

TOWN OF HOLDEN, MAINE

INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

JUNE 30, 2020

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Maine Municipal Audit Services, PA

Mindy J. Cyr, CPA

Independent Auditors' Report

To the Town Council
Town of Holden
Holden, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Holden, Maine, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Holden, Maine, as of June 30, 2020, and the respective changes in financial position 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, schedule of employer's pension contribution and share of net pension liability, schedule of changes in net OPEB liability and related ratios, and budgetary comparison schedule, on pages 5-6, 30-31, 32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Holden, Maine's basic financial statements. The combining and individual non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are the responsibility of management and were derived from and relate 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 non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maine Municipal Audit Services, PA

Levant, Maine
October 1, 2020

Town of Holden
Management's Discussion and Analysis
Fiscal Year ending June 30, 2020

Management of the Town of Holden offers this management's discussion and analysis report that will provide information that should be used in conjunction with the outside audit report for the fiscal year ending June 30th, 2020.

Overview of Financial Statements:

The report is intended to serve as an introductory to the full audit report. The audit report consists of three components: government-wide financial statements; fund financial statements, and the notes to the financial statements. This report is intended to explain some of these financial statements in concise non-financial terminology.

Government-wide Financial Statements:

The government-wide finance statements present the Town's financial position as of a certain date using some common financial reporting tools and using the modified accrual basis of accounting. The governmental activities that are reported include: general government, public safety, public works, health, social services, education, cemetery, parks and recreation activities.

Fund Financial Statements:

A fund is a group of related accounts that have been grouped together to maintain control over activities that are segregated for specific purposes and objectives. These funds include general fund, special revenue fund, and permanent fund accounts.

Budget year Increases:

Increases from the previous fiscal year on the municipal portion of the overall budget was \$427,558. The major items that attributed to the increase were a \$2.00 Cost of Living Adjustment, reinstating step wage increases in the Fire Department, two additional employees in the Highway Department, one additional employee in the Fire Department, transitioning an employee from part-time to full-time in the Administration Department, and two additional part time shifts covered for the Police Department for a total of \$336,846, \$48,300 in additional Capital Improvement Plan funding, \$10,000 increase in General Assistance, and \$18,615 in Debt Service for the leasing of two new Police Cruisers.

Year Capital Expenditures:

The Town of Holden made one considerable purchase during the fiscal year. The expense was to replace the boiler at the Town Office, for \$19,000 on January 3rd, 2020.

Notes to the Financial Statements:

The notes provide the reader with additional information about the Town that will help understand the financial data provided by our outside audit firm and our financial statements.

Government Wide Financial Analysis:

The audit report shows that the Town increase our net position by \$352,055 for the year ending in June 30th, 2020. Ending net position is \$6,890,570. The Town has long-term debt outstanding of \$854,827.

Differences between the original and final budget of the general fund are typically caused by the usage of assign and unassigned fund balances along with the applied revenues.

All the Town departments finished the year under budget, with the exceptions of Health and Welfare due to costs of General Assistance. The general fund actual revenues totaled \$6,560,791 with actual expenditures totaling \$6,307,576.

Contacting the Town's Management:

If you have any questions about this report or need additional financial information, contact the Town Office at 570 Main Road, Holden, Maine, 04429

Town of Holden, Maine
Statement of Net Position
June 30, 2020

		Total Governmental Activities
ASSETS:		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 3,243,838	
Accounts receivable	5,947	
Prepaid expense	5,163	
Inventory	10,740	
Tax acquired property	1,658	
Taxes receivable	1,914	
Tax liens receivable	104,367	
<i>Total current assets</i>		\$ 3,373,627
<i>Non-current assets:</i>		
Capital assets, net of accumulated depreciation	4,765,248	
<i>Total non-current assets</i>		4,765,248
TOTAL ASSETS		8,138,874
DEFERRED OUTFLOWS OF RESOURCES:		
Defined benefit pension plan	40,966	
OPEB related outflows	25,887	
TOTAL DEFERRED OUTFLOWS OF RESOURCES		66,853
		\$ 8,205,727
LIABILITIES:		
<i>Current liabilities:</i>		
Accounts payable	\$ 15,010	
Accrued liabilities	135	
Due to other governments	1,047	
Current portion of long-term debt	148,979	
<i>Total current liabilities</i>		\$ 165,171
<i>Non-current liabilities:</i>		
Non-current portion of long-term debt:		
Bonds payable	705,848	
Accrued compensated absences	59,539	
OPEB liabilities	79,577	
Net pension liability	184,975	
<i>Total non-current liabilities</i>		1,029,939
TOTAL LIABILITIES		1,195,110
DEFERRED INFLOWS OF RESOURCES:		
Prepaid property taxes	13,734	
Defined benefit pension plan	46,590	
OPEB related inflows	59,723	
TOTAL DEFERRED INFLOWS OF RESOURCES		120,047
NET POSITION:		
Net investment in capital assets	3,910,421	
Restricted:		
<i>Permanent funds</i>	50,067	
<i>Grant funds</i>	5,480	
<i>Inventory</i>	10,740	
Unrestricted	2,913,863	
TOTAL NET POSITION		6,890,570
		\$ 8,205,727

