

City of Presque Isle, Maine

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
December 31, 2020*

City of Presque Isle, Maine

Comprehensive Annual Financial Report

For the Fiscal Year Ended
December 31, 2020

Prepared by:
City of Presque Isle
Finance Department

CITY OF PRESQUE ISLE, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	i - v
Principal Officials	vi
Organization Chart	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 - 16
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position	17 - 18
Statement of Activities	19 - 20
Fund Financial Statements	
Balance Sheet - Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Notes to Financial Statements	25 - 71
<u>Required Supplementary Information</u>	
Required Supplementary Information Description	72

Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund	73
Schedule of Proportionate Share of the Net Pension Liability	74
Schedule of Contributions - Pension	75
Schedule of Proportionate Share of the Net OPEB Liability - Group Life	76
Schedule of Changes in Net OPEB Liability and Related Ratios - Health Plan	77
Schedule of Contributions - OPEB - Group Life and Health	78
Notes to Required Supplementary Information	79
<u>Other Supplementary Information</u>	
Other Supplementary Information Description	80
Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues	81
Schedule of Departmental Operations - General Fund	82 - 85
Combining Balance Sheet - Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds	87
Special Revenue Funds Description	88
Combining Balance Sheet - Nonmajor Special Revenue Funds	89 - 93
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Special Revenue Funds	94 - 98
Capital Project Funds Description	99
Combining Balance Sheet - Nonmajor Capital Project Funds	100 - 103
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Capital Project Funds	104 - 107
Permanent Funds Description	108
Combining Balance Sheet - Nonmajor Permanent Funds	109

Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Permanent Funds	110
--	-----

General Capital Assets Description	111
------------------------------------	-----

Schedule of General Capital Assets by Function	112
--	-----

Schedule of Changes in General Capital Assets by Function	113
---	-----

STATISTICAL SECTION

Statistical Information Description	114
-------------------------------------	-----

Table 1 - Net Position by Component - Last Ten Fiscal Years	115
---	-----

Table 2 - Changes in Net Position - Last Ten Fiscal Years	116
---	-----

Table 3 - Program Revenues by Function/Program - Last Ten Years	117
---	-----

Table 4 - Fund Balances of Governmental Funds - Last Ten Fiscal Years	118
---	-----

Table 5 - Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	119
--	-----

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	120
--	-----

Table 7 - Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	121
---	-----

Table 8 - Principal Property Taxpayers	122
--	-----

Table 9 - Total Property Tax Levies and Collections - Last Ten Fiscal Years	123
---	-----

Table 10 - Ratios of Net General Debt Outstanding	124
---	-----

Table 11 - Direct and Overlapping Governmental Activities Debt - Current Fiscal Year	125
---	-----

Table 12 - Legal Debt Margin Information	126
--	-----

Table 13 - Principal Employers - Current Fiscal Year and Nine Years Ago	127
---	-----

Table 14 - Demographic and Economic Statistics	128
--	-----

Table 15 - Full-time Employees by Function/Program - Last Ten Fiscal Years	129
--	-----

Table 16 - Operating Indicators by Function/Program - Last Ten Fiscal Years	130 - 131
---	-----------

Table 17 - Capital Assets and Infrastructure by Function - Last Ten Fiscal Years	132
--	-----

INTRODUCTORY SECTION

City of Presque Isle

12 Second Street
Presque Isle, ME 04769-2459
Phone: (207) 760-2700
Fax: (207) 764-2501

June 15, 2021

To the City Councilors and
The Citizens of Presque Isle, Maine

Maine state statutes and the Presque Isle City Charter require that the City issue annually a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2020. These financial statements are presented in conformance with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted governmental auditing standards (GAGAS).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that is established for that purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The firm of RHR Smith & Company, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Presque Isle, Maine's financial statements for the year ended December 31, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Governmental Profile

The City of Presque Isle, Maine is located in central Aroostook County, the northernmost and largest of Maine's sixteen counties and the largest county east of the Mississippi River. The city encompasses approximately 72 square miles and serves a population of 9,692 as of the 2010 census. Presque Isle was first incorporated as a township on April 4, 1859 and incorporated as a City in 1939. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property within its boundaries.

The City operates under a municipal charter approved by the voters of the community November 2, 1993 that provides for a council-manager form of government. Policy making and legislative authority is vested in a seven-member City Council. Councilors are elected on a non-partisan basis for four-year staggered terms. The City Manager is the chief administrative officer of the City and is appointed by the Council, as are the City Solicitor and City Clerk. The City Manager is responsible for overseeing the day to day operations of the City; for carrying out the policies and ordinances of the City Council; and for appointing the City's Department Heads. The current City Manager was appointed by the City Council effective August 16, 2015.

The financial reporting entity includes all of the funds of the City of Presque Isle. The City provides a full range of services including police and fire protection; refuse collection; traffic control; on- and off-street parking; the construction and maintenance of highways, streets, sidewalks, and other infrastructure; recreational and cultural activities; a secure landfill; regional airport; social welfare;

municipal planning, assessing, building inspection and code enforcement; licenses and permits; vital statistics; general administration and economic development.

The annual budget for the general fund serves as the foundation for the City's financial planning and control. The budget, which must be in balance, contains estimates of all non-tax revenue and receipts expected to be received during the next fiscal year, expenditures necessary to support City operations, debt service, and capital expenditures. The initial budget must be presented to the Council by the City Manager no later than 90 days before the beginning of the fiscal year on January 1. The Council may then make any modifications and recommendations. The City Council is required to hold two public hearings on the proposed budget before final approval. The budget must be approved by a two-thirds majority of the City Council before the beginning of the fiscal year on January 1.

The budget includes information, by department, on the current and preceding fiscal years and requested appropriations for the next fiscal year. The City Manager may transfer resources within a department, promptly notifying the Council in writing of the reallocation. Transfers between departments require special approval from the Council. Expenditures may not legally exceed appropriations at the departmental level without Council approval. Budgetary Comparison by Department – Legal Level of Budgetary Control is provided on page 82 of this report.

Factors Affecting Financial Condition

Local Economy

The City of Presque Isle is the largest municipality north of Bangor. Through the years, Presque Isle has evolved into a regional service center for commerce, finance, education, healthcare, recreation, air transportation and numerous other aspects of life in Aroostook County. This evolutionary process is attributable to several factors including:

- Historical and geographical influences;
- A clear assumption of a leadership role by the municipal government;
- The active involvement of Presque Isle citizens in regional, county, and statewide projects, politics, agencies and organizations;
- The aggressively self-reliant nature that has been characteristic of Aroostook County residents.

These factors have helped to sustain the City in times of economic hardship including the closing of a military installation and a significant downturn in the woods and agriculture industries, all mainstays of the area.

Other factors that contribute to the economic stability of the City include:

- Presque Isle is home to Presque Isle International Airport, the state's third largest airport.
- The Skyway Industrial Park, the third largest Industrial Park in the state.
- Educational opportunities include:
 - University of Maine at Presque Isle,
 - Northern Maine Community College,
 - An extension of Husson University,
 - An outstanding public school system.
- Excellent medical services include a local hospital and ambulance service as well as a Municipal 911 EMS Ambulance Service.
- An active Industrial Council that works to attract new businesses to the area.

The major industries affecting the local economy, agriculture and service, continue to be key components of the region's economic base. The two major agricultural industries, potato and woods, continue to struggle. Planted potato acreage, though lower than historical, remains stable. A third, broccoli, is doing well in the County. The City has a balanced and fairly diverse tax base with a 55 to 45 split between residential and commercial property values. The largest single tax payer in 2020 comprised 5.49% of the total tax base with the top ten taxpayers combined representing 17.71% of the total tax base.

Long-term financial planning

The City of Presque Isle's basic long term financial planning document is its Five Year Capital Improvement Plan that is submitted to the Council for review annually by the City Manager. The CIP identifies those major programs necessary to meet the citizens' needs for services while continuing to meet sharply increasing fixed costs. It includes a listing of possible capital improvement programs as well as potential financing sources that may include: federal, state or private grants; the general operating fund through the annual budget process; new revenue or the issuance of debt. Among these programs are road construction and repair, vehicle equipment purchases, building renovations and recreational activities.

Included in the 2021 Capital Improvement Plan are:

- Reconstruction of the North Hangar ramp and parking lot, 95% financed by the Federal Aviation Administration, 2.5% by the Maine Department of Transportation and 2.5% from local funds;
- Paving and crack sealing for the airport; 95% financed by the Federal Aviation Administration, 2.5% by the Maine Department of Transportation and 2.5% from local funds;
- Upgrades to the passenger terminal;
- Renovations of City Hall;
- Improvements to the Echo Lake sewer system;
- Completion of renovations of commercial buildings on the Industrial Park;
- Repairs and maintenance on the Public Safety Building, including lighting upgrades and floor repairs;
- Forum improvements as well as improvements to Mantle Lake Park;
- Updating the Downtown Area Master Plan along with the Municipal Comprehensive Plan Update
- Infrastructure improvements including updating public facilities (electrical, sidewalks, etc)

In addition, the Plan includes continued funding of the reserves for maintenance and improvements to various buildings at the Industrial Park and to add to the balance in the Emergency Reserve.

Relevant financial policies

The City of Presque Isle has in place a comprehensive set of financial policies including the implementation and use of the City's Emergency Reserve.

By charter, the City maintains an Emergency Reserve to be used only in extraordinary circumstances with unanimous City Council approval. This reserve is funded through an appropriation each year, mandated by the City Charter in the amount of 1.5% of the City's net municipal budget to a maximum of .5% of the current state valuation. Funds in this reserve have been used twice since its inception in 1993.

The City Council adopted a policy in 2009 stating that the amount that should be maintained in the General Fund unassigned fund balance should be 16.6% or two months of budgeted expenditures. This amount can be reduced to 12% if an additional 4% is maintained in the emergency reserve for a total of 16%.

Major initiatives include

Airport In 2021 the airport will continue updating the Airport Master Plan that will determine the needs of the airport over the next twenty years utilizing forecasts and Federal Aviation Administration regulations. Areas to be investigated include upgrading or replacement of the passenger terminal and the north hangar complex and the future development of airport property to maximize revenue generation. 95% of this project will be financed by the Federal Aviation Administration and 5% from local funds.

Recreation and Parks Initiatives for 2021 include implementing a new way finding system for all of our parks and facilities. The completion of our bike path extension and the addition of phase two which will add another 1 mile of path. To implement new year-round outdoor adventure programming such as canoeing, rafting, skiing, snowshoeing etc. Design and implement a new HVAC system for The Forum.

Downtown Revitalization The Downtown Revitalization Committee is recognized as the formal committee and voice of downtown. Through their efforts a Downtown Redevelopment Plan was adopted in 2020 which included a number of design goals, strategies and proposed investments in the downtown business district.

Current projects include:

- Establish a Downtown Tax Increment Financing District (TIF) to finance infrastructure, economic development and event promotion of downtown PI
- Sponsoring a series of summer concerts at the Downtown Pavilion to encourage traffic in the downtown area;
- Support tourism efforts by organizing the County's first annual Fiddlehead Festival for 2021

Industrial Council the Council's focus is to establish, assist, and implement area economic development using the Industrial Park's substantial developable land acreage, existing infrastructure, and building. Our objective is to best utilize these assets for long term economic growth. 2021 initiatives include:

- Expansion of the industrial park's existing infrastructure to house additional truck transportation facilities;
- Upgrade existing and construction of new commercial building to promote area business growth;

Department of Economical Development Building economic department programming and marketing to expand the tax base of Presque Isle. In addition, the Department is creating a Downtown Redevelopment Plan and finalizing the City's Comprehensive Plan.

Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Presque Isle, Maine for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the 21st consecutive year that the

City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirement.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Appreciation is also extended to the accounting firm of RHR Smith & Company, Certified Public Accountants for its assistance in the preparation and review of this report. Credit should also be given to the City Manager and the City Council for their unfailing support in maintaining the highest standards of professionalism with regard to the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Turner', with a stylized flourish at the end.

Bradley Turner,
Finance Director

**CITY OF PRESQUE ISLE
LIST OF PRINCIPAL OFFICIALS
AT DECEMBER 31, 2020**

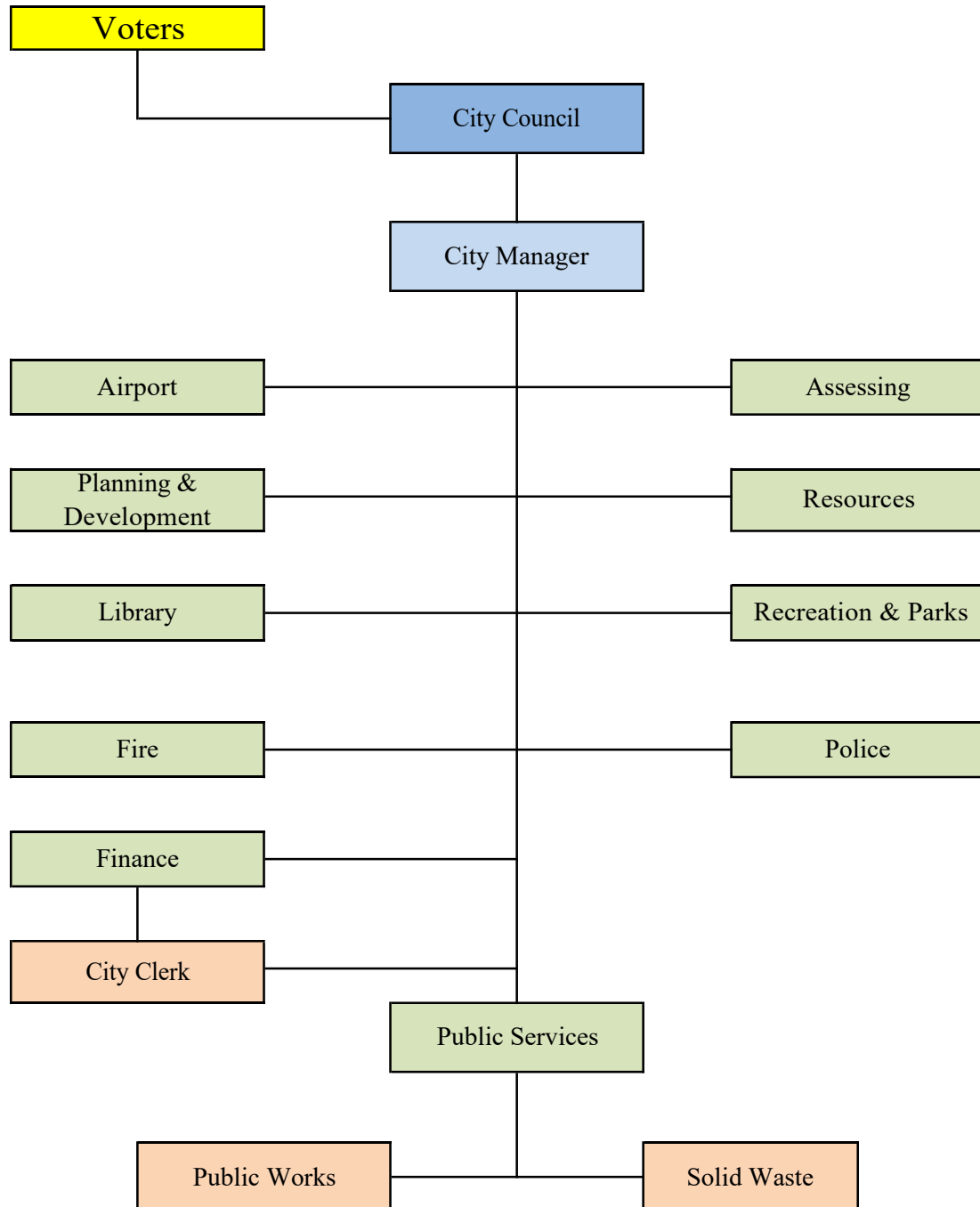
Elected Officials

City Council Chair	Kevin Freeman
City Council Deputy Chair	Jacob Shaw
Council Member	Michael Chasse
Council Member	Randy Smith
Council Member	Jeffery Willette
Council Member	Craig Green
Council Member	Douglas Cyr

Appointed Officials

City Manager	Martin Puckett
Assessor	Lewis Cousins
Airport Manager	Scott Wardwell
Finance Director	Bradley Turner
Fire Chief	Darrell White
Librarian, Mark and Emily Turner Memorial Library	Sonja Plummer-Eyler
Police Chief	Laurie Kelly
Recreation and Parks Director	Gene Cronin
Planning & Development Director	Galen Weibley
Public Services Director	Dana Fowler
Presque Isle Industrial Council Executive Director	Tom Powers

City of Presque Isle
Organization Chart As of December 31, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Presque Isle
Maine**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

City Council
City of Presque Isle
Presque Isle, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, Maine as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City of Presque Isle, 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 principle 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, we express not 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, 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, pension and OPEB information on pages 4 through 16 on page 73 through 79 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 City of Presque Isle, Maine's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary, airport, capital asset schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary, airport, capital asset schedules, statistical information and schedule of expenditures of federal awards 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 combining and individual nonmajor fund financial statements, budgetary, airport, capital asset schedules, statistical information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, on our consideration of the City of Presque Isle 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 City of Presque Isle's internal control over financial reporting and

RHR Smith & Company

Buxton, Maine
June 11, 2021

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2020

As management of the City of Presque Isle, we offer this narrative overview and analysis of the financial activities of the City of Presque Isle for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here along with additional information that is furnished in our letter of transmittal which can be found at the beginning of this report.

Financial Highlights

- The assets of the City of Presque Isle exceeded its liabilities at the close of 2020 by (*net position*).
- The City's total net position increased by \$11,246,882 from December 31, 2019.
- As of the close of the current fiscal year, the City of Presque Isle's governmental funds reported a combined ending fund balance of \$12,521,777 an increase of \$538,460 from the previous year. Of this total amount, 11.75% or \$1,471,097 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$3,690,075 or 18.14% of total general fund expenditures.
- The City of Presque Isle's bonds and notes outstanding decreased by \$696,928 or 8.73%.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the City of Presque Isle's basic financial statements. The City's financial statements have three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional support to the basic financial statements themselves.

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 the financial statements that explain in more detail certain information in the financial statements and provide the user with the accounting policies used in their preparation.

The **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the City of Presque Isle's finances. These statements are presented using the accrual basis of accounting which is similar to the accounting method used by most private sector businesses. There are two Government-Wide Financial Statements, the *statement of net position* and the *statement of activities*.

The *statement of net position* presents information on all of the City of Presque Isle's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you may also need to consider other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City's financial position.

The *statement of activities* presents information showing how the City of Presque Isle's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused employee vacation leave).

For the City of Presque Isle, all activities are classified as *governmental activities* because they are principally supported by taxes and intergovernmental revenues (federal and state grants). All of the City's basic services are reported in governmental activities, which includes general government, public safety, solid waste, public works, recreation and culture, airport, education and community services.

The government-wide financial statements can be found on pages 17 through 20 of this report.

