, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<u>2020</u>	<u>2019 (Restated)</u>	<u>Increase/ Decrease</u>
Major Funds:			
General Fund:			
Unassigned	\$ 2,449,587	\$ 2,190,578	\$ 259,009
Total Major Funds	<u>\$ 2,449,587</u>	<u>\$ 2,190,578</u>	<u>\$ 259,009</u>
Fish Pier Fund:			
General Fund:			
Nonspendable	\$ 7,843	\$ 5,187	\$ 2,656
Committed	382,507	333,491	49,016
Total Fish Pier Fund	<u>\$ 390,350</u>	<u>\$ 338,678</u>	<u>\$ 51,672</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 217,424	\$ 217,693	\$ (269)
Committed	15,158	13,823	1,335
Unassigned	(231,769)	(122,807)	(108,962)
Capital Projects Funds:			
Committed	1,696,447	1,340,767	355,680
Permanent Funds:			
Restricted	61,161	60,866	295
Total Nonmajor Funds	<u>\$ 1,758,421</u>	<u>\$ 1,510,342</u>	<u>\$ 248,079</u>

The changes to total fund balances for the general fund, the fish pier fund and the 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.

### **Budgetary Highlights**

The difference between the original and final budget for the general fund was the result of utilizing less unassigned fund balance than originally budgeted.

The general fund actual revenues exceeded budget by \$362,946. All revenue categories exceeded budget with the exception of property taxes.

The general fund actual expenditures were under the budget by \$376,063. All expenditures were within or under budget with the exception of general government.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of December 31, 2020, the net book value of capital assets recorded by the Town decreased by \$199,833. This decrease is a result of capital additions of \$196,421 less net disposals of \$34,185 and current year depreciation expense of \$362,069. Refer to Note 5 of Notes to Financial Statements for further details.

**Table 4  
Town of Stonington, Maine  
Capital Assets (Net of Depreciation)  
December 31,**

	<b>2020</b>	<b>2019 (Restated)</b>
Land and construction in progress	\$ 6,003,167	\$ 6,347,887
Buildings, building improvements and land improvements	1,103,161	808,844
Water mains, machinery and equipment furniture/fixtures, vehicles	4,376,907	3,577,151
Infrastructure	531,576	1,480,762
Total	\$ 12,014,811	\$ 12,214,644

#### **Debt**

At December 31, 2020, the Town had \$1,028,507 in bonds and notes from direct borrowings payable outstanding versus \$1,135,663 in the prior year. Refer to Note 7 of Notes to Financial Statements for additional information.

### **Currently Known Facts, Decisions or Conditions**

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

### **Economic Factors and Next Year's Budgets and Rates**

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately eight months, while also maintaining significant reserve accounts for future capital and program needs.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, 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 Office at P.O. Box 9, Stonington, Maine 04681.

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,579,945	\$ 58,633	\$ 4,638,578
Accounts receivable (net of allowance for uncollectibles):			
Taxes	140,942	-	140,942
Liens	22,209	-	22,209
Loans	20,394	-	20,394
Other	37,516	30,660	68,176
Due from other governments	24,434	-	24,434
Inventory	7,843	-	7,843
Total current assets	<u>4,833,283</u>	<u>89,293</u>	<u>4,922,576</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	5,936,500	66,667	6,003,167
Buildings and vehicles, net of accumulated depreciation	3,020,840	2,990,804	6,011,644
Total noncurrent assets	<u>8,957,340</u>	<u>3,057,471</u>	<u>12,014,811</u>
<b>TOTAL ASSETS</b>	<u>13,790,623</u>	<u>3,146,764</u>	<u>16,937,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	11,596	-	11,596
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>11,596</u>	<u>-</u>	<u>11,596</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 13,802,219</u>	<u>\$ 3,146,764</u>	<u>\$ 16,948,983</u>



STATEMENT A (CONTINUED)  
TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 45,013	\$ 12,148	\$ 57,161
Payroll related liabilities	12,435	-	12,435
Other liabilities	2,434	573	3,007
Due to other governments	2,332	-	2,332
Current portion of long-term obligations	73,682	19,531	93,213
Total current liabilities	<u>135,896</u>	<u>32,252</u>	<u>168,148</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	119,792	801,727	921,519
Note from direct borrowings payable	16,549	-	16,549
Accrued compensated absences	15,720	-	15,720
Net OPEB liability	42,443	-	42,443
Total noncurrent liabilities	<u>194,504</u>	<u>801,727</u>	<u>996,231</u>
<b>TOTAL LIABILITIES</b>	<u>330,400</u>	<u>833,979</u>	<u>1,164,379</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	6,684	-	6,684
Deferred inflows related to OPEB	14,497	-	14,497
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>21,181</u>	<u>-</u>	<u>21,181</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,750,091	2,236,213	10,986,304
Restricted	278,585	-	278,585
Unrestricted	4,421,962	76,572	4,498,534
<b>TOTAL NET POSITION</b>	<u>13,450,638</u>	<u>2,312,785</u>	<u>15,763,423</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 13,802,219</u>	<u>\$ 3,146,764</u>	<u>\$ 16,948,983</u>

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

## STATEMENT B

## TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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	\$ 293,668	\$ 19,682	\$ -	\$ -	\$ (273,986)	\$ -	\$ (273,986)
Public safety	213,823	2,448	-	-	(211,375)	-	(211,375)
Health and sanitation	280,491	21,239	-	-	(259,252)	-	(259,252)
Public works	320,661	-	18,304	-	(302,357)	-	(302,357)
Special assessments	1,833,948	-	-	-	(1,833,948)	-	(1,833,948)
Social services	11,876	-	-	-	(11,876)	-	(11,876)
Culture and recreation	24,261	-	-	-	(24,261)	-	(24,261)
Unclassified	1,091,469	794,895	56,723	-	(239,851)	-	(239,851)
Unallocated depreciation (Note 4)*	84,414	-	-	-	(84,414)	-	(84,414)
Interest on long-term debt	18,642	-	-	-	(18,642)	-	(18,642)
Total governmental activities	<u>4,173,253</u>	<u>838,264</u>	<u>75,027</u>	<u>-</u>	<u>(3,259,962)</u>	<u>-</u>	<u>(3,259,962)</u>
Business-type activities:							
Water department	319,573	249,255	-	-	-	(70,318)	(70,318)
Total business-type activities	<u>319,573</u>	<u>249,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,318)</u>	<u>(70,318)</u>
Total government	<u>\$ 4,492,826</u>	<u>\$ 1,087,519</u>	<u>\$ 75,027</u>	<u>\$ -</u>	<u>(3,259,962)</u>	<u>(70,318)</u>	<u>(3,330,280)</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)  
TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
Changes In net position:			
Net (expense) revenue	(3,259,962)	(70,318)	(3,330,280)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	3,383,154	-	3,383,154
Excise taxes	245,526	-	245,526
Grants and contributions not restricted to specific programs	127,047	-	127,047
Investment income, net	25,181	113	25,294
Other income	64,306	12,453	76,759
Total general revenues	3,845,214	12,566	3,857,780
Change in net position	585,252	(57,752)	527,500
NET POSITION - JANUARY 1, RESTATED	12,865,386	2,370,537	15,235,923
NET POSITION - DECEMBER 31	\$ 13,450,638	\$ 2,312,785	\$ 15,763,423