The accompanying notes are an integral part of these statements.

Town of Holden, Maine
Statement of Activities
For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating	Capital	Primary Government	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Total
<i>Governmental activities:</i>						
General government	\$ 176,604	\$ 21,211	\$ -	\$ -	\$ (155,393)	\$ (155,393)
Administration	418,996	-	-	-	(418,996)	(418,996)
Police protection	427,295	-	-	-	(427,295)	(427,295)
Animal control	5,875	-	-	-	(5,875)	(5,875)
Fire protection	515,475	-	-	-	(515,475)	(515,475)
Sanitation	125,832	117,243	-	-	(8,589)	(8,589)
Public works	534,487	-	35,484	-	(499,003)	(499,003)
Health and welfare	33,405	-	17,600	-	(15,805)	(15,805)
Education	3,168,497	-	-	-	(3,168,497)	(3,168,497)
County tax	426,317	-	-	-	(426,317)	(426,317)
Other	16,050	-	-	16,272	223	223
Interest on long-term debt	22,191	-	-	-	(22,191)	(22,191)
Depreciation	312,107	-	-	-	(312,107)	(312,107)
<i>Total governmental activities</i>	\$ 6,183,129	\$ 138,454	\$ 53,084	\$ 16,272	\$ (5,975,319)	\$ (5,975,319)
<i>General revenues:</i>						
Property taxes, levied for general purposes					4,928,690	4,928,690
Excise taxes					790,028	790,028
Interest and lien fees					22,598	22,598
Licenses and permits					44,433	44,433
<i>Grants and contributions not restricted to specific programs:</i>						
State revenue sharing					232,908	232,908
Other					191,772	191,772
Unrestricted investment earnings					27,655	27,655
Miscellaneous revenues					89,290	89,290
<i>Total general revenues and transfers</i>					6,327,374	6,327,374
<i>Changes in net position</i>					352,055	352,055
NET POSITION - BEGINNING - RESTATED - SEE FOOTNOTES					6,538,515	6,538,515
NET POSITION - ENDING					\$ 6,890,570	\$ 6,890,570

The accompanying notes are an integral part of these statements.

Town of Holden, Maine
Balance Sheets
Governmental Funds
June 30, 2020 and 2019

	General Fund	Other Governmental Funds	2020 Total Governmental Funds	2019 Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,243,838	\$ -	\$ 3,243,838	\$ 2,289,353
Investments	-	-	-	733,640
Accounts receivable	5,947	-	5,947	2,359
Due from other funds	-	55,547	55,547	48,904
Inventory	10,740	-	10,740	18,760
Prepaid expense	5,163	-	5,163	20,808
Tax acquired property	1,658	-	1,658	3,826
Taxes receivable	1,914	-	1,914	827
Tax liens receivable	104,367	-	104,367	137,463
TOTAL ASSETS	\$ 3,373,627	\$ 55,547	\$ 3,429,173	\$ 3,255,940
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 15,010	\$ -	\$ 15,010	\$ 50,744
Due to other governments	1,047	-	1,047	8,456
Accrued liabilities	135	-	135	25,325
Due to other funds	55,547	-	55,547	48,904
<i>Total liabilities</i>	<i>71,738</i>	<i>-</i>	<i>71,738</i>	<i>133,429</i>
<i>Deferred inflows of resources:</i>				
Prepaid property taxes	13,734	-	13,734	6,418
Deferred property tax revenue	85,024	-	85,024	110,631
<i>Total deferred inflows of resources</i>	<i>98,758</i>	<i>-</i>	<i>98,758</i>	<i>117,049</i>
<i>Fund balances:</i>				
Non-spendable - inventory	10,740	-	10,740	18,760
Restricted -				
Permanent funds	-	50,067	50,067	48,751
Grant funds	-	5,480	5,480	153
Assigned - see footnotes	1,061,353	-	1,061,353	792,956
Unassigned	2,131,037	-	2,131,037	2,144,841
<i>Total fund balances</i>	<i>3,203,130</i>	<i>55,547</i>	<i>3,258,677</i>	<i>3,005,462</i>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,373,627	\$ 55,547	\$ 3,429,173	\$ 3,255,940

The accompanying notes are an integral part of these statements.