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 City of Presque Isle, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal documents. All of the funds of the City are categorized as governmental funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government 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 city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City of Presque Isle maintains individual governmental funds for specific purposes. Information is presented separately in the *governmental funds balance sheet* and in the *governmental funds statement of revenues, expenditures and changes in fund balance* for the general fund, airport fund, airport project #52 fund, the development fund and the emergency reserve, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Presque Isle adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 71 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* consisting of: a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pension, a Schedule of Proportionate Share of the Net OPEB Liability - Group Life, a Schedule of Changes in Net OPEB Liability - Health Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - Health Plan, a Schedule of Contributions - OPEB Group Life and Health Plan and Notes to Required Supplementary Information. Required supplementary information can be found on page 73 through 79 of this report.

Other supplementary information follows the *required supplementary information* and provides additional information regarding nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information on pensions and OPEB. Combining and individual fund statements can be found on pages 86 through 113 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. For the City of Presque Isle, assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by at December 31, 2020 by \$79,485,400 .

Table 1
City of Presque Isle, Maine
Net Position
December 31,

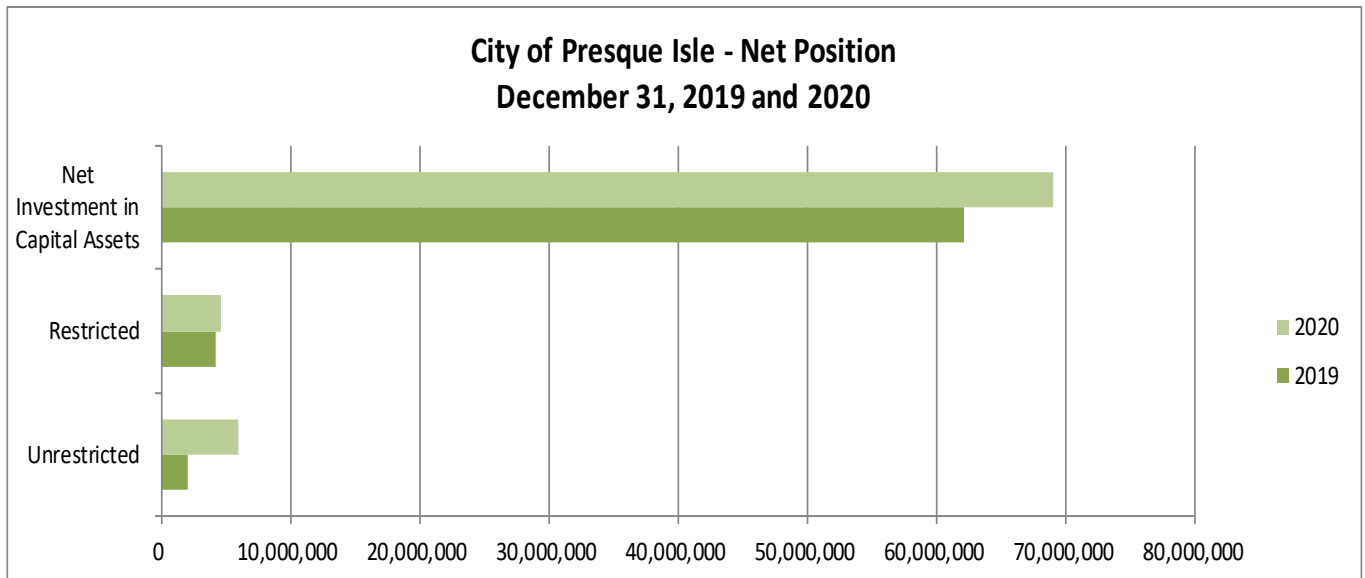
	2020	2019
Assets		
Current Assets	\$ 14,233,673	\$ 13,953,757
Noncurrent Assets - Capital Assets	76,264,575	70,036,530
Total Assets	<u>90,498,248</u>	<u>83,990,287</u>
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB	114,953	99,260
Deferred Outflows Related to Pensions	1,097,814	291,036
Total Deferred Outflows of Resources	<u>1,212,767</u>	<u>390,296</u>
Liabilities		
Current Liabilities	1,189,540	1,999,742
Noncurrent Liabilities	9,921,514	13,144,679
Total Liabilities	<u>11,111,054</u>	<u>15,144,421</u>
Deferred Inflows of Resources		
Prepaid Taxes	41,739	32,899
Deferred Revenues	90,246	-
Deferred Inflows Related to OPEB	948,541	318,046
Deferred Inflows Related to Pensions	14,035	646,699
Total Deferred Inflows of Resources	<u>1,094,561</u>	<u>997,644</u>
Net Position		
Net Investment in Capital Assets	68,977,755	62,052,782
Restricted	4,573,064	4,143,258
Unrestricted	5,934,581	2,042,478
Total Net Position	<u>\$ 79,485,400</u>	<u>\$ 68,238,518</u>

By far the largest portion of the City of Presque Isle's net position, \$68,977,755 (86.78%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less accumulated depreciation and any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a wide variety of services to citizens; consequently, these assets are *not* available for future spending. Although the City of Presque Isle's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

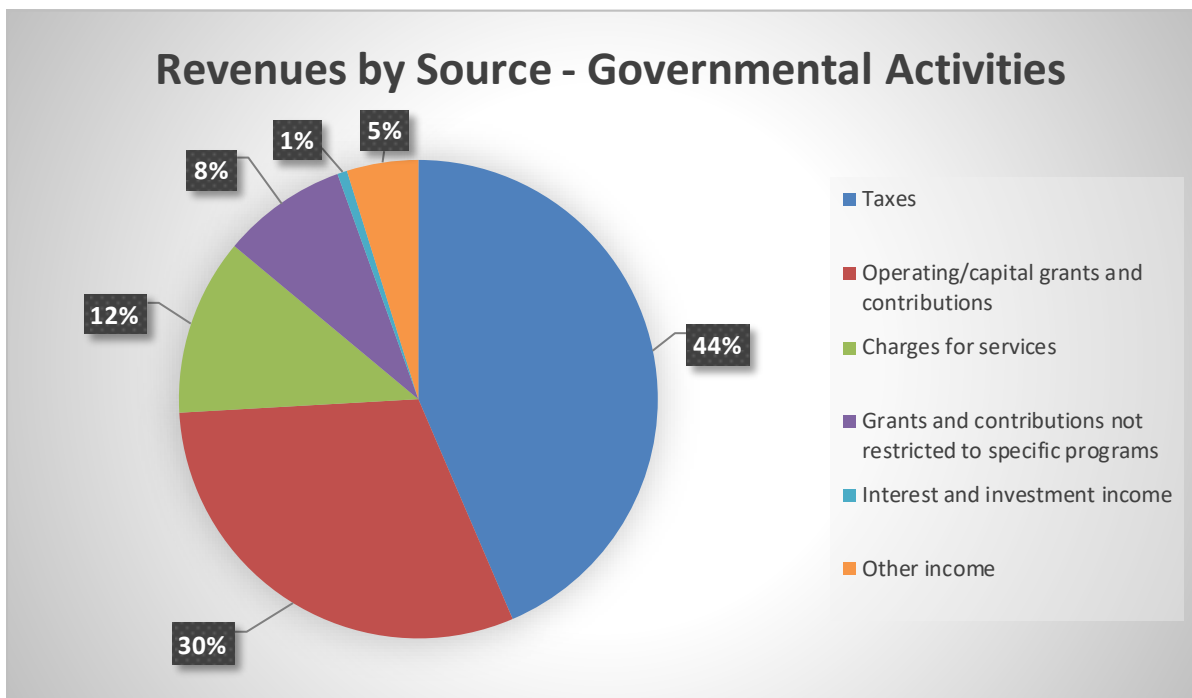
An additional portion of the City of Presque Isle's net position, \$4,593,064 (5.75%) represents resources that are subject to external restrictions on how they may be spent. The remaining balance of \$5,930,766 (7.47%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Presque Isle is able to report a positive balance in all three categories of net position for the government as a whole.

Table 2
City of Presque Isle, Maine
Change in Net Position
For the Years Ended December 31,

	<u>2020</u>	<u>2019</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 4,059,182	\$ 2,801,143
Operating grants and contributions	10,369,666	1,887,563
<i>General Revenues:</i>		
Taxes	14,787,622	15,041,543
Grants and contributions not restricted to specific programs	2,873,390	5,185,241
Interest income	162,305	126,659
Investment income, net of unrealized gains/(losses)	62,018	136,085
Miscellaneous	1,638,067	1,286,022
Total Revenues	<u>33,952,250</u>	<u>26,464,256</u>
Expenses		
<i>Current:</i>		
General government	1,911,672	4,618,062
Public safety	3,481,501	3,131,586
Solid waste	337,506	86,330
Public works	3,370,805	3,128,987
Recreation and culture	1,888,773	1,921,648
Airport	3,773,946	5,113,268
Education	6,281,135	6,315,512
County tax	792,561	746,844
Community service	236,480	279,852
Interest on debt service	322,461	203,476
Capital outlay	288,528	-
Total Expenses	<u>22,685,368</u>	<u>25,545,565</u>
Excess (deficiency) before transfers	11,266,882	918,691
Transfer of long-term debt to Aroostook Waste Solutions	-	4,749,198
Transfer of net capital assets to Aroostook Waste Solutions	-	(793,231)
Change in Net Position	11,266,882	4,874,658
Net Position - January 1	<u>68,238,518</u>	<u>63,363,860</u>
Net Position - December 31	<u><u>\$ 79,505,400</u></u>	<u><u>\$ 68,238,518</u></u>



Governmental Activities - The City's net position increased by \$11,246,882 during the current year. Factors that affected the increase in net position include: an increase of \$6,228,045 in capital assets due to higher capital additions than depreciation expense; a decrease in bonds and notes outstanding of \$696,928, a decrease in the landfill closure of \$645,000, which was due to the payments made to Aroostook Waste Solutions related to the landfill and a net decrease in pension and OPEB liabilities of \$2,405,214.

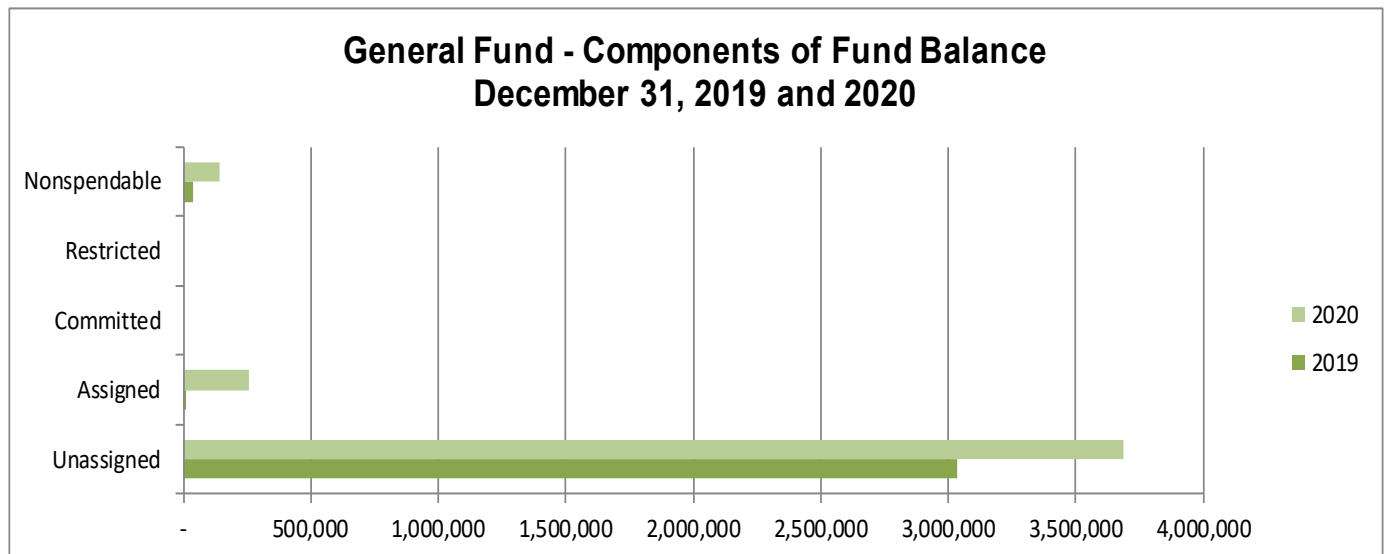


Financial Analysis of Governmental Funds

As noted earlier, the City of Presque Isle uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Presque Isle's **governmental funds** is to provide information on near-term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Presque Isle itself, or a group or individuals that has been delegated authority to assign resources for use for particular purposes by the City of Presque Isle's Council.

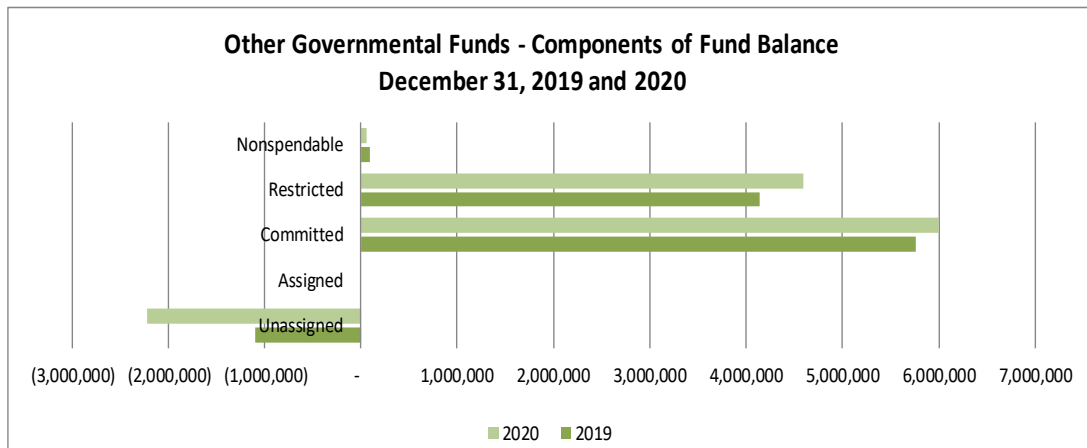
As of December 31, 2020, the City of Presque Isle's governmental funds reported combined fund balance of \$12,521,777, an increase of \$538,460 from 2019. Approximately 11.75% of the total amount, \$1,471,097, constitutes *unassigned fund balance*, which is available to meet the future financial needs of the City. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is 1) not in spendable form (\$201,616), 2) restricted for a particular purpose (\$4,593,064), 3) committed for particular purposes (\$6,001,348) or 4) assigned for particular purposes (\$254,652).



The *general fund* is the central operating fund of the City of Presque Isle. At the end of the current fiscal year, unassigned fund balance of the general fund is \$3,690,075, an increase of \$652,447 from 2019. The total fund balance increased by \$999,574 to \$4,087,952.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 18.14% of total general fund

expenditures, while total fund balance represents approximately 20.09% of that same amount.



The *Airport Fund* is used to monitor the activities of the City's airport. During 2020 the airport generated \$2,230,590 in revenues and transfers in and had expenses and transfers out of \$2,240,783. The fund balance at December 31, 2020 was a deficit balance of \$225,729.

The *Airport Project #52 Fund* is used to account for the revenue and expenses of an airport grant project. In 2020, \$5,637,496 of revenue was received and \$5,934,206 was expended to bring the fund balance to a deficit of \$306,337.

The *Development Fund* manages funds from the Federal Government and is used as a revolving fund for the purpose of lending money for economic development. Currently there are seven loans outstanding totaling \$708,389 and \$1,356,666 available for lending.

The *Emergency Reserve* was created by City Charter to meet 'unanticipated, extraordinary needs'. This account is funded by an appropriation of 1.5% of the City's net annual budget appropriation. Expenditures require a unanimous vote of all Councilors but only for 'unanticipated, extraordinary needs'. In 2020, the City contributed \$95,000 to this fund and \$11,022 constituted earnings on investments.

Other governmental funds include the activities of all other nonmajor special revenue funds, nonmajor capital projects funds and nonmajor permanent funds.

General Fund Budgetary Highlights

The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenue \$284,398 over estimates and expenses \$1,154,177 below estimates, for an increase to unassigned fund balance of \$999,574 at year end.

Resources (inflows) for the General Fund (on the budgetary basis of accounting) totaled \$21,345,318 for the year ended December 31, 2020, an increase of \$593,167 or 2.86% from 2019.

For both the current and prior years, taxes represent the largest revenue source - \$14,865,857 or 69.6% of all general fund revenues, a decrease of \$82,301 or (0.55%) from 2019.

Intergovernmental revenues of \$2,961,359 or 13.9% of total revenues increased \$735,421 from 2019.

Charges for services revenue of \$3,099,851 or 14.5% of total revenues increased \$298,708 from 2019.

Charges to Appropriations (outflows) from the General Fund (on the budgetary basis of accounting) totaled \$20,345,744 for the year ended December 31, 2020, an increase of \$153,429 from 2019.

Education expenditures of \$6,281,135 (30.9% of total) decreased \$34,377 from 2019.

General Government expenditures of \$3,755,471 (18.5% of the total) increased \$43,700 from 2019.

Public Safety expenditures of \$2,995,849 (14.7% of the total) increased \$305,303 from 2019.

The following schedule provides a summary of General Fund revenues and expenditures on the budgetary basis of accounting for the year 2020 and the change from 2019.

City of Presque Isle
General Fund Analysis of Revenues and Expenses
For the Year Ended December 31, 2020

Revenues	Amount	% of Total	Increase/ (Decrease) from 2018
Taxes			
Real Estate	\$ 13,025,540	61.0%	\$ (161,493)
Excise	1,840,317	8.6%	79,192
Intergovernmental	2,961,359	13.9%	735,421
Charges for services	3,099,851	14.5%	298,708
Investment Income	85,035	0.4%	49,062
Other revenue	246,016	1.2%	(494,923)
Transfers from other funds	87,200	0.4%	87,200
Total Revenues	\$ 21,345,318	100.0%	\$ 593,167
Expenditures			
General government	\$ 3,755,471	18.5%	\$ 43,700
Public safety	2,995,849	14.7%	305,303
Public works	2,466,633	12.1%	199,397
Solid waste	452,773	2.2%	(28,040)
Recreation and culture	1,313,553	6.5%	(58,351)
Education	6,281,135	30.9%	(34,377)
County tax	792,561	3.9%	45,717
Outside services	51,450	0.3%	(6,500)
Unclassified	185,030	0.9%	(21,872)
Debt Service	930,788	4.6%	42,481
Transfers Out	1,120,501	5.5%	(334,029)
Total Expenditures	\$ 20,345,744	100.0%	\$ 153,429

Capital Asset and Debt Administration

Capital Assets - As of December 31, 2020, the City of Presque Isle's investment in capital assets was \$76,264,575 (net of depreciation), an increase of \$6,228,045 or 8.89% from December 31, 2019. This increase is a result of capital additions of \$10,403,653 less current year depreciation expense of \$4,175,608. This investment in capital assets includes land and building improvements, machinery, equipment, vehicles and roads.