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

## TOWN OF STONINGTON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	General Fund	Fish Pier Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,965,954	\$ 226,999	\$ 1,386,992	\$ 4,579,945
Accounts receivable (net of allowance for uncollectibles):				
Taxes	140,942	-	-	140,942
Liens	22,209	-	-	22,209
Loans	-	-	20,394	20,394
Other	37,516	-	-	37,516
Due from other governments	24,434	-	-	24,434
Inventory	-	7,843	-	7,843
Due from other funds	520,023	155,508	871,058	1,546,589
<b>TOTAL ASSETS</b>	<u>\$ 3,711,078</u>	<u>\$ 390,350</u>	<u>\$ 2,278,444</u>	<u>\$ 6,379,872</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 45,013	\$ -	\$ -	\$ 45,013
Payroll related liabilities	12,435	-	-	12,435
Other payables	2,434	-	-	2,434
Due to other governments	2,332	-	-	2,332
Due to other funds	1,026,566	-	520,023	1,546,589
<b>TOTAL LIABILITIES</b>	<u>1,088,780</u>	<u>-</u>	<u>520,023</u>	<u>1,608,803</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	6,684	-	-	6,684
Deferred revenue	166,027	-	-	166,027
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>172,711</u>	<u>-</u>	<u>-</u>	<u>172,711</u>
<b>FUND BALANCES</b>				
Nonspendable	-	7,843	-	7,843
Restricted	-	-	278,585	278,585
Committed	-	382,507	1,711,605	2,094,112
Assigned	-	-	-	-
Unassigned	2,449,587	-	(231,769)	2,217,818
<b>TOTAL FUND BALANCES</b>	<u>2,449,587</u>	<u>390,350</u>	<u>1,758,421</u>	<u>4,598,358</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 3,711,078</u>	<u>\$ 390,350</u>	<u>\$ 2,278,444</u>	<u>\$ 6,379,872</u>

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

## TOWN OF STONINGTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Total Governmental Funds
Total Fund Balances	\$ 4,598,358
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	8,957,340
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	166,027
Deferred outflows of resources related to pension are not financial resources and therefore are not reported in the funds	11,596
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(18,494)
Bond payable	(156,788)
Note from direct borrowings payable	(50,461)
Net OPEB liability	(42,443)
Deferred inflows of resources related to pension are not financial resources and therefore are not reported in the funds	(14,497)
Net position of governmental activities	\$ 13,450,638

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

## STATEMENT E

## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Fish Pier	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property Taxes	\$ 3,368,087	\$ -	\$ -	\$ 3,368,087
Excise taxes	245,526	-	-	245,526
Intergovernmental	145,351	-	56,723	202,074
Charges for services	43,369	647,049	147,846	838,264
Interest/costs on liens	10,685	-	-	10,685
Investment income, net	15,995	1,114	8,072	25,181
Other income	25,379	18,541	9,701	53,621
TOTAL REVENUES	<u>3,854,392</u>	<u>666,704</u>	<u>222,342</u>	<u>4,743,438</u>
EXPENDITURES				
Current:				
General government	394,024	-	-	394,024
Public safety	180,438	-	-	180,438
Health and sanitation	280,491	-	-	280,491
Public works	261,522	-	-	261,522
Special assessments	1,833,948	-	-	1,833,948
Social services	11,876	-	-	11,876
Culture and recreation	24,261	-	-	24,261
Unclassified	127,824	615,032	348,613	1,091,469
Debt service	106,649	-	-	106,649
TOTAL EXPENDITURES	<u>3,221,033</u>	<u>615,032</u>	<u>348,613</u>	<u>4,184,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>633,359</u>	<u>51,672</u>	<u>(126,271)</u>	<u>558,760</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	466,196	466,196
Transfers (out)	(374,350)	-	(91,846)	(466,196)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(374,350)</u>	<u>-</u>	<u>374,350</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	259,009	51,672	248,079	558,760
FUND BALANCES - JANUARY 1, RESTATED	<u>2,190,578</u>	<u>338,678</u>	<u>1,510,342</u>	<u>4,039,598</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,449,587</u>	<u>\$ 390,350</u>	<u>\$ 1,758,421</u>	<u>\$ 4,598,358</u>

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

## TOWN OF STONINGTON, 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 DECEMBER 31, 2020

Net change in fund balances - total governmental funds (Statement E)	\$ 558,760
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	196,421
Capital asset disposals	(34,185)
Depreciation expense	(239,113)
	(76,877)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	15,067
	9,319
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	
	88,007
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	
	2,163
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	(14,005)
Net OPEB liability	(11,842)
	2,818
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	
Change in net position of governmental activities (Statement B)	\$ 585,252

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

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2020

	<u>Enterprise Fund</u> <u>Water</u> <u>Department</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 58,633
Accounts receivable (net of allowance for uncollectibles)	30,660
Total current assets	<u>89,293</u>
Noncurrent assets:	
Land, buildings, mains and other water assets	4,037,993
Vehicles and equipment	345,741
Total capital assets	<u>4,383,734</u>
Less: accumulated depreciation	(1,326,263)
Total noncurrent assets	<u>3,057,471</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,146,764</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 12,148
Accrued expenses	573
Current portion of long-term obligations	19,531
Total current liabilities	<u>32,252</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes from direct borrowings payable	801,727
Total noncurrent liabilities	<u>801,727</u>
<b>TOTAL LIABILITIES</b>	<u>833,979</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,236,213
Unrestricted	76,572
<b>TOTAL NET POSITION</b>	<u>2,312,785</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 3,146,764</u>

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



## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Enterprise Fund
	Water
	Department
OPERATING REVENUES	
Charges for services	\$ 249,255
Other income	12,453
TOTAL OPERATING REVENUES	261,708
OPERATING EXPENSES	
Payroll	77,723
Benefits/Taxes	21,461
Utilities	11,448
Contracted services	33,010
Materials and supplies	8,632
Insurance	5,425
Depreciation and amortization	122,956
Transportation	3,973
Other operating expenses	14,592
TOTAL OPERATING EXPENSES	299,220
OPERATING INCOME (LOSS)	(37,512)
NONOPERATING REVENUES (EXPENSES)	
Interest income	113
Interest expense	(20,353)
TOTAL NONOPERATING REVENUES (EXPENSES)	(20,240)
CHANGE IN NET POSITION	(57,752)
NET POSITION - JANUARY 1	2,370,537
NET POSITION - DECEMBER 31	\$ 2,312,785

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

## TOWN OF STONINGTON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Enterprise Fund</u> <u>Water</u> <u>Department</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 249,255
Other receipts	(13,714)
Payments to employees	(77,723)
Payments to suppliers	(111,412)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>46,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	113
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>113</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(19,149)
Interest paid on capital debt	(20,353)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(39,502)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,017
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>51,616</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 58,633</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (37,512)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	122,956
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(26,167)
(Decrease) increase in accounts payable	(12,201)
(Decrease) increase in accrued expenses	(670)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 46,406</u>

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

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Stonington was incorporated under the laws of the State of Maine. The Town operates under Town selectboard-manager form of government and provides the following services: general government, public safety, health and sanitation, public works, special assessments, social services, culture and recreation and unclassified.

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).

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.

**COVID-19 Outbreak**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Impact on and Results of Operations*

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, the Town modified how it provided services to its inhabitants. The Town had employees working remotely with one person at the office on a rotational basis during regular business hours.

*Tax lien date extended*

Executive Order 53, issued by the Governor of Maine on May 12, 2020 (and corrected on May 26 and June 26) allowed municipal officers to extend both tax due dates and interest dates for the fiscal year 2019 property taxes due as well as the option to delay property tax lien filing dates until after the state of emergency has expired. The Town extended the tax lien dates, with 30-day notices not being mailed until March 15, 2021 and tax liens being filed on April 21, 2021.

*Impact on Finances*

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable Federal and /or State programs.

*Expected Federal/State Support*

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

*Conclusion*

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Implementation of New Accounting Standards**

During the year ended December 31, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. 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).