Town of Holden, Maine
 Reconciliation of Fund Balance to Net Position
 Governmental Funds
 June 30, 2020

TOTAL FUND BALANCES	\$	3,258,677
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Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:

Depreciable and non-depreciable capital assets as reported in Stmt. 1		4,765,248
Long-term liabilities, including bonds payable, as reported on Stmt. 1		(854,827)
Net pension liability, as reported on Stmt. 1		(184,975)
Deferred outflows related to pension plans		40,966
Deferred inflows related to pension plans		(46,590)
Accrued compensated absences		(59,539)
Deferred property taxes not reported on Stmt. 1		85,024
Deferred outflows of resources - OPEB related expenditures		25,887
Deferred inflows of resources - OPEB related inflows		(59,723)
OPEB liabilities		(79,577)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	6,890,570
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The accompanying notes are an integral part of these statements.

Town of Holden, Maine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Years Ended June 30, 2020 and June 30, 2019

	General Fund	Other Governmental Funds	2020 Total Governmental Funds	2019 Total Governmental Funds
REVENUES:				
Property taxes	\$ 4,954,297	\$ -	\$ 4,954,297	\$ 4,746,835
Excise taxes	790,028	-	790,028	796,062
Intergovernmental revenue	477,764	16,272	494,036	357,204
Charges for services	138,454	-	138,454	18,391
Investment income	26,939	716	27,655	28,507
Interest and lien fees	22,598	-	22,598	20,349
Licenses and permits	44,433	-	44,433	44,366
Other revenue	89,290	-	89,290	207,651
<i>Total revenues</i>	6,543,803	16,988	6,560,791	6,219,365
EXPENDITURES:				
General government	155,990	-	155,990	142,093
Administration	418,996	-	418,996	394,437
Police protection	451,875	-	451,875	409,110
Animal control	5,875	-	5,875	7,930
Fire protection	524,403	-	524,403	481,636
Sanitation	125,832	-	125,832	113,385
Public works	811,771	-	811,771	711,188
Health and welfare	33,405	-	33,405	9,751
Education	3,168,497	-	3,168,497	2,855,405
County tax	426,317	-	426,317	403,853
Debt service	168,567	-	168,567	200,161
Grant expenditures	-	10,946	10,946	19,277
Reserve accounts	5,104	-	5,104	130,786
<i>Total expenditures</i>	6,296,631	10,946	6,307,576	5,879,012
<i>Excess (deficiency) of revenues over expenditures</i>	247,172	6,043	253,215	340,353
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	600	600	1,456
Operating transfers (out)	(600)	-	(600)	(1,456)
<i>Total other financing sources (uses)</i>	(600)	600	-	-
<i>Net change in fund balances</i>	246,572	6,643	253,215	340,353
FUND BALANCES - BEGINNING	2,956,558	48,904	3,005,462	2,665,109
FUND BALANCES - ENDING	\$ 3,203,130	\$ 55,547	\$ 3,258,677	\$ 3,005,462

The accompanying notes are an integral part of these statements.

Town of Holden, Maine
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds (Stmt. 4)	\$	253,215
Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:		
Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on governmental funds		(312,107)
Capital outlays expensed on the Governmental Funds report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)		329,792
Revenues in the Statement of Activities (Stmt. 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes.		(25,607)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. More specifically, this represents the net amount of principal reduction in debt service made during the fiscal year.		152,527
Change in accrued compensated absences		(12,067)
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. Specifically, this represents the change in deferred pension liability and changes in deferred inflows/outflows related to pensions		(26,041)
OPEB expenses under GASB #75 are not reported in the governmental fund statements		(1,506)
Change in accrued interest expense		(6,151)
<hr/>		
Changes in net position of governmental activities (see Stmt. 2)	\$	352,055

The accompanying notes are an integral part of these statements.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Holden, Maine (the Town) was incorporated on April 13, 1852. The Town operates under a town council – town manager form of government and is incorporated under the laws of the State of Maine.