Table 4
City of Presque Isle, Maine
Capital Assets (Net of Depreciation)
December 31,

	<u>2020</u>	<u>2019</u>
Land	\$ 4,937,288	\$ 4,937,288
Construction in progress	1,359,875	456,986
Works of art and historical treasures	698,990	698,990
Buildings, building improvements	22,487,945	23,422,179
Land improvements	8,244,385	2,065,305
Machinery, equipment and vehicles	7,916,415	6,768,056
Infrastructure	30,619,677	31,687,726
Total	<u>\$ 76,264,575</u>	<u>\$ 70,036,530</u>

Major capital asset events during the current fiscal year include:

- Land improvements purchases:
 - AIP GA ramp, \$5,934,206
 - AIP cracksealing, \$25,778
 - Intermodal rail spur, \$484,580
- Equipment purchases:
 - Public safety vehicles, \$398,351
 - Other vehicles, \$84,606
- Road improvements, \$828,589
- Building improvements, \$178,467
- Construction in progress - City Hall improvements \$16,292, bike path improvements \$817,330 and T hanger \$284,039

Additional information about the City of Presque Isle's capital assets can be found in the notes to the financial statements on page 41 of this report.

Long-term Debt - At the end of the current fiscal year, the City of Presque Isle had total bonded debt outstanding of \$6,812,914, a decrease of \$524,248 from 2019 due to scheduled principal payments. Notes from direct borrowings outstanding of \$473,906 decreased by \$172,680 from 2019 due to principal pay downs.

Additional information about the City of Presque Isle's long-term debt can be found in the notes to the financial statements beginning on page 42.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation. The current debt limitation of the City of Presque

Isle is \$85,986,291 which is well in excess of the City's outstanding general obligation debt.

The City of Presque Isle's rating was set at A+ by Standard and Poor's for its general obligation debt. Other long-term obligations consist of landfill closure of \$870,000, a decrease of \$645,000, accrued compensated absences of \$377,657, a decrease of \$6,830, net OPEB liability of \$940,804, a decrease of \$725,435 from 2019 and net pension liability of \$1,276,475, a decrease of \$1,679,779 from 2019.

Table 4
City of Presque Isle, Maine
Outstanding Long-Term Obligations
December 31,

	<u>2020</u>	<u>2019</u>
Bonds payable	\$ 6,812,914	\$ 7,337,162
Notes from direct borrowings payable	473,906	646,586
Landfill closure	870,000	1,515,000
Accrued compensated absences	377,657	384,487
Net OPEB liability	940,804	1,666,239
Net pension liability	1,276,475	2,956,254
	<u>\$ 10,751,756</u>	<u>\$ 14,505,728</u>

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 City of Presque Isle, Maine. 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 City of Presque Isle, Maine.

Economic Factors and Next Year's Budget

In preparing the City's 2020 budget, City management and officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic services to the citizens of the City while attempting to keep the property tax low.

During the 2020 fiscal year, the City's management will continue to monitor and evaluate local economic conditions. Items of concern include:

Revenue Projections:

- Revenue projections are still looking positive even due to the COVID-19 pandemic. We will continue to keep a close eye on the State's Revenue Sharing and projections throughout the year.

Expenditure projections:

- Continuing uncertainty in the State budget regarding local school funding is a concern. While the school district is separate from the City, the City is responsible for 71.0% of the School District's funding at this time. Currently the school district requires an increase of 3% each year to maintain its current level of services. If the state should decrease its funding, the City would need to proportionately increase its share to keep the same level of services.
- The COVID-19 pandemic.
- Rising cost of health insurance.
- Union negotiations
- Political implications - trade wars could increase the cost of goods, particularly vehicles and affect sales and excise taxes.

Requests for Information

This financial report is designed to provide a general overview of the City of Presque Isle's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 12 Second Street, Presque Isle, Maine 04769.

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,836,210
Investments	3,627,205
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	1,495,799
Other	2,072,843
Tax acquired property	37,329
Inventory	58,391
Prepaid items	105,896
Total current assets	<u>14,233,673</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	6,996,153
Depreciable assets, net of accumulated depreciation	<u>69,268,422</u>
Total noncurrent assets	<u>76,264,575</u>
TOTAL ASSETS	<u>90,498,248</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	114,953
Deferred outflows related to pensions	<u>1,097,814</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,212,767</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 91,711,015</u></u>

STATEMENT A (CONTINUED)

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2020

LIABILITIES

Current liabilities:

Accounts payable	\$ 198,066
Accrued payables	132,250
Due to other governments	28,982
Current portion of long-term obligations	830,242
Total current liabilities	<u>1,189,540</u>

Noncurrent liabilities:

Noncurrent portion of long-term obligations:

Bonds payable	6,284,472
Notes from direct borrowings payable	335,989
Landfill closure	725,000
Net OPEB liability	940,804
Accrued compensated absences	358,774
Net pension liability	1,276,475
Total noncurrent liabilities	<u>9,921,514</u>

TOTAL LIABILITIES	<u>11,111,054</u>
-------------------	-------------------

DEFERRED INFLOWS OF RESOURCES

Prepaid taxes	41,739
Deferred inflows related to OPEB	948,541
Deferred inflows related to pensions	14,035
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,094,561</u>

NET POSITION

Net investment in capital assets	68,977,755
Restricted for:	
Grant funds	3,614,599
Capital projects funds	139,805
Cemetery and other permanent funds:	
Expendable	20,000
Nonexpendable	818,660
Unrestricted	5,934,581
TOTAL NET POSITION	<u>79,505,400</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 91,711,015</u>
--	----------------------

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

STATEMENT B

CITY OF PRESQUE ISLE, 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	Total Governmental Activities
Governmental activities:					
General government	\$ 1,911,672	\$ 932,981	\$ 115,888	\$ -	\$ (862,803)
Public safety	3,481,501	1,281,411	189,353	-	(2,010,737)
Solid waste	337,506	613,666	571,755	-	847,915
Public works	3,370,805	-	279,989	-	(3,090,816)
Recreation and culture	1,888,773	184,213	24,378	-	(1,680,182)
Airport	3,773,946	1,046,911	9,177,101	-	6,450,066
Education	6,281,135	-	-	-	(6,281,135)
County tax	792,561	-	-	-	(792,561)
Community service	236,480	-	11,202	-	(225,278)
Interest on long-term debt	322,461	-	-	-	(322,461)
Capital outlay	288,528	-	-	-	(288,528)
Total governmental activities	<u>\$ 22,685,368</u>	<u>\$ 4,059,182</u>	<u>\$ 10,369,666</u>	<u>\$ -</u>	<u>(8,256,520)</u>

STATEMENT B (CONTINUED)

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(8,256,520)</u>
General revenues:	
Tax revenue	14,787,622
Grants and contributions not restricted to specific programs	2,873,390
Interest income	162,305
Investment income, net of unrealized gains/(losses)	62,018
Miscellaneous	<u>1,638,067</u>
Total general revenues	<u>19,523,402</u>
Change in net position	11,266,882
NET POSITION - JANUARY 1	<u>68,238,518</u>
NET POSITION - DECEMBER 31	<u><u>\$ 79,505,400</u></u>

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

CITY OF PRESQUE ISLE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Airport	Airport Project #52	Development Fund	Emergency Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 6,776,028	\$ -	\$ -	\$ -	\$ -	\$ 60,182	\$ 6,836,210
Investments	2,848,727	-	-	-	-	778,478	3,627,205
Accounts receivable (net of allowance for uncollectibles):							
Taxes/liens	1,495,799	-	-	-	-	-	1,495,799
Other	1,364,454	-	-	708,389	-	-	2,072,843
Tax acquired property	37,329	-	-	-	-	-	37,329
Inventory	-	58,391	-	-	-	-	58,391
Prepaid items	105,896	-	-	-	-	-	105,896
Due from other funds	2,218,978	-	-	1,356,666	2,500,662	5,190,035	11,266,341
TOTAL ASSETS	<u>\$ 14,847,211</u>	<u>\$ 58,391</u>	<u>\$ -</u>	<u>\$ 2,065,055</u>	<u>\$ 2,500,662</u>	<u>\$ 6,028,695</u>	<u>\$ 25,500,014</u>
LIABILITIES							
Accounts payable	\$ 198,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,066
Accrued payables	77,963	-	-	-	-	-	77,963
Due to other governments	28,982	-	-	-	-	-	28,982
Due to other funds	9,047,363	284,120	306,337	-	-	1,628,521	11,266,341
TOTAL LIABILITIES	<u>9,352,374</u>	<u>284,120</u>	<u>306,337</u>	<u>-</u>	<u>-</u>	<u>1,628,521</u>	<u>11,571,352</u>
DEFERRED INFLOWS OF RESOURCES							
Prepaid taxes	41,739	-	-	-	-	-	41,739
Deferred revenues	90,246	-	-	-	-	-	90,246
Deferred tax revenues	1,274,900	-	-	-	-	-	1,274,900
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,406,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,406,885</u>
FUND BALANCES (DEFICITS)							
Nonspendable	143,225	58,391	-	-	-	20,000	221,616
Restricted	-	-	-	2,065,055	-	2,508,009	4,573,064
Committed	-	-	-	-	2,500,662	3,500,686	6,001,348
Assigned	254,652	-	-	-	-	-	254,652
Unassigned	3,690,075	(284,120)	(306,337)	-	-	(1,628,521)	1,471,097
TOTAL FUND BALANCES (DEFICITS)	<u>4,087,952</u>	<u>(225,729)</u>	<u>(306,337)</u>	<u>2,065,055</u>	<u>2,500,662</u>	<u>4,400,174</u>	<u>12,521,777</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 14,847,211</u>	<u>\$ 58,391</u>	<u>\$ -</u>	<u>\$ 2,065,055</u>	<u>\$ 2,500,662</u>	<u>\$ 6,028,695</u>	<u>\$ 25,500,014</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 12,521,777
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	76,264,575
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	1,274,900
Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the funds	1,212,767
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(54,287)
Bonds payable	(6,812,914)
Notes from direct borrowings payable	(473,906)
Landfill closure	(870,000)
Net OPEB liability	(940,804)
Accrued compensated absences	(377,657)
Net pension liability	(1,276,475)
Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the funds	(962,576)
Net position of governmental activities	<u>\$ 79,505,400</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	General Fund	Airport	Airport Project #52	Development Fund	Emergency Reserve	Other Governmental Funds	Total Governmental Funds
REVENUES							
Tax revenue	\$ 14,865,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,865,857
Intergovernmental revenue	2,961,359	1,030,715	5,637,496	-	-	3,613,486	13,243,056
Charges for services	3,099,851	959,331	-	-	-	-	4,059,182
Interest income	85,035	-	-	26,000	11,022	40,248	162,305
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	62,018	62,018
Other revenue	246,016	25,008	-	16,299	-	1,350,744	1,638,067
TOTAL REVENUES	<u>21,258,118</u>	<u>2,015,054</u>	<u>5,637,496</u>	<u>42,299</u>	<u>11,022</u>	<u>5,066,496</u>	<u>34,030,485</u>
EXPENDITURES							
Current:							
General government	3,755,471	-	-	7,000	-	873,956	4,636,427
Public safety	2,995,849	-	-	-	-	147,446	3,143,295
Solid waste	452,773	-	-	-	-	500,000	952,773
Public works	2,466,633	-	-	-	-	-	2,466,633
Recreation and culture	1,313,553	-	-	-	-	91,503	1,405,056
Airport	-	2,197,783	5,934,206	-	-	1,841,017	9,973,006
Education	6,281,135	-	-	-	-	-	6,281,135
County tax	792,561	-	-	-	-	-	792,561
Outside services	51,450	-	-	-	-	-	51,450
Unclassified	185,030	-	-	-	-	-	185,030
Debt service	930,788	-	-	-	-	88,601	1,019,389
Capital outlay	-	-	-	-	-	2,585,270	2,585,270
TOTAL EXPENDITURES	<u>19,225,243</u>	<u>2,197,783</u>	<u>5,934,206</u>	<u>7,000</u>	<u>-</u>	<u>6,127,793</u>	<u>33,492,025</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,032,875</u>	<u>(182,729)</u>	<u>(296,710)</u>	<u>35,299</u>	<u>11,022</u>	<u>(1,061,297)</u>	<u>538,460</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	515,250	215,536	-	-	95,000	1,510,218	2,336,004
Transfers (out)	(1,548,551)	(43,000)	-	-	-	(744,453)	(2,336,004)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,033,301)</u>	<u>172,536</u>	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>765,765</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	999,574	(10,193)	(296,710)	35,299	106,022	(295,532)	538,460
FUND BALANCES (DEFICITS) - JANUARY 1	<u>3,088,378</u>	<u>(215,536)</u>	<u>(9,627)</u>	<u>2,029,756</u>	<u>2,394,640</u>	<u>4,695,706</u>	<u>11,983,317</u>
FUND BALANCES (DEFICITS) - DECEMBER 31	<u>\$ 4,087,952</u>	<u>\$ (225,729)</u>	<u>\$ (306,337)</u>	<u>\$ 2,065,055</u>	<u>\$ 2,500,662</u>	<u>\$ 4,400,174</u>	<u>\$ 12,521,777</u>

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

CITY OF PRESQUE ISLE, 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)	<u>\$ 538,460</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	10,403,653
Depreciation expense	<u>(4,175,608)</u>
	<u>6,228,045</u>
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	<u>(78,235)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	15,693
Pension	<u>806,778</u>
	<u>822,471</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>696,928</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	(630,495)
Pension	<u>632,664</u>
	<u>2,169</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Landfill closure	645,000
Net OPEB liability	725,435
Accrued compensated absences	6,830
Net pension liability	<u>1,679,779</u>
	<u>3,057,044</u>
Change in net position of governmental activities (Statement B)	<u>\$ 11,266,882</u>

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Presque Isle was incorporated under the laws of the State of Maine. The City operates under the City Council-Manager form of government and provides the following services: general government, public safety, solid waste, public works, recreation and culture, airport and education and unclassified.

The City'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 City's combined financial statements include all accounts and all operations of the City. We have determined that the City 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. As of the date of this report, the state of emergency was extended to June 30, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

CITY OF PRESQUE ISLE, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

On March 17, 2020, Maine LD 2167 was issued and executed by the Governor of Maine. Among other measures, this LD gave guidance concerning municipal budgets and the election process during the state of emergency. In accordance with Executive Order 39, issued by the Governor of Maine on April 10, 2020, primary elections (and all applicable dates in coordination with it) were suspended from June 9 to July 14.

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, City facilities were temporarily closed to the public from the end of March of 2020 through May of 2020.

Impact on Finances

The City 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 City 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 City expects that if those actions are necessary, that the City 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 City 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 City. 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 City.

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:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Both the government-wide and fund financial statements categorize primary activities as governmental. The City categorizes all activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position are reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The City 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 City'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. 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 City 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 City as an entity and the change in the City's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the City 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 City:

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 City:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major funds:

- a. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Airport Fund is used to account for the operations of the City's airport and the revenues associated with the operations such as terminal fees, landing fees and general aviation revenues.
- c. The Airport Project #52 Fund is used to account for financial resources to be used for the reconstruction of the commercial apron at the airport. Primary revenue sources are intergovernmental revenues.
- d. The Development Fund is used to account for the City's loan funds for business development and associated revenues from loan receipts and interest income.
- e. The Emergency Reserve Fund is used to accumulate funds to cover any unforeseen and unbudgeted emergency expenses. Revenues are primarily from interest income and transfers from the general fund.

Nonmajor funds:

- f. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- g. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- h. Permanent Funds are used to account for assets held by the City 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 City or its citizenry. The City's policy for authorizing and spending investment income follows State statutes.

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, 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.

Budget

The City'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 financial statements:

1. Per City Charter, the City Manager must submit a budget to the City Council at least 90 days prior to the beginning of the next fiscal year.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. The annual budget is prepared for the general fund and includes a net appropriation for the capital reserves and airport fund.
3. The legal level of budgetary control is at the department level.
4. The City Council must hold at least two public hearings.
5. The City Council must adopt the budget before the beginning of the next fiscal year.

Deposits and Investments

The City'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 City's policy to value investments at fair value. None of the City's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The City 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 evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

Receivables

Receivables include amounts due from governmental agencies, local businesses and sewer 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 \$2,072,843 for the year ended December 31, 2020.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. The airport fund inventory consists of diesel fuel and gasoline on hand at the end of the year. The cost value is determined using the first-in, first-out (FIFO) method.

Prepaid Items

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

CITY OF PRESQUE ISLE, 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, donated works of art or similar items and capital assets received in a service concession arrangement are valued at 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, airport runways, etc. These infrastructure assets are likely to be the largest asset class of the City.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	5 - 50 years
Machinery and equipment	2 - 30 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, notes from direct borrowings payable, landfill closure, accrued compensated absences, net OPEB liability and net pension 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

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

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 City'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 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 City 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.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City 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 City Council. The City Council is the highest level of decision-making authority of the City. Commitments may be established, modified or rescinded only through a City Council meeting vote.

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 Charter and is expressed by the City Council.

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City has two types of item, deferred outflows related to OPEB and deferred outflows related to pensions. These items are reported in the statement of net position.

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The City's property tax for the current year was levied August 5, 2020 on the assessed value listed as of April 1, 2020, for all real and personal property located in the City. Taxes were due on October 15, 2020. Interest on unpaid taxes commenced on October 16, 2020, at 7% 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 City 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 \$49,330 for the year ended December 31, 2020.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City 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).

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 City does not utilize encumbrance accounting for its general fund.

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The City's policies, which follow state statutes, authorize the City 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. These investment policies apply to all City funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover its deposits. The City does not have a policy covering custodial credit risk for deposits. However, the City maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2020, the City's cash balance of \$6,836,210 was comprised of bank deposits and cash equivalents totaling \$7,931,354. Of these bank deposits, \$6,071,336 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$54,082 was covered by the Securities Investor Protection Corporation (SIPC) and \$1,805,936 was collateralized with securities held by the financial institution in the City's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,155,936
ICS savings account	5,565,236
Money market accounts	156,100
Cash equivalents	54,082
	<u>\$ 7,931,354</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the City does not have a policy for custodial credit risk for investments; however, the City seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. Of the City's investments in certificates of deposit of \$3,627,205 all were fully insured by federal depository insurance and consequently not exposed to custodial credit risk. Of the City's investments in debt securities of \$778,478, \$445,918 was covered by the Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk and the remaining amount of \$332,560 was collateralized by insurance coverage purchased by the clearing broker associated with the investment institution.

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At December 31, 2020, the City had the following investments and maturities:

Investment Type	Fair Value	N/A	<1 Year	1 - 5 Years
Fixed income - mutual funds	\$ 222,066	\$ 222,066	\$ -	\$ -
Equities - stock	556,412	556,412	-	-
	<u>\$ 778,478</u>	<u>\$ 778,478</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as December 31, 2020:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments by fair value level				
Equity securities:				
Mutual funds - fixed income	\$ 222,066	\$ 222,066	\$ -	\$ -
Common stock	556,412	556,412	-	-
Total equity securities	<u>778,478</u>	<u>778,478</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>778,478</u>	<u>\$ 778,478</u>	<u>\$ -</u>	<u>\$ -</u>
Cash equivalents measured at the net asset value (NAV)				
Money market mutual funds	54,082			
Total cash equivalents measured at the NAV	<u>54,082</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 832,560</u>			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The City has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of December 31, 2020 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk - Statutes for the State of Maine authorize the City 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 City does not have an investment policy on credit risk. Generally, the City invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income.