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's water department 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.

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:

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Fish Pier Fund is used to account for the proceeds of fuel sales and other income sources that are legally restricted to expenditures for the fish pier. The primary revenue source is from charges for services.

Nonmajor Funds:

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- 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:

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

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.



TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

The Town of Stonington'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.

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

1. Late in the prior fiscal year the Town prepared a budget for the year beginning January 1. The operating budget included proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Stonington was then called for the purpose of adopting the proposed budget after public notice of the meeting had been given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. No supplemental budgetary appropriations were necessary during the fiscal year.

**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 cash equivalents. 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 deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Stonington has no formal investment policy but instead follows the State of Maine Statutes.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables**

Receivables include amounts due from governmental agencies, local businesses and wastewater and ambulance receivables. 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 \$0 as of December 31, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$113,004 for the year ended December 31, 2020.

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The fish pier fund's inventory is made up of fuel and is recorded on the first in-first out basis.

**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 government-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.

**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. Contributed assets are reported at acquisition value as of the date received. 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.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 valued at their estimated acquisition 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 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 depends 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 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 fund is the same in the fund statements as it is in the government-wide statements.

**OPEB**

For purposes of measuring the net 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), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**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 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. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is given by the Town Charter and expressed by the Selectboard.

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 currently has one type of this item, deferred outflows related to OPEB. This item is reported in the statements 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 also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to OPEB qualifies for reporting in this category. This item is 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 STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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 June 29, 2020 on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. Taxes were due on August 31, 2020. Interest on unpaid taxes commenced on September 1, 2020 at 8% 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 \$65,956 for the year ended December 31, 2020.

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 STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

State statutes require that all investments made by the Town consider 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.

**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 December 31, 2020, the Town's cash balance amounting to \$4,638,578 was comprised of bank deposits of \$4,847,316. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these bank deposits, \$2,937,416 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,909,900 was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,658,502
Savings	395,077
Money market accounts	61,610
ICS sweep account	1,732,126
	<u>\$ 4,847,316</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**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.

Interest rate risk for investments is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does 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.

As of December 31, 2020, the Town had \$0 of 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 savings accounts.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2020 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General fund	\$ 520,023	\$ 1,026,566
Fish pier	155,508	-
Nonmajor special revenue funds	58,027	231,769
Nonmajor capital projects funds	813,031	287,805
Nonmajor permanent funds	-	449
Totals	<u>\$ 1,546,589</u>	<u>\$ 1,546,589</u>

The result of amounts owed between funds is 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.



TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers as of December 31, 2020 consisted of the following:

	Transfers From	Transfers To
General fund	\$ -	\$ 374,350
Nonmajor capital projects funds	466,196	91,846
Totals	<u>\$ 466,196</u>	<u>\$ 466,196</u>

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance 1/1/20 (Restated)	Additions	Disposals	Balance 12/31/20
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 5,936,500	\$ -	\$ -	\$ 5,936,500
Construction in progress	344,720	-	(344,720)	-
	<u>6,281,220</u>	<u>-</u>	<u>(344,720)</u>	<u>5,936,500</u>
Depreciated assets:				
Buildings	2,058,111	355,500	(47,300)	2,366,311
Building improvements	285,533	-	-	285,533
Land improvements	531,341	-	-	531,341
Machinery and equipment	810,580	34,828	(250,943)	594,465
Vehicles	1,016,140	42,675	(93,523)	965,292
Infrastructure	1,722,338	108,138	-	1,830,476
	<u>6,424,043</u>	<u>541,141</u>	<u>(391,766)</u>	<u>6,573,418</u>
Less: accumulated depreciation	<u>(3,671,046)</u>	<u>(239,113)</u>	<u>357,581</u>	<u>(3,552,578)</u>
	<u>2,752,997</u>	<u>302,028</u>	<u>(34,185)</u>	<u>3,020,840</u>
Net capital assets	<u>\$ 9,034,217</u>	<u>\$ 302,028</u>	<u>\$ (378,905)</u>	<u>\$ 8,957,340</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance 1/1/20 <u>(Restated)</u>	<u>Additions</u>	<u>Disposals</u>	Balance 12/31/2020
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	\$ 66,667	\$ -	\$ -	\$ 66,667
Depreciated assets:				
Building improvements	7,469	-	-	7,469
Machinery and equipment	345,741	-	-	345,741
Infrastructure/mains, etc	3,963,857	-	-	3,963,857
	<u>4,317,067</u>	<u>-</u>	<u>-</u>	<u>4,317,067</u>
Less: accumulated depreciation	<u>(1,203,307)</u>	<u>(122,956)</u>	<u>-</u>	<u>(1,326,263)</u>
	<u>3,113,760</u>	<u>(122,956)</u>	<u>-</u>	<u>2,990,804</u>
Net capital assets	<u>\$ 3,180,427</u>	<u>\$ (122,956)</u>	<u>\$ -</u>	<u>\$ 3,057,471</u>
<u>Current year depreciation:</u>				
General government				\$ 33,388
Public safety				33,385
Public works				87,926
Town-wide				<u>84,414</u>
Total governmental type depreciation expense				239,113
Water department				<u>122,956</u>
Total depreciation expense				<u>\$ 362,069</u>

NOTE 6 - SHORT-TERM DEBT

On April 15, 2020, the Town received a tax anticipation note from Machias Savings Bank with draws up to \$550,000. The note had a fixed interest rate of 1.70% and a maturity date of December 31, 2020. The note was paid in full on October 28, 2020. The amount of interest paid was \$901.

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

	Balance <u>(Restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance 12/31/20
Tax anticipation note	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ (450,000)</u>	<u>\$ -</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 7 - LONG-TERM DEBT

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

	Balance (Restated)	Additions	Reductions	Balance 12/31/20	Current Portion
<u>Governmental activities</u>					
Bond payable	\$ 192,882	\$ -	\$ (36,094)	\$ 156,788	\$ 36,996
Note from direct borrowings payable	102,374	-	(51,913)	50,461	33,912
Totals	<u>\$ 295,256</u>	<u>\$ -</u>	<u>\$ (88,007)</u>	<u>\$ 207,249</u>	<u>\$ 70,908</u>
<u>Business-type activities</u>					
Bonds payable	\$ 840,407	\$ -	\$ (19,149)	\$ 821,258	\$ 19,531
Totals	<u>\$ 840,407</u>	<u>\$ -</u>	<u>\$ (19,149)</u>	<u>\$ 821,258</u>	<u>\$ 19,531</u>

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

Bond payable - governmental activities

2018 First National Bank bond of \$260,000. Interest is stated at a fixed rate of 2.47%. Monthly payments include both principal and interest in the amount of \$3,378 until January of 2025. \$ 156,788

Note from direct borrowings payable - governmental activities

2012 Bar Harbor Bank & Trust note of \$315,000 for Moose Island Causeway. Interest is fixed at 2.37%. Monthly payments include both principal and interest in the amount of \$2,895 until June of 2022. 50,461

Total bonds and notes from direct borrowings payable - governmental activities 207,249

Bonds payable - business-type activities

2015 Rural Utilities Service bond for water company. Interest is stated at a fixed rate of 2.625%. Annual payments of \$30,795 include both principal and interest until November 2055. 699,436

2016 Maine Municipal Bond Bank bond for water company. Interest is stated at a fixed rate of 1.00% with additional fees. Annual payments of \$8,703 include both principal, interest and fees through April 2036. Original bond was for \$250,480 with \$100,192 being forgiven at closing. 121,822

Total bonds payable - business-type activities 821,258

Total bonds and note from direct borrowings payable \$ 1,028,507

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 7 - LONG -TERM DEBT (CONTINUED)