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below.

In evaluating how to define the Town for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statement No. 14 *The Financial Reporting Entity* as amended by GASB Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. Based on the criteria, it was determined that no other entities should be included in the Town’s financial statements.

B. Basis of Presentation

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Town as a whole.

The Statement of Net Position reports all financial and capital resources of the Town and reports the difference between assets and liabilities, as “net position” not fund balance or equity. The Statement of Activities shows the degree to which the direct expenses of a given function or segment are offset by program revenue and reflects the “net (expense) revenue” of the Town’s individual functions before applying general revenues. The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. The General Fund is always a major fund.

Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

C. Measurement Focus and Basis of Accounting

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for a specified purpose.

Permanent Fund – This fund is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurements made.

The Government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, in accordance with GASB #34. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available, it is the government's policy to use restricted resources first and then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the town council level. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Town Council or required by law.

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and other accounts with an original maturity of three months or less when purchased. Investments are recorded at fair value.

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Infrastructure	30-50
Machinery and Equipment	3-15

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the Town's total assets and total liabilities represents net position. Net position displays three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net assets available for future operations.

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These designations are categorized as follows:

Non-spendable – Funds that are not in spendable form, such as funds that are legally required to be maintained in tact (corpus of a permanent fund).

Restricted – Funds that are restricted for use by an external group, the federal government, or other governing documents.

Assigned – Funds intended to be used for specific purposes set by the Town Council.

Unassigned – Funds available for any purpose.

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

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue arises when the Town receives resources before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Property Taxes

Property taxes for the current year were committed on July 19, 2019, on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Payment of taxes was due on September 8, 2019 and March 8, 2020, with interest at 7% on all tax bills unpaid as of the due date.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$24,564 for the year ended June 30, 2019.

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

Risk Management

The Town pays insurance premiums to certain agencies to cover risks that may occur in normal operations. The Town purchases employee fidelity bond coverage. There have been no significant reductions in insurance coverage from the prior year. No settlements of claims have exceeded insurance coverage in the current year.

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the Fund for its workers compensation coverage. The Town’s agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Towns’ claims in excess of \$400,000, with an excess limit of \$2,000,000.

The Town is a member of the Maine Municipal Association – Property Casualty Pool (“Pool”). The Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided, after the deductible is met, to \$200,000,000. Under the liability portion of the Pool, coverage is provided, after the deductible is met, to \$1,000,000.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Typically, the Town invests funds in checking accounts, savings accounts, certificates of deposit, and U.S. government obligations (through an investment group owned by a financial institution). From time to time the Town's deposits and investments may be subject to risks, such as the following:

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2020, cash deposits had a carrying value of \$3,243,838, all of which was covered by FDIC or collateralized.

Interest Rate Risk – The Town does not currently have a deposit policy for interest rate risk.

Credit Risk – The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury, and U.S. Agencies and certain bonds, securities and real assets.

Custodial Credit Risk – Investments – the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy. None of the Town's investments were subject to custodial credit risk.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

3. CAPITAL ASSETS

Governmental activities:	Balance 7/1/19	Additions	Deletions	Balance 6/30/20
Capital assets not being depreciated:				
Land	\$ 622,150	\$ -	\$ -	\$ 622,150
Capital assets being depreciated:				
Buildings & improvements	1,655,914	19,000	-	1,674,914
Equipment	598,902	38,048	-	636,950
Vehicles	1,895,283	24,580	-	1,919,863
Infrastructure	2,629,403	248,164	-	2,877,567
 Total capital assets	 7,401,652	 329,792	 -	 7,731,444
 Less accumulated depreciation				
Buildings/impr.	(715,275)	(44,489)	-	(759,764)
Equipment	(444,001)	(43,815)	-	(487,816)
Vehicles	(757,064)	(110,970)	-	(868,034)
Infrastructure	(737,749)	(112,834)	-	(850,583)
Total accumulated depreciation	(2,654,089)	(312,108)	-	(2,966,197)
Total capital assets, net	4,747,563	17,684	-	4,765,247
 Governmental activities Capital assets, net	 \$ 4,747,563	 \$ 17,684	 \$ -	 \$ 4,765,247

Depreciation expense can be allocated to departments as follows:

Public safety	\$ 99,978
Public works	204,431
Town wide	<u>7,699</u>
	\$ <u>312,108</u>

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

4. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020, was as follows:

Description	Balance 7/1/19	Additions	(Reductions)	Balance 6/30/20
Governmental activities:				
Camden National Bank, 2.63% dated 10/20/14, payable annually Due 2024	\$ 243,319	\$ -	\$ (40,553)	\$ 202,766
Bond issued 5/27/99, annual payments, varied interest 4.039%-5.289%	571,159	-	(44,336)	526,823
People's United Bank, 2.8%, dated 2010, due monthly until 2019	7,688	-	(7,688)	-
Lease purchase agreement. \$300,000 3.041%, due annually through 2022	185,189	-	(59,950)	125,239
Accrued compensated absences	47,472	12,067	-	59,539
Total	\$ 1,054,827	\$ 12,067	\$ (152,527)	\$ 914,367

The annual future principal payment requirement for bonds payable outstanding as of June 30, 2020, is as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2021	\$ 148,979	\$ 9,104	\$ 158,083
2022	153,313	17,499	170,812
2023	92,440	24,484	116,924
2024	95,238	22,031	117,269
2025	98,186	18,060	116,246
2026-2029	266,672	35,732	302,404
Accrued absences	59,539	-	59,539
Total	\$ 914,367	\$ 126,910	\$ 1,041,277

5. PENDING LITIGATION

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

6. ASSIGNED BALANCES

The Town Council has the authority to assign amounts for specific future purposes. Approved assigned balances at June 30, 2020 consist of:

Account	Balance 7/1/19	Total Revenue/ Receipts	Total Appropriations/Uses	Balance 6/30/20
Conservation commission	\$ 2,717	\$ 42	\$ -	\$ 2,759
Fire department	167,660	91,402	(7,000)	252,062
Equipment/grant match	20,140	20,325	-	40,465
Revaluation	25,829	20,410	-	46,239
Admin department	15,211	1,728	-	16,939
Police department	36,270	22,567	-	58,837
Road improvement	10,070	15,171	-	25,241
Highway department	163,009	72,532	(7,064)	228,477
General reserve	47,645	13,723	-	61,368
Municipal building	182,635	22,583	(25,902)	179,316
Cemetery interest	548	56	-	604
Economic development	110,787	22,660	-	133,447
Cemetery reserve	6,445	5,103	-	11,548
Holden veteran's memorial	3,990	61	-	4,051
Totals	\$ 792,956	\$ 308,363	\$ (39,966)	\$ 1,061,353

7. EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2020, there were the following departments had expenditures that exceeded appropriations:

Health and welfare	\$ 12,805
Debt service	847

8. SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

9. DEFINED BENEFIT PENSION PLAN

Plan Description

Full-time Town employees are eligible to participate in the Maine Public Employees Retirement System (MainePERS), a cost sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title V 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 (800) 451-9800

Benefits Provided

The MainePERS 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 (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 his/her normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

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 2.69%.

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. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or by the System's Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

The total pension liability for the Plan was determined by actuarial valuation as of June 30, 2019, using the following assumptions and methods applied to all periods included in the measurement:

Actuarial Cost Method

The entry age normal actuarial funding method is used to figure costs. Using this method, the total employer contribution rate contains two elements – the normal cost rate and the unfunded actuarial liability (UAL) rate.

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

Experience gains (losses) – increases or decreases in liabilities and in assets when actual experience is different 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, 2019 are as follows:

Investment Rate of Return – 6.75% per annum

Salary Increases, Merit and Inflation – 2.75%-9%

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

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At June 30, 2020, the Town reported a liability of \$184,975 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating entities, actuarially determined. The Town's proportion was 0.060516%, which was a decrease of 0.000115% from its proportion measured as of the prior year.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred outflows of resources</i>	<i>Deferred inflows of resources</i>
Difference between expected and actual experience	\$ 21,902	\$ -
Net difference between projected and actual earnings on pension plan investments	-	46,331
Changes of assumptions	9,368	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,696	259
	\$ 40,966	\$ 46,590

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

Year Ending June 30,	Amount
2021	\$ 17,748
2022	(20,106)
2023	(3,237)
2024	(29)