NOTE 3 - REVOLVING LOAN FUND

The revolving loan program is used for the purpose of lending money for economic development. The program has seven loans outstanding. Loans receivable at December 31, 2020 and 2019 were \$708,389 and \$845,801, respectively.

NOTE 4 - 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	\$ 2,218,978	\$ 9,047,363
Airport	-	284,120
Airport project #52	-	306,337
Development fund	1,356,666	-
Emergency reserve	2,500,662	-
Nonmajor special revenue funds	1,788,981	231,652
Nonmajor capital projects funds	3,401,054	1,396,869
	<u>\$ 11,266,341</u>	<u>\$ 11,266,341</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the City. 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.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 - INTERFUND TRANSFERS

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

	Transfers From	Transfers To
General fund	\$ 515,250	\$ 1,548,551
Airport	215,536	43,000
Emergency reserve	95,000	-
Nonmajor special revenue funds	162,715	13,667
Nonmajor capital projects funds	1,347,503	730,786
	<u>\$ 2,336,004</u>	<u>\$ 2,336,004</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations. Significant transfers that occurred were between the General Fund and the four tax increment financing funds.

NOTE 6 - CAPITAL ASSETS

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

	Balance, 1/1/20	Additions	Deletions	Balance, 12/31/20
Non-depreciated assets:				
Land	\$ 4,937,288	\$ -	\$ -	\$ 4,937,288
Construction in progress	456,986	1,117,660	(214,771)	1,359,875
Works of art and historical treasures	698,990	-	-	698,990
	<u>6,093,264</u>	<u>1,117,660</u>	<u>(214,771)</u>	<u>6,996,153</u>
Depreciated assets:				
Land improvements	9,478,434	6,444,564	-	15,922,998
Buildings	32,468,818	-	-	32,468,818
Building improvements	13,531,839	178,467	-	13,710,306
Furniture and fixtures	430,760	7,370	-	438,130
Machinery and equipment	8,670,491	1,558,816	(16,806)	10,212,501
Vehicles	7,283,078	482,957	(45,525)	7,720,510
Infrastructure	53,133,142	828,590	-	53,961,732
	<u>124,996,562</u>	<u>9,500,764</u>	<u>(62,331)</u>	<u>134,434,995</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/20	Additions	Deletions	Balance, 12/31/20
Less: accumulated depreciation				
Land improvements	(7,413,129)	(265,484)	-	(7,678,613)
Buildings	(16,664,312)	(644,663)	-	(17,308,975)
Building improvements	(5,914,166)	(468,038)	-	(6,382,204)
Furniture and fixtures	(168,087)	(18,966)	-	(187,053)
Machinery and equipment	(4,879,101)	(461,011)	16,806	(5,323,306)
Vehicles	(4,569,084)	(420,808)	45,525	(4,944,367)
Infrastructure	(21,445,417)	(1,896,638)	-	(23,342,055)
	<u>(61,053,296)</u>	<u>(4,175,608)</u>	<u>62,331</u>	<u>(65,166,573)</u>
Subtotal	<u>63,943,266</u>	<u>5,325,156</u>	<u>-</u>	<u>69,268,422</u>
Net capital assets	<u>\$ 70,036,530</u>	<u>\$ 6,442,816</u>	<u>\$ (214,771)</u>	<u>\$ 76,264,575</u>
<u>Current year depreciation</u>				
General government				\$ 511,929
Public safety				338,206
Public works				904,172
Airport				1,907,851
Solid waste				29,733
Recreation				483,717
Total depreciation expense				<u>\$ 4,175,608</u>

NOTE 7 - LONG TERM DEBT

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

	Balance, 1/1/20	Additions	Deletions	Balance, 12/31/20	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable	\$ 7,337,162	\$ -	\$ (524,248)	\$ 6,812,914	\$ 528,442
Notes from direct borrowings payable	646,586	-	(172,680)	473,906	137,917
Total Governmental Activities	<u>\$ 7,983,748</u>	<u>\$ -</u>	<u>\$ (696,928)</u>	<u>\$ 7,286,820</u>	<u>\$ 666,359</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 - LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

\$2,600,000, 2001 General Obligation Bond due in annual principal installments of \$130,000 through November 2021. There is no interest charged on this bond.	\$ 130,000
\$1,145,000, 2007 General Obligation Bond due in annual principal installments and semiannual interest installments through November 2025. Interest is charged at a varying fixed rate of 2.00% to 6.00% per annum. Annual principal installments vary from \$42,999 to \$91,297.	415,031
\$375,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through July 2030. Interest is charged at a fixed rate of 2.99% per annum. Annual principal installments vary from \$20,091 to \$30,563.	267,883
\$7,500,000, 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through July 2040. Interest is charged at a varying fixed rate of 2.00% to 3.25% per annum. Annual principal installments are \$300,000.	<u>6,000,000</u>
	<u>\$ 6,812,914</u>

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

\$188,591 Note payable to Katahadin Trust for a JD loader with plow with a fixed interest rate of 2.26%. Note matures on November 1, 2021 with annual principal and interest payments of \$49,841.	\$ 48,703
\$400,000 Note payable to Presque Isle Development Fund for the Fire Department's EMS ambulance service startup costs with a fixed interest rate of 2.25%. Note matures on July 1, 2022 with annual principal and interest payments of \$85,480.	165,358
\$270,000 Note payable to Presque Isle Development Fund for an airport hanger with a fixed interest rate of 3.25%. Note matures on December 31, 2044 with monthly principal and interest payments of \$1,316.	<u>259,845</u>
	<u>\$ 473,906</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 - LONG TERM DEBT (CONTINUED)

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

	Principal	Interest	Total Debt Service
2021	\$ 528,442	\$ 186,483	\$ 714,925
2022	402,907	171,348	574,255
2023	407,579	160,714	568,293
2024	412,455	149,010	561,465
2025	417,593	139,742	557,335
2026-2030	1,643,938	584,122	2,228,060
2031-2035	1,500,000	367,500	1,867,500
2036-2040	1,500,000	141,375	1,641,375
	<u>\$ 6,812,914</u>	<u>\$ 1,900,294</u>	<u>\$ 8,713,208</u>

The following is a summary of outstanding notes from direct borrowings principal and interest requirements for the following fiscal years ending December 31:

	Principal	Interest	Total Debt Service
2021	\$ 137,917	\$ 13,233	\$ 151,150
2022	91,299	9,970	101,269
2023	7,954	7,835	15,789
2024	8,217	7,572	15,789
2025	8,488	7,301	15,789
2026-2030	46,828	32,117	78,945
2031-2035	55,079	23,866	78,945
2036-2040	64,784	14,161	78,945
2041-2045	53,340	3,237	56,577
	<u>\$ 473,906</u>	<u>\$ 119,292</u>	<u>\$ 593,198</u>

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

CITY OF PRESQUE ISLE, 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, 1/1/20	Additions	Deletions	Balance, 12/31/20	Due Within One Year
Landfill closure	\$ 1,515,000	\$ -	\$ (645,000)	\$ 870,000	\$ 145,000
Accrued compensated absences	384,487	22,148	(28,978)	377,657	18,883
Net OPEB liability	1,666,239	173,644	(899,079)	940,804	-
Net pension liability	2,956,254	-	(1,679,779)	1,276,475	-
Total Governmental Activities	<u>\$ 6,521,980</u>	<u>\$ 195,792</u>	<u>\$ (3,252,836)</u>	<u>\$ 3,464,936</u>	<u>\$ 163,883</u>

Please see Notes 9, 16, 19 and 21 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The City's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2020, the City's liability for compensated absences is \$377,657 .

NOTE 10 - NONSPENDABLE FUND BALANCES

At December 31, 2020, the City had the following nonspendable fund balances:

General fund:	
Tax acquired property	\$ 37,329
Prepaid items	105,896
Airport fund:	
Inventory	58,391
Downing park trust fund:	
Principal held in perpetuity	20,000
	<u>\$ 221,616</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 - RESTRICTED FUND BALANCES

At December 31, 2020, the City had the following restricted fund balances:

Development fund	\$ 2,065,055
Nonmajor special revenue funds (Schedule E)	1,549,544
Nonmajor capital projects funds (Schedule G)	139,805
Nonmajor permanent funds (Schedule I)	818,660
	<u>\$ 4,573,064</u>

NOTE 12 - COMMITTED FUND BALANCES

At December 31, 2020, the City had the following committed fund balances:

Emergency reserve	\$ 2,500,662
Nonmajor special revenue funds (Schedule E)	239,437
Nonmajor capital projects funds (Schedule G)	3,261,249
	<u>\$ 6,001,348</u>

NOTE 13 - ASSIGNED FUND BALANCES

At December 31, 2020, the City had the following assigned fund balances:

General fund:	
Drug forfeiture	\$ 4,652
Reserved for FY21 budget	250,000
	<u>\$ 254,652</u>

NOTE 14 - RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 - OVERLAPPING DEBT

The City is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2020, the County of Aroostook had no outstanding debt. The City's share of school debt was approximately:

	<u>Outstanding Debt</u>	<u>City's Percentage</u>	<u>Total Share</u>
MSAD No. 1	\$ 2,615,815	70.98%	<u>\$ 1,856,705</u>

NOTE 16 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

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

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2020, there were 301 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The City's plan members are required to contribute 6.5% (8.0% for fire and police department employees) of their annual covered salary and the City of Presque Isle is required to contribute an actuarially determined rate. The contribution rates of plan members and the City are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The City's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2020 was \$437,686.

Pension Liabilities

At December 31, 2020, the City reported a liability of \$1,276,475 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The City's proportion of the net pension liabilities were based on a projection of the City's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2020, the City's proportion was 0.34431% for the first year of the plan.

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

For the year ended December 31, 2020, the City recognized net pension revenue of \$3,119,221. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,599	\$ 14,035
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	83,062	-
Changes in proportion and differences between contributions and proportionate share of contributions	707,995	
Contributions subsequent to the measurement date	230,158	-
Total	<u>\$ 1,097,814</u>	<u>\$ 14,035</u>

\$230,158 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2021	\$ 311,401
2022	400,961
2023	70,552
2024	70,708
2025	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

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

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

Investment Rate of Return - 6.75% per annum for the years ended June 30, 2020 and 2019, compounded annually.

Salary Increases, Merit and Inflation - 2.75% plus merit component based on each employee's years of service

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

Cost of Living Benefit Increases - 1.91%

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following table shows how the collective net pension liability as of June 30, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for the PLD Consolidated and Agent Plans.

	1% Decrease	Discount Rate	1% Increase
Discount rate	5.75%	6.75%	7.75%
City's net pension liability	\$ 2,682,636	\$ 1,276,475	\$ 125,430

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2020 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2020 with the following exceptions.

Differences between Expected and Actual Experience

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

Differences between Projected and Actual Investment Earnings

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2020 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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

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

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2020 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

NOTE 17 - DEFINED CONTRIBUTION PLAN

Plan Description

The City offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401. All eligible employees hired subsequent to July 1, 1996 may only enroll in the 401 Plan. Employees who were enrolled in the MainePERS plan as of July 1, 1996, also have the option of changing to the 401 Plan.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 17 - DEFINED CONTRIBUTION PLAN (CONTINUED)

The Plan was established as a money purchase pension plan and trust to be known as the Money Purchase Pension Plan and Trust. The plan is administered by ICMA Retirement Corporation.

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the City Council. Under the 401 Plan, the City is required to contribute 6.0% of a participant's earnings for the plan year. Participating police and fire personnel received contributions of 8.0% of their earnings for the plan year. The City Manager and Deputy City Manager received contributions of 8.0% of their earnings for the plan year. For the year ended December 31, 2020, the City recognized pension expense of \$66,557.

Employees become fully vested in City contributions and earnings on City contributions after completion of 48 months of creditable service with the City. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2020, forfeitures reduced the City's pension expense by \$11,824.

NOTE 18 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employee to defer a portion of salary until future years. There is an employer match by the City of 1%. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the City's management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

City employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS)), a cost-sharing multiple-employer defined benefit plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2020, there were 239 employers participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

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

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.46 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period. The City's contribution to the Plan for the year ended December 31, 2020 was \$3,815.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

At December 31, 2020, the City reported a liability of \$77,973 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2020 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liabilities were based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2020, the City's proportion was 0.59106%, which was a decrease of 0.07229% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City recognized net OPEB revenue of \$20,785. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PLD Life Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,627	\$ -
Changes of assumptions	8,115	55,567
Net difference between projected and actual earnings on pension plan investments	-	1,947
Changes in proportion and differences between contributions and proportionate share of contributions	-	19,388
Contributions subsequent to the measurement date	3,815	-
Total	<u>\$ 21,557</u>	<u>\$ 76,902</u>

\$3,815 reported as deferred outflows of resources related to OPEB resulting from City 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:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	<u>PLD Life Insurance</u>
Plan year ended June 30:	
2021	\$ (16,798)
2022	(15,615)
2023	(8,061)
2024	(9,580)
2025	(9,106)
Thereafter	-

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

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

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

Asset Valuation Method

Investments are reported at fair value.

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2020, there were 10 years remaining for the Plan.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

The actuarial assumptions used in the June 30, 2020 and June 30, 2019 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

Investment Rate of Return - For the PLD Plan, 6.75% per annum, compounded annually.

Inflation Rate - 2.75%

Annual Salary Increases including Inflation - For the PLD Plan, 2.75% to 9.00% per year.

Mortality Rates - For active members and non-disabled retirees of the Plan, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. These tables are adjusted by percentages ranging from 104% to 120% based on actuarially determined demographic differences.

Participation Rate for Future Retirees - 100% of those currently enrolled.

Conversion Charges - Apply to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	15.00%	3.00%
US Government securities	10.00%	2.30%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.75% for 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for the PLD Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	5.75%	6.75%	7.75%
City's proportionate share of the net OPEB benefits liability	\$ 105,015	\$ 77,973	\$ 56,238

Changes in Net OPEB Liability

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2020 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors 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. There were no differences between expected and actual experience as of June 30, 2020.

Differences between Projected and Actual Investment 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.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic 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, 2020 and June 30, 2019 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to 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. The amortization period for the PLD Plan was five years for 2020. For the fiscal year ended June 30, 2019, there were no changes in assumptions with the exception of the use of a blended discount rate for the PLD Plan. Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans*, requires the use of a blended discount rate for determining the total OPEB liability when it is projected that plan assets are not sufficient to meet benefit obligations in the future. In years where assets are projected to be sufficient to pay benefits, the Plan's assumed rate of return is used; in years where assets are not projected to be sufficient to pay benefits, the use of a municipal bond rate is required. The result is a single blended discount rate.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in 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. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2020.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2020 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

Plan Description

The City and City retirees contribute to the City'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 City and/or the City 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 City concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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	80
Retirees and spouses	<u>3</u>
Total	<u><u>83</u></u>

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>
PPO 1000	\$906.40	\$2,032.57
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

At December 31, 2020, the City reported a liability of \$862,831 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 City'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. The following is a schedule of changes in net OPEB liability as of December 31, 2020:

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 1,532,238	\$ -	\$ 1,532,238
Changes for the year:			
Service cost	38,648	-	38,648
Interest	62,773	-	62,773
Changes of benefits	(19,766)	-	(19,766)
Differences between expected and actual experience	(742,810)	-	(742,810)
Changes of assumptions	72,223	-	72,223
Contributions - employer	-	80,475	(80,475)
Contributions - member	-	-	-
Projected earnings on investments	-	-	-
Net investment (gain) / loss	-	-	-
Benefit payments	(80,475)	(80,475)	-
Administrative expense	-	-	-
Net changes	(669,407)	-	(669,407)
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 862,831</u>	<u>\$ -</u>	<u>\$ 862,831</u>

For the year ended December 31, 2020, the City recognized OPEB revenue of \$86,033. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 729,554
Changes of assumptions	63,195	142,085
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	30,201	-
Total	<u>\$ 93,396</u>	<u>\$ 871,639</u>

\$30,201 were reported as deferred outflows of resources related to OPEB resulting from City 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:	
2020	\$ (134,392)
2021	(134,392)
2022	(134,392)
2023	(134,391)
2024	(103,228)
Thereafter	(167,649)

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:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 996,374	\$ 862,831	\$ 753,930
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 996,374</u>	<u>\$ 862,831</u>	<u>\$ 753,930</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	\$ 748,161	\$ 862,831	\$ 1,007,352
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 748,161</u>	<u>\$ 862,831</u>	<u>\$ 1,007,352</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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.

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, 2019 and December 31, 2020.

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:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (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 to 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: It is assumed that the current Plan and cost-sharing structure remains 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.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (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 RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to 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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (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, 2020 was \$729,554.

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 City Hall at 12 Second Street, Presque Isle, Maine 04769.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 20 - CONTINGENCIES

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

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

NOTE 21 - JOINT VENTURE

On January 26, 2018, the City entered into a memorandum of understanding with the Aroostook Waste Solutions, formerly Tri-Community Recycling and Sanitary Landfill. The memorandum is supplemental to an interlocal solid waste agreement which has been executed and is effective on January 1, 2019. Also, as part of this agreement, the City has assigned the debt associated with the landfill to Aroostook Waste Solutions in the amount of \$4,749,198. As of January 1, 2019, Aroostook Waste Solutions became responsible for the operations and maintenance of the Presque Isle Landfill and acquired all property, fixtures and equipment associated with the Presque Isle Landfill from the City.

Also, as part of the memorandum of understanding the City agreed to make a payment to Aroostook Waste Solutions for the estimated closure/post-closure care liability of the Presque Isle Landfill, which amounted to \$880,800. Aroostook Waste Solutions will be responsible for the closure of the Presque Isle Landfill once it reaches capacity.

The City also agreed to make eight annual payments of \$145,000 to Aroostook Waste Solutions starting in March of 2019 as well as a total of \$2,000,000 in payments based on the following payment schedule: \$1,000,000 on January 15, 2019, \$500,000 on or before December 31, 2019 and \$500,000 on or before December 31, 2020.

The City of Presque Isle, Maine will have an ongoing financial interest and financial responsibility. Beginning in 2019, all financial gains or losses will be shared among all participating municipalities in accordance with a defined appropriation/distribution formula.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 21 - JOINT VENTURE (CONTINUED)

Aroostook Waste Solutions issues a publicly available financial report that includes financial statements. That report may be obtained by writing to Aroostook Waste Solutions, P.O. Box 605, Caribou, Maine 04736.