The following is a summary of outstanding bond and note principal and interest requirements for the following fiscal years ending December 31:

Governmental Activities	Principal	Interest	Total Debt Service
2021	\$ 70,908	\$ 4,364	\$ 75,272
2022	54,469	2,723	57,192
2023	35,592	4,940	40,532
2024	39,756	776	40,532
2025	6,524	40	6,564
	<u>\$ 207,249</u>	<u>\$ 12,843</u>	<u>\$ 220,092</u>
Business-type Activities	Principal	Interest	Total Debt Service
2021	\$ 19,923	\$ 19,575	\$ 39,498
2022	20,325	19,173	39,498
2023	20,735	18,763	39,498
2024	21,155	18,343	39,498
2025	21,586	17,912	39,498
2026-2030	114,736	82,753	197,489
2031-2035	127,102	70,388	197,490
2036-2040	97,546	57,334	154,880
2041-2045	110,019	43,955	153,974
2046-2050	125,238	28,737	153,975
2051-2055	142,893	11,414	154,307
	<u>\$ 821,258</u>	<u>\$ 388,347</u>	<u>\$ 1,209,605</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2020 was \$20,353 for business-type activities.

All bonds payable and notes from direct borrowings 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.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended December 31, 2020 is as follows:

	Balance (Restated)	Additions	Reductions	Balance 12/31/20	Current Portion
<u>Governmental activities</u>					
Accrued compensated absences	\$ 20,657	\$ -	\$ (2,163)	\$ 18,494	\$ 2,774
Net OPEB liability	28,438	14,791	(786)	42,443	-
Totals	<u>\$ 49,095</u>	<u>\$ 14,791</u>	<u>\$ (2,949)</u>	<u>\$ 60,937</u>	<u>\$ 2,774</u>

Please see Notes 9 and 15 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation 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 December 31, 2020, the Town's liability for compensated absences is \$18,494.

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

As of December 31, 2020, the Town had the following restricted net position and restricted fund balances:

Nonmajor special revenue funds:	
Community benefit grant	\$ 2,038
MCF housing	2,000
MMA safety grant	500
Center for tech and civic life	1,106
Microloan program	179,649
Ralston property	24,589
Broadband feasibility	7,542
Nonmajor permanent funds:	
Cemetery fund	59,781
Bartlette/McDonald fund	1,380
	<u>\$ 278,585</u>

TOWN OF STONINGTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

NOTE 11 - NONSPENDABLE FUND BALANCES

As of December 31, 2020, the Town had the following nonspendable fund balances:

Fish Pier fund:	
Inventory	<u>\$ 7,843</u>

NOTE 12 - COMMITTED FUND BALANCE

As of December 31, 2020, the Town had the following committed fund balances:

Fish pier fund	\$ 382,507
Nonmajor special revenue funds (Schedule D)	15,158
Nonmajor capital projects funds (Schedule F)	<u>1,696,447</u>
	<u>\$ 2,094,112</u>

NOTE 13 - DEFICIT FUND BALANCES

The following funds had deficit fund balances as of December 31, 2020:

Food vulnerability study	\$ 33,547
CARES Act	1,694
2019 SHIP grant - fish pier	102,154
AFG fire department	64,350
Shore/harbor planning	<u>30,024</u>
	<u>\$ 231,769</u>

NOTE 14 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at December 31, 2020:

Wages, salaries and taxes (Article 13)	\$ 32,030
E-911 road signs (Article 21)	351
Street lights (Article 43)	828
Athletic field (Article 60)	<u>128</u>
	<u>\$ 33,337</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - 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 criterion 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, 2020, the following employees were covered by the benefit terms:

Active members	5
Retirees and spouses	-
Total	<u>5</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - 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.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$1,118.55	\$2,509.07
PPO 1500	\$920.63	\$2,065.10
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

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

At December 31, 2020, the Town reported a liability of \$42,443 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 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 December 31, 2020, the Town recognized OPEB expense of \$1,868. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 747	\$ 12,062
Changes of assumptions	10,714	2,435
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	135	-
<b>Total</b>	<b>\$ 11,596</b>	<b>\$ 14,497</b>

\$135 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 December 31, 2021. 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 December 31:	
2021	\$ (48)
2022	(48)
2023	(48)
2024	(49)
2025	(2,438)
Thereafter	(405)

**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, 2020. 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 2.74% per annum for December 31, 2020 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 49,179	\$ 42,443	\$ 36,912
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 49,179</u>	<u>\$ 42,443</u>	<u>\$ 36,912</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	\$ 36,859	\$ 42,443	\$ 49,248
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 36,859</u>	<u>\$ 42,443</u>	<u>\$ 49,248</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, 2020, 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 STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. 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.

*Amortization*

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

*Assumptions*

The actuarial assumptions used in the January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 year end 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 2020\_b was used for this valuation. The following assumptions were input into this model:

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

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. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 - 2028, these are interpolated from 2023 to 2029 (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 - 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 State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

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, 2016.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

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.

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC\_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

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.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended December 31, 2020 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. 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, 2019 was (\$11,315).

*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 June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. 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 P.O. Box 9, 32 Main Street, Stonington, Maine 04681.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 16 - RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials' liability coverage, workers compensation and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 17 - 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 18 - OVERLAPPING DEBT

The Town's proportionate share of debt of CSD No. 13 has not been recorded in the financial statements of the Town of Stonington. It is not required to be recorded in order for the financial statements to conform to generally accepted accounting principles. The County of Hancock does not have any outstanding debt. As of December 31, 2020, the Town's share of the school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
CSD No. 13	\$ 334,939	32.25%	<u>\$ 108,018</u>

NOTE 19 - RESTATEMENTS

The beginning fund balance of the general fund and the beginning net position of the governmental activities was restated by \$34,718 to record expenses that should have been shown as accounts payable as of January 1, 2020. The general fund beginning fund balance was restated from \$2,225,296 to \$2,190,578.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 19 - RESTATEMENTS (CONTINUED)

The beginning net position of the governmental activities and the capital assets and accumulated depreciation amounts were restated by \$237,343 to record omitted information from the 2019 financial statements. The capital assets were increased by \$250,691 from \$12,454,572 to \$12,705,263, while accumulated depreciation increased by \$13,348 from \$3,657,698 to \$3,671,046.

The resulting restatements increased the net position of the governmental activities by \$202,625 from \$12,662,761 to \$12,865,386.



## 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
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

## TOWN OF STONINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1, Restated	\$ 2,190,578	\$ 2,190,578	\$ 2,190,578	\$ -
Resources (Inflows):				
Property taxes	3,371,418	3,371,418	3,368,087	(3,331)
Excise taxes	-	-	245,526	245,526
Intergovernmental	120,028	120,028	145,351	25,323
Charges for services	-	-	43,369	43,369
Interest/costs on liens	-	-	10,685	10,685
Investment income, net	-	-	15,995	15,995
Other revenues	-	-	25,379	25,379
Amounts Available for Appropriation	<u>5,682,024</u>	<u>5,682,024</u>	<u>6,044,970</u>	<u>362,946</u>
Charges to Appropriations (Outflows):				
General government	381,000	381,000	394,024	(13,024)
Public safety	233,741	233,741	180,438	53,303
Health and sanitation	315,300	315,300	280,491	34,809
Public works	490,400	490,400	261,522	228,878
Special assessments	1,833,948	1,833,948	1,833,948	-
Social services	13,376	13,376	11,876	1,500
Culture and recreation	25,700	25,700	24,261	1,439
Unclassified	196,017	196,017	127,824	68,193
Debt service	107,614	107,614	106,649	965
Transfers to other funds	514,350	374,350	374,350	-
Total Charges to Appropriation	<u>4,111,446</u>	<u>3,971,446</u>	<u>3,595,383</u>	<u>376,063</u>
Budgetary Fund Balance, December 31	<u>\$ 1,570,578</u>	<u>\$ 1,710,578</u>	<u>\$ 2,449,587</u>	<u>\$ 739,009</u>
Utilization of unassigned fund balance	<u>\$ 620,000</u>	<u>\$ 480,000</u>	<u>\$ -</u>	<u>\$ (480,000)</u>

