

Audited Financial Statements  
and Other Financial Information

**Town of Paris, Maine**

June 30, 2020



*Proven Expertise & Integrity*

TOWN OF PARIS, MAINE

CONTENTS

JUNE 30, 2020

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12 - 13
STATEMENT B - STATEMENT OF ACTIVITIES	14 - 15
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	16
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	17
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT G - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	20
STATEMENT H - STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS	21
NOTES TO FINANCIAL STATEMENTS	22 - 65
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	66
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	67

SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	68
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSIONS	69
SCHEDULE 4 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PLD	70
SCHEDULE 5 - SCHEDULE OF CONTRIBUTIONS - OPEB - PLD	71
SCHEDULE 6 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT	72
SCHEDULE 7 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MMEHT	73
SCHEDULE 8 - SCHEDULE OF CONTRIBUTIONS - OPEB - MMEHT	74
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	75
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	76
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL – GENERAL FUND REVENUES	77
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	78 - 79
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	80
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	81
SPECIAL REVENUE FUNDS DESCRIPTION	82
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	83 - 86
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	87 - 90
CAPITAL PROJECTS FUNDS DESCRIPTION	91
SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	92

SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	93
PERMANENT FUNDS DESCRIPTION	94
SCHEDULE I - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	95
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	96
GENERAL CAPITAL ASSETS DESCRIPTION	97
SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	98
SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	99

FEDERAL COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	100 - 101
--	-----------



*Proven Expertise & Integrity*

## INDEPENDENT AUDITORS' REPORT

Selectboard  
Town of Paris  
Paris, Maine

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

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 Paris, Maine as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 4 through 11 and 67 through 75 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 Paris, Maine's basic financial statements. The Budgetary Comparison Schedule - Budget to Actual - Budgetary Basis - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budget to Actual - Budgetary Basis - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budget to Actual - Budgetary Basis - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2021, on our consideration of the Town of Paris, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Paris, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
July 21, 2021

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Paris, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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



Both of the above mentioned financial statements have been presented for the following activity:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, protection, health and sanitation, highways, culture and recreation, education and unclassified.

### **Fund Financial Statements**

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

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

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

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

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

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town of Paris. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$131,736 from \$9,870,290 to \$10,002,026.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for governmental activities to a balance of \$1,921,927 at the end of the fiscal year.

**Table 1**  
**Town of Paris, Maine**  
**Net Position**  
**June 30,**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019 (Restated)</b>
<b>Assets</b>		
Current Assets	\$ 2,795,877	\$ 2,928,445
Noncurrent Assets - Capital Assets	8,379,304	8,191,312
Total Assets	11,175,181	11,119,757
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	126,876	70,073
Deferred Outflows Related to OPEB	31,574	6,286
Total Deferred Outflows of Resources	158,450	76,359
<b>Liabilities</b>		
Current Liabilities	225,557	170,780
Noncurrent Liabilities	993,365	1,057,890
Total Liabilities	1,218,922	1,228,670
<b>Deferred Inflows of Resources</b>		
Prepaid Taxes	24,626	12,792
Deferred Inflows Related to Pensions	61,599	101,916
Deferred Inflows Related to OPEB	26,458	20,843
Total Deferred Inflows of Resources	112,683	135,551
<b>Net Position</b>		
Net Investment in Capital Assets	7,597,696	7,256,179
Restricted	482,403	492,204
Unrestricted	1,921,927	2,121,907
Total Net Position	\$ 10,002,026	\$ 9,870,290

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 4.88%, while total expenses increased by 8.12%. The major increase in revenues was in taxes while the largest increases in expenses were in general government, highways and education.

**Table 2**  
**Town of Paris, Maine**  
**Changes in Net Position**  
**For the Years Ended June 30,**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 74,834	\$ 103,819
Operating grants and contributions	71,848	70,020
<i>General Revenues:</i>		
Taxes	6,720,731	6,367,431
Grants and contributions not restricted to specific programs	746,638	676,272
Investment income	24,646	24,171
Other income	84,690	122,140
Total Revenues	<u>7,723,387</u>	<u>7,363,853</u>
<b>Expenses</b>		
General government	667,926	538,935
Protection	1,316,169	1,312,590
Health and sanitation	280,255	284,718
Highways	1,201,101	1,003,111
Culture and recreation	215,506	221,935
Education	3,331,196	3,144,172
County tax	353,970	334,929
Unclassified	173,246	167,208
Interest on long-term debt	14,605	13,976
Capital outlay	37,677	-
Total expenses	<u>7,591,651</u>	<u>7,021,574</u>
Change in Net Position	131,736	342,279
Net Position - July 1, Restated	<u>9,870,290</u>	<u>9,528,011</u>
Net Position - June 30	<u>\$ 10,002,026</u>	<u>\$ 9,870,290</u>