NOTE 22 - DEFICIT FUND BALANCES

At December 31, 2020, the City has the following funds with deficit fund balances:

Major funds:	
Airport	\$ 225,729
Airport project #52	306,337
Subtotal major funds	<u>532,066</u>
Nonmajor funds:	
Intermodal rail yard	231,652
Airport reserve fund	286,091
Airport T hanger	82,958
Airport project 51	185,893
Airport trucks	301,945
Airport crack sealing	43,554
Airport pavement markings	495,148
Airport project 54	810
Airport project equipment	470
Subtotal nonmajor funds	<u>1,628,521</u>
Total	<u>\$ 2,160,587</u>

NOTE 23 - COMPARATIVE DATA/RECLASSIFICATIONS

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

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 Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the OPEB Liability - Group Life
- Schedule of Changes in Net OPEB Liability and Related Ratios - Health Plan
- Schedule of Contributions - OPEB - Group Life and Health
- Notes to Required Supplementary Information

CITY OF PRESQUE ISLE, MAINE

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, January 1	\$ 3,088,378	\$ 3,088,378	\$ 3,088,378	\$ -
Resources (Inflows):				
General tax revenue - municipal and education	14,883,607	14,883,607	14,865,857	(17,750)
Intergovernmental revenue	2,672,494	2,672,494	2,961,359	288,865
Charges for services	3,093,928	3,093,928	3,099,851	5,923
Investment income	35,000	35,000	85,035	50,035
Other revenue	284,990	284,990	246,016	(38,974)
Transfers from other funds	515,250	515,250	515,250	-
Amounts Available for Appropriation	<u>24,573,647</u>	<u>24,573,648</u>	<u>24,861,746</u>	<u>288,098</u>
Charges to Appropriations (Outflows):				
General government	4,052,133	4,052,133	3,755,471	296,662
Public safety	3,018,440	3,018,440	2,995,849	22,591
Solid waste	455,558	455,558	452,773	2,785
Public works	2,603,141	2,603,141	2,466,633	136,508
Recreation and culture	1,458,842	1,458,842	1,313,553	145,289
Debt service	927,134	927,134	930,788	(3,654)
Education	6,281,135	6,281,135	6,281,135	-
County Tax	792,561	792,561	792,561	-
Outside services	53,950	53,950	51,450	2,500
Unclassified	293,824	293,824	185,030	108,794
Transfers to other funds	1,548,551	1,548,551	1,548,551	-
Total Charges to Appropriations	<u>21,485,269</u>	<u>21,485,269</u>	<u>20,773,794</u>	<u>711,475</u>
Budgetary Fund Balance, December 31	<u>\$ 3,088,378</u>	<u>\$ 3,088,378</u>	<u>\$ 4,087,952</u>	<u>\$ 999,574</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	<u>2020</u>
<u>PLD Plan:</u>	
Proportion of the net pension liability	0.34%
Proportionate share of the net pension liability	\$ 1,276,475
Covered payroll	\$ 2,195,612
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	88.35%

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

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	<u>2020</u>
Contractually required contribution	\$ 437,686
Contributions in relation to the actuarially determined contribution	<u>(437,686)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Covered payroll	\$ 3,798,040
Contributions as a percentage of covered payroll	11.52%

* 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.

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB LIABILITY - GROUP LIFE
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017
<u>PLD Life Insurance:</u>				
Proportion of the net OPEB liability	0.59%	0.66%	0.71%	0.75%
City's proportionate share of the net OPEB liability	\$ 77,973	\$ 134,001	\$ 118,677	\$ 168,699
State's proportionate share of the net OPEB liability associated with the District	-	-	-	-
Total	<u>\$ 77,973</u>	<u>\$ 134,001</u>	<u>\$ 118,677</u>	<u>\$ 168,699</u>
Covered payroll	\$ 2,195,612	\$ 815,234	\$ 820,599	\$ 879,383
Proportionate share of the net OPEB liability as a percentage of its covered payroll	3.55%	16.44%	14.46%	19.18%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	43.18%	43.92%	47.42%

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

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

CITY OF PRESQUE ISLE, MAINE

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

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 38,648	\$ 43,694	\$ 40,921
Interest (includes interest on service cost)	62,773	56,771	69,587
Changes of benefit terms	(19,766)	-	-
Differences between expected and actual experience	(742,810)	-	(139,292)
Changes of assumptions	72,223	(135,823)	(78,869)
Benefit payments, including refunds of member contributions	(80,475)	(77,380)	(93,874)
Net change in total OPEB liability	<u>\$ (669,407)</u>	<u>\$ (112,738)</u>	<u>\$ (201,527)</u>
Total OPEB liability - beginning	\$ 1,532,238	\$ 1,644,976	\$ 1,846,503
Total OPEB liability - ending	\$ 862,831	\$ 1,532,238	\$ 1,644,976
<u>Plan fiduciary net position</u>			
Contributions - employer	80,475	77,380	93,874
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(80,475)	(77,380)	(93,874)
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>\$ 862,831</u>	<u>\$ 1,532,238</u>	<u>\$ 1,644,976</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 3,670,205	\$ 3,702,398	\$ 3,702,398
Net OPEB liability as a percentage of covered payroll	23.5%	41.4%	44.4%

* 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.

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - GROUP LIFE AND HEALTH
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,798,040	\$ 787,496	\$ 855,996	\$ 861,629
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 80,475	\$ 77,380	\$ 93,874
Benefit payments	<u>(80,475)</u>	<u>(77,380)</u>	<u>(93,874)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,670,205	\$ 3,702,398	\$ 3,702,398
Contributions as a percentage of covered payroll	2.19%	2.09%	2.54%

* 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.

CITY OF PRESQUE ISLE, MAINE

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

Changes of Assumptions

MEPERS Group Life Plan:

The discount rate for the OPEB PLD Plan was reduced from 5.13% to 6.75%; a blended discount rate was used for the PLD Consolidated Plan.

Maine Municipal Health Trust:

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.

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

CITY OF PRESQUE ISLE, MAINE

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 12,955,407	\$ 12,955,407	\$ 13,025,540	\$ 70,133
Excise tax	1,823,200	1,823,200	1,728,389	(94,811)
Interest and penalties	105,000	105,000	111,928	6,928
Intergovernmental revenues:				
General assistance	17,675	17,675	11,202	(6,473)
State parks reimbursement	3,500	3,500	6,166	2,666
Chapman fire reimbursement	25,190	25,190	26,228	1,038
Veterans reimbursement	9,800	9,800	9,470	(330)
Tree growth	1,850	1,850	4,806	2,956
State revenue sharing	1,200,000	1,200,000	1,487,466	287,466
Homestead reimbursement	835,141	835,141	835,141	(0)
BETE reimbursement	519,338	519,338	517,027	(2,311)
Police dept. grant	60,000	60,000	63,853	3,853
Charges for services:				
Administrative services	47,000	47,000	47,734	734
Code enforcement	60,000	60,000	91,479	31,479
ARFF	55,500	55,500	52,930	(2,570)
EMS Co-op with TAMC	1,087,872	1,087,872	1,187,082	99,210
Police dept.	850	850	2,850	2,000
Recreation and parks:				
Program income	50,000	50,000	25,324	(24,676)
Indoor pool income	51,600	51,600	8,292	(43,308)
Forum income	259,500	259,500	143,512	(115,988)
Rental income	19,000	19,000	7,085	(11,915)
Solid waste fees	590,950	590,950	607,529	16,579
PIIC rentals	642,470	642,470	700,750	58,280
Echo Lake sewer	6,936	6,936	6,137	(799)
Airport admin fee	34,650	34,650	34,650	-
City clerk	39,600	39,600	35,824	(3,776)
Cable franchise fee	55,000	55,000	62,545	7,545
Bon Aire housing parcel	46,000	46,000	45,579	(421)
PI Housing authority	40,000	40,000	40,549	549
P.I.L.O.T. income	7,000	7,000	-	(7,000)
Investment income	35,000	35,000	85,035	50,035
Other income				
Finance miscellaneous	14,000	14,000	12,084	(1,916)
Fire dept. miscellaneous	12,000	12,000	8,518	(3,482)
Library miscellaneous	23,800	23,800	11,933	(11,867)
Police dept. miscellaneous	36,985	36,985	44,184	7,199
Public works miscellaneous	30,000	30,000	24,133	(5,867)
Recreation and parks miscellaneous	1,800	1,800	769	(1,031)
Employee benefits miscellaneous	5,000	5,000	10,659	5,659
Insurance	1,000	1,000	757	(243)
City clerk	1,000	1,000	6	(994)
Assessing	131,405	131,405	101,405	(30,000)
Sales of tax acquired property	25,000	25,000	28,854	3,854
Other	3,000	3,000	2,714	(286)
Transfers from other funds:				
Solid waste operations	87,200	87,200	87,200	-
Solid waste reserve	428,050	428,050	428,050	-
Total revenues	<u>\$ 21,485,269</u>	<u>\$ 21,485,270</u>	<u>\$ 21,773,368</u>	<u>\$ 288,098</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government					
General government	\$ 319,956	\$ -	\$ 319,956	\$ 307,680	\$ 12,276
Employee benefits	2,247,761	-	2,247,761	2,011,173	236,588
Finance	348,199	-	348,199	333,948	14,251
City clerk	65,106	-	65,106	59,312	5,794
Resource management	82,136	-	82,136	73,604	8,532
PIIC appropriation	407,786	-	407,786	407,786	-
Insurances	159,912	-	159,912	151,018	8,894
Assessing	190,767	-	190,767	179,401	11,366
Planning and development	164,124	-	164,124	160,364	3,760
Information technology	66,385	-	66,385	71,185	(4,800)
	<u>4,052,133</u>	<u>-</u>	<u>4,052,133</u>	<u>3,755,471</u>	<u>296,662</u>
Public safety					
Fire department	1,413,261	-	1,413,261	1,442,877	(29,616)
Public safety building	327,498	-	327,498	341,960	(14,462)
Police department	1,277,681	-	1,277,681	1,211,012	66,669
	<u>3,018,440</u>	<u>-</u>	<u>3,018,440</u>	<u>2,995,849</u>	<u>22,591</u>
Solid waste					
City	448,343	-	448,343	445,558	2,785
Echo Lake	7,215	-	7,215	7,215	-
	<u>455,558</u>	<u>-</u>	<u>455,558</u>	<u>452,773</u>	<u>2,785</u>
Public works					
Highway department	1,995,083	-	1,995,083	1,855,120	139,963
Street lights	119,005	-	119,005	122,460	(3,455)
Hydrant rental	489,053	-	489,053	489,053	-
	<u>2,603,141</u>	<u>-</u>	<u>2,603,141</u>	<u>2,466,633</u>	<u>136,508</u>

CITY OF PRESQUE ISLE, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Recreation and culture					
Parks and recreation	1,061,159	-	1,061,159	948,109	113,050
Library	397,683	-	397,683	365,444	32,239
	<u>1,458,842</u>	<u>-</u>	<u>1,458,842</u>	<u>1,313,553</u>	<u>145,289</u>
Debt service					
Interest on TAN	10,000	-	10,000	17,100	(7,100)
Debt payments	917,134	-	917,134	913,688	3,446
	<u>927,134</u>	<u>-</u>	<u>927,134</u>	<u>930,788</u>	<u>(3,654)</u>
Outside services					
Chamber of Commerce	20,000	-	20,000	20,000	-
Aroostook Area Agency - Aging	5,500	-	5,500	5,500	-
Central Aroostook Soil and Water	1,050	-	1,050	1,050	-
Quoggy Joe Ski Club	6,400	-	6,400	6,400	-
Presque Isle Snowmobile Club	2,300	-	2,300	2,300	-
Veterans cemetery	200	-	200	200	-
American Red Cross	2,500	-	2,500	-	2,500
Wintergreen Arts	16,000	-	16,000	16,000	-
	<u>53,950</u>	<u>-</u>	<u>53,950</u>	<u>51,450</u>	<u>2,500</u>
Education	<u>6,281,135</u>	<u>-</u>	<u>6,281,135</u>	<u>6,281,135</u>	<u>-</u>
County Tax	<u>792,561</u>	<u>-</u>	<u>792,561</u>	<u>792,561</u>	<u>-</u>

CITY OF PRESQUE ISLE, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified					
State Street dam utilities	188	-	188	179	9
Maine Municipal dues	7,965	-	7,965	7,975	(10)
Cemeteries	4,800	-	4,800	3,959	841
Annual reports	500	-	500	-	500
Legal services	16,000	-	16,000	35,005	(19,005)
Contingent	100,000	-	100,000	12,700	87,300
Northern ME Development Commission	17,583	-	17,583	17,582	1
C A Humane Society	16,170	-	16,170	16,170	-
Sister O'Donnell shelter	14,538	-	14,538	14,538	-
Downtown revitalization committee	18,000	-	18,000	18,000	-
Cunningham taxes	13,500	-	13,500	13,091	409
General assistance	25,250	-	25,250	14,624	10,626
Vehicle repairs	10,000	-	10,000	10,000	-
Overlay	49,330	-	49,330	21,207	28,123
	<u>293,824</u>	<u>-</u>	<u>293,824</u>	<u>185,030</u>	<u>108,794</u>

CITY OF PRESQUE ISLE, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Transfers					
Police department	69,000	-	69,000	69,000	-
Fire department	165,000	-	165,000	165,000	-
Retirement payout	50,000	-	50,000	50,000	-
Recreation and parks	174,000	-	174,000	174,000	-
City Hall	244,400	-	244,400	244,400	-
Public works	428,050	-	428,050	428,050	-
Emergency reserve	95,000	-	95,000	95,000	-
Library	2,369	-	2,369	2,369	-
Public safety building	52,000	-	52,000	52,000	-
PIIC	150,000	-	150,000	150,000	-
BLD hospitality TIF	111,232	-	111,232	111,232	-
Echo Lake	7,500	-	7,500	7,500	-
	<u>1,548,551</u>	<u>-</u>	<u>1,548,551</u>	<u>1,548,551</u>	<u>-</u>
Total Departmental Operations	<u>\$ 21,485,269</u>	<u>\$ -</u>	<u>\$ 21,485,269</u>	<u>\$ 20,773,794</u>	<u>\$ 711,475</u>

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

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 60,182	\$ 60,182
Investments	-	-	778,478	778,478
Due from other funds	1,788,981	3,401,054	-	5,190,035
TOTAL ASSETS	<u>\$ 1,788,981</u>	<u>\$ 3,401,054</u>	<u>\$ 838,660</u>	<u>\$ 6,028,695</u>
LIABILITIES				
Due to other funds	\$ 231,652	\$ 1,396,869	\$ -	\$ 1,628,521
TOTAL LIABILITIES	<u>231,652</u>	<u>1,396,869</u>	<u>-</u>	<u>1,628,521</u>
FUND BALANCES				
Nonspendable	-	-	20,000	20,000
Restricted	1,549,544	139,805	818,660	2,508,009
Committed	239,437	3,261,249	-	3,500,686
Assigned	-	-	-	-
Unassigned	(231,652)	(1,396,869)	-	(1,628,521)
TOTAL FUND BALANCES	<u>1,557,329</u>	<u>2,004,185</u>	<u>838,660</u>	<u>4,400,174</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,788,981</u>	<u>\$ 3,401,054</u>	<u>\$ 838,660</u>	<u>\$ 6,028,695</u>

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

SCHEDULE D

CITY OF PRESQUE ISLE, 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 revenue	\$ 158,420	\$ 3,455,066	\$ -	\$ 3,613,486
Interest income	6,317	15,200	18,731	40,248
Investment income, net of unrealized gains/(losses)	-	-	62,018	62,018
Other income	468,699	894,234	(12,189)	1,350,744
TOTAL REVENUES	<u>633,436</u>	<u>4,364,500</u>	<u>68,560</u>	<u>5,066,496</u>
EXPENDITURES				
General government	577,485	291,108	5,363	873,956
Public safety	31,365	116,081	-	147,446
Solid waste	-	500,000	-	500,000
Recreation and culture	27,766	63,737	-	91,503
Airport	-	1,841,017	-	1,841,017
Debt service	-	88,601	-	88,601
Capital outlay	130,896	2,454,374	-	2,585,270
TOTAL EXPENDITURES	<u>767,512</u>	<u>5,354,918</u>	<u>5,363</u>	<u>6,127,793</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(134,076)</u>	<u>(990,418)</u>	<u>63,197</u>	<u>(1,061,297)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	162,715	1,347,503	-	1,510,218
Transfers (out)	(13,667)	(730,786)	-	(744,453)
TOTAL OTHER FINANCING SOURCES (USES)	<u>149,048</u>	<u>616,717</u>	<u>-</u>	<u>765,765</u>
NET CHANGE IN FUND BALANCES	14,972	(373,701)	63,197	(295,532)
FUND BALANCES - JANUARY 1	<u>1,542,357</u>	<u>2,377,886</u>	<u>775,463</u>	<u>4,695,706</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,557,329</u>	<u>\$ 2,004,185</u>	<u>\$ 838,660</u>	<u>\$ 4,400,174</u>

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

Special Revenue Funds

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

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds						
	RLF Building Fund	CDBG Program	REDRLP Loan Funds	Industrial Council Land Sales	Intermodal Rail Yard	Police Grant	Library Grants
ASSETS							
Due from other funds	\$ 361,477	\$ 7,869	\$ 103,312	\$ 139,203	\$ -	\$ -	\$ 4,418
TOTAL ASSETS	<u>\$ 361,477</u>	<u>\$ 7,869</u>	<u>\$ 103,312</u>	<u>\$ 139,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,418</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 231,652	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,652</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	361,477	7,869	103,312	-	-	-	4,418
Committed	-	-	-	139,203	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(231,652)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>361,477</u>	<u>7,869</u>	<u>103,312</u>	<u>139,203</u>	<u>(231,652)</u>	<u>-</u>	<u>4,418</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 361,477</u>	<u>\$ 7,869</u>	<u>\$ 103,312</u>	<u>\$ 139,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,418</u>

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds					
	Fire Department Grants	Airport PFC	Planning and Development Grants	Grant Matching Funds	Economic Development Fund	BLD Hospitality TIF Funds
ASSETS						
Due from other funds	\$ 7,894	\$ 42,221	\$ 1,766	\$ 206,534	\$ 144,826	\$ 655,514
TOTAL ASSETS	<u>\$ 7,894</u>	<u>\$ 42,221</u>	<u>\$ 1,766</u>	<u>\$ 206,534</u>	<u>\$ 144,826</u>	<u>\$ 655,514</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	7,894	42,221	1,766	206,534	144,826	655,514
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>7,894</u>	<u>42,221</u>	<u>1,766</u>	<u>206,534</u>	<u>144,826</u>	<u>655,514</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 7,894</u>	<u>\$ 42,221</u>	<u>\$ 1,766</u>	<u>\$ 206,534</u>	<u>\$ 144,826</u>	<u>\$ 655,514</u>

