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DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Assessors  
Monhegan Plantation  
Monhegan Island, Maine

We have audited the accompanying financial statements of the governmental activities and each major fund of Monhegan Plantation, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Plantation's basic financial statements as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

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

**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 and each major fund of Monhegan Plantation as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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; schedule of plantation's proportionate share of net pension liability; and schedule of plan contributions 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 Monhegan Plantation's basic financial statements. Schedules B-1 through B-9 are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Bath, Maine

December 6, 2021

**Monhegan Plantation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020**

The Municipal Officials of Monhegan Plantation, Maine offer the readers of Monhegan Plantation, Maine's financial statements this narrative overview and analysis of its financial activities for the year ended December 31, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

**The Financial Statements**

The financial statements presented herein include all of the activities of Monhegan Plantation, Maine (the Plantation) using the integrated approach as prescribed by GASB Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the Plantation from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the Plantation as well as all liabilities (including long-term debt).

The Fund Financial Statements include statements for each of the two categories of activities – governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

**Reporting the Plantation as a Whole  
The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities report information about the Plantation as a whole and its activities. Excluding infrastructure, these statements include all other assets and liabilities of the Plantation using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Plantation's net position and changes to it. Net Position is the difference between assets and liabilities, which is one way to measure the Plantation's financial health or financial position. Over time, increases and decreases in the Plantation's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the Plantation's property tax base and the condition of the Plantation's infrastructure.

**Government Activities:** Most of the Plantation's basic services are reported in this category including fire protection, road maintenance, and general administration services. Property taxes, user fees, interest income, and state and federal grants finance these activities.

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the Plantation as a whole. Some funds are required to be established by State law or by grantor. However, management establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money.

**Governmental Funds:** Most of the Plantation’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds statements provide a detailed shorter-term view of the Plantation’s general government operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Plantation’s programs. The differences of results in the total Governmental Funds to the Statement of Activities are explained in a reconciliation following each Government Fund financial statement.

### Governmental Activities

The cost of all government activities this year was \$755,490.21. The amount that our taxpayers financed for these activities through taxes was \$539,662.21, because some of the costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with operating grants and contributions. The Plantation paid for the “public benefit” portion of governmental activities with \$472,544.30 in property taxes and with other revenue such as excise tax, interest, State Revenue Sharing, and other miscellaneous revenues.

The Plantation’s programs include General Government, Health and Sanitation, Public Works, Education, Intergovernmental on Behalf Payments, County Tax Assessment, Protection, and Unclassified. Each program’s net cost is presented below. The net costs show the financial burden that was placed on the Plantation’s taxpayers by each of these functions.

Government Activities	Net Cost (Benefit) 2020	Net Cost (Benefit) 2019	Net Cost (Benefit) 2018	Net Cost (Benefit) 2017	Net Cost (Benefit) 2016
General Government	\$ 65,780.60	\$ 95,554.15	\$ 65,775.11	\$ 45,091.11	\$ 54,759.97
Protection	29,685.30	13,324.07	16,387.38	9,186.12	9,527.95
Public Works	53,904.95	56,779.60	52,139.15	75,284.42	56,317.66
Health and Sanitation	32,542.67	32,843.40	23,632.77	24,802.99	19,046.81
Cemetery	(2,493.76)	(3,365.34)	(92.35)	(739.93)	968.51
County Tax	112,712.96	110,818.42	110,478.36	111,033.28	114,156.00
Education	158,226.80	117,392.12	112,971.77	126,927.91	143,643.44
Unclassified	89,302.69	(18,112.36)	23,980.21	32,926.04	11,932.00
<b>Totals</b>	<u>\$ 539,662.21</u>	<u>\$ 405,234.06</u>	<u>\$ 405,272.40</u>	<u>\$424,511.94</u>	<u>\$ 410,352.34</u>

On December 31, 2020 Monhegan Plantation’s net position for governmental activities totaled \$1,171,362.67 a decrease of \$63,244.07 from December 31, 2019.

## Budgets and Budgetary Accounting

The breakdown of actual expenditures for the year may be found in the Assessor's Report which is part of the Annual Report of the Monhegan Plantation. This could be compared to the proposed budget for 2020 as to ascertain potential increases or decreases in individual budgetary items.

<u>Administrative Notes</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Unappropriated Surplus	\$ 42,975.24	\$ 93,140.81	\$ 59,232.10	\$ 64,865.42	\$ 42,092.59
Mil Rate	.550%	.575%	.575%	.520%	.464%
County Tax	\$112,712.96	\$110,818.42	\$110,478.36	\$111,033.28	\$114,516.00
Long-Term Debt	\$255,165.33	\$ 18,763.00	\$ 19,443.57	\$ 24,118.99	\$ 26,732.60

### Summary

Monhegan Plantation continues to be in excellent financial shape. We have little increase in Municipal Government and the School Department is doing its best to keep costs down. With the present financial situation in the United States, we continue to be as conservative as possible in our spending.

MONHEGAN PLANTATION  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2020 AND 2019

ASSETS AND DEFERRED OUTFLOWS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash (Note B)	\$ 649,168.85	\$ 487,577.52
Taxes Receivable (Schedule B-6)	73,032.82	65,472.79
Accounts Receivable	5,470.30	6,129.79
Total Current Assets	<u>\$ 727,671.97</u>	<u>\$ 559,180.10</u>
<b>PROPERTY, PLANT, AND EQUIPMENT (NOTE I):</b>		
Land	\$ 312,114.00	\$ 312,114.00
Buildings	205,556.17	205,556.17
Equipment	31,439.14	31,439.14
Infrastructure	561,332.10	561,332.10
Vehicles	54,879.00	54,879.00
Total Property, Plant, and Equipment	<u>\$ 1,165,320.41</u>	<u>\$ 1,165,320.41</u>
Less: Accumulated Depreciation	<u>(462,128.43)</u>	<u>(430,975.83)</u>
Net Property, Plant, and Equipment	<u>\$ 703,191.98</u>	<u>\$ 734,344.58</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Related to Pension	\$ 2,080.18	\$ 2,198.58
Total Assets and Deferred Outflows	<u>\$ 1,432,944.13</u>	<u>\$ 1,295,723.26</u>