### **Financial Analysis of the Town's Fund Statements**

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

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

	<u>2020</u>	<u>2019 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 26,079	\$ 45,811	\$ (19,732)
Assigned	725,584	372,783	352,801
Unassigned	913,646	1,483,983	(570,337)
Total Major Funds	<u>\$ 1,665,309</u>	<u>\$ 1,902,577</u>	<u>\$ (237,268)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 60,025	\$ 78,161	\$ (18,136)
Assigned	206,891	208,811	(1,920)
Unassigned	(26,874)	(27,337)	463
Capital Projects Funds:			
Assigned	90,831	95,254	(4,423)
Permanent Funds:			
Restricted	422,378	414,043	8,335
Total Nonmajor Funds	<u>\$ 753,251</u>	<u>\$ 768,932</u>	<u>\$ (15,681)</u>

The changes to total fund balances for the general fund and nonmajor funds occurred due to the regular activity of operations.

### Budgetary Highlights

The only difference between the original and final budget for the general fund was the use of assigned fund balances.

The general fund actual revenues were over budget by \$121,804. This was mostly a result of intergovernmental - state revenue sharing being receipted in excess of the budgeted amount.

The general fund actual expenditures were under budget by \$733,661. This was primarily due to all expenditure categories coming in at or under budgeted amounts with the exception of general government, protection, highways and debt service - principal.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2020, the net book value of capital assets recorded by the Town increased by \$187,992 from the prior year. This increase is the result of capital additions of \$788,538 less current year depreciation expense of \$600,546. For additional details refer to Note 4 of Notes to Financial Statements.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 889,030	\$ 760,877
Buildings, building improvements and land improvements	1,359,154	1,429,253
Machinery and equipment	142,013	254,318
Vehicles	412,743	412,743
Infrastructure	<u>5,576,364</u>	<u>5,334,121</u>
Total	<u>\$ 8,379,304</u>	<u>\$ 8,191,312</u>

### Debt

At June 30, 2020, the Town had \$781,608 in bonds outstanding versus \$935,133 last year. For additional details on the Town's outstanding debt, refer to Note 5 of Notes to Financial Statements.

### Currently Known Facts, Decisions or Conditions

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

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

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

The Town has maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately one month, while also maintaining reserve accounts for future operational, capital and program needs.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager at 33 Market Square, South Paris, Maine 04281.

TOWN OF PARIS, MAINE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,951,731
Investments	341,718
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	476,349
Tax acquired property	26,079
Total current assets	<u>2,795,877</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	889,030
Depreciable assets, net of accumulated depreciation	7,490,274
Total noncurrent assets	<u>8,379,304</u>
<b>TOTAL ASSETS</b>	<u>11,175,181</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	126,876
Deferred outflows related to OPEB	31,574
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>158,450</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 11,333,631</u></u>



STATEMENT A (CONTINUED)  
TOWN OF PARIS, MAINE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 33,826
Accrued expenses	27,812
Accrued interest	2,386
Current portion of long-term obligations	161,533
Total current liabilities	225,557
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	627,778
Accrued compensated absences	23,108
Net pension liability	224,589
Net OPEB liability	117,890
Total noncurrent liabilities	993,365
<b>TOTAL LIABILITIES</b>	<b>1,218,922</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	24,626
Deferred inflows related to pensions	61,599
Deferred inflows related to OPEB	26,458
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>112,683</b>
<b>NET POSITION</b>	
Net investment in capital assets	7,597,696
Restricted	482,403
Unrestricted	1,921,927
<b>TOTAL NET POSITION</b>	<b>10,002,026</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 11,333,631</b>