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method where best-estimate ranges of expected future real rates of return 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 are summarized below:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-term Expected Real Rate of Return</i>
Public equities	30%	6.0 %
US government	7.5	2.3
Private equity	15	7.6
Real assets:		
Real estate	10	5.2
Infrastructure	10	5.3
Natural resources	5	5.0
Traditional credit	7.5	3.0
Alternative credit	5	4.2
Diversifiers	10	5.9

Discount Rate

The discount rate used to measure the collective pension liability was 6.75% for 2019 and 2018, 6.875% for 2017 and 2016, 7.125% for 2015, and 7.25% for 2014 and 2013. 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 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 the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

1% Decrease 5.75%	Current Discount Rate 6.75%	% Increase 7.75%
\$ 421,362	\$ 184,975	\$ (36,142)

Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS 2019 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

10. DEFERRED COMPENSATION PLAN

The Town offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401 through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. As of June 30, 2020, eight employees were enrolled in the plan. The deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

The Town has amended its plan in accordance with Internal Revenue Section 457(g); therefore, the Town no longer owns the deferred amounts and they have been removed from the Town's financial statements.

Investments are managed by the plan's trustee under one of two investment options or a combination thereof. The choice of investment options is made by the participants.

11. OPEB OBLIGATIONS

Plan Description

The Town provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Town does not provide postemployment or postretirement health benefits, but it is subject to an implicit benefit for its members in MMEHT.

Accounting Policies

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 9 years.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

11. OPEB OBLIGATIONS (CONTINUED)

The table below shows changes in the change in Net OPEB Liability during the 2020 measurement year:

	Net OPEB Liability (a)	<i>Increase (Decrease)</i> Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances 1/1/2019 (Reporting 12/31/2019)	\$ 75,586	\$ -	\$ 75,586
Changes for the year:			
Service cost	5,000	-	5,000
Interest	3,302	-	3,302
Changes of assumptions	(1,470)	-	(1,470)
Contributions – employer	-	78	(75)
Benefit payments	(78)	(78)	-
Net changes	3,991	-	3,991
Balances 1/1/2020 (Reporting 12/31/2020)	\$ 79,577	\$ -	\$ 79,577

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next 5 years, and thereafter:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,541
Changes in assumptions	25,887	7,182
Net difference between projected & actual earnings on OPEB plan investments	-	-
Total	\$ 25,887	\$ 59,723

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

Year ended June 30:

2021	(5,326)
2022	(5,326)
2023	(5,326)
2024	(5,326)
2025	(5,326)
Thereafter	(6,928)

As of January 1, 2020, the plan membership data is comprised of 13 active members with only an implicit benefit.

**TOWN OF HOLDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

11. OPEB OBLIGATIONS (CONTINUED)

Key Economic Assumptions:

Measurement date: January 1, 2020

Discount rates: 2.74% per annum for year end 2020 reporting
4.10% per annum for year end 2019 reporting

Trend assumptions: *Pre-Medicare Medical* – Initial trend of 8.50% applied in FYE 2020 grading over 20 years to 3.53% per annum.

Pre-Medicare Drug – Initial trend of 8.75% applied in FYE 2020 grading over 20 years to 3.53% per annum.

Medicare Medical – Initial trend of 5.00% applied in FYE 2020 grading over 20 years to 3.53% per annum.

Medicare Drug – Initial trend of 8.75% applied in FYE 2020 grading over 20 years to 3.53% per annum.

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.

Demographic Assumptions:

Retiree continuation: Retirees who are current Medicare participants – 100%
Retirees who are Pre-medicare, active participants – 75%
Spouses who are Pre-medicare, spouse is active participant – 50%

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 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% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Marriage assumptions: A husband is assumed to be 3-years older than his wife.

Assumed rate of retirement: For employees hired prior to July 1, 2014
Age 55-58 – 5%
Age 59-64 – 20%
Age 65-69 - 25%
Age 70+ - 100%
For employees hired after July 1, 2014
Age 55-63 – 5%
Age 64-69 – 20%
Age 70+ - 100%

Salary increases: 2.75% per year

**TOWN OF HOLDEN, MAINE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020**

11. OPEB OBILIGATIONS (CONTINUED)

Discount Rate

The discount rate used to measure the TOL was 2.74% based on a measurement date of January 1, 2020. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB 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 2.74%.

1% Decrease 1.74%	Current Rate 2.74%	1% Increase 3.74%
\$ 94,327	\$ 79,577	\$ 67,785

Changes in the healthcare trend affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rates.