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

<b>CURRENT LIABILITIES:</b>		
Notes Payable (Note C)	\$ 12,069.47	\$ 2,567.08
Deferred Revenue (Note N)	4,116.41	2,550.06
Accounts Payable	319.72	37,915.46
Total Current Liabilities	<u>\$ 16,505.60</u>	<u>\$ 43,032.60</u>
<b>LONG-TERM LIABILITIES:</b>		
Notes Payable - Net of Current Portion (Note C)	243,095.86	16,195.92
Total Liabilities	<u>\$ 259,601.46</u>	<u>\$ 59,228.52</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Related to Other Post Employment Benefits	<u>\$ 1,980.00</u>	<u>\$ 1,888.60</u>
<b>NET POSITION:</b>		
Net Invested in Capital Assets	\$ 448,026.65	\$ 715,581.58
Restricted for:		
Other Purposes	607,227.78	360,100.98
Unrestricted	116,108.24	158,923.58
Total Net Position	<u>\$ 1,171,362.67</u>	<u>\$ 1,234,606.14</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 1,432,944.13</u>	<u>\$ 1,295,723.26</u>



MONHEGAN PLANTATION  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
GOVERNMENTAL FUND BALANCES:		
Restricted for:		
Other Purposes	\$ 607,227.78	\$ 360,100.98
Unrestricted	42,975.24	93,140.81
	\$ 650,203.02	\$ 453,241.79
Amounts reported for governmental activities in the Statements of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	703,191.98	734,344.58
Deferred outflows are deferred as expense in the fund financial statements and in the government-wide financial statements as expense in the year following the year paid.	2,080.18	2,198.58
Notes payable are not due and payable in the current period and therefore are not reported in the funds.	(255,165.33)	(18,763.00)
OPEB Liability is not due and payable in the current period and therefore is not reported in the funds.	(1,980.00)	(1,888.00)
Property taxes not collected within sixty days after year end are deferred as revenue in the fund financial statements. In the government-wide financial statements the revenue is income in the year it is assessed.	73,032.82	65,472.79
Net Position of Governmental Activities (Exhibit A)	\$ 1,171,362.67	\$ 1,234,606.74

MONHEGAN PLANTATION  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Net Change in Fund Balances - Total Governmental Funds (Exhibit F)	\$ 196,961.23	\$ 110,099.52
Amounts reported for governmental activities in the Statements of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which (depreciation exceeds capital outlays) capital outlays exceeds depreciation.	(31,152.60)	(29,139.68)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statements of Net Position.	13,597.67	680.57
Proceeds from loans increase fund balance but in the government-wide financial statements the proceeds increase liabilities.	(250,000.00)	
Property taxes are deferred in the fund financial statements, but in the government-wide financial statements, they are recorded as income the year they are assessed.	7,560.03	21,137.65
OPEB expense is adjusted for changes in earnings contributions and contribution subsequent to the measurement date.	(92.00)	26.00
Pension expense is adjusted for changes in earnings contributions and contribution subsequent to the measurement date.	(118.40)	256.74
Change in Net Position of Governmental Activities (Exhibit B)	\$ (63,244.07)	\$ 103,060.80

MONHEGAN PLANTATION  
BALANCE SHEETS - GOVERNMENTAL FUND  
DECEMBER 31, 2020 AND 2019

	2020	2019
<b>ASSETS:</b>		
Cash (Note B)	\$ 649,168.85	\$ 487,577.52
Taxes Receivable	73,032.82	65,472.79
Accounts Receivable	5,470.30	6,129.79
Total Assets	\$ 727,671.97	\$ 559,180.10
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable	\$ 319.72	\$ 37,915.46
Deferred Inflows:		
Deferred Revenue (Note N)	\$ 4,116.41	\$ 2,550.06
Deferred Tax Revenue (Note F)	73,032.82	65,472.79
Total Liabilities and Deferred Inflows	\$ 77,149.23	\$ 68,022.85
Fund Balance:		
Assigned for Other Purposes (Note E)	\$ 607,227.78	\$ 360,100.98
Unassigned	42,975.24	93,140.81
Total Fund Balance	\$ 650,203.02	\$ 453,241.79
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 727,671.97	\$ 559,180.10

MONHEGAN PLANTATION  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - GOVERNMENTAL FUND  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>REVENUES:</b>		
Property Taxes	\$ 464,984.27	\$ 471,730.89
Education	51,693.58	65,877.46
Intergovernmental	1,196.59	1,913.32
Homestead Reimbursement	2,677.25	1,513.00
Cemetery	3,168.76	4,543.29
Protection	102,322.05	2,404.50
Public Works	10,819.63	20,654.82
Unclassified	22,745.79	137,748.83
Health and Sanitation	17,680.62	19,389.24
General Government		2,729.00
Maine State Retirement on Behalf Payments (Note G)	7,397.57	8,113.50
<b>Total Revenues</b>	<u>\$ 684,686.11</u>	<u>\$ 736,617.85</u>
<b>EXPENDITURES:</b>		
General Government	\$ 75,817.84	\$ 97,582.31
Protection	128,343.07	20,302.54
Public Works	40,916.40	47,400.91
Health and Sanitation	50,223.29	52,232.64
Cemetery	675.00	1,177.95
County Tax	112,712.96	110,818.42
Education	209,590.27	181,253.59
Unclassified	112,048.48	119,636.47
Maine State Retirement on Behalf Payments	7,397.57	8,113.50
<b>Total Expenditures</b>	<u>\$ 737,724.88</u>	<u>\$ 638,518.33</u>
Excess of Revenues Over Expenditures	\$ (53,038.77)	\$ 98,099.52
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers - In	<u>250,000.00</u>	<u>12,000.00</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 196,961.23	\$ 110,099.52
Fund Balance, January 1	<u>453,241.79</u>	<u>343,142.27</u>
Fund Balance, December 31	<u>\$ 650,203.02</u>	<u>\$ 453,241.79</u>

MONHEGAN PLANTATION  
 STATEMENTS OF FIDUCIARY NET POSITION  
 NONSPENDABLE TRUST FUNDS  
 DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash (Note B)	\$ 30,073.56	\$ 21,151.74
Investments (Note M)	188,800.43	177,992.18
Due From Town Accounts Receivable	33.01	43.10
Total Assets	<u>\$ 218,907.00</u>	<u>\$ 199,187.02</u>
LIABILITIES	\$ -	\$ -
NET POSITION:		
Restricted for Trust Funds	218,907.00	199,187.02
Total Liabilities and Net Position	<u>\$ 218,907.00</u>	<u>\$ 199,187.02</u>