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

## TOWN OF STONINGTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 28,438	\$ -	\$ 28,438
Changes for the year:			
Service cost	1,605	-	1,605
Interest	1,232	-	1,232
Changes of benefits	(786)	-	(786)
Differences between expected and actual experience	934	-	934
Changes of assumptions	11,020	-	11,020
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net changes	<u>14,005</u>	<u>-</u>	<u>14,005</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 42,443</u>	<u>\$ -</u>	<u>\$ 42,443</u>

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

## TOWN OF STONINGTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 1,605	\$ 1,791	\$ 2,840
Interest (includes interest on service cost)	1,232	1,054	1,647
Changes of benefit terms	(786)	-	-
Differences between expected and actual experience	934	-	(19,298)
Changes of assumptions	11,020	(3,247)	3,035
Benefit payments, including refunds of member contributions	-	-	(243)
Net change in total OPEB liability	<u>\$ 14,005</u>	<u>\$ (402)</u>	<u>\$ (12,019)</u>
Total OPEB liability - beginning	\$ 28,438	\$ 28,840	\$ 40,859
Total OPEB liability - ending	\$ 42,443	\$ 28,438	\$ 28,840
<u>Plan fiduciary net position</u>			
Contributions - employer	-	-	243
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	-	-	(243)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 42,443</u>	<u>\$ 28,438</u>	<u>\$ 28,840</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 213,320	\$ 215,350	\$ 215,350
Net OPEB liability as a percentage of covered payroll	19.9%	13.2%	13.4%

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

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

## TOWN OF STONINGTON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ -	\$ -	\$ 243
Benefit payments	-	-	(243)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 213,320	\$ 215,350	\$ 215,350
Contributions as a percentage of covered payroll	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 auditors' report and notes to financial statements.

TOWN OF STONINGTON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Changes of Assumptions**

MMEHT Plan

There was a change in the discount rate from 4.10% to 2.74% per GASB 75 discount rate selection. The repeal of the “Cadillac Tax” was reflected in this valuation by removing the previously planned excise tax.

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

## 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.

- Schedule of Departmental Operations - General Fund
- Schedule of General Fund Revenues - Budget and Actual
- 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 Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of Capital Assets by Function
- Schedule of Changes in Capital Assets by Function

TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations	Budget Adjustments	Total Available	Actual Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Administration	\$ 102,400	\$ -	\$ 102,400	\$ 91,733	\$ 10,667
Wages, salaries and taxes	205,500	-	205,500	237,530	(32,030)
Employee healthcare	50,000	-	50,000	45,367	4,633
Town hall maintenance	20,450	-	20,450	17,874	2,576
Planning board	2,400	-	2,400	1,520	880
Appeals board	250	-	250	-	250
Total	<u>381,000</u>	<u>-</u>	<u>381,000</u>	<u>394,024</u>	<u>(13,024)</u>
<b>PUBLIC SAFETY</b>					
Animal control	5,350	-	5,350	3,069	2,281
Hydrant rental	70,400	-	70,400	70,400	-
Code enforcement	14,775	-	14,775	13,066	1,709
Health officer	250	-	250	-	250
Fire department	61,050	-	61,050	46,862	14,188
E-911 road signs	400	-	400	751	(351)
Sheriff services	70,516	-	70,516	34,462	36,054
Street lights	11,000	-	11,000	11,828	(828)
Total	<u>233,741</u>	<u>-</u>	<u>233,741</u>	<u>180,438</u>	<u>53,303</u>
<b>HEALTH AND SANITATION</b>					
Transfer station	315,300	-	315,300	280,491	34,809
Total	<u>315,300</u>	<u>-</u>	<u>315,300</u>	<u>280,491</u>	<u>34,809</u>



TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriations</u>	<u>Budget Adjustments</u>	<u>Total Available</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b>PUBLIC WORKS</b>					
Town roads	199,700	-	199,700	86,524	113,176
Winter roads	211,000	-	211,000	135,516	75,484
Equipment	36,800	-	36,800	25,645	11,155
Town garage	12,900	-	12,900	8,837	4,063
Colwell ramp	30,000	-	30,000	5,000	25,000
Total	<u>490,400</u>	<u>-</u>	<u>490,400</u>	<u>261,522</u>	<u>228,878</u>
<b>SPECIAL ASSESSMENTS</b>					
School	1,698,599	-	1,698,599	1,698,599	-
County tax	135,349	-	135,349	135,349	-
Total	<u>1,833,948</u>	<u>-</u>	<u>1,833,948</u>	<u>1,833,948</u>	<u>-</u>
<b>SOCIAL SERVICES</b>					
General assistance	1,500	-	1,500	-	1,500
Hancock County Homecare and Hospice	7,526	-	7,526	7,526	-
Eastern Area Agency on Aging	2,600	-	2,600	2,600	-
YMCA	1,000	-	1,000	1,000	-
American Red Cross	750	-	750	750	-
Total	<u>13,376</u>	<u>-</u>	<u>13,376</u>	<u>11,876</u>	<u>1,500</u>
<b>CULTURE AND RECREATION</b>					
Stonington public library	10,000	-	10,000	10,000	-
Island recreation board	1,500	-	1,500	1,500	-
Athletic field	1,000	-	1,000	1,128	(128)
Town parks	13,200	-	13,200	11,633	1,567
Total	<u>25,700</u>	<u>-</u>	<u>25,700</u>	<u>24,261</u>	<u>1,439</u>

TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriations</u>	<u>Budget Adjustments</u>	<u>Total Available</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b>DEBT SERVICE</b>					
Loader	15,800	-	15,800	15,239	561
Moose island causeway	34,744	-	34,744	34,743	1
International truck	16,540	-	16,540	16,137	403
Hagen dock rebuild	40,530	-	40,530	40,530	-
Total	<u>107,614</u>	<u>-</u>	<u>107,614</u>	<u>106,649</u>	<u>965</u>
<b>UNCLASSIFIED</b>					
Downeast transportation	800	-	800	800	-
Economic development	30,000	-	30,000	25,839	4,161
Fourth of July	4,500	-	4,500	4,500	-
Hancock County RCC	4,923	-	4,923	4,923	-
Healthy Island	3,500	-	3,500	3,500	-
Chamber of Commerce	700	-	700	700	-
Memorial day	450	-	450	450	-
Downeast Community Partners	9,451	-	9,451	9,451	-
Hospice Volunteers of Hancock County	1,000	-	1,000	1,000	-
Island Community Center	13,000	-	13,000	13,000	-
WIC program	1,215	-	1,215	1,215	-
Project Launch	1,500	-	1,500	1,500	-
Opiate Free Island Partnership	7,500	-	7,500	7,500	-
Lifelight Foundation	522	-	522	522	-
Island Nursing Home	5,000	-	5,000	5,000	-
Island Workforce Housing	5,000	-	5,000	5,000	-
Tax discounts	29,000	-	29,000	26,498	2,502
Sand beach	8,500	-	8,500	7,854	646
Cemeteries	3,500	-	3,500	1,941	1,559
Overlay/abatements	65,956	-	65,956	6,631	59,325
Total	<u>196,017</u>	<u>-</u>	<u>196,017</u>	<u>127,824</u>	<u>68,193</u>
Transfer to other funds	514,350	(140,000)	374,350	374,350	-
Total	<u>514,350</u>	<u>(140,000)</u>	<u>374,350</u>	<u>374,350</u>	<u>-</u>
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<u>\$ 4,111,446</u>	<u>\$ (140,000)</u>	<u>\$ 3,971,446</u>	<u>\$ 3,595,383</u>	<u>\$ 376,063</u>