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues						
	Recreation Programs	Cost Recovery	Softball	Downing Park	Bloodhound	Police Unclaimed	Outside Grants
ASSETS							
Due from other funds	\$ 21,200	\$ 1,525	\$ 2,032	\$ 1,554	\$ 4,941	\$ 1,641	\$ 1,343
TOTAL ASSETS	<u>\$ 21,200</u>	<u>\$ 1,525</u>	<u>\$ 2,032</u>	<u>\$ 1,554</u>	<u>\$ 4,941</u>	<u>\$ 1,641</u>	<u>\$ 1,343</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	1,343
Committed	21,200	1,525	2,032	1,554	4,941	1,641	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>21,200</u>	<u>1,525</u>	<u>2,032</u>	<u>1,554</u>	<u>4,941</u>	<u>1,641</u>	<u>1,343</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 21,200</u>	<u>\$ 1,525</u>	<u>\$ 2,032</u>	<u>\$ 1,554</u>	<u>\$ 4,941</u>	<u>\$ 1,641</u>	<u>\$ 1,343</u>

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues						
	Wellness Grant	Retirement Pay	Book Memorials	Revitalization	Riverside Market	BBQ Cook Off	General Assistance
ASSETS							
Due from other funds	\$ 12,370	\$ 8,534	\$ 2,679	\$ 17,263	\$ -	\$ -	\$ 3,564
TOTAL ASSETS	<u>\$ 12,370</u>	<u>\$ 8,534</u>	<u>\$ 2,679</u>	<u>\$ 17,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,564</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	12,370	-	-	-	-	-	-
Committed	-	8,534	2,679	17,263	-	-	3,564
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>12,370</u>	<u>8,534</u>	<u>2,679</u>	<u>17,263</u>	<u>-</u>	<u>-</u>	<u>3,564</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 12,370</u>	<u>\$ 8,534</u>	<u>\$ 2,679</u>	<u>\$ 17,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,564</u>

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues					
	Appraisals	Movie Night	Military Surplus	Riverside Playground	Downtown Market	Total
ASSETS						
Due from other funds	\$ 11,450	\$ 2,433	\$ 1,887	\$ 19,531	\$ -	\$ 1,788,981
TOTAL ASSETS	<u>\$ 11,450</u>	<u>\$ 2,433</u>	<u>\$ 1,887</u>	<u>\$ 19,531</u>	<u>\$ -</u>	<u>\$ 1,788,981</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,652
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,652</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,549,544
Committed	11,450	2,433	1,887	19,531	-	239,437
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(231,652)
TOTAL FUND BALANCES (DEFICITS)	<u>11,450</u>	<u>2,433</u>	<u>1,887</u>	<u>19,531</u>	<u>-</u>	<u>1,557,329</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 11,450</u>	<u>\$ 2,433</u>	<u>\$ 1,887</u>	<u>\$ 19,531</u>	<u>\$ -</u>	<u>\$ 1,788,981</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds						
	RLF Building Fund	CDBG Program	REDRLP Loan Funds	Industrial Council Land Sales	Intermodal Rail Yard	Police Grant	Library Grants
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,174	\$ -
Interest income	5,200	-	-	1,117	-	-	-
Other income	106,535	-	-	-	229,925	-	92,627
TOTAL REVENUES	111,735	-	-	1,117	229,925	71,174	92,627
EXPENDITURES							
General government	-	-	612	-	494,320	-	5,227
Public safety	-	-	-	-	-	885	-
Recreation and culture	-	-	-	-	-	-	22268
Capital outlay	-	-	-	-	-	68,091	62,805
TOTAL EXPENDITURES	-	-	612	-	494,320	68,976	90,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	111,735	-	(612)	1,117	(264,395)	2,198	2,327
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	111,735	-	(612)	1,117	(264,395)	2,198	2,327
FUND BALANCES (DEFICITS) - JANUARY 1	249,742	7,869	103,924	138,086	32,743	(2,198)	2,091
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 361,477	\$ 7,869	\$ 103,312	\$ 139,203	\$ (231,652)	\$ -	\$ 4,418

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds					
	Fire Department Grants	Airport PFC	Planning and Development Grants	Grant Matching Funds	Economic Development Fund	BLD Hospitality TIF Funds
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-
Other income		28,112	-	-	-	-
TOTAL REVENUES	-	28,112	-	-	-	-
EXPENDITURES						
General government	-	11,024	-	-	-	-
Public safety	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	11,024	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	17,088	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	111,232
Transfers (out)	-	(12,184)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(12,184)	-	-	-	111,232
NET CHANGE IN FUND BALANCES	-	4,904	-	-	-	111,232
FUND BALANCES (DEFICITS) - JANUARY 1	7,894	37,317	1,766	206,534	144,826	544,282
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 7,894	\$ 42,221	\$ 1,766	\$ 206,534	\$ 144,826	\$ 655,514

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues						
	Recreation Programs	Cost Recovery	Softball	Downing Park	Bloodhound	Police Unclaimed	Outside Grants
REVENUES							
Intergovernmental revenue	\$ 14,150	\$ -	\$ -	\$ 586	\$ 2,500	\$ -	\$ 53,303
Interest income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	14,150	-	-	586	2,500	-	53,303
EXPENDITURES							
General government	-	111	-	-	-	-	53,526
Public safety	30,480	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	30,480	111	-	-	-	-	53,526
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,330)	(111)	-	586	2,500	-	(223)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(16,330)	(111)	-	586	2,500	-	(223)
FUND BALANCES (DEFICITS) - JANUARY 1	37,530	1,636	2,032	968	2,441	1,641	1,566
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 21,200	\$ 1,525	\$ 2,032	\$ 1,554	\$ 4,941	\$ 1,641	\$ 1,343

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues						
	Wellness Grant	Retirement Pay	Book Memorials	Revitalization	Riverside Market	BBQ Cook Off	General Assistance
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ 2,754	\$ 7,065	\$ 3,298	\$ -	\$ -
Interest income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	2,754	7,065	3,298	-	-
EXPENDITURES							
General government	1,016	7,415	-	2,431	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation and culture	-	-	4,147	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,016	7,415	4,147	2,431	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,016)	(7,415)	(1,393)	4,634	3,298	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	50,000	-	-	-	-	-
Transfers (out)	-	-	-	-	(1,483)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	50,000	-	-	(1,483)	-	-
NET CHANGE IN FUND BALANCES	(1,016)	42,585	(1,393)	4,634	1,815	-	-
FUND BALANCES (DEFICITS) - JANUARY 1	13,386	(34,051)	4,072	12,629	(1,815)	-	3,564
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 12,370	\$ 8,534	\$ 2,679	\$ 17,263	\$ -	\$ -	\$ 3,564

CITY OF PRESQUE ISLE, MAINE

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

	Other Special Revenues					
	Appraisals	Movie Night	Military Surplus	Riverside Playground	Downtown Market	Total
REVENUES						
Intergovernmental revenue	\$ -	\$ 3,590	\$ -	\$ -	\$ -	\$ 158,420
Interest income	-	-	-	-	-	6,317
Other income	-	-	-	11,500	-	468,699
TOTAL REVENUES	-	3,590	-	11,500	-	633,436
EXPENDITURES						
General government	-	-	-	-	1,803	577,485
Public safety	-	-	-	-	-	31,365
Recreation and culture	-	1,351	-	-	-	27,766
Capital outlay	-	-	-	-	-	130,896
TOTAL EXPENDITURES	-	1,351	-	-	1,803	767,512
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,239	-	11,500	(1,803)	(134,076)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,483	162,715
Transfers (out)	-	-	-	-	-	(13,667)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	1,483	149,048
NET CHANGE IN FUND BALANCES	-	2,239	-	11,500	(320)	14,972
FUND BALANCES (DEFICITS) - JANUARY 1	11,450	194	1,887	8,031	320	1,542,357
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 11,450	\$ 2,433	\$ 1,887	\$ 19,531	\$ -	\$ 1,557,329

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.

CITY OF PRESQUE ISLE, MAINE

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

	Reserve Funds					
	Police Department	Fire Department	Recreation and Parks	Library	City Hall	Public Works Airport
ASSETS						
Due from other funds	\$ 67,982	\$ 135,352	\$ 316,411	\$ 5,425	\$ 338,947	\$ 113,983
TOTAL ASSETS	<u>\$ 67,982</u>	<u>\$ 135,352</u>	<u>\$ 316,411</u>	<u>\$ 5,425</u>	<u>\$ 338,947</u>	<u>\$ 113,983</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,091
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,091</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	67,982	135,352	316,411	5,425	338,947	113,983
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(286,091)
TOTAL FUND BALANCES (DEFICITS)	<u>67,982</u>	<u>135,352</u>	<u>316,411</u>	<u>5,425</u>	<u>338,947</u>	<u>113,983</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 67,982</u>	<u>\$ 135,352</u>	<u>\$ 316,411</u>	<u>\$ 5,425</u>	<u>\$ 338,947</u>	<u>\$ 113,983</u>

CITY OF PRESQUE ISLE, MAINE

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

	Reserve Funds					Restricted Reserve Funds	
	PIIC	Echo Lake	FAA	Downtown Infrastructure	Public Safety Building	Airport T Hanger	Airport Hanger
ASSETS							
Due from other funds	\$ 255,908	\$ 17,395	\$ 106,130	\$ 76,428	\$ 55,802	\$ -	\$ 16,476
TOTAL ASSETS	<u>\$ 255,908</u>	<u>\$ 17,395</u>	<u>\$ 106,130</u>	<u>\$ 76,428</u>	<u>\$ 55,802</u>	<u>\$ -</u>	<u>\$ 16,476</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,958	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,958</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	16,476
Committed	255,908	17,395	106,130	76,428	55,802	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(82,958)	-
TOTAL FUND BALANCES (DEFICITS)	<u>255,908</u>	<u>17,395</u>	<u>106,130</u>	<u>76,428</u>	<u>55,802</u>	<u>(82,958)</u>	<u>16,476</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 255,908</u>	<u>\$ 17,395</u>	<u>\$ 106,130</u>	<u>\$ 76,428</u>	<u>\$ 55,802</u>	<u>\$ -</u>	<u>\$ 16,476</u>

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds							
	Septic Systems	Airport Project 51	Airport Trucks	Airport Project 49	Airport Project 48	Airport Project 43	Airport Crack Sealing	Airport Pavement Markings
ASSETS								
Due from other funds	\$ 829	\$ -	\$ -	\$ 123,329	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES								
Due to other funds	\$ -	\$ 185,893	\$ 301,945	\$ -	\$ -	\$ -	\$ 43,554	\$ 495,148
TOTAL LIABILITIES	<u>-</u>	<u>185,893</u>	<u>301,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,554</u>	<u>495,148</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	123,329	-	-	-	-
Committed	829	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(185,893)	(301,945)	-	-	-	(43,554)	(495,148)
TOTAL FUND BALANCES (DEFICITS)	<u>829</u>	<u>(185,893)</u>	<u>(301,945)</u>	<u>123,329</u>	<u>-</u>	<u>-</u>	<u>(43,554)</u>	<u>(495,148)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE G (CONTINUED)

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds								
	Bike Path Improvements	Airport Project 53	Airport Project 54	Airport Project Equipment	Solid Waste Reserve	Landfill Closure	Street Overlay	Community Center	Total
ASSETS									
Due from other funds	\$ 175,312	\$ 654,805	\$ -	\$ -	\$ 358,270	\$ 241,318	\$ 183,927	\$ 157,025	\$ 3,401,054
TOTAL ASSETS	<u>\$ 175,312</u>	<u>\$ 654,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,270</u>	<u>\$ 241,318</u>	<u>\$ 183,927</u>	<u>\$ 157,025</u>	<u>\$ 3,401,054</u>
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ 810	\$ 470	\$ -	\$ -	\$ -	\$ -	\$ 1,396,869
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>810</u>	<u>470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,396,869</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	139,805
Committed	175,312	654,805	-	-	358,270	241,318	183,927	157,025	3,261,249
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(810)	(470)	-	-	-	-	(1,396,869)
TOTAL FUND BALANCES (DEFICITS)	<u>175,312</u>	<u>654,805</u>	<u>(810)</u>	<u>(470)</u>	<u>358,270</u>	<u>241,318</u>	<u>183,927</u>	<u>157,025</u>	<u>2,004,185</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 175,312</u>	<u>\$ 654,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,270</u>	<u>\$ 241,318</u>	<u>\$ 183,927</u>	<u>\$ 157,025</u>	<u>\$ 3,401,054</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	Reserve Funds						
	Police Department	Fire Department	Recreation and Parks	Library	City Hall	Public Works	Airport
REVENUES							
Intergovernmental revenue	\$ -	\$ 25,598	\$ -	\$ -	\$ 55,520	\$ -	\$ 76,434
Interest income	-	-	-	-	-	-	-
Other income	-	2,309	990	2,000	-	-	-
TOTAL REVENUES	-	27,907	990	2,000	55,520	-	76,434
EXPENDITURES							
General government	-	-	-	-	26,530	-	61,940
Public safety	-	111,631	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Recreation and culture	-	-	31,742	3,995	-	-	-
Airport	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	88,601	-
Capital outlay	72,738	257,500	28,145	-	40,901	304,027	28,227
TOTAL EXPENDITURES	72,738	369,131	59,887	3,995	67,431	392,628	90,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(72,738)	(341,224)	(58,897)	(1,995)	(11,911)	(392,628)	(13,733)
OTHER FINANCING SOURCES (USES)							
Transfers in	69,000	165,000	174,000	2,369	244,400	428,050	43,000
Transfers (out)	-	-	-	-	-	-	(215,536)
TOTAL OTHER FINANCING SOURCES (USES)	69,000	165,000	174,000	2,369	244,400	428,050	(172,536)
NET CHANGE IN FUND BALANCES	(3,738)	(176,224)	115,103	374	232,489	35,422	(186,269)
FUND BALANCES (DEFICITS) - JANUARY 1	71,720	311,576	201,308	5,051	106,458	78,561	(99,822)
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 67,982	\$ 135,352	\$ 316,411	\$ 5,425	\$ 338,947	\$ 113,983	\$ (286,091)

CITY OF PRESQUE ISLE, MAINE

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

	Reserve Funds					Restricted Reserve Funds	
	PIIC	Echo Lake	FAA	Downtown Infrastructure	Public Safety Building	Airport T Hanger	Airport Hanger
REVENUES							
Intergovernmental revenue	\$ -	\$ 13,314	\$ -	\$ -	\$ -	\$ 106,385	\$ -
Interest income	-	-	-	-	-	-	-
Other income	13,435	-	-	-	-	-	-
TOTAL REVENUES	13,435	13,314	-	-	-	106,385	-
EXPENDITURES							
General government	200,459	-	-	-	-	-	-
Public safety	-	-	-	-	4,450	-	-
Solid waste	-	-	-	-	-	-	-
Recreation and culture	-	28,000	-	-	-	-	-
Airport	-	-	-	-	-	284,039	-
Debt service	-	-	-	-	-	-	-
Capital outlay	84,449	-	-	-	17,785	-	-
TOTAL EXPENDITURES	284,908	28,000	-	-	22,235	284,039	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(271,473)	(14,686)	-	-	(22,235)	(177,654)	-
OTHER FINANCING SOURCES (USES)							
Transfers in	150,000	7,500	-	-	52,000	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	150,000	7,500	-	-	52,000	-	-
NET CHANGE IN FUND BALANCES	(121,473)	(7,186)	-	-	29,765	(177,654)	-
FUND BALANCES (DEFICITS) - JANUARY 1	377,381	24,581	106,130	76,428	26,037	94,696	16,476
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 255,908	\$ 17,395	\$ 106,130	\$ 76,428	\$ 55,802	\$ (82,958)	\$ 16,476

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds							
	Septic Systems	Airport Project 51	Airport Trucks	Airport Project 49	Airport Project 48	Airport Project 43	Airport Crack Sealing	Airport Pavement Markings
REVENUES								
Intergovernmental revenue	\$ -	\$ 967,334	\$ 95,099	\$ 218,933	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	967,334	95,099	218,933	-	-	-	-
EXPENDITURES								
General government	2,179	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Airport	-	1,151,130	-	85,263	-	366	25,778	293,631
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,179	1,151,130	-	85,263	-	366	25,778	293,631
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(2,179)	(183,796)	95,099	133,670	-	(366)	(25,778)	(293,631)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	12,184	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	12,184	-	-	-
NET CHANGE IN FUND BALANCES	(2,179)	(183,796)	95,099	133,670	12,184	(366)	(25,778)	(293,631)
FUND BALANCES (DEFICITS) - JANUARY 1	3,008	(2,097)	(397,044)	(10,341)	(12,184)	366	(17,776)	(201,517)
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 829	\$ (185,893)	\$ (301,945)	\$ 123,329	\$ -	\$ -	\$ (43,554)	\$ (495,148)

CITY OF PRESQUE ISLE, MAINE

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

	Restricted Reserve Funds								
	Bike Path Improvements	Airport Project 53	Airport Project 54	Airport Project Equipment	Solid Waste Reserve	Landfill Closure	Street Overlay	Community Center	Total
REVENUES									
Intergovernmental revenue	\$ -	\$ 1,044,705	\$ -	\$ -	\$ -	\$ 571,755	\$ 279,989	\$ -	\$ 3,455,066
Interest income	-	-	-	-	6,200	9,000	-	-	15,200
Other income	561,000	-	-	-	-	-	263,000	51,500	894,234
TOTAL REVENUES	561,000	1,044,705	-	-	6,200	580,755	542,989	51,500	4,364,500
EXPENDITURES									
General government	-	-	-	-	-	-	-	-	291,108
Public safety	-	-	-	-	-	-	-	-	116,081
Solid waste	-	-	-	-	-	500,000	-	-	500,000
Recreation and culture	-	-	-	-	-	-	-	-	63,737
Airport	-	-	810	-	-	-	-	-	1,841,017
Debt service	-	-	-	-	-	-	-	-	88,601
Capital outlay	817,330	389,900	-	-	-	-	413,372	-	2,454,374
TOTAL EXPENDITURES	817,330	389,900	810	-	-	500,000	413,372	-	5,354,918
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(256,330)	654,805	(810)	-	6,200	80,755	129,617	51,500	(990,418)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	1,347,503
Transfers (out)	-	-	-	-	(515,250)	-	-	-	(730,786)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(515,250)	-	-	-	616,717
NET CHANGE IN FUND BALANCES	(256,330)	654,805	(810)	-	(509,050)	80,755	129,617	51,500	(373,701)
FUND BALANCES (DEFICITS) - JANUARY 1	431,642	-	-	(470)	867,320	160,563	54,310	105,525	2,377,886
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 175,312	\$ 654,805	\$ (810)	\$ (470)	\$ 358,270	\$ 241,318	\$ 183,927	\$ 157,025	\$ 2,004,185

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

Permanent Funds

Permanent funds are used to account for assets held by the City of Presque Isle, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds have been established for the provision and/or maintenance of the cemeteries and various community organizations.