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

## STATEMENT B

## TOWN OF PARIS, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 667,926	\$ 46,204	\$ -	\$ -	\$ (621,722)
Protection	1,316,169	28,230	-	-	(1,287,939)
Health and sanitation	280,255	-	-	-	(280,255)
Highways	1,201,101	-	71,848	-	(1,129,253)
Culture and recreation	215,506	400	-	-	(215,106)
Education	3,331,196	-	-	-	(3,331,196)
County tax	353,970	-	-	-	(353,970)
Unclassified	173,246	-	-	-	(173,246)
Interest on long-term debt	14,605	-	-	-	(14,605)
Capital outlay	37,677	-	-	-	(37,677)
Total government	<u>\$ 7,591,651</u>	<u>\$ 74,834</u>	<u>\$ 71,848</u>	<u>\$ -</u>	<u>(7,444,969)</u>

STATEMENT B (CONTINUED)

TOWN OF PARIS, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(7,444,969)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	5,793,388
Excise taxes	927,343
Grants and contributions not restricted to specific programs	746,638
Investment income	24,646
Other income	84,690
Total general revenues	7,576,705
Change in net position	131,736
Net position - July 1, Restated	9,870,290
Net position - June 30	\$ 10,002,026

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

## TOWN OF PARIS, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,951,731	\$ -	\$ 1,951,731
Investments	-	341,718	341,718
Accounts receivable (net of allowance for uncollectibles):			
Taxes	376,221	-	376,221
Liens	100,128	-	100,128
Tax acquired property	26,079	-	26,079
Due from other funds	26,874	438,407	465,281
<b>TOTAL ASSETS</b>	<u>\$ 2,481,033</u>	<u>\$ 780,125</u>	<u>\$ 3,261,158</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 33,826	\$ -	\$ 33,826
Accrued expenses	27,812	-	27,812
Due to other funds	438,407	26,874	465,281
<b>TOTAL LIABILITIES</b>	<u>500,045</u>	<u>26,874</u>	<u>526,919</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	24,626	-	24,626
Deferred tax revenue	291,053	-	291,053
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>315,679</u>	<u>-</u>	<u>315,679</u>
<b>FUND BALANCES</b>			
Nonspendable	26,079	-	26,079
Restricted	-	482,403	482,403
Committed	-	-	-
Assigned	725,584	297,722	1,023,306
Unassigned	913,646	(26,874)	886,772
<b>TOTAL FUND BALANCES</b>	<u>1,665,309</u>	<u>753,251</u>	<u>2,418,560</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 2,481,033</u>	<u>\$ 780,125</u>	<u>\$ 3,261,158</u>

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

## TOWN OF PARIS, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Total Governmental Funds
Total Fund Balances	\$ 2,418,560
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	8,379,304
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	291,053
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	126,876
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	31,574
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(781,608)
Accrued compensated absences	(30,811)
Accrued interest	(2,386)
Net pension liability	(224,589)
Net OPEB liability	(117,890)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(61,599)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(26,458)
	\$ 10,002,026

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

## TOWN OF PARIS, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 5,778,673	\$ -	\$ 5,778,673
Excise taxes	927,343	-	927,343
Intergovernmental revenues:			
State revenue sharing	416,138	-	416,138
Homestead exemption	229,580	-	229,580
Local road assistance	71,848	-	71,848
BETE reimbursement	71,923	-	71,923
Grants/other	27,846	1,151	28,997
Charges for services	74,834	-	74,834
Investment income	21,256	3,390	24,646
Other revenue	34,000	50,690	84,690
<b>TOTAL REVENUES</b>	<b>7,653,441</b>	<b>55,231</b>	<b>7,708,672</b>
<b>EXPENDITURES</b>			
Current:			
General government	681,577	-	681,577
Protection	1,184,122	-	1,184,122
Health and sanitation	280,255	-	280,255
Highways	751,392	-	751,392
Culture and recreation	212,756	-	212,756
Education	3,331,196	-	3,331,196
County tax	353,970	-	353,970
Unclassified	102,334	70,912	173,246
Debt service:			
Principal	152,287	-	152,287
Interest	14,605	-	14,605
Capital outlay	826,215	-	826,215
<b>TOTAL EXPENDITURES</b>	<b>7,890,709</b>	<b>70,912</b>	<b>7,961,621</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(237,268)</b>	<b>(15,681)</b>	<b>(252,949)</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>1,902,577</b>	<b>768,932</b>	<b>2,671,509</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,665,309</b>	<b>\$ 753,251</b>	<b>\$ 2,418,560</b>