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

## TOWN OF STONINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 3,371,418	\$ 3,371,418	\$ 3,368,087	\$ (3,331)
Excise taxes:				
Auto excise	-	-	245,526	245,526
Intergovernmental revenues:				
State revenue sharing	52,000	52,000	65,538	13,538
Homestead exemption	62,597	62,597	54,270	(8,327)
Local road assistance	-	-	18,304	18,304
BETE reimbursement	5,431	5,431	-	(5,431)
Tree growth	-	-	6,616	6,616
Other intergovernmental	-	-	623	623
Interest/Investment income, net	-	-	15,995	15,995
Interest/Costs on liens	-	-	10,685	10,685
Charges for services:				
Municipal agent fees	-	-	8,372	8,372
Building permits	-	-	5,302	5,302
Demo debris income	-	-	19,661	19,661
Recycling	-	-	1,578	1,578
Trash fees	-	-	2,448	2,448
Other fees	-	-	1,855	1,855
In lieu of taxes	-	-	4,153	4,153
Other income:				
CATV fee	-	-	3,652	3,652
Miscellaneous	-	-	21,727	21,727
TOTAL REVENUES	<u>\$ 3,491,446</u>	<u>\$ 3,491,446</u>	<u>\$ 3,854,392</u>	<u>\$ 362,946</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 154,161	\$ 1,171,221	\$ 61,610	\$ 1,386,992
Loans receivable	20,394	-	-	20,394
Due from other funds	58,027	813,031	-	871,058
<b>TOTAL ASSETS</b>	<u>\$ 232,582</u>	<u>\$ 1,984,252</u>	<u>\$ 61,610</u>	<u>\$ 2,278,444</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 231,769	\$ 287,805	\$ 449	\$ 520,023
<b>TOTAL LIABILITIES</b>	<u>231,769</u>	<u>287,805</u>	<u>449</u>	<u>520,023</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	217,424	-	61,161	278,585
Committed	15,158	1,696,447	-	1,711,605
Assigned	-	-	-	-
Unassigned	(231,769)	-	-	(231,769)
<b>TOTAL FUND BALANCES</b>	<u>813</u>	<u>1,696,447</u>	<u>61,161</u>	<u>1,758,421</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 232,582</u>	<u>\$ 1,984,252</u>	<u>\$ 61,610</u>	<u>\$ 2,278,444</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental income	\$ 56,723	\$ -	\$ -	\$ 56,723
Charges for services	-	147,846	-	147,846
Investment income	772	7,005	295	8,072
Other income	3,000	6,701	-	9,701
TOTAL REVENUES	<u>60,495</u>	<u>161,552</u>	<u>295</u>	<u>222,342</u>
EXPENDITURES				
Other	168,391	180,222	-	348,613
TOTAL EXPENDITURES	<u>168,391</u>	<u>180,222</u>	<u>-</u>	<u>348,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(107,896)</u>	<u>(18,670)</u>	<u>295</u>	<u>(126,271)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	466,196	-	466,196
Transfers (out)	-	(91,846)	-	(91,846)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>374,350</u>	<u>-</u>	<u>374,350</u>
NET CHANGE IN FUND BALANCES	(107,896)	355,680	295	248,079
FUND BALANCES - JANUARY 1	<u>108,709</u>	<u>1,340,767</u>	<u>60,866</u>	<u>1,510,342</u>
FUND BALANCES - DECEMBER 31	<u>\$ 813</u>	<u>\$ 1,696,447</u>	<u>\$ 61,161</u>	<u>\$ 1,758,421</u>

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

## Special Revenue Funds Description

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 D

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2020

	Community Benefit Grant	Flood Vulnerability Study	Heating Fund	Genesis Study	MCF Housing	MMA Safety Grant	Stonington Water	Center for Tech and Civic Life
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 12,231	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	-	-	-	-
Due from other funds	2,038	-	1,243	176	2,000	500	1,399	1,106
<b>TOTAL ASSETS</b>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ 13,474</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 500</u>	<u>\$ 1,399</u>	<u>\$ 1,106</u>
<b>LIABILITIES</b>								
Due to other funds	\$ -	\$ 33,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>33,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	2,038	-	-	-	2,000	500	-	1,106
Committed	-	-	13,474	176	-	-	1,399	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(33,547)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>2,038</u>	<u>(33,547)</u>	<u>13,474</u>	<u>176</u>	<u>2,000</u>	<u>500</u>	<u>1,399</u>	<u>1,106</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ 13,474</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 500</u>	<u>\$ 1,399</u>	<u>\$ 1,106</u>

SCHEDULE D (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2020

	CARES Act	2019 SHIP Grant Fish Pier	AFG Fire Dept	Climate to Thrive 2020	Shore/Harbor Planning	Microloan Program	Ralston Property	Broadband Feasibility	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,930	\$ -	\$ -	\$ 154,161
Loans receivable	-	-	-	-	-	20,394	-	-	20,394
Due from other funds	-	-	-	109	-	17,325	24,589	7,542	58,027
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109</b>	<b>\$ -</b>	<b>\$ 179,649</b>	<b>\$ 24,589</b>	<b>\$ 7,542</b>	<b>\$ 232,582</b>
<b>LIABILITIES</b>									
Due to other funds	\$ 1,694	\$ 102,154	\$ 64,350	\$ -	\$ 30,024	\$ -	\$ -	\$ -	\$ 231,769
<b>TOTAL LIABILITIES</b>	<b>1,694</b>	<b>102,154</b>	<b>64,350</b>	<b>-</b>	<b>30,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,769</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	179,649	24,589	7,542	217,424
Committed	-	-	-	109	-	-	-	-	15,158
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(1,694)	(102,154)	(64,350)	-	(30,024)	-	-	-	(231,769)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(1,694)</b>	<b>(102,154)</b>	<b>(64,350)</b>	<b>109</b>	<b>(30,024)</b>	<b>179,649</b>	<b>24,589</b>	<b>7,542</b>	<b>813</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109</b>	<b>\$ -</b>	<b>\$ 179,649</b>	<b>\$ 24,589</b>	<b>\$ 7,542</b>	<b>\$ 232,582</b>

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



SCHEDULE E

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Community Benefit Grant	Flood Vulnerability Study	Heating Fund	Genesis Study	MCF Housing	MMA Safety Grant	Stonington Water	Center for Tech and Civic Life
REVENUES								
Intergovernmental income	\$ -	\$ 22,866	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 5,000
Investment income	-	-	75	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>22,866</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>5,000</u>
EXPENDITURES								
Other	-	28,342	248	-	-	426	-	3,894
TOTAL EXPENDITURES	<u>-</u>	<u>28,342</u>	<u>248</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>3,894</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(5,476)	(173)	-	-	-	-	1,106
FUND BALANCES (DEFICITS) - JANUARY 1	<u>2,038</u>	<u>(28,071)</u>	<u>13,647</u>	<u>176</u>	<u>2,000</u>	<u>500</u>	<u>1,399</u>	<u>-</u>
FUND BALANCES (DEFICITS) - DECEMBER 31	<u>\$ 2,038</u>	<u>\$ (33,547)</u>	<u>\$ 13,474</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 500</u>	<u>\$ 1,399</u>	<u>\$ 1,106</u>