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 67,007	\$ 79,577	\$ 96,012

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 15.8%. A 1% increase in the healthcare trend rate increases the NOL by approximately 20.7%.

**TOWN OF HOLDEN, MAINE
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020**

Date	Contractually Required Contribution	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 15,843	\$ 211,245	7.5%
2016	20,159	251,992	8.0%
2017	25,076	313,454	8.0%
2018	26,538	331,727	8.0%
2019	31,821	392,846	8.1%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF HOLDEN, MAINE
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020**

	2019	2018	2017	2016	2015
Employer's proportion of the Net Pension Liability (asset)	0.060516%	0.060631%	0.053460%	0.056437%	0.041296%
Employer's proportionate share of the Net Pension Liability (asset)	\$ 184,975	\$ 165,936	\$218,881	\$299,867	\$131,750
Employer's Covered Payroll	\$392,846	\$331,727	\$313,454	\$251,992	\$211,245
Employer's proportionate share of the Net Pension Liability (asset) as a percentage of its covered employee payroll	47.1%	50.0%	69.8%	118%	62.3%
Plan fiduciary net position as a percentage of the total pension liability	90.6%	91.1%	86.4%	81.6%	88.3%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF HOLDEN, MAINE
NOTES TO GASB #68 REQUIRED SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2020**

Valuation Date:

Only fiscal years 2014-2019 are reported. The Town will continue to present information until a full ten-year trend is compiled.

Changes of Benefit Terms include:

There were no benefit changes for the Town employees in the employees' retirement plan.

Changes of Assumptions include:

The discount rate was unchanged at 6.75% and the cost-of-living was unchanged at 1.91%. The rate of inflation was 2.75%, 2.75% was also used by MainePers in its year ended June 30, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal.
Amortization method	A level percentage of payroll using a method where a separate twenty-year closed period is established.
Asset valuation method	One-third of the investment return that is different from the actuarial assumption for investment return.
Retirement age	60 or 65, depending on years of creditable service at certain dates.
Mortality	RP2014 Total Dataset Health Annuitant Mortality Table for males and females is used.

TOWN OF HOLDEN, MAINE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

Schedules of Required Supplementary Information start with one year of information as of the implementation of GASB No. 75, but eventually will build up to 10 years of information. The schedule below shows changes in total OPEB liability and related ratios required by GASB No. 75.

	FYE 2020	FYE 2019	FYE 2018
Total OPEB Liability			
Service cost (BOY)	\$ 5,000	\$ 5,633	\$ 3,777
Interest (includes interest on service cost)	3,302	2,810	4,103
Changes of benefit terms	(1,470)	0	0
Differences between expected and actual experience	(23,540)	0	(47,424)
Changes of assumptions	20,777	(8,876)	11,127
Benefit payments, including refunds of member contributions	(78)	(75)	(502)
Net change in total OPEB liability	\$ 3,991	\$ (508)	\$ (28,919)
Total OPEB liability – beginning	\$ 75,586	\$ 76,094	\$ 105,013
Total OPEB liability – ending	\$ 79,577	\$ 75,586	\$ 76,094
Plan fiduciary net position			
Contributions – employer	78	75	502
Contributions – member	0	0	0
Net investment income	0	0	0
Benefit payments, including refunds of member contributions	(78)	(75)	(502)
Administrative expenses	0	0	0
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position – beginning	0	0	0
Plan fiduciary net position – ending	0	0	0
Net OPEB liability – endings	\$ 79,577	\$ 75,586	\$ 76,094
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered employee payroll	\$ 610,772	\$ 611,413	\$ 611,413
Net OPEB liability as a percentage of covered employee payroll	13.0%	12.4%	12.4%