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

## TOWN OF PARIS, 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 (Statement E)	<u>\$ (252,949)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental assets report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset acquisitions	788,538
Depreciation expense	<u>(600,546)</u>
	<u>187,992</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>14,715</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	56,803
OPEB	<u>25,288</u>
	<u>82,091</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>153,525</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	40,317
OPEB	<u>(5,615)</u>
	<u>34,702</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	5,080
Net pension liability	(59,887)
Net OPEB liability	<u>(33,533)</u>
	<u>(88,340)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 131,736</u>

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

## TOWN OF PARIS, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2020

	<u>Private- Purpose Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,054
Investments	<u>138,418</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 146,472</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ -</u></u>
<b>NET POSITION</b>	
Held in trust for other purposes	<u><u>\$ 146,472</u></u>

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



## TOWN OF PARIS, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Investment income	\$ 578
TOTAL ADDITIONS	<u>578</u>
DEDUCTIONS	
Withdrawals	<u>1,483</u>
TOTAL DEDUCTIONS	<u>1,483</u>
Change in net position	(905)
NET POSITION - JULY 1	<u>147,377</u>
NET POSITION - JUNE 30	<u><u>\$ 146,472</u></u>

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Paris was incorporated under the laws of the State of Maine. The Town operates under a selectboard-manager form of government and provides the following services: general government, protection, health and sanitation, highways, culture and recreation, education and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

**COVID-19 Outbreak**

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

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Impact on and Results of Operations*

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were temporarily closed to the public and all nonessential services to its inhabitants were suspended from March 19, 2020 to May 4, 2020, when the Town Office opened part-time. As of June 1, 2020, the Town was back to normal operations.

*Impact on Finances*

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

*Expected Federal/State Support*

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

*Conclusion*

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

**Government-Wide and Fund Financial Statements**

The 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. All activities of the Town are categorized as governmental.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Funds

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

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. 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 Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$0 for the year ended June 30, 2020.

**Tax Acquired Property**

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



TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

After real property becomes tax acquired the Selectboard is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by or the provisions of the annual Town Meeting warrant article.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Capital Assets**

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

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

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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

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

**Pensions**

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

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the Town's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan and Maine Municipal Employees Health Trust (MMEHT) (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balances**

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

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

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

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

**Deferred Outflows and Inflows of Resources**

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

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied July 1, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due on in four installments on August 15, 2019, November 15, 2019, February 14, 2020 and May 15, 2020. Interest on unpaid taxes commenced on August 16, 2019, November 16, 2019, February 15, 2020 and May 16, 2020, at 7% per annum.

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

The 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 \$4,044 for the year ended June 30, 2020.

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

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

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

At June 30, 2020, the Town's cash and cash equivalents balance of \$1,959,785 was comprised of bank deposits and cash equivalents of \$2,004,945. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these bank deposits were fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
ICS savings accounts	\$ 1,996,891
Cash and cash equivalents	8,054
	<u>\$ 2,004,945</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$341,718 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Of the Town's investments of \$480,136, \$341,718 was fully covered by federal depository insurance and consequently was not exposed to custodial credit risk and \$138,418 was covered by the Securities Investor Protection Corporation (SIPC).

At June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	2-5 Years
Mutual funds: fixed income	\$ 67,646	\$ 67,646	\$ -	\$ -
Equity securities:				
Mutual funds and exchange-traded funds	70,772	70,772	-	-
	<u>\$ 138,418</u>	<u>\$ 138,418</u>	<u>\$ -</u>	<u>\$ -</u>

**Fair Value Hierarchy**

The Unit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Unit has the following recurring fair value measurements as June 30, 2020:

	June 30, 2020 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds - fixed income	\$ 67,646	\$ 67,646	\$ -	\$ -
Mutual funds and exchange traded funds	70,772	70,772	-	-
Total equity securities	<u>138,418</u>	<u>138,418</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	138,418	<u>\$ 138,418</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	8,054			
Total cash equivalents measured at the NAV	<u>8,054</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 146,472</u>			

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Unit has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2020 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$341,718 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 26,874	\$ 438,407
Nonmajor special revenue funds	186,180	26,874
Nonmajor capital projects funds	90,831	-
Nonmajor permanent funds	161,396	-
	<u>\$ 465,281</u>	<u>\$ 465,281</u>