SCHEDULE E (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	CARES Act	2019 SHIP Grant Fish Pier	AFG Fire Dept	Climate to Thrive 2020	Shore/Harbor Planning	Microloan Program	Ralston Property	Broadband Feasibility	Total
<b>REVENUES</b>									
Intergovernmental income	\$ -	\$ -	\$ -	\$ 3,598	\$ 24,833	\$ -	\$ -	\$ -	\$ 56,723
Investment income	-	-	-	-	-	697	-	-	772
Other income	-	-	-	-	-	3,000	-	-	3,000
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,598</b>	<b>24,833</b>	<b>3,697</b>	<b>-</b>	<b>-</b>	<b>60,495</b>
<b>EXPENDITURES</b>									
Other	1,694	102,154	-	3,489	22,572	5,084	-	488	168,391
<b>TOTAL EXPENDITURES</b>	<b>1,694</b>	<b>102,154</b>	<b>-</b>	<b>3,489</b>	<b>22,572</b>	<b>5,084</b>	<b>-</b>	<b>488</b>	<b>168,391</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,694)	(102,154)	-	109	2,261	(1,387)	-	(488)	(107,896)
FUND BALANCES (DEFICITS) - JANUARY 1	-	-	(64,350)	-	(32,285)	181,036	24,589	8,030	108,709
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ (1,694)	\$ (102,154)	\$ (64,350)	\$ 109	\$ (30,024)	\$ 179,649	\$ 24,589	\$ 7,542	\$ 813

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

## Capital Projects Funds

Capital projects 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 STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2020

	Airport	Athletic Field	Seawall Reserve	Hagen Dock	Conservation Commission	Fire Dept. Capital	Dog Park
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,509	\$ 20,811	\$ 180,929	\$ -	\$ 257	\$ 193,193	\$ -
Due from other funds	1,014	16,480	-	-	31	32,752	2,500
<b>TOTAL ASSETS</b>	<b>\$ 7,523</b>	<b>\$ 37,291</b>	<b>\$ 180,929</b>	<b>\$ -</b>	<b>\$ 288</b>	<b>\$ 225,945</b>	<b>\$ 2,500</b>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ 81,453	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>81,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	7,523	37,291	99,476	-	288	225,945	2,500
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>7,523</b>	<b>37,291</b>	<b>99,476</b>	<b>-</b>	<b>288</b>	<b>225,945</b>	<b>2,500</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,523</b>	<b>\$ 37,291</b>	<b>\$ 180,929</b>	<b>\$ -</b>	<b>\$ 288</b>	<b>\$ 225,945</b>	<b>\$ 2,500</b>

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2020

	Gym Building	Harbor	Playground Reserve	Rainy Day Reserve	Road Equipment	School Building	Shellfish
<b>ASSETS</b>							
Cash and cash equivalents	\$ 131,309	\$ 200,794	\$ 2,513	\$ 46,280	\$ 102,465	\$ 84,381	\$ 34,253
Due from other funds	-	185,413	50,085	-	-	51,159	-
<b>TOTAL ASSETS</b>	<u>\$ 131,309</u>	<u>\$ 386,207</u>	<u>\$ 52,598</u>	<u>\$ 46,280</u>	<u>\$ 102,465</u>	<u>\$ 135,540</u>	<u>\$ 34,253</u>
<b>LIABILITIES</b>							
Due to other funds	\$ 105,699	\$ -	\$ -	\$ 29,991	\$ 34,059	\$ -	\$ 15,720
<b>TOTAL LIABILITIES</b>	<u>105,699</u>	<u>-</u>	<u>-</u>	<u>29,991</u>	<u>34,059</u>	<u>-</u>	<u>15,720</u>
<b>FUND BALANCES</b>							
Nonspendable							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	25,610	386,207	52,598	16,289	68,406	135,540	18,533
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>25,610</u>	<u>386,207</u>	<u>52,598</u>	<u>16,289</u>	<u>68,406</u>	<u>135,540</u>	<u>18,533</u>
<b>TOTAL LIABILITIES AND FUND</b>	<u>\$ 131,309</u>	<u>\$ 386,207</u>	<u>\$ 52,598</u>	<u>\$ 46,280</u>	<u>\$ 102,465</u>	<u>\$ 135,540</u>	<u>\$ 34,253</u>

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2020

	Swimming Pool	Town Hall	Harbor Float	Transfer Station Reserve	Unemploy. Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,884	\$ 26,518	\$ 22,369	\$ 26,185	\$ 14,357
Due from other funds	1	2,914	-	144,078	-
<b>TOTAL ASSETS</b>	<u>\$ 1,885</u>	<u>\$ 29,432</u>	<u>\$ 22,369</u>	<u>\$ 170,263</u>	<u>\$ 14,357</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ 9,822	\$ -	\$ 11,061
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>9,822</u>	<u>-</u>	<u>11,061</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	1,885	29,432	12,547	170,263	3,296
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,885</u>	<u>29,432</u>	<u>12,547</u>	<u>170,263</u>	<u>3,296</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,885</u>	<u>\$ 29,432</u>	<u>\$ 22,369</u>	<u>\$ 170,263</u>	<u>\$ 14,357</u>

SCHEDULE F (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2020

	Salt/Sand Shed	Sidewalks Project	Broadband Reserve	Fire Station Building Reserve	Sea Level Rise Reserve	Waterfront Access	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,214	\$ 1,171,221
Due from other funds	-	24,003	115,100	100,000	75,000	12,501	813,031
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 24,003</u>	<u>\$ 115,100</u>	<u>\$ 100,000</u>	<u>\$ 75,000</u>	<u>\$ 88,715</u>	<u>\$ 1,984,252</u>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,805
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,805</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	24,003	115,100	100,000	75,000	88,715	1,696,447
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>24,003</u>	<u>115,100</u>	<u>100,000</u>	<u>75,000</u>	<u>88,715</u>	<u>1,696,447</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 24,003</u>	<u>\$ 115,100</u>	<u>\$ 100,000</u>	<u>\$ 75,000</u>	<u>\$ 88,715</u>	<u>\$ 1,984,252</u>

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

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Airport	Athletic Field	Seawall Reserve	Hagen Dock	Conservation Commission	Fire Dept. Capital	Dog Park
<b>REVENUES</b>							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	47	152	1,116	-	2	1,192	-
Other income	1,980	-	-	-	-	506	-
<b>TOTAL REVENUES</b>	<u>2,027</u>	<u>152</u>	<u>1,116</u>	<u>-</u>	<u>2</u>	<u>1,698</u>	<u>-</u>
<b>EXPENDITURES</b>							
Other	3,211	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>3,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,184)</u>	<u>152</u>	<u>1,116</u>	<u>-</u>	<u>2</u>	<u>1,698</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	15,000	15,000	-	100	25,000	2,500
Transfers (out)	-	-	-	(16,848)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>(16,848)</u>	<u>100</u>	<u>25,000</u>	<u>2,500</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(1,184)</u>	<u>15,152</u>	<u>16,116</u>	<u>(16,848)</u>	<u>102</u>	<u>26,698</u>	<u>2,500</u>
<b>FUND BALANCES - JANUARY 1</b>	<u>8,707</u>	<u>22,139</u>	<u>83,360</u>	<u>16,848</u>	<u>186</u>	<u>199,247</u>	<u>-</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 7,523</u>	<u>\$ 37,291</u>	<u>\$ 99,476</u>	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ 225,945</u>	<u>\$ 2,500</u>