MONHEGAN PLANTATION  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND TYPE - NONSPENDABLE TRUST FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES:		
Interest and Dividend Income	\$ 6,661.04	\$ 9,015.26
Unrealized Gain	14,203.45	16,860.46
Total Revenues	<u>\$ 20,864.49</u>	<u>\$ 25,875.72</u>
EXPENSES:		
Annual Fee	(1,144.51)	(1,144.75)
Change in Net Position before Other Sources and Uses	<u>\$ 19,719.98</u>	<u>\$ 24,730.97</u>
Other Sources and Uses:		
Transfer to General Fund		(12,000.00)
Changes in Net Position	<u>\$ 19,719.98</u>	<u>\$ 12,730.97</u>
Net Position, January 1	199,187.02	186,456.05
Net Position, December 31	<u><u>\$ 218,907.00</u></u>	<u><u>\$ 199,187.02</u></u>

Exhibit I

STATEMENTS OF CASH FLOWS  
FIDUCIARY FUND TYPE - NONSPENDABLE TRUST FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Exhibit H)	\$ 19,719.98	\$ 12,730.97
Adjustment to Reconcile Changes in Net Position to Net Cash Provided by Operating Activities:		
Unrealized (Gain) Loss on Investments	(14,203.45)	(16,860.46)
Increase (Decrease) - Accounts Receivable	10.09	(43.10)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 5,526.62</u>	<u>\$ (4,172.59)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	\$ (54,468.80)	\$ (43,756.52)
Proceeds from Sale of Securities	57,864.00	40,000.00
Net Cash Used in Investing Activities	<u>\$ 3,395.20</u>	<u>\$ (3,756.52)</u>
Increase (Decrease) in Cash	<u>\$ 8,921.82</u>	<u>\$ (7,929.11)</u>
Cash Balance, January 1	21,151.74	29,080.85
Cash Balance, December 31	<u><u>\$ 30,073.56</u></u>	<u><u>\$ 21,151.74</u></u>

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Monhegan Plantation conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Monhegan Plantation was incorporated in 1915. The Plantation operates under a Plantation meeting form of government.

In evaluating the Monhegan Plantation as a reporting entity, management has addressed all potential component units. The primary criteria for including a component reporting entity are the exercise of financial accountability by the Monhegan Plantation's municipal officials.

The Plantation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

2. Basic Financial Statements - Government-Wide Statements

The Plantation's basic financial statements include both government-wide (reporting the Plantation as a whole) and fund financial statements (reporting the Plantation's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Plantation's fire protection, recreation, public works, and general administrative services are classified as governmental activities.

In the government-wide Statements of Net Position, the governmental column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Plantation's net position is reported in three parts - net invested in capital assets; restricted; and unrestricted. The Plantation first utilizes restricted resources to finance qualifying activities.

The government-wide Statements of Activities reports both the gross and net cost of each of the Plantation's functions and business-type activities (fire, public works, administrative, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statements of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (fire, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

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

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Plantation are reported in 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, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Plantation:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in 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 Plantation:

1. General Fund:

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

2. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Plantation programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

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

The Plantation's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. 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.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

4. Basis of Accounting (Cont'd)

b. Modified Accrual:

The governmental funds 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 within 60 days after year end. 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.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Plantation has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer of the Plantation, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$1,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset 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 following estimated useful lives:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years
Other Infrastructure	10-50 Years

c. Revenues:

Substantially, all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

d. Accounts Receivable:

Receivables include federal grants, state subsidies and reimbursements. An allowance for doubtful accounts is not considered necessary at December 31, 2020.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

e. Expenditures:

Expenditures are recognized when the related fund liability is incurred.

f. Deferred Inflows and Outflows of Resources:

In addition to assets, the Statements of Net Position will sometimes 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) until that time. The deferred outflows relate to the net pension liability, which include the Plantation's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Plantation contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

In addition to liabilities, the Statements of Net Position will sometimes 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. The deferred inflows relate to the net pension liability, which include the differences between expected and actual experience and changes in proportion and differences between Plantation contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

g. Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h. Fund Balance:

In accordance with GASB Statement No. 54, the Plantation employs terminology and classifications for fund balance items as follows:

Nonspendable fund balances include amounts that are not expected to be converted to cash, or that are legally required to be maintained intact. The fund balance of the Hudson Fund and Farrelly Fund are classified as nonspendable.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

h. Fund Balance (cont'd):

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors.

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by plantation government. Budget carryforward amounts are in this category.

Assigned fund balances are resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

6. 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:

- a. Statement No. 83, "Certain Asset Retirement Obligations". The objective of the statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. Management has determined that this statement is not applicable.
- b. Statement No. 84, "Fiduciary Activities". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The plantation is currently evaluating whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists to determine if the fiduciary fund should be included in the basic financial statements of future years.
- c. Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined that the impact of this Statement is not material to the financial statements.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

6. Implementation of New Accounting Standards (Cont'd)

- d. Statement No. 90, "Majority Equity Interests" - an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Management has determined that the impact of this statement is not material to the financial statements.

7. Future Accounting Pronouncements

- a. Statement No. 87, "Leases", is effective for the year ended December 31, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined that the impact of this statement is not material to the financial statements.
- b. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period" is effective the year ended December 31, 2021. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Management has determined that the impact of this statement is not material to the financial statements.
- c. Statement No. 91, "Conduit Debt Obligations" is effective for the year ended December 31, 2022. The objective of the statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required disclosures. Management has determined that this statement is not applicable.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

7. Future Accounting Pronouncements (Cont'd)

- d. Statement No. 93, "Replacement of Interbank Offered Rates" is effective for the year ended December 31, 2022. The objective of this statement is to improve guidance regarding the governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Management has determined that this statement is not applicable.
- e. Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" is effective for the year ended December 31, 2023. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Management has determined that this statement is not applicable.
- f. Statement No. 96, "Subscription-Based Information Technology Arrangements" is effective for the year ended December 31, 2023. The objective of this statement is to improve financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Management has determined that this statement is not applicable.
- g. Statement No. 97, "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" is effective for the year ended December 31, 2022. The requirements of this statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefits plans, while mitigating the costs associated with reporting those plans. Management has determined that this statement is not applicable.

8. Subsequent Events

As of December 6, 2021, the date the financial statements were available to be issued, management has reviewed events after December 31, 2020 and there were no material subsequent events requiring disclosure.