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



TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Disposals	Balance 6/30/20
Governmental activities:				
Non-depreciated assets:				
Land	\$ 760,877	\$ -	\$ -	\$ 760,877
Construction in progress	-	128,153	-	128,153
	<u>760,877</u>	<u>128,153</u>	<u>-</u>	<u>889,030</u>
Depreciated assets:				
Buildings and improvements	2,876,987	15,988	-	2,892,975
Machinery and equipment	1,170,712	13,725	-	1,184,437
Vehicles	1,894,875	-	-	1,894,875
Infrastructure	10,255,953	630,672	-	10,886,625
	16,198,527	660,385	-	16,858,912
Less: accumulated depreciation	(8,768,092)	(600,546)	-	(9,368,638)
	<u>7,430,435</u>	<u>59,839</u>	<u>-</u>	<u>7,490,274</u>
Net capital assets	<u>\$ 8,191,312</u>	<u>\$ 187,992</u>	<u>\$ -</u>	<u>\$ 8,379,304</u>
Current year depreciation:				
General government				\$ 14,802
Fire department				108,672
Police department				23,375
Highway				450,947
Parks and recreation				2,750
Total depreciation expense				<u>\$ 600,546</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Current Portion
Bonds payable	\$ 935,133	\$ -	\$ (153,525)	\$ 781,608	\$ 153,830

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding bonds payable:

\$860,000, 2016 General Obligation Bond payable, fixed interest at a rate varying from 1.16% to 1.74% paid semi-annually, annual principal payments are \$122,857. Maturity in November of 2023.	\$ 491,429
\$351,210, 2017 General Obligation Bond payable, fixed interest at a rate of 1%, annual principal payments vary from \$30,363 to \$33,540. Maturing in April 2029.	<u>290,179</u>
	<u>\$ 781,608</u>

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 153,830	\$ 11,245	\$ 165,075
2022	154,141	9,159	163,300
2023	154,453	6,934	161,387
2024	154,771	4,558	159,329
2025	32,231	3,169	35,400
2026-2030	132,182	9,402	141,584
	<u>\$ 781,608</u>	<u>\$ 44,467</u>	<u>\$ 826,075</u>

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

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2020:

	Balance 7/1/19 (Restated)	Additions	Reductions	Balance 6/30/20	Current Portion
Accrued compensated absences	\$ 35,891	\$ -	\$ (5,080)	\$ 30,811	\$ 7,703
Net pension liability	164,702	59,887	-	224,589	-
Net OPEB liability	84,357	41,713	(8,180)	117,890	-
	<u>\$ 284,950</u>	<u>\$ 101,600</u>	<u>\$ (13,260)</u>	<u>\$ 373,290</u>	<u>\$ 7,703</u>

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 6 - OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Please see Notes 7, 14, 15 and 16 for detailed information on each of the other long-term obligations.

NOTE 7 - COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. As of June 30, 2020, the Town's liability for compensated absences is \$30,811.

NOTE 8 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2020, the Town had the following restricted net position and restricted fund balances:

Nonmajor special revenue funds:	
Police grants	\$ 764
Police forfeiture	408
CDBG grant	1,500
Branch rail trail South Paris	12,000
Salt shed reimbursement	45,353
Nonmajor permanent funds:	
Cemetery funds	11,806
Bonney library funds	657
Education funds	40,474
Charity funds	14,849
Paris welfare committee	1,178
Miriam O'Connell scholarship	220,613
George Morton trust	110,057
Hooper-Perkins trust	22,744
	<u>\$ 482,403</u>

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2020, the Town has the following nonspendable fund balance:

General fund:	
Tax acquired property	<u>\$ 26,079</u>

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 10 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town has the following assigned fund balances:

General fund:	
2012 roadway improvement plan	\$ 285,710
Recreation concessions	260
Flower pot project	5,380
Moore Park plants	66,166
American flags	85
Parks and recreation	767
Highway equipment	100,437
Donation recreation concert	4,154
Town office building improvement	(72)
Town equipment/software	1,765
Police department equipment	16,500
Highway building improvements	27,560
Land survey/Cornwall preserve	1,812
Fire department building improvements	18,514
Fire department vehicle improvements	47,146
Fire department equipment	40,854
Parking lots - fire department	8,080
Life insurance over 50K	91,854
PD Building improvements	1,827
Computer software	6,785
Subtotal general fund	<u>725,584</u>
Nonmajor special revenue funds (Schedule E)	206,891
Nonmajor capital projects funds (Schedule G)	90,831
	<u>\$ 1,023,306</u>