SCHEDULE G (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Gym Building	Harbor	Playground Reserve	Rainy Day Reserve	Road Equipment	School Building	Shellfish
REVENUES							
Charges for services	\$ -	\$ 77,210	\$ -	\$ -	\$ -	\$ 53,357	\$ 17,279
Investment income	810	820	15	286	632	521	211
Other income	3,600	441	-	-	-	-	74
TOTAL REVENUES	<u>4,410</u>	<u>78,471</u>	<u>15</u>	<u>286</u>	<u>632</u>	<u>53,878</u>	<u>17,564</u>
EXPENDITURES							
Other	8,983	52,617	-	-	20,000	25,509	20,913
TOTAL EXPENDITURES	<u>8,983</u>	<u>52,617</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>25,509</u>	<u>20,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,573)</u>	<u>25,854</u>	<u>15</u>	<u>286</u>	<u>(19,368)</u>	<u>28,369</u>	<u>(3,349)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,500	91,848	50,000	-	64,998	250	1,000
Transfers (out)	-	-	-	(30,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500</u>	<u>91,848</u>	<u>50,000</u>	<u>(30,000)</u>	<u>64,998</u>	<u>250</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCES	(2,073)	117,702	50,015	(29,714)	45,630	28,619	(2,349)
FUND BALANCES - JANUARY 1	<u>27,683</u>	<u>268,505</u>	<u>2,583</u>	<u>46,003</u>	<u>22,776</u>	<u>106,921</u>	<u>20,882</u>
FUND BALANCES - DECEMBER 31	<u>\$ 25,610</u>	<u>\$ 386,207</u>	<u>\$ 52,598</u>	<u>\$ 16,289</u>	<u>\$ 68,406</u>	<u>\$ 135,540</u>	<u>\$ 18,533</u>

SCHEDULE G (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Swimming Pool	Town Hall	Harbor Float	Transfer Station Reserve	Unemploy. Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	12	164	304	162	89
Other income	-	-	-	-	-
TOTAL REVENUES	<u>12</u>	<u>164</u>	<u>304</u>	<u>162</u>	<u>89</u>
EXPENDITURES					
Other	-	-	12,500	35,424	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>35,424</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12</u>	<u>164</u>	<u>(12,196)</u>	<u>(35,262)</u>	<u>89</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,000	2,500	1,000	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,000</u>	<u>2,500</u>	<u>1,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	12	2,164	(9,696)	(34,262)	89
FUND BALANCES - JANUARY 1	<u>1,873</u>	<u>27,268</u>	<u>22,243</u>	<u>204,525</u>	<u>3,207</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,885</u>	<u>\$ 29,432</u>	<u>\$ 12,547</u>	<u>\$ 170,263</u>	<u>\$ 3,296</u>

SCHEDULE G (CONTINUED)

TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Salt/Sand Shed	Sidewalks Project	Broadband Reserve	Fire Station Building Reserve	Sea Level Rise Reserve	Waterfront Access	Total
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,846
Investment income	-	-	-	-	-	470	7,005
Other income	-	-	100	-	-	-	6,701
TOTAL REVENUES	-	-	100	-	-	470	161,552
EXPENDITURES							
Other	1,065	-	-	-	-	-	180,222
TOTAL EXPENDITURES	1,065	-	-	-	-	-	180,222
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,065)	-	100	-	-	470	(18,670)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	105,000	25,000	50,000	12,500	466,196
Transfers (out)	(44,998)	-	-	-	-	-	(91,846)
TOTAL OTHER FINANCING SOURCES (USES)	(44,998)	-	105,000	25,000	50,000	12,500	374,350
NET CHANGE IN FUND BALANCES	(46,063)	-	105,100	25,000	50,000	12,970	355,680
FUND BALANCES - JANUARY 1	46,063	24,003	10,000	75,000	25,000	75,745	1,340,767
FUND BALANCES - DECEMBER 31	\$ -	\$ 24,003	\$ 115,100	\$ 100,000	\$ 75,000	\$ 88,715	\$ 1,696,447

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

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Stonington, 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 provision and/or maintenance of cemeteries.

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2020

	<u>Cemetery Fund</u>	<u>Bartlett/ McDonald</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 60,230	\$ 1,380	\$ 61,610
<b>TOTAL ASSETS</b>	<u>\$ 60,230</u>	<u>\$ 1,380</u>	<u>\$ 61,610</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 449	\$ -	\$ 449
<b>TOTAL LIABILITIES</b>	<u>449</u>	<u>-</u>	<u>449</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	59,781	1,380	61,161
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>59,781</u>	<u>1,380</u>	<u>61,161</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 60,230</u>	<u>\$ 1,380</u>	<u>\$ 61,610</u>

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

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND  
BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Cemetery Fund	Bartlett/ McDonald	Total
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
Investment income	\$      289	\$          6	\$      295
TOTAL REVENUES	<u>          289</u>	<u>            6</u>	<u>          295</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>          -</u>	<u>          -</u>	<u>          -</u>
NET CHANGE IN FUND BALANCES	289	6	295
FUND BALANCES - JANUARY 1	<u>59,492</u>	<u>1,374</u>	<u>60,866</u>
FUND BALANCES - DECEMBER 31	<u>\$  59,781</u>	<u>\$  1,380</u>	<u>\$  61,161</u>

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

## General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

## TOWN OF STONINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2020

	Land and Construction in Progress	Buildings, Building Improvements, and Land Improvements	Water Mains, Machinery and Equipment, Furniture/Fixtures, Vehicles	Infrastructure	Total
Administration	\$ 148,800	\$ 524,911	\$ -	\$ -	\$ 673,711
Public safety	385,500	93,400	683,154	-	1,162,054
Public works	81,400	982,560	634,313	499,735	2,198,008
Water department	66,667	7,469	4,309,598	-	4,383,734
Health and sanitation	-	385,460	51,137	-	436,597
Town-wide	<u>5,320,800</u>	<u>1,196,854</u>	<u>191,153</u>	<u>1,330,741</u>	<u>8,039,548</u>
Total General Capital Assets	6,003,167	3,190,654	5,869,355	1,830,476	16,893,652
Less: Accumulated Depreciation	<u>-</u>	<u>(2,087,493)</u>	<u>(1,492,448)</u>	<u>(1,298,900)</u>	<u>(4,878,841)</u>
Net General Capital Assets	<u>\$ 6,003,167</u>	<u>\$ 1,103,161</u>	<u>\$ 4,376,907</u>	<u>\$ 531,576</u>	<u>\$ 12,014,811</u>

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



TOWN OF STONINGTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Capital Assets (Restated)	Additions	Deletions	General Capital Assets 12/31/20
Administration	\$ 673,711	\$ -	\$ -	\$ 673,711
Public safety	1,162,054	-	-	1,162,054
Public works	2,367,902	59,439	(229,333)	2,198,008
Water department	4,383,734	-	-	4,383,734
Health and sanitation	472,297	-	(35,700)	436,597
Town-wide	<u>8,029,299</u>	<u>136,982</u>	<u>(126,733)</u>	<u>8,039,548</u>
Total General Capital Assets	17,088,997	196,421	(391,766)	16,893,652
Less: Accumulated Depreciation	<u>(4,874,353)</u>	<u>(362,069)</u>	<u>357,581</u>	<u>(4,878,841)</u>
Net General Capital Assets	<u>\$ 12,214,644</u>	<u>\$ (165,648)</u>	<u>\$ (34,185)</u>	<u>\$ 12,014,811</u>

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



Proven Expertise & Integrity

INDEPENDENT AUDITORS' 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

Selectboard  
Town of Stonington  
Stonington, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Maine as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Town of Stonington, Maine's basic financial statements and have issued our report thereon dated September 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Stonington, 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 Stonington, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Stonington, 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 Stonington, 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 Stonington, Maine in a separate letter dated September 2, 2021.

#### 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  
September 11, 2021