The community continues to be impacted by the Covid-19 Virus. The Plantation has reviewed their operations and is currently evaluating the impact of the virus on their operations. While there is a financial impact to the Plantation, it is currently unknown the full extent this crisis will have on its operations and funding.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE B - CASH:

Cash

The Plantation's cash is categorized to give an indication of the level of risk assumed by the Plantation at year end. These Categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the Plantation or by its agent in the Plantation's name.

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Plantation's name.

Category #3 - Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Plantation's name.)

At December 31, 2020 cash consisted of:

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Interest Bearing Accounts	\$ 656,417.58	\$ 630,227.95	\$ 630,227.95	\$	\$

NOTE C - NOTES PAYABLE:

Notes Payable activity for the year ended December 31, 2020 is as follows:

	PRINCIPAL BALANCE JANUARY 1, 2020	ADDITIONS	REDUCTIONS	PRINCIPAL BALANCE DECEMBER 31, 2020
The First - Teachers House	\$ 18,763.00	\$	\$ 2,859.59	\$ 15,903.41
The First - Broadband		250,000.00	10,738.08	239,261.92
	<u>\$ 18,763.00</u>	<u>\$ 250,000.00</u>	<u>\$ 13,597.67</u>	<u>\$ 255,165.33</u>

The First - Teachers House:

The note was dated October 11, 1996 for thirty years with monthly principal and interest payments. Effective November 11, 2014 the monthly payment amount changed to \$277.44. The interest rate is variable and was 2.35% at December 31, 2020.

The First - Broadband:

The note was dated February 10, 2021 for twenty years with annual principal and interest payments of \$17,053.91. The interest rate is 3.18%.

MONHEGAN PLANTATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

NOTE C - NOTE PAYABLE (CONT'D):

Estimated principal and interest payments for the next five years and thereafter are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 12,069.47	\$ 8,284.44	\$ 20,353.91
2022	12,481.79	7,872.12	20,353.91
2023	12,908.48	7,445.43	20,353.91
2024	13,349.96	7,003.95	20,353.91
2025	13,806.81	6,547.10	20,353.91
2026-2040	190,548.82	48,775.12	239,323.94
Total	<u>\$ 255,165.33</u>	<u>\$ 85,928.16</u>	<u>\$ 341,093.49</u>

NOTE D - GENERAL FUND BUDGET:

The Plantation operates on a net budget as compared with a gross budget. All revenues are not estimated, but are credited to the particular operating account. Certain revenues are dedicated for particular purposes by vote of the townspeople at the annual Plantation meeting or at special Plantation meetings.

NOTE E - ASSIGNED FOR OTHER PURPOSES:

Historically, the taxpayers vote to carry certain departmental unexpended balances forward to the following year for expenditure. This is usually in lieu of additional appropriations in any particular account.

General Government	\$ 38,137.48
Protection	72,930.50
Cemetery	11,701.72
Education	180,905.13
Public Works	11,180.26
Unclassified	292,372.69
	<u>\$ 607,227.78</u>

NOTE F - REVENUE RECOGNITION - PROPERTY TAXES:

The Plantation's property tax for the current year was levied September 10, 2020 on the assessed value listed as of April 1, 2020 for all taxable real and personal property located in the Plantation. Taxes were due on September 30, 2020. Interest accrued at 9% commencing October 2, 2020.

Tax liens can be filed against delinquent real estate taxpayers after eight months but within one year of the original tax commitment. If the tax, interest, and costs have not been paid eighteen months after the filing of a lien certificate then the lien is automatically foreclosed.

The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized only to the extent it will be collected within sixty days following the year end. The deferred tax revenue shown on the balance sheet represents property taxes not expected to be collected within sixty days after the year end.

Property taxes are recognized when they become available. Available includes those taxes expected to be collected within sixty days after year end as stated above.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE G - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM:

**Summary of Significant Accounting Policies**

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows for resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher Plan (SET 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 Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Maine Public Employees Retirement System**

***General Information about the Pension Plan***

**Plan Description** - Teaching-certified employees of Monhegan Plantation are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - The SET Plan provides 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. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by statute.

**Contributions** - Employee contribution rates are defined by law or board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**SET Plan** - Maine statute requires the State to contribute a portion of the Plantation's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. Monhegan Plantation's contractually required contribution rate for the year ended December 31, 2020, was between 14.33% and 14.96% of annual payroll of which 4.16% and 4.27% of payroll was required from Monhegan Plantation and \$7,397.57 was required from the State. Contributions to pension plan from Monhegan Plantation were \$2,080.18 for the year ended December 31, 2020.

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

The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. Monhegan Plantation's proportion of the net pension liabilities were based on projections of Monhegan Plantation's long-term share of contributions to the pension plans relative to the projected contributions of all participating School Administrative Units and the State (SET Plan), actuarially determined.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE G - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

**SET Plan** - At June 30, 2020, Monhegan Plantation reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to Monhegan Plantation. The amount recognized by Monhegan Plantation as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Plantation were as follows:

Monhegan Plantation's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with Monhegan Plantation	71,372.00
Total	\$ 71,377.00

At June 30, 2020, the Monhegan Plantation's proportion of the SET Plan was 0.00%.

For the year ended December 31, 2020, Monhegan Plantation recognized pension income of zero and revenue of \$7,397.57 for support provided by the State for the SET Plan. At December 31, 2020, Monhegan Plantation reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Changes in Proportion and Differences between Plantation Contributions and Proportionate Share of Contributions	\$ -0-
Plantation Contributions Subsequent to the Measurement Date	2,080.18
Total	\$ 2,080.18

There were no deferred outflows and resources related to pensions resulting from the Monhegan Plantation's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended December 31, 2020. 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	\$	-0-
2022	\$	-0-
2023	\$	-0-
2024	\$	-0-
2025	\$	-0-

**Actuarial Assumptions** - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>SET Plan</b>
Inflation	2.75%
Salary Increases, per year	2.75% - 14%
Investment return, per annum, compounded annually	6.75%
Cost of living benefit increases, per annum	1.91%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE G - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

**Actuarial Assumptions (Cont'd)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities.

**Sensitivity of Monhegan Plantation's proportionate share of the net pension liabilities to changes in the discount rate** - The following presents Monhegan Plantation's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the SET Plan, as well as what Monhegan Plantation's proportionate share of the net pension liability would be if it were calculated using the discount rate that is 1 percentage-point lower 5.75% for SET Plan or 1 percentage-point higher 7.75% for SET Plan than the current rate:

SET Plan	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Monhegan Plantation's Proportionate Share of the Net Pension Liability	\$ -0-	\$ -0-	\$ -0-

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

MONHEGAN PLANTATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

NOTE G - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D):

**Payables to the Pension Plan** - None as of December 31, 2020.

**Changes of Benefit Terms** - None

**Changes of Assumptions** - None

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB):

***General Information about the Pension Plan***

**Plan Description** - Employees of the Town are provided with post employment benefits through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a multiple-employer cost sharing plan with a special funding situation, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

The Group Life Insurance Plans (the Plans) provide basic group life insurance benefits during retirement, to retirees who participated in the Plans prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.00.