NOTE 11 - DEFICIT FUND BALANCES

At June 30, 2020, the Town had the following deficit fund balances:

Microloan/Community Development	\$ 21,864
Volunteer Fire Asst Grant	998
Efficiency Grant	4,012
	<u>\$ 26,874</u>

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 12 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of certain outside agency's debt. As of June 30, 2020, the County of Oxford did not have any debt. The Town's share of the school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
MSAD #17	\$ 16,134,295	14.80%	<u>\$ 2,387,316</u>

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures at June 30, 2020:

Administration (Article 16)	\$ 36,014
Unclassified (Article 25)	23,159
Police department (Article 18)	55,454
Fire Department (Article 26)	10,420
Debt service (Article 17)	71
Highway department (Article 26)	61,993
	<u>\$ 187,111</u>

NOTE 14 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local Town (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](http://www.maineopers.org) or by contacting the System at (800) 451-9800.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2019, there were 307 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.69%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's plan members are part of the PLD's plan "AC" and are required to contribute 8.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 10.0% of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2020 was \$59,173.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2020, the Town reported a liability of \$224,589 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 liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2019, the Town's proportion was 0.073477%, which was an increase of 0.013297% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized net pension revenue of \$37,233. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,592	\$ -
Changes of assumptions	11,374	-
Net difference between projected and actual earnings on pension plan investments	-	56,255
Changes in proportion and differences between contributions and proportionate share of contributions	29,737	5,344
Contributions subsequent to the measurement date	59,173	-
Total	<u>\$ 126,876</u>	<u>\$ 61,599</u>

\$59,173 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan
Plan year ended June 30:	
2020	\$ 14,449
2021	(14,396)
2022	6,086
2023	(36)
2024	-
Thereafter	-

**Actuarial Methods and Assumptions**

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

*Actuarial Cost Method*

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

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

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

*Asset Valuation Method*

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



TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*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 for the year ended June 30, 2019, compounded annually.

*Salary Increases, Merit and Inflation* - 2.75% to 9.00% per year

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

*Cost of Living Benefit Increases* - 1.91%; in 2017 the rate was 2.20%

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2019 are summarized in the following table.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

*Discount Rate*

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

The following table shows how the collective net pension liability(asset) as of June 30, 2019 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 511,600	\$ 224,589	\$ (43,882)

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2019 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2019 with the following exceptions.

*Differences between Expected and Actual Experience*

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

*Differences between Expected and Actual Investment Earnings*

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

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2019 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2019 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description**

Town employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS)), a cost-sharing multiple-employer defined benefit plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2019, there were 239 employers participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**Benefits Provided**

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

**Contributions**

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.46 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period. The Town's contribution to the Plan for the year ended June 30, 2020 was \$755.

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

At June 30, 2020, the Town reported a liability of \$13,025 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2019 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liabilities were based on a projection of the Town's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2019, the Town's proportion was 0.060872%, which was an increase of 0.02066% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized net OPEB expense of \$6,679. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

	<u>PLD Life Insurance</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 830	\$ -
Changes of assumptions	1,083	1,702
Net difference between projected and actual earnings on pension plan investments	-	582
Changes in proportion and differences between contributions and proportionate share of contributions	3,785	5,192
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 5,698</u>	<u>\$ 7,476</u>

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

	<u>PLD Life Insurance</u>	
Plan year ended June 30:		
2020	\$	(1,140)
2021		(1,140)
2022		(1,019)
2023		673
2024		848
Thereafter		-

**Actuarial Methods and Assumptions**

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

*Actuarial Cost Method*

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

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

*Asset Valuation Method*

Investments are reported at fair value.

*Amortization*

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2019, there were 11 years remaining for the Plan.

The actuarial assumptions used in the June 30, 2019 and June 30, 2018 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2019 are as follows:

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

*Inflation Rate* - 2.75%

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

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Disabled Annuitant Mortality Table, for males and females, is used. These tables are adjusted by percentages ranging from 104% to 120% based on actuarially determined demographic differences.