SCHEDULE I

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2020

	Cemetery Perpetual Care	School Lunch	Volunteer Fire Department	Downing Park Trust Fund	Burlock Lavway Scholarship Fund	Total
ASSETS						
Cash and cash equivalents	\$ 48,573	\$ 522	\$ 2,695	\$ 2,292	\$ 6,100	\$ 60,182
Investments	692,178	8,175	42,221	35,904	-	778,478
TOTAL ASSETS	<u>\$ 740,751</u>	<u>\$ 8,697</u>	<u>\$ 44,916</u>	<u>\$ 38,196</u>	<u>\$ 6,100</u>	<u>\$ 838,660</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	20,000	-	20,000
Restricted	740,751	8,697	44,916	18,196	6,100	818,660
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>740,751</u>	<u>8,697</u>	<u>44,916</u>	<u>38,196</u>	<u>6,100</u>	<u>838,660</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 740,751</u>	<u>\$ 8,697</u>	<u>\$ 44,916</u>	<u>\$ 38,196</u>	<u>\$ 6,100</u>	<u>\$ 838,660</u>

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

CITY OF PRESQUE ISLE, MAINE

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

	Cemetery Perpetual Care	School Lunch	Volunteer Fire Department	Downing Park Trust Fund	Burlock Lavway Scholarship Fund	Total
REVENUES						
Interest income	\$ 16,670	\$ 194	\$ 1,003	\$ 861	\$ 3	\$ 18,731
Investment income, net of unrealized gains/(losses)	55,053	660	3,407	2,898	-	62,018
Other	(11,603)	-	-	(586)	-	(12,189)
TOTAL REVENUES	<u>60,120</u>	<u>854</u>	<u>4,410</u>	<u>3,173</u>	<u>3</u>	<u>68,560</u>
EXPENDITURES						
Fees	<u>4,774</u>	<u>55</u>	<u>287</u>	<u>247</u>	<u>-</u>	<u>5,363</u>
TOTAL EXPENDITURES	<u>4,774</u>	<u>55</u>	<u>287</u>	<u>247</u>	<u>-</u>	<u>5,363</u>
NET CHANGE IN FUND BALANCES	55,346	799	4,123	2,926	3	63,197
FUND BALANCES, JANUARY 1	<u>685,405</u>	<u>7,898</u>	<u>40,793</u>	<u>35,270</u>	<u>6,097</u>	<u>775,463</u>
FUND BALANCES, DECEMBER 31	<u>\$ 740,751</u>	<u>\$ 8,697</u>	<u>\$ 44,916</u>	<u>\$ 38,196</u>	<u>\$ 6,100</u>	<u>\$ 838,660</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.

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2020

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings, Land and Building Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General Government	\$ 4,332,163	\$ 25,823,667	\$ 938,275	\$ -	\$ 31,094,105
Public Safety	375,000	3,690,523	4,280,755	-	8,346,278
Public Works	41,000	1,872,835	3,996,021	18,281,029	24,190,885
Airport	680,773	20,777,120	6,248,302	31,992,741	59,698,936
Solid Waste	11,200	-	1,706,682	3,687,962	5,405,844
Recreation	1,556,017	9,937,977	1,201,106	-	12,695,100
Total General Capital Assets	6,996,153	62,102,122	18,371,141	53,961,732	141,431,148
Less: Accumulated Depreciation	-	(31,369,792)	(10,454,726)	(23,342,055)	(65,166,573)
Net General Capital Assets	\$ 6,996,153	\$ 30,732,330	\$ 7,916,415	\$ 30,619,677	\$ 76,264,575

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

CITY OF PRESQUE ISLE, MAINE

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

	General Capital Assets 1/1/20	Additions	Deletions	General Capital Assets 12/31/20
General Government	\$ 30,495,986	\$ 614,925	\$ (16,806)	\$ 31,094,105
Public Safety	7,954,124	416,137	(23,983)	8,346,278
Public Works	23,655,927	534,958	-	24,190,885
Airport	51,806,796	8,106,911	(214,771)	59,698,936
Solid Waste	5,405,844	-	-	5,405,844
Recreation	11,771,149	945,493	(21,542)	12,695,100
Total General Capital Assets	131,089,826	10,618,424	(277,102)	141,431,148
Less: Accumulated Depreciation	(61,053,296)	(4,175,608)	62,331	(65,166,573)
Net General Capital Assets	<u>\$ 70,036,530</u>	<u>\$ 6,442,816</u>	<u>\$ (214,771)</u>	<u>\$ 76,264,575</u>

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

STATISTICAL SECTION

This part of the City of Presque Isle's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	1 - 5
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	6 - 9
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's ability to issue additional debt in the future.</i>	10 - 12
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	13 - 14
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	15 - 17

Table 1

CITY OF PRESQUE ISLE, MAINE
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net Investment in capital assets	\$ 52,297,509	\$ 51,509,110	\$ 50,931,088	\$ 51,001,689	\$ 53,333,316	\$ 56,466,655	\$ 60,238,239	\$ 59,549,021	\$ 62,052,782	\$ 68,977,755
Restricted (a)	3,389,997	3,322,212	3,556,999	3,404,836	3,887,064	3,627,448	4,123,070	4,220,134	4,143,258	4,593,064
Unrestricted	3,444,455	3,242,563	4,194,578	5,497,287	863,725	1,410,914	(1,974,889)	(405,295)	2,042,478	5,930,766
Total governmental activities net position	<u>\$ 59,131,961</u>	<u>\$ 58,073,885</u>	<u>\$ 58,682,665</u>	<u>\$ 59,903,812</u>	<u>\$ 58,084,105</u>	<u>\$ 61,505,017</u>	<u>\$ 62,386,420</u>	<u>\$ 63,363,860</u>	<u>\$ 68,238,518</u>	<u>\$ 79,501,585</u>

(a) Beginning in 2015 due to the implementation of GASB Statement No. 68 Accounting and Financial Reporting for Pensions, the City's Unfunded Pension Liability of \$4,102,796 is listed on the financial statements, which results in a decrease to unrestricted fund balance.

Table 2

CITY OF PRESQUE ISLE, MAINE
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 4,674,607	\$ 4,889,842	\$ 4,716,128	\$ 4,067,679	\$ 4,180,348	\$ 6,327,967	\$ 2,937,715	\$ 3,343,472	\$ 4,618,062	\$ 1,915,487
Public safety	2,634,579	2,486,138	2,751,289	2,508,598	2,502,715	2,614,101	3,037,148	3,181,631	3,131,586	3,481,501
Solid waste	2,355,571	2,319,919	1,221,998	1,573,640	1,627,681	1,749,569	1,110,981	934,549	86,330	337,506
Public works	2,815,777	3,077,507	1,168,012	2,741,027	2,789,012	2,421,188	2,521,107	3,522,960	3,128,987	3,370,805
Recreation and culture	1,544,757	1,430,088	1,515,441	1,237,803	1,270,879	1,455,310	1,655,539	2,000,007	1,921,648	1,888,773
County Tax	-	-	-	603,602	619,295	645,031	665,733	730,680	746,844	792,561
Education	5,375,744	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554	6,210,945	6,236,004	6,315,512	6,281,135
Airport	2,712,857	3,064,007	3,342,171	2,031,029	2,965,690	2,967,703	3,345,973	4,470,243	5,113,268	3,773,946
Outside requests	-	-	-	-	-	60,825	-	-	-	-
TIF	-	-	-	131,373	68,832	-	-	-	-	-
Program Expenditures	-	-	-	96,865	1,720,521	-	-	-	-	-
Community Service	-	-	-	-	-	-	453,817	504,678	279,852	236,480
Miscellaneous	-	-	-	-	-	451,677	-	-	-	-
Interest on debt service	398,620	374,636	623,921	129,953	139,789	311,766	320,228	14,322	203,476	322,461
Capital Outlay	-	-	-	-	-	(76,705)	330,935	629,700	-	288,528
Total governmental activities expenses	22,512,512	23,021,607	21,129,880	21,271,865	24,037,531	25,168,986	22,590,121	25,568,246	25,545,565	22,689,183
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 702,109	\$ 753,999	\$ 871,603	\$ 202,119	\$ 194,965	\$ 634,948	\$ 781,643	\$ 796,478	\$ 848,055	\$ 848,055
Public safety	92,737	44,691	59,349	89,871	84,037	153,832	471,439	651,860	849,011	849,011
Solid Waste	1,596,920	1,670,927	1,672,625	1,720,313	1,443,138	477,679	224,892	1,091,592	634,555	634,555
Public works	12,012	5,526	6,795	-	-	-	-	-	-	-
Recreation and culture	436,168	430,395	403,917	336,046	331,340	324,227	351,505	387,906	383,317	383,317
Airport	1,439,342	1,644,060	1,646,208	1,936,977	-	1,112,688	1,533,950	2,285,515	86,205	86,205
Program Revenues	-	-	-	614,048	2,325,076	-	-	-	-	-
Operating grants and contributions	545,679	663,864	474,687	1,042,892	2,974,744	-	1,973,617	1,882,542	1,887,563	1,887,563
Capital grants and contributions	1,776,696	1,488,310	757,936	-	-	-	5,852,514	-	-	-
Total governmental activities program revenues	6,601,663	6,701,772	5,893,120	5,942,266	7,353,300	2,703,374	11,189,560	7,095,893	4,688,706	4,688,706
Net (expense)/revenue										
Governmental activities	(15,910,849)	(16,319,835)	(15,236,760)	(15,329,599)	(16,684,231)	(22,465,612)	(11,400,561)	(18,472,353)	(20,856,859)	(18,000,477)
Total primary government net (expense)/revenue	\$ (15,910,849)	\$ (16,319,835)	\$ (15,236,760)	\$ (15,329,599)	\$ (16,684,231)	\$ (22,465,612)	\$ (11,400,561)	\$ (18,472,353)	\$ (20,856,859)	\$ (18,000,477)
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes:										
Tax Revenue	\$ 12,050,893	\$ 11,955,543	\$ 14,071,278	\$ 14,602,932	\$ 14,736,466	\$ 15,325,258	\$ 15,302,118	\$ 15,274,009	\$ 15,041,543	\$ 15,041,543
Cable television franchise	64,744	64,438	61,755	59,836	56,541	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,902,477	-	-	-	-
Unrestricted grants and contributions	1,607,047	1,562,793	1,405,817	1,428,254	1,691,127	-	-	1,819,597	5,185,241	5,185,241
Licenses and permits	-	-	-	-	-	593,440	13,951	-	-	-
Miscellaneous Revenues	92,815	83,345	113,755	363,671	2,189,663	3,127,186	2,296,310	2,683,424	1,286,022	1,286,022
Interest and investment earnings	95,424	141,344	192,935	96,053	11,267	170,066	150,104	(3,717)	262,744	262,744
Total governmental activities	\$ 13,910,923	\$ 13,807,463	\$ 15,845,540	\$ 16,550,746	\$ 18,685,064	\$ 25,118,427	\$ 17,762,483	\$ 19,773,313	\$ 21,775,550	\$ 21,775,550
Transfers debt and net capital assets to Aroostook Waste Solutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,955,967	\$ 3,955,967
Change in Net Position										
Governmental activities	\$ (1,999,926)	\$ 1,058,076	\$ 608,780	\$ 1,221,147	\$ 2,000,833	\$ 2,652,815	\$ 6,361,922	\$ 1,300,960	\$ 4,874,658	\$ 7,731,040
Total primary government	\$ (1,999,926)	\$ 1,058,076	\$ 608,780	\$ 1,221,147	\$ 2,000,833	\$ 2,652,815	\$ 6,361,922	\$ 1,300,960	\$ 4,874,658	\$ 7,731,040

Table 3

CITY OF PRESQUE ISLE, MAINE
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Governmental activities:										
General government	\$ 964,890	\$ 1,092,166	\$ 1,077,645	\$ 277,191	\$ 245,065	\$ 634,948	\$ 781,643	\$ 796,478	\$ 848,055	\$ 932,981
Public safety	378,506	369,451	292,402	177,607	207,189	153,832	471,439	651,860	849,011	1,281,411
Public works	215,189	208,976	311,125	184,284	-	-	-	-	-	-
Airport	1,670,575	2,648,069	2,003,861	1,936,977	-	1,112,688	1,533,949	2,285,515	86,205	1,046,911
Solid waste	1,705,536	1,906,276	1,748,859	1,720,313	1,443,138	477,679	224,892	1,091,592	634,555	613,666
Recreation and culture	1,666,967	476,834	459,228	336,046	331,340	324,227	-	387,906	383,317	184,213
Programs	-	-	-	1,309,848	5,126,568	-	-	-	-	-
Total governmental activities	6,601,663	6,701,772	5,893,120	5,942,266	7,353,300	2,703,374	3,011,923	5,213,351	2,801,143	4,059,182
Total primary government	<u>\$ 6,601,663</u>	<u>\$ 6,701,772</u>	<u>\$ 5,893,120</u>	<u>\$ 5,942,266</u>	<u>\$ 7,353,300</u>	<u>\$ 2,703,374</u>	<u>\$ 3,011,923</u>	<u>\$ 5,213,351</u>	<u>\$ 2,801,143</u>	<u>\$ 4,059,182</u>

Table 4

CITY OF PRESQUE ISLE, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 170,500	\$ 224,447	\$ 358,498	\$ 317,839	\$ 209,361	\$ 39,798	\$ 143,225
Committed	1,712,886	1,792,142	1,892,560	-	-	3,137,983	4,088,973	-	-	-
Assigned	51,165	51,431	177,247	107,232	32,200	-	-	30,952	10,952	254,652
Unassigned	2,146,195	2,089,444	1,824,405	1,220,800	1,300,507	4,665,371	4,945,244	2,288,229	3,037,628	3,690,075
Total general fund	<u>\$ 3,910,246</u>	<u>\$ 3,933,017</u>	<u>\$ 3,894,212</u>	<u>\$ 1,498,532</u>	<u>\$ 1,557,154</u>	<u>\$ 8,161,852</u>	<u>\$ 9,352,056</u>	<u>\$ 2,528,542</u>	<u>\$ 3,088,378</u>	<u>\$ 4,087,952</u>
All other governmental funds										
Nonspendable	\$ 1,651,696	\$ 1,499,348	\$ 1,499,348	\$ 1,052,194	\$ 69,398	\$ -	\$ -	\$ 91,654	\$ 95,484	\$ 58,391
Restricted	1,738,301	1,822,864	1,822,864	3,384,836	3,877,064	3,627,448	2,774,499	4,220,134	4,143,258	4,593,064
Committed	4,368,662	4,250,602	4,250,602	4,268,174	5,276,690	718,198	62,399	7,370,202	5,756,159	6,001,348
Unassigned	(337,403)	(310,744)	(310,744)	(344,579)	(837,310)	-	-	(1,697,334)	(1,099,962)	(2,218,978)
Total all other governmental funds	<u>\$ 7,421,256</u>	<u>\$ 7,262,070</u>	<u>\$ 7,262,070</u>	<u>\$ 8,360,625</u>	<u>\$ 8,385,842</u>	<u>\$ 4,345,646</u>	<u>\$ 2,836,898</u>	<u>\$ 9,984,656</u>	<u>\$ 8,894,939</u>	<u>\$ 8,433,825</u>

Table 5

CITY OF PRESQUE ISLE, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 13,460,549	\$ 13,368,839	\$ 14,034,278	\$ 14,567,932	\$ 14,571,466	\$ 15,248,758	\$ 15,502,118	\$ 15,145,759	\$ 14,948,158	\$ 14,865,857
Intergovernmental	2,667,110	3,602,143	2,625,900	2,471,146	4,665,871	5,902,477	7,826,131	3,702,139	7,072,804	13,243,056
Licenses, permits and fees	202,278	177,665	234,170	-	-	593,440	13,951	-	-	-
Charges for services	4,021,333	4,266,264	4,275,953	4,899,374	4,378,556	2,703,375	3,363,426	5,213,351	2,801,143	4,059,182
Unclassified	1,475,548	366,276	338,424	-	-	-	-	-	-	-
Interest/investment Income	95,424	141,344	192,935	69,980	11,267	170,065	150,105	(3,717)	262,744	224,323
Other Revenue	-	-	-	449,580	2,246,204	3,127,184	2,296,310	2,683,424	1,286,022	1,638,067
Total revenues	21,922,242	21,922,531	21,701,660	22,458,012	25,873,364	27,745,299	29,152,041	26,740,956	26,370,871	34,030,485
Expenditures										
General government	3,590,133	3,669,662	3,474,156	3,359,133	3,372,955	3,999,047	4,074,519	4,160,874	4,070,324	4,636,427
Public safety	2,415,255	2,379,866	2,478,214	2,216,973	2,243,880	2,320,443	2,709,520	2,832,877	2,786,212	3,143,295
Public works	2,062,078	2,076,095	2,080,725	2,034,957	2,035,532	1,561,102	1,593,313	2,686,602	2,267,236	2,466,633
Airport	1,727,426	1,854,421	2,035,279	2,031,029	1,583,008	1,573,843	1,771,313	2,610,436	3,216,553	9,973,006
Solid waste	1,699,742	1,799,471	1,361,812	3,820,663	1,202,454	1,326,777	944,965	1,110,261	2,877,874	952,773
Recreation and culture	1,367,469	1,270,469	1,331,972	1,057,313	1,053,791	1,124,606	1,218,379	1,538,431	1,438,118	1,405,056
Education	5,375,744	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554	6,210,945	6,236,004	6,315,512	6,281,135
Outside requests	64,250	39,850	41,600	41,600	41,125	60,825	59,000	56,500	57,950	51,450
Intergovernmental	574,757	605,109	613,702	603,602	619,295	645,031	665,733	730,680	746,844	792,561
TIF	-	-	-	131,373	68,832	-	-	-	-	-
Unclassified	146,798	126,384	133,477	372,074	250,341	451,677	394,818	448,178	221,902	185,030
Program expenditures	-	-	-	145,010	1,162,164	-	-	-	-	-
Capital outlay	2,020,841	2,192,123	1,191,220	1,682,733	5,783,345	12,292,224	8,752,320	3,468,586	2,283,920	2,585,270
Debt service										
Principal	394,423	324,672	417,238	382,069	480,776	926,773	945,483	897,121	684,831	696,928
Interest	158,755	379,551	268,350	248,114	258,716	315,572	315,441	14,322	203,476	322,461
Total expenditures	21,597,671	22,097,143	21,218,665	24,276,939	26,308,983	32,838,474	29,655,749	26,790,872	27,170,752	33,492,025
Excess (deficiency) of revenues over (under) expenditures	324,571	(174,612)	482,995	(1,818,927)	(435,619)	(5,093,175)	(503,708)	(49,916)	(799,881)	538,460
Other financing sources (uses)										
Issuance of debt	6,310,000	38,200	-	-	375,000	7,645,594	188,591	-	270,000	-
Transfers in	2,074,819	1,882,525	2,221,242	2,537,993	4,626,590	680,983	298,501	1,007,211	2,431,050	1,907,954
Transfers out	(2,074,819)	(1,882,525)	(2,221,242)	(2,537,993)	(4,626,590)	(680,983)	(298,501)	(1,007,211)	(2,431,050)	(1,907,954)
Total other financing sources (uses)	6,310,000	38,200	-	-	375,000	7,645,594	188,591	-	270,000	-
Net change in fund balances	\$ 6,634,571	\$ (136,412)	\$ 482,995	\$ (1,818,927)	\$ (60,619)	\$ 2,552,419	\$ (315,117)	\$ (49,916)	\$ (529,881)	\$ 538,460
Debt service as a percentage of noncapital expenditures	2.83%	3.54%	3.42%	2.79%	3.60%	6.05%	6.03%	3.91%	3.57%	3.30%

Table 6

CITY OF PRESQUE ISLE, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Roll Year	Real Property	Taxable Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
2011	\$ 461,521,450	\$ 52,739,700	\$ 514,261,150	\$ 11.93	\$ 565,150,000	91.00%
2012	461,712,650	48,371,000	510,083,650	11.76	590,350,000	86.40%
2013	461,998,350	46,733,500	508,731,850	12.11	571,950,000	88.95%
2014	463,947,280	46,633,100	510,580,380	12.19	565,700,000	90.26%
2015	464,908,780	48,747,300	513,656,080	12.28	565,050,000	90.90%
2016	484,358,700	46,215,300	530,574,000	12.70	553,200,000	95.91%
2017	484,881,300	42,164,900	527,046,200	12.55	561,800,000	93.81%
2018	480,129,300	41,766,600	521,895,900	12.47	560,600,000	93.10%
2019	483,633,900	40,649,300	524,283,200	11.52	549,150,000	95.47%
2020	476,135,700	42,818,500	518,954,200	11.32	562,100,000	92.32%

(a) Source: State of Maine, Bureau of Property Taxation, Property Division

Table 7

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Year	Direct Rates			Overlapping Rates		Total
	Basic Rate	Debt Service	Total Direct	Aroostook County	M.S.A.D. #1	Total Tax rate
2011	\$ 11.08	\$ 0.85	\$ 11.93	\$ 1.12	\$ 10.45	\$ 23.50
2012	11.07	0.69	11.76	1.19	10.55	23.50
2013	11.43	0.68	12.11	1.21	11.38	24.70
2014	11.02	1.17	12.19	1.18	12.05	25.42
2015	10.84	1.44	12.28	1.21	11.98	25.46
2016	10.36	2.34	12.70	1.22	11.76	25.68
2017	10.16	2.39	12.55	1.26	11.78	25.60
2018	10.39	2.08	12.47	1.40	11.95	25.82
2019	9.89	1.63	11.52	1.42	12.05	24.99
2020	9.54	1.78	11.32	1.52	12.03	24.87

Tax rates based on \$1,000 of assessed value.