**Funding Policy**

Premium rates are those determined by the System'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.

**Revenue Recognition**

The Schedule of Employer Allocations for the SET Plan reflects current year employer and non-employer contributing entity premium contributions to the Plan.

**Collective Net OPEB Liability**

The collective net OPEB liability for the SET Plan, measured as of December 31, 2019 is as follows:

	<b><u>Total SET Plan</u></b>
Collective Total OPEB Liability	\$ 1,980.00
Less: Plan Net Fiduciary Position	-0-
Collective Net OPEB Liability	<u>\$ 1,980.00</u>

**Special Funding Situation - SET Plan**

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

MONHEGAN PLANTATION  
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DECEMBER 31, 2020

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT'D):

**Actuarial Methods and Assumptions**

The collective total OPEB liability for the Plans was determined by an actuarial valuation as of December 31, 2019, using the following methods and assumptions, applied to all periods included in the measurement:

**Actuarial Cost Method**

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

Costs are developed using the individual entry age normal cost method based on a level percentage of payroll.

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

For the year ended December 31, 2020, the Plantation recognized OPEB revenue of \$222.00 for support provided by the State for the SET Plan. At December 31, 2020, the Plantation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -0-	\$ -0-
Changes in Assumptions	-0-	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	-0-
Changes in Proportion and Differences Between Plantation Contributions and Proportionate Share of Contributions	-0-	-0-
Plantation Contributions Subsequent to the Measurement Date	-0-	-0-
Total	<u>\$ -0-</u>	<u>\$ -0-</u>

*Asset Valuation Method*

Investments are reported at fair value.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT'D):

**Actuarial Methods and Assumptions (Continued)**

*Amortization*

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2020, there were 20 years remaining in the amortization schedule for the SET 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.

**Significant Actuarial Assumptions** - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increases, Per Year	2.75% to 14.50%
Investment Return, Per Annum, Compounded Annually	6.75%
Inflation Rate	2.75%
Participation Rate for Future Retired	100%
Form of Benefit Payment	Lump sum

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females.

Assets of the Plans are pooled for investment purposes and are allocated to each Plan based on each Plan's fiduciary net position. The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional credit	16.0%	3.0%
US Government Securities	9.0%	2.3%

**Discount Rate**

The discount rate used to measure the collective total OPEB liability was 6.75% for 2019 for the SET Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on SET Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT'D):

**Actuarial Methods and Assumptions (Continued)**

**Discount Rate (Cont'd)**

<b><u>Teacher Plan</u></b>	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Town's Proportionate Share of the Net Pension Liability	\$ -0-	\$ -0-	\$ -0-

**Components of Schedules of OPEB Amounts to Employer**

**Collective 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.

**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**

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, 2016. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2017, the amortization period was nine years for the Teacher portion. For the fiscal year ended June 30, 2017, 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.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT'D):

**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 December 31, 2020.

**Allocable Collective OPEB Expense**

The calculation of collective OPEB expense for the year ended December 31, 2020 is as follows:

	<b>Total Plan</b>
Service Cost	\$ -0-
Interest Cost	-0-
Cost of Benefit Changes	-0-
Amortization of Differences in Actual and Expected Experience	-0-
Amortization of Differences in Changes to Actual Investment Income	-0-
Plan Administrative Expenses	-0-
Expected Investment Income	-0-
Allocable OPEB Expense	\$ -0-

Each employer's proportionate share of the collective OPEB expense is equal to the total collective OPEB expense multiplied by the employer's proportionate share percentage as of December 31, 2020.

**Collective Deferred Outflows (Inflows) of Resources**

Differences between expected and actual experience with regard to economic and demographic assumptions are recognized in OPEB expense over a closed period equal to the expected remaining service lives of both active and inactive members, beginning in the period in which the difference arose. Differences between actual and expected investment income is recognized over a closed five-year period. Amounts not recognized in the current period are reflected in collective deferred outflows and inflows of resources related to OPEB.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT'D):

**Additional Financial and Actuarial Information**

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

NOTE I - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in fixed assets at December 31, 2020:

	BALANCE JANUARY 1, 2020	ADDITIONS	DISPOSALS	BALANCE DECEMBER 31, 2020
Land	\$ 312,114.00	\$	\$	\$ 312,114.00
Buildings	205,556.17			205,556.17
Equipment	31,439.14			31,439.14
Infrastructure	561,332.10			561,332.10
Vehicles	54,879.00			54,879.00
	<u>\$ 1,165,320.41</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,165,320.41</u>
Accumulated Depreciation	(430,975.83)	(31,152.60)		(462,128.43)
Net Property, Plant, and Equipment	<u>\$ 734,344.58</u>	<u>\$ (31,152.60)</u>	<u>\$</u>	<u>\$ 703,191.98</u>

NOTE J - RISK MANAGEMENT:

The Plantation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE K - INTEREST COST INCURRED:

During the current year the Plantation incurred interest costs totaling \$9,423.99 which was charged as an expense to the Education account.

NOTE L - OVERLAPPING DEBT:

Monhegan Plantation is situated in Lincoln County and is therefore subject to annual assessment of its proportional share of County expenses. Long-term debt outstanding in Lincoln County, for which the Monhegan Plantation would be proportionally responsible in the event the County defaulted, is approximately \$3,511,150.00 at December 31, 2020. The Monhegan Plantation's share would be 1.04% of the debt, or approximately \$36,682.23.

MONHEGAN PLANTATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE M - INVESTMENTS:

The Plantation's investments are categorized to give an indication of the level of risk assumed by the Plantation at year end. These categories are defined as follows:

Category #1 - Investments that are insured or registered, or securities held by the Plantation or its agent in the Plantation's name.

Category #2 - Uninsured and unregistered investments with securities held by the Counterparty's trust department or agent in the Plantation's name.

Category #3 - Uninsured and unregistered investments with securities held by the Counterparty, or by its trust department or agent but not in the Plantation's name.