Town of Holden, Maine
General Fund
Budgetary Comparison Schedule
For the Year Ended June, 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget- Positive (negative)
REVENUES:				
Property taxes	\$ 4,930,729	\$ 4,930,729	\$ 4,954,297	\$ 23,567
Excise taxes	684,000	684,000	790,028	106,028
Intergovernmental revenue	424,287	439,887	477,764	37,877
Charges for services	101,100	101,100	138,454	37,354
Investment income	8,000	8,000	26,939	18,939
Interest and lien fees	20,000	20,000	22,598	2,598
Licenses and permits	28,800	28,800	44,433	15,633
Other revenues	43,850	43,850	89,290	45,440
<i>Total revenues</i>	<u>6,240,766</u>	<u>6,256,367</u>	<u>6,543,803</u>	<u>287,436</u>
EXPENDITURES:				
General government	186,530	186,530	155,990	30,540
Administration	435,130	435,130	418,996	16,134
Police protection	455,720	455,720	451,875	3,845
Animal control	8,000	8,000	5,875	2,125
Fire protection	576,330	576,330	524,403	51,927
Sanitation	126,755	126,755	125,832	923
Public works	805,700	813,720	811,771	1,949
Health and welfare	5,000	20,600	33,405	(12,805)
Education	3,168,497	3,168,497	3,168,497	(0)
County tax	426,320	426,320	426,317	3
Debt service	167,720	167,720	168,567	(847)
Reserve accounts	273,500	1,066,456	5,104	1,061,353
<i>Total expenditures</i>	<u>6,635,202</u>	<u>7,451,779</u>	<u>6,296,631</u>	<u>1,155,148</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(394,436)	(1,195,412)	247,172	867,712
OTHER FINANCING SOURCES (USES):				
Operating transfers (out)	-	-	(600)	(600)
<i>Total other financing sources</i>	-	-	(600)	(600)
<i>Net changes in fund balances</i>			246,572	
FUND BALANCES - BEGINNING			<u>2,956,558</u>	
FUND BALANCES - ENDING			<u>\$ 3,203,130</u>	

Town of Holden, Maine
Combining Balance Sheet - All Other Non-Major Governmental Funds
June 30, 2020

	<i>Special Revenue Fund</i>	<i>Permanent Fund</i>	<i>Total Other Governmental Funds</i>
ASSETS:			
Interfund Receivables	\$ 5,480	\$ 50,067	\$ 55,547
TOTAL ASSETS	\$ 5,480	\$ 50,067	\$ 55,547
LIABILITIES AND FUND BALANCE:			
<i>Fund Balance:</i>			
Restricted (<i>see footnotes</i>)	\$ 5,480	\$ 50,067	\$ 55,547
<i>Total fund balance</i>	5,480	50,067	55,547
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,480	\$ 50,067	\$ 55,547

Town of Holden, Maine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Other Non-Major Governmental Funds
For the Year Ended June 30, 2020

	<i>Special Revenue Fund</i>	<i>Permanent Fund</i>	<i>Total Other Governmental Funds</i>
REVENUES:			
Intergovernmental	\$ 16,272	\$ -	\$ 16,272
Interest revenue	-	716	716
<i>Total revenues</i>	<u>16,272</u>	<u>716</u>	<u>16,988</u>
EXPENDITURES:			
Grant expenditures	10,946	-	10,946
<i>Total expenditures</i>	<u>10,946</u>	<u>-</u>	<u>10,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,327</u>	<u>716</u>	<u>6,043</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:			
Transfers in	-	600	600
Transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>600</u>	<u>600</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>5,327</u>	<u>1,316</u>	<u>6,643</u>
FUND BALANCE - BEGINNING OF YEAR	<u>153</u>	<u>48,751</u>	<u>48,904</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,480</u></u>	<u><u>\$ 50,067</u></u>	<u><u>\$ 55,547</u></u>

Town of Holden, Maine
Schedule of Property Valuation, Assessment and Appropriations
For the Year Ended June 30, 2020

<i>Assessed Valuation:</i>	
Real estate valuation	\$ 287,448,590
Personal property valuation	<u>2,594,300</u>
Total valuation	<u>290,042,890</u>
<i>Tax Commitment:</i>	
Tax assessment at \$17.00 per thousand	<u>4,930,729</u>
<i>Reconciliation of Commitment with Appropriation:</i>	
Current year tax commitment, as above	4,930,729
Appropriated from fund balance	419,000
Estimated revenues	<u>1,310,037</u>
Appropriations per original budget	<u>6,659,766</u>
<i>Overlay</i>	<u>(24,564)</u>
TOTAL APPROPRIATIONS	<u><u>\$ 6,635,202</u></u>

Town of Holden, Maine
Schedule of Taxes and Tax Liens Receivable
June 30, 2020

<i>Taxes receivable</i>		
Personal property	<u>\$ 1,914</u>	\$ 1,914
<i>Tax liens receivable</i>		
2019	73,800	
2018	30,012	
2017	<u>554.59</u>	
		<u>104,367</u>
TOTAL TAXES AND TAX LIENS RECEIVABLE		<u><u>\$ 106,280</u></u>