Source: City Finance Department

Table 8

CITY OF PRESQUE ISLE, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
Versant Power	\$ 28,508,200	1	5.49%			
Wal-Mart	13,992,400	2	2.70%	\$ 13,489,000	3	2.62%
R & L Real Estate	11,700,100	3	2.25%	10,685,900	4	2.08%
Lowe's Home Centers, Inc	7,598,800	4	1.46%	7,353,100	5	1.43%
Aroostook Centre LLC	7,319,500	5	1.41%	16,694,700	2	3.25%
Leisure Gardens, Inc	6,494,300	6	1.25%	6,186,200	6	1.20%
BLD Hospitality, LLC	4,586,300	7	0.88%	5,203,400	8	1.01%
MMG Insurance Co	4,550,200	8	0.88%	5,075,300	9	0.99%
McCrum Land, LLC	3,907,400	9	0.75%			
Cavendish Farms LLC	3,244,600	10	0.63%			
Time Warner				4,913,800	10	0.96%
EMERA MAINE				18,926,800	1	3.68%
Columbia Forest Products, Inc				5,324,100	7	1.04%
	<u>\$ 91,901,800</u>		<u>17.71%</u>	<u>\$ 93,852,300</u>		<u>18.25%</u>
Total Assessed Valuation	\$ 518,954,200			\$514,261,150		

Source: City Assessment Records

Table 9

CITY OF PRESQUE ISLE, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 12,094,998	\$ 11,146,701	92.16%	\$ 943,061	\$ 12,085,885	99.92%
2012	11,986,966	11,098,299	92.59%	885,083	11,972,819	99.88%
2013	12,565,677	11,635,946	92.60%	919,857	12,512,043	99.57%
2014	12,996,655	12,097,575	93.08%	885,968	12,589,575	96.87%
2015	13,077,684	12,200,005	93.29%	861,260	13,061,265	99.87%
2016	13,625,140	12,612,980	92.57%	890,055	13,503,035	99.10%
2017	13,492,383	12,604,905	93.42%	572,063	13,176,968	97.66%
2018	13,475,360	12,391,350	91.96%	772,281	13,163,631	97.69%
2019	13,101,838	11,913,064	90.93%	851,164	12,764,228	97.42%
2020	12,981,775	11,950,848	92.06%	-	11,950,848	92.06%

Source: City Assessment and Accounting Records

Table 10

CITY OF PRESQUE ISLE, MAINE
Ratios of Net General Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Notes Payable	Total	Personal Income (a)	Debt as a Percentage of Personal Income	Population (b)	General Bonded Debt Per Capita	Ratio of Bonded Debt to Assessed Value (c)
2011	\$ 8,569,700	\$ 28,910	\$ 8,598,610	\$ 279,488,204	3.08%	9,692	\$ 887.19	1.52%
2012	8,273,908	38,200	8,312,108	288,431,826	2.88%	9,658	860.64	1.40%
2013	8,120,093	364,291	8,484,384	291,575,732	2.91%	9,596	884.16	1.42%
2014	7,643,574	340,580	7,984,154	291,396,165	2.74%	9,402	849.20	1.35%
2015	7,537,799	221,650	7,759,449	273,221,025	2.84%	9,317	832.83	1.33%
2016	14,232,573	245,698	14,478,271	277,495,702	5.22%	9,228	1,542.32	2.57%
2017	13,422,242	299,136	13,721,378	203,409,828	6.75%	9,106	1,474.00	2.39%
2018	12,606,632	217,625	12,824,257	219,110,298	5.85%	8,998	1,401.05	2.25%
2019	7,337,162	646,586	7,983,748	242,023,392	3.30%	9,162	800.83	1.34%
2020	6,812,914	473,906	7,286,820	251,538,489	2.90%	9,007	756.40	1.21%

(a) See Table 14

(b) See Table 14

(c) See Table 8. General Obligation Bond divided by the Estimated Actual Taxable Value.

Table 11

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Governmental Activities Debt
December 31, 2020

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of Presque Isle General Obligation	\$ 6,812,914	100.00%	\$ 6,812,914
City of Presque Isle Notes Payable	473,906	100.00%	473,906
Total direct debt	<u>7,286,820</u>		<u>7,286,820</u>
Overlapping:			
M.S.A.D. #1	2,615,815	70.98%	1,856,705
Aroostook County	-	15.89%	-
Total overlapping debt	<u>2,615,815</u>		<u>1,856,705</u>
Total direct and overlapping debt	<u>\$ 9,902,635</u>		<u>\$ 9,143,525</u>

Note: Annually, Aroostook County assesses each municipality its proportionate share of the County tax required to fund the County budget. Annually, M.S.A.D. #1 assesses each municipality its proportionate share of the School assessment required to fund the School budget. The County tax and School assessments applicable to the City of Presque Isle are included in the total property tax levy of the City of Presque Isle.

Sources: The outstanding debt for Aroostook County has been provided by the County. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation for Aroostook County.

The outstanding debt for M.S.A.D. #1 has been provided by the District. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation of all municipalities located within the District.

CITY OF PRESQUE ISLE, MAINE
Legal Debt Margin Information
December 31, 2020

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 7.5% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2020 State Valuation of \$562,100,000 the City is in compliance with the total and categorical debt limits:

<u>Type of Debt</u>	<u>Debt Limit by Category</u>			
	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
Municipal	7.50%	\$ 41,186,250	\$ 7,286,820	\$ 33,899,430
Total Max Debt	7.50%	\$ 41,186,250	\$ 7,286,820	\$ 33,899,430

Legal Debt Margin Calculation for Fiscal Year 2019

State Valuation	\$ 562,100,000
Debt Limit - 7.5% of State Valuation	42,157,500
Less outstanding debt applicable to debt limit	<u>(7,286,820)</u>
Legal Debt Margin	<u>\$ 34,870,680</u>
Total debt applicable to the limit as a percentage of debt limit	19.38%

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 42,386,250	\$ 44,276,250	\$ 42,896,250	\$ 42,427,500	\$ 42,378,750	\$ 42,135,000	\$ 42,045,000	\$ 42,045,000	\$ 41,186,250	\$ 41,186,250
Total debt applicable to limit	<u>8,569,700</u>	<u>8,273,908</u>	<u>8,120,093</u>	<u>7,984,154</u>	<u>7,759,449</u>	<u>14,478,271</u>	<u>13,721,378</u>	<u>12,824,257</u>	<u>7,983,748</u>	<u>7,286,820</u>
Legal debt margin	\$ 33,816,550	\$ 36,002,342	\$ 34,776,157	\$ 34,443,346	\$ 34,619,301	\$ 27,656,729	\$ 28,323,622	\$ 29,220,743	\$ 33,202,502	\$ 33,899,430
Total debt applicable to the limit as a percentage of debt limit	20.22%	18.69%	18.93%	18.82%	18.31%	34.36%	32.63%	30.50%	19.38%	17.69%

CITY OF PRESQUE ISLE, MAINE
Principal Employers
Current Year and Nine Years Ago

Employer	2020		2011	
	Employees	Rank	Employees	Rank
Aroostook Medical Center	501-1000	1	1000-4999	1
Twin Rivers Paper Company LLC	501-1000	2		
Walmart	1-500	3	500-999	2
McCain Foods USA Inc.	1-500	4		
University of Maine at Presque Isle	1-500	5	100-249	4
MSAD #1	1-500	6	100-249	6
Columbia Forest Products	1-500	7	100-249	5
Northern Maine Community College	1-500	8	100-249	7
ACAP	1-500	9		
Presque Isle Nursing Home	1-500	10	100-249	8
Lowe's			100-249	9
Burrelle's Press Clipping Service			100-249	3
Maine Mutual Insurance Group			100-249	10

Source: Aroostook Partnership for Progress

Source: maine.gov/labor/cwri/employer2.html

Note: More exact information on City employers is not available which prevents the presentation of percentages of total City employees in relation to the top ten employers.

Table 14

CITY OF PRESQUE ISLE, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	School Enrollment (d)	Unemployment Rate (c)
2011	9,692	\$ 279,488,204	\$ 28,837	1,692	8.60%
2012	9,658	288,431,826	29,865	1,620	8.70%
2013	9,596	291,575,732	30,385	1,594	7.70%
2014	9,402	291,396,165	30,993	1,578	7.50%
2015	9,317	273,221,025	29,325	1,548	6.60%
2016	9,228	277,495,702	30,071	1,727	6.70%
2017	9,106	203,409,828	22,338	1,739	4.20%
2018	8,998	219,110,298	24,351	1,759	3.50%
2019	9,162	242,023,392	26,416	1,791	3.00%
2020	9,007	251,538,489	27,927	1,781	3.40%

(a) Source: City of Presque Isle/State Planning Office/Economic Forecasting Commission

(b) Source: Bureau of Economic Analysis/Economic Forecasting Commission

(b) Source <https://www.census.gov/quickfacts/fact/table/presqueislecitymaine/PST045219>

(c) Source: State of Maine Center for Workforce Research

(d) Source: State of Maine, Department of Education

(d) Source: <https://www.towncharts.com/Maine/Education/Presque-Isle-city-ME-Education-data.html>

Table 15

CITY OF PRESQUE ISLE, MAINE
Full-time Employees by Function/Program
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration:										
General Government	5.50	6.50	6.00	5.50	4.50	4.50	4.50	4.00	4.00	3.25
Human Resources	1.00	1.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	6.50	5.50	5.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Assessing	3.00	3.00	3.00	2.50	2.50	2.00	2.00	2.00	2.20	2.20
Public Safety:										
Police:										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Officers/Dispatch	19.00	19.00	19.00	19.00	19.00	19.00	22.00	18.00	22.00	22.00
Support Staff	2.50	2.75	2.75	2.75	2.88	2.88	2.88	4.50	2.88	2.88
Fire:										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Firefighters	12.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00	10.00	10.00
Paramedics	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00	8.00	8.00
Airport:	7.50	7.50	8.00	8.00	8.00	8.00	9.00	9.50	9.50	10.50
Solid Waste	8.00	8.00	7.35	7.50	7.00	7.00	7.00	5.75	1.00	1.00
Public Works	14.00	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	15.35
Library	8.50	7.50	7.50	7.50	8.00	8.00	8.50	8.25	8.25	8.25
Recreation	16.50	16.5	15.50	14.20	14.00	15.68	17.25	17.15	17.50	17.50
Total	109.00	107.75	105.10	103.45	104.38	105.56	117.63	113.65	111.83	112.93
In addition there are:										
On-Call Fire Fighters	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Table 16

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Code enforcement:										
Residential construction value	\$ 607,185	\$ 1,360,521	\$ 1,953,974	\$ 1,181,655	\$ 3,046,886	\$ 908,639	\$ 1,445,893	\$ 2,084,050	\$ 2,033,878	\$ 2,070,807
Number of permits	59	64	76	71	75	54	70	72	74	90
Commercial construction value	\$ 3,778,926	\$ 2,008,102	\$ 8,517,064	\$ 7,471,636	\$ 13,000,944	\$ 3,878,896	\$ 1,482,993	\$ 16,837,676	\$ 3,942,490	\$ 7,517,040
Number of permits	55	50	72	68	68	62	48	72	66	68
Public Safety:										
Fire Department:										
Fire Calls	241	319	354	329	305	287	253	304	214	229
First Response Calls	53	52	49	-	-	-	-	0	8	43
EMS				569	1,288	868	881	1,267	1,887	2,511
Inspections	423	418	414	375	360	370	375	197	360	45
Police Department:										
Calls for Service	10,366	12,201	15,318	14,377	13,594	18,821	24,072	18,219	14,144	15,693
Criminal Arrests	687	680	673	655	689	645	680	849	871	651
Vehicle Stops	2,993	1,743	1,892	1,681	3,609	2,804	4,351	879	2,592	2,931
Accidents	385	253	347	601	531	536	585	351	603	488
Public Works:										
Street Paving (miles)	1.86	3.50	3.62	3.76	4.03	4.08	3.83	3.97	5.45*	9.34
Solid Waste:										
Refuse Collected (tons)	12,081	10,564	9,417	11,873	13,720	10,884	10,884	11,183	8469**	6,946**
Recyclable Collected (tons)	8,125	6,559	6,907	7,259	6,674	4,774	1,251	1,356	1760***	456***
Municipal Recycling Rate (a)	47.2%	45.4%	49.3%	49.3%	47.1%	38.8%	38.8%	13.9%	6.1%****	7.2%****

Note: Beginning in July 2014, the Fire Department entered into a co-op with the local ambulance service whereby an ambulance will be housed at the fire station and firefighters (all EMS trained and certified) will go out on ambulance calls.

Beginning on April 1, 2017, the co-op ended and Fire Department began its own EMS Ambulance Service

(a) Maine DEP started using a new reporting format for their 2018 Solid Waste and Recycling report which changed how the recycling rate was calculated

*Paving during the year, chip seal not included

**City now part of AWS; PI residential and commercial refuse only

***City now part of AWS; All recyclables mixed together, AWS data

****City now part of AWS; calculated using AWS date

Table 16, continued

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Airport:										
Enplanements	14,453	12,379	11,555	12,122	12,878	12,398	12,780	10,911	13,147	5,281
Deplanements	14,353	12,048	11,422	12,183	12,918	12,094	12,613	10,569	12,777	5,254
Landing Fees	\$ 55,618	\$ 50,292	\$ 65,199	\$ 154,747	\$ 298,324	\$ 285,370	\$ 326,838	\$ 501,696	\$ 571,233	\$ 755,946
Recreation:										
Library:										
Total materials circulated	96,332	81,899	85,240	75,350	72,777	89,033	129,669	113,612	52,075	26,515
Total materials borrowed	50,220	63,345	64,540	55,005	63,290	81,033	83,474	84,892	55,080	27,120
Total print items in collection	57,366	61,265	52,794	50,500	50,251	61,085	61,085	77,561	83,399	84,631
Total program participants	4,085	5,423	5,226	4,390	6,022	7,835	8,490	8,767	6,320	13,594
Visits ot Library						45,835	46,195	46,165	42,227	8,208
Forum:										
Major Events	15	14	14	12	11	13	14	13	8	0
Support for Events	12	11	11	12	12	12	12	12	15	0
Weeks of Ice	23	23	23	22	22	22	22	22	22	21
Parks and Recreation:										
Non-Aquatic Programs:										
Youth Participants	4,443	4,430	4,377	4,531	5,196	7,447	9,952	10,551	9,146	1,306
Adult Participants	1,103	1,147	1,084	1,101	1,196	1,265	2,673	4,654	4,313	0
Aquatic Programs:										
Indoor Pool Participants	23,483	21,475	19,630	1,230	1,345	1,124	1,059	1,098	1,426	173
Outdoor Pool Participants	5,607	7,460	-	-	-	-	-	-	-	-
Mantle Lake Park Attendance	12,286	12,687	12,441	13,240	13,122	12,680	-	-	-	-
Community Center Visits							37,564	78,618	98,437	6,431

Sources: Various City Departments

n/a ---- information not available

(a) Percentages provided by the State Planning Office

Outdoor pool was closed in 2013;

Indoor pool was closed in 2014; swimming lessons continue at the local college pool.

Mantle Lake Attendance is no longer tracked

The City began tracking Library visits in 2016

The City began tracking Community Center visits in 2017.

Table 17

CITY OF PRESQUE ISLE, MAINE
Capital Assets and Infrastructure by Function
Last Ten Fiscal Years

Function	2017	2018	2019	2020
Police				
Number of Stations	1	1	1	1
Number of Patrol Units	15	14	13	13
Fire				
Number of Stations	1	1	1	1
Number of Fire/Ambulance/Support Vehicles	12	13	11	13
Recreation				
Events Building	1	1	1	1
Community Center	1	1	1	1
Number of Parks	10	10	10	10
Park Acreage	80	100	100	100
Library				
Buildings	1	1	1	1
Items in Collection	60,033	77,309	83,399	84,631
Public Works				
Miles of Roads	109	109	109	109
Number of Street Lights	742	742	742	742
Major Equipment - Number	25	26	29	31
Industrial Council				
Number of Buildings	27	27	25	23
Acreage	450	425	450	450
Airport				
Terminals	2	2	2	2
Miles of Runway	2.55	2.55	2.55	2.55
Administration				
Buildings	1	1	1	1
Vehicles	1	1	1	2
Solid Waste				
Buildings	4	4	4	4
Landfill				
Acres of Land	634	634	564	564
Acres Capped	19	19	19	19
Cubic yards remaining	1,382,000	1,367,500	1,344,391	1,344,391

Sources: Various City Departments

Data for fiscal years prior to 2017 is not available.