INVESTMENT TYPE	CARRYING AMOUNT	FAIR VALUE	CATEGORY		
			#1	#2	#3
Money Market/CD's	\$ 22,824.93	\$ 22,824.93	\$ 22,824.93	\$	\$
Mutual Funds	188,800.43	188,800.43	188,800.43		
	<u>\$ 211,625.36</u>	<u>\$ 211,625.36</u>	<u>\$ 211,625.30</u>	<u>\$</u>	<u>\$</u>

	HUDSON FUND	FARRELLY FUND	TOTAL
Cash	\$ 3,697.65	\$ 19,127.29	\$ 22,824.93
Equities	\$ 15,426.87	\$ 79,800.70	\$ 95,227.57
Fixed Income	\$ 15,164.18	\$ 78,408.68	\$ 93,572.86

NOTE N - DEFERRED REVENUE:

Deferred Revenue at December 31, 2020 consisted of:

2021 Prepaid Taxes	\$ 3,308.83
Suspense	807.58
	<u>\$ 4,116.41</u>

NOTE O - ACCOUNTS RECEIVABLE:

Accounts Receivable at December 31, 2020 consists of the following:

	TOTAL
Due from the State of Maine:	
Homestead	\$ 2,677.25
State Revenue Sharing	725.55
Veterans	29.00
Forestry Grant	2,677.25
	<u>\$ 5,470.30</u>

MONHEGAN PLANTATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL
<b>REVENUES:</b>		
Property Taxes	\$ 472,719.71	\$ 464,984.27
Education		51,693.58
Intergovernmental Revenues	1,196.59	1,196.59
Homestead Reimbursement	2,329.25	2,677.25
Cemetery	1,230.95	3,168.76
Protection		102,322.05
Public Works	16,877.50	10,819.63
Unclassified	15.00	22,745.79
Health and Sanitation	27,000.00	17,680.62
On Behalf Payments (Note G)		7,397.57
<b>Total Revenues</b>	<u>\$ 521,369.00</u>	<u>\$ 684,686.11</u>
<b>EXPENDITURES:</b>		
General Government	\$ 110,102.38	\$ 75,817.84
Protection	51,590.00	128,343.07
Public Works	54,000.00	40,916.40
Health and Sanitation	58,500.00	50,223.29
County Tax	111,854.96	112,712.96
Education	174,646.00	209,590.27
Unclassified	34,090.00	112,048.48
Cemeteries		675.00
On Behalf Payments (Note G)		7,397.57
<b>Total Expenditures</b>	<u>\$ 594,783.34</u>	<u>\$ 737,724.88</u>
Excess of Revenues Over (Under) Expenditures	\$ (73,414.34)	\$ (53,038.77)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers - In		250,000.00
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (73,414.34)</u>	<u>\$ 196,961.23</u>
Fund Balance, January 1	453,241.79	453,241.79
Fund Balance, December 31	<u>\$ 379,827.45</u>	<u>\$ 650,203.02</u>

MONHEGAN PLANTATION  
 SCHEDULE OF PLANTATION'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 STATE EMPLOYEE AND TEACHER PLAN (SET)  
 LAST 10 FISCAL YEARS\*

	2020**	2019**	2018**	2017**	2016**	2015**	2014**
<b>SET Plan</b>							
Monhegan Plantation's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Monhegan Plantation's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Monhegan Plantation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monhegan Plantation's Covered-Employee Payroll	\$ 49,449.00	\$ 55,250.31	\$ 49,436.65	\$ 44,583.33	\$ 36,826.93	\$ 38,554.72	\$ 32,615.00
Monhegan Plantation's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Only seven years of information available.

\*\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

SCHEDULE OF PLANTATION CONTRIBUTIONS  
 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 STATE EMPLOYEE AND TEACHER PLAN (SET)  
 LAST 10 FISCAL YEARS\*

	2020	2019	2018	2017	2016	2015	2014
<b>SET Plan</b>							
Contractually Required Contribution	\$ 3,782.85	\$ 4,153.45	\$ 5,419.44	\$ 4,239.59	\$ 3,657.30	\$ 4,792.52	\$ 4,342.28
Contributions in Relation to the Contractually Required Contribution	3,782.85	4,133.75	5,419.44	4,239.59	3,657.30	4,792.52	4,342.28
Contribution Deficiency (Excess)	\$ -	\$ 19.70	\$ -	\$ -	\$ -	\$ -	\$ -
Monhegan Plantation's Covered-Employee Payroll	\$ 49,449.00	\$ 55,250.31	\$ 49,436.65	\$ 44,583.33	\$ 36,826.93	\$ 38,554.72	\$ 32,615.00
Contribution as a Percentage of Covered-Employee Payroll	7.65%	7.48%	10.96%	9.51%	10.02%	13.38%	13.50%

\* Only seven years of information available.

MONHEGAN PLANTATION  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Balance, January 1		\$ 487,577.52
 ADD: CASH RECEIPTS:		
Tax Collections:		
Current Year	\$ 435,612.35	
Prior Years	29,371.92	
Prepaid	<u>758.77</u>	
 Total Tax Collections	 \$ 465,743.04	
Departmental (Schedule B-3)	206,362.93	
Prior Year Accounts Receivable	6,129.79	
Accounts Payable	319.72	
State Revenue Sharing	1,278.62	
Broadband Loan	<u>250,000.00</u>	
		929,834.10
Total Cash Receipts		<u>929,834.10</u>
Total Cash Available		\$ 1,417,411.62
 LESS: CASH DISBURSEMENTS:		
Departmental (Schedule B-3)	\$ 730,327.31	
Accounts Payable	<u>37,915.46</u>	
		<u>768,242.77</u>
Cash Balance, December 31		<u><u>\$ 649,168.85</u></u>

MONHEGAN PLANTATION  
STATEMENT OF CHANGES IN UNAPPROPRIATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Unappropriated Surplus, January 1		\$ 93,140.81
INCREASES:		
Operating Account Balances Lapsed (Schedule B-3)		33,646.54
Total Available		\$ 126,787.35
DECREASES:		
Appropriated at Town Meeting	\$ 76,252.08	
Increase in Deferred Property Taxes	7,560.03	
		83,812.11
Unappropriated Surplus, December 31		\$ 42,975.24

MONHEGAN PLANTATION  
STATEMENT OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	BALANCE FORWARD 1/1/20	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	UNEXPENDED (OVERDRAFT)	BALANCE FORWARD 12/31/20
<b>GENERAL GOVERNMENT:</b>									
Officers Pay	\$ -	\$ 33,102.38	\$ -	\$ -	\$ 33,102.38	\$ 32,806.29	\$ -	\$ 296.09	\$ -
Tax Collector		500.00			500.00	2.00		498.00	
Treasurer		1,000.00			1,000.00	213.00		787.00	
Plantation Expenses		40,000.00			40,000.00	38,694.81		1,305.19	
Clerk		500.00			500.00	520.46		(20.46)	
Building Maintenance	6,718.76	5,000.00			11,718.76	755.47			10,963.29
Administrator		30,000.00			30,000.00	2,825.81			27,174.19
	<u>\$ 6,718.76</u>	<u>\$ 110,102.38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,821.14</u>	<u>\$ 75,817.84</u>	<u>\$ -</u>	<u>\$ 2,865.82</u>	<u>\$ 38,137.48</u>
<b>PROTECTION:</b>									
Fire Truck	\$ 11,000.00	\$ -	\$ -	\$ -	\$ 11,000.00	\$ -	\$ -	\$ -	\$ 11,000.00
Fire Barn	57,500.00	3,000.00			60,500.00				60,500.00
Fire Department		48,590.00	100,189.55	\$ 2,038.50	150,818.05	128,340.07		22,477.98	
Animal Control	1,339.50		94.00		1,433.50	3.00			1,430.50
	<u>\$ 69,839.50</u>	<u>\$ 51,590.00</u>	<u>\$ 100,283.55</u>	<u>\$ 2,038.50</u>	<u>\$ 223,751.55</u>	<u>\$ 128,343.07</u>	<u>\$ -</u>	<u>\$ 22,477.98</u>	<u>\$ 72,930.50</u>
<b>PUBLIC WORKS:</b>									
Wharf Maintenance	\$ 11,576.21	\$ 5,000.00	\$ 6.62	\$ -	\$ 16,582.83	\$ 5,402.57	\$ -	\$ -	\$ 11,180.26
Wharf		8,000.00			8,000.00	2,675.00		5,325.00	
Boat Excise			198.50		198.50		886.50	(688.00)	
Miscellaneous			1,428.90		1,428.90		145.00	1,283.90	
Vehicle Permits			2,280.00		2,280.00		7,650.00	(5,370.00)	
Auto Excise			3,584.61		3,584.61		6,000.00	(2,415.39)	
Roads		41,000.00	3,321.00		44,321.00	32,838.83	2,196.00	9,286.17	
	<u>\$ 11,576.21</u>	<u>\$ 54,000.00</u>	<u>\$ 10,819.63</u>	<u>\$ -</u>	<u>\$ 76,395.84</u>	<u>\$ 40,916.40</u>	<u>\$ 16,877.50</u>	<u>\$ 7,421.68</u>	<u>\$ 11,180.26</u>
<b>HEALTH AND SANITATION:</b>									
Transfer Station Operations	\$ -	\$ 57,000.00	\$ 17,680.62	\$ -	\$ 74,680.62	\$ 50,223.29	\$ 27,000.00	\$ (2,542.67)	\$ -
Rodent Control		1,500.00			1,500.00			1,500.00	
	<u>\$ -</u>	<u>\$ 58,500.00</u>	<u>\$ 17,680.62</u>	<u>\$ -</u>	<u>\$ 76,180.62</u>	<u>\$ 50,223.29</u>	<u>\$ 27,000.00</u>	<u>\$ (1,042.67)</u>	<u>\$ -</u>
<b>CEMETERIES</b>									
	<u>\$ 10,438.91</u>	<u>\$ -</u>	<u>\$ 3,168.76</u>	<u>\$ -</u>	<u>\$ 13,607.67</u>	<u>\$ 675.00</u>	<u>\$ 1,230.95</u>	<u>\$ -</u>	<u>\$ 11,701.72</u>
<b>SPECIAL ASSESSMENTS:</b>									
County Tax	\$ -	\$ 111,854.96	\$ -	\$ -	\$ 111,854.96	\$ 112,712.96	\$ -	\$ (858.00)	\$ -
Overlay		2,837.74			2,837.74		190.41	2,647.33	
	<u>\$ -</u>	<u>\$ 114,692.70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,692.70</u>	<u>\$ 112,712.96</u>	<u>\$ 190.41</u>	<u>\$ 1,789.33</u>	<u>\$ -</u>
<b>EDUCATION:</b>									
School	\$ 149,423.54	\$ 174,646.00	\$ 37,724.01	\$ -	\$ 361,793.55	\$ 203,622.52	\$ -	\$ -	\$ 158,171.03
School Teacher's House	14,732.28		13,969.57		28,701.85	5,967.75			22,734.10
	<u>\$ 164,155.82</u>	<u>\$ 174,646.00</u>	<u>\$ 51,693.58</u>	<u>\$ -</u>	<u>\$ 390,495.40</u>	<u>\$ 209,590.27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,905.13</u>
<b>UNCLASSIFIED:</b>									
LUPC Assessment	\$ -	\$ 14,490.00	\$ -	\$ -	\$ 14,490.00	\$ 14,490.00	\$ -	\$ -	\$ -
State Revenue Sharing				1,196.59	1,196.59		1,196.59		
Homestead and BETE				2,677.25	2,677.25		2,329.25	348.00	
Donations		19,600.00			19,600.00	19,600.00			
Veterans				29.00	29.00			29.00	
Broadband Infrastructure	105,617.90		1,581.70	250,000.00	357,199.60	64,826.91			292,372.69
Sea Level Rise Grant	(8,246.12)		21,135.09		12,888.97	13,131.57		(242.60)	
	<u>\$ 97,371.78</u>	<u>\$ 34,090.00</u>	<u>\$ 22,716.79</u>	<u>\$ 253,902.84</u>	<u>\$ 408,081.41</u>	<u>\$ 112,048.48</u>	<u>\$ 3,525.84</u>	<u>\$ 134.40</u>	<u>\$ 292,372.69</u>
	<u>\$ 360,100.98</u>	<u>\$ 597,621.08</u>	<u>\$ 206,362.93</u>	<u>\$ 255,941.34</u>	<u>\$ 1,420,026.33</u>	<u>\$ 730,327.31</u>	<u>\$ 48,824.70</u>	<u>\$ 33,646.54</u>	<u>\$ 607,227.78</u>

MONHEGAN PLANTATION  
VALUATION, ASSESSMENT, AND COLLECTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020

VALUATION:		
Real Estate	\$ 85,825,038.00	
Personal Property	<u>124,000.00</u>	
		<u><u>\$ 85,949,038.00</u></u>
ASSESSMENT:		
Valuation x Rate (\$85,949,038.00 x .0055)		\$ 472,719.71
COLLECTIONS AND CREDITS:		
Cash Collections		435,787.76
2020 Taxes Receivable		<u><u>\$ 36,931.95</u></u>

COMPUTATION OF ASSESSMENT

Tax Commitment	\$ 472,719.71	
Surplus	76,252.08	
State Revenue Sharing	1,196.59	
Homestead Reimbursement	2,329.25	
Public Works	15,846.00	
Health and Sanitation	27,886.50	
Interest	<u>1,375.95</u>	
		\$ 597,606.08
REQUIREMENTS:		
Appropriations	\$ 482,928.38	
County Tax	<u>111,854.96</u>	
Total Requirements		<u>594,783.34</u>
Overlay		<u><u>\$ 2,822.74</u></u>

MONHEGAN PLANTATION  
RECONCILIATION OF TREASURER'S CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2020

## THE FIRST:

## General Fund Checking Account:

Balance Per Bank Statement and Deposits in Transit	\$ 265,640.03	
Add: Deposits in Transit	71,905.01	
Deduct: Outstanding Checks	<u>(56,372.86)</u>	
Balance Per Books		\$ 281,172.18

## School Teacher's House Savings Account:

Balance Per Bank Statement		22,734.10
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## Broadband Checking Account:

Balance Per Bank Statement	\$ 125,568.81	
Deduct: Outstanding Checks	<u>(7,320.00)</u>	
Balance Per Books		118,248.81

## USDA Checking Account:

Balance Per Bank Statement		209,036.38
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## Cash on Hand

		<u>17,977.38</u>
	<u>\$</u>	<u>649,168.85</u>

MONHEGAN PLANTATION  
TAXES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>2020</u>		
Carroll, Corlis	\$ 5.50	
Chappell, Thomas	4,284.53	
Cundy, Donna	2,562.05	
Mostel, Joshua	5,860.14	
Norman, Elizabeth	2,998.57	
Oberman, Emily	1,835.95	
Peterson, Alan	5,662.95	
Smith, Curtis	1,988.04	
Stanley, Sherman	2,001.02	
Sullivan, Anne M.	283.02	
Sullivan Trust	475.75	
Trailing Yew LLC	6,709.55	
Velek, Katherine	<u>2,264.88</u>	
		\$ 36,931.95
<u>2019</u>		
Bizio, Brandon	\$ 11.50	
Brackett, Lisa	1,529.50	
Cundy, Donna	2,721.64	
Pedersen, Alan	<u>5,920.36</u>	
		10,183.00
<u>2018</u>		
Piatelli, Lee		294.32
<u>2017</u>		
Finkin, Susan & Mark	\$ 1,000.00	
Pederson, Alan & Dixon, David	1,039.72	
Piatelli, Lee	<u>296.83</u>	
		2,336.55
<u>2016</u>		
Pederson, Alan & Dixon, David	\$ 3,855.99	
Piatelli, Lee	264.86	
Searls, Margot & Richard	<u>1,856.74</u>	
		5,977.59
<u>2015</u>		
Piatelli, Lee	\$ 280.85	
Searls, Margot & Richard	<u>1,968.78</u>	
		2,249.63
<u>2014</u>		
Piatelli, Lee	\$ 199.81	
Fenris, Inc.	<u>17.38</u>	
		217.19
<u>2013</u>		
Bowers, Doris	\$ 468.73	
Piatelli, Lee	<u>165.56</u>	
		634.29
<u>2012</u>		
Bowers, Doris	\$ 484.53	
Mallory, Peter & Todd	235.30	
Piatelli, Lee	<u>270.10</u>	
		989.93
<u>2011</u>		
Bowers, Doris		477.54
<u>2010</u>		
Bowers, Doris		512.46

MONHEGAN PLANTATION  
TAXES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>2009</u>		
Bowers, Doris	\$ 472.31	
Boynton LTD Family Partnership	233.23	
Fairpoint Communications	3,781.06	
Hansen, Janine	1,094.00	
Mostel, Joshua	478.72	
Murdock, Kim	1,428.50	
Searls, Margot	1,749.09	
	9,236.91	\$ 9,236.91
<u>2008</u>		
Mostel, Joshua		433.33
<u>2006</u>		
Boynton, Willard	\$ 632.58	
Piatelli, Lee	209.21	
Searls, John	107.40	
Wineapaw, Karen	7.70	
	956.89	956.89
<u>2005</u>		
Solveig, Thomas Haywood	\$ 278.46	
Donald/Robert/Charles Pearce	435.43	
	713.89	713.89
<u>2004</u>		
Bowers, Doris	\$ 233.10	
Kornbluth/Zanadakis	8.90	
Pearce, Donald	285.13	
Rollins, Christopher	9.93	
Witham, Christopher	9.93	
	546.99	546.99
<u>2003</u>		
Church, Luke	\$ 20.00	
Pearce, Donald	320.36	
	340.36	340.36
		\$ 73,032.82

MONHEGAN PLANTATION  
ABATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NONE

TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

## CASH:

The First:

Savings Account

\$ 7,248.63

First Advisors:

Jacqueline &amp; Julie Hudson Fund

3,697.64

Emily T. Farrelly Fund

19,127.29

\$ 30,073.56

## INVESTMENTS:

First Advisors:

Equities

\$ 95,227.57

Fixed Income

93,572.86188,800.43\$ 218,873.99

MONHEGAN PLANTATION SCHOOL DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	FUND BALANCE JULY 1, 2019	REVENUES	EXPENDITURES	FUND BALANCE JUNE 30, 2020
U.S. DEPARTMENT OF EDUCATION: Passed Through State Department of Education:						
Rural Education Achievement Program, Title VI, Part B	84.358A	013.05A.3005.03	\$ 31,566.02	\$ 8,700.77	\$ 7,515.81	\$ 32,750.98

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Monhegan Plantation School Department's Schedule of Expenditures of Federal Awards conforms to generally accepted accounting principles as applicable to governmental units. The modified accrual basis of accounting is followed. This method of accounting is defined as the basis of accounting under which expenditures are recorded as incurred, and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

NOTE 2 - INDIRECT COST RATE:

Monhegan Plantation School Department has elected not to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.