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

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

*Form of Benefit Payment* - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

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

*Discount Rate*

The discount rate used to measure the collective total OPEB liability was 4.98% for 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.



TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2019 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 4.98% for the PLD Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	3.98%	4.98%	5.98%
Town's proportionate share of the net OPEB liability	\$ 17,201	\$ 13,025	\$ 9,733

**Changes in Net OPEB Liability**

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2019 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, 2019 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, 2019.

*Differences between Projected and Actual Investment Earnings on OPEB Plan Investments*

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

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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

*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, 2019 and June 30, 2018 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period for the PLD Plan was six years for 2019. For the fiscal year ended June 30, 2019, there were no changes in assumptions with the exception of the use of a blended discount rate for the PLD Plan. Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans*, requires the use of a blended discount rate for determining the total OPEB liability when it is projected that plan assets are not sufficient to meet benefit obligations in the future. In years where assets are projected to be sufficient to pay benefits, the Plan's assumed rate of return is used; in years where assets are not projected to be sufficient to pay benefits, the use of a municipal bond rate is required. The result is a single blended discount rate.

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2019.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2019 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

**Plan Description**

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

**Benefits Provided**

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

**Employees Covered by Benefit Terms**

At January 1, 2020, the following employees were covered by the benefit terms:

Active members	19
Retirees and spouses	-
Total	<u>19</u>

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 10.0% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts**

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$1,064.91	\$2,388.71
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

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

At June 30, 2020, the Town reported a liability of \$104,865 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2020, the Town recognized OPEB expense of \$7,181. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,504
Changes of assumptions	24,642	5,478
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	1,234	-
<b>Total</b>	<b>\$ 25,876</b>	<b>\$ 18,982</b>

\$1,234 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2021	\$ (10)
2022	(10)
2023	(10)
2024	(14)
2025	1,172
Thereafter	4,532

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.74% per annum for June 30, 2020 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 121,904	\$ 104,865	\$ 90,995
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

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

	<u>1% Decrease</u>	<u>Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 90,585	\$ 104,865	\$ 122,826
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2020, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Amortization*

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

*Assumptions*

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

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

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 year end reporting.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2020\_b was used for this valuation. The following assumptions were input into this model:

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

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 to 2028, these are interpolated from 2023 to 2029 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, co-payments and out of pocket maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

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



TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

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

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

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

Administrative expenses - Included in the per capita claims cost.

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

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

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

Rate of Mortality - Based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retiree Continuation Percentage:

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

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

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

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2020 was \$13,504.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

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

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 33 Market Square, South Paris, Maine 04281.

NOTE 17 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION  
RETIREMENT CORPORATION

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Selectboard. For employees that choose to participate in the 457 plan alone, the Town will contribute an amount equal to the required employer contribution for the defined benefit plan up to 6% of an employee's annual salary. Employees may contribute additional amounts of their own choosing.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 17 - DEFERRED COMPENSATION PLAN (CONTINUED)

The Town's contributions to the plan for 2020, 2019 and 2018 were \$22,233, \$19,880 and \$23,677, respectively. The covered payroll for this plan for the year ended June 30, 2020 was \$313,017.

NOTE 18 - CONTINGENCIES

In the normal course of operations, the Town receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

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

NOTE 19 - RISK MANAGEMENT

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

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 20 - COMPARATIVE DATA

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations.

NOTE 21 - RESTATEMENTS

The net position of the governmental activities and fund financial statements have been restated at July 1, 2019 to account for errors and omissions in the 2019 financial statements. The beginning net position and the general fund's fund balance was restated by \$38,395 to correct the beginning fund balance for the general fund.

TOWN OF PARIS, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 21 - RESTATEMENTS (CONTINUED)

The general fund's beginning fund balance was increased from \$1,864,182 to \$1,902,577. The beginning net position was also restated by \$4,894 to correct the net OPEB liability amount for the MMEHT OPEB plan.

The resulting restatements increased net position by \$33,501 from \$9,836,789 to \$9,870,290.

## Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the Net OPEB Liability - PLD
- Schedule of Contributions - OPEB - PLD
- Schedule of Changes in Net OPEB Liability - MMEHT
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT
- Schedule of Contributions - OPEB - MMEHT
- Notes to Required Supplementary Information

## TOWN OF PARIS, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 1,902,577	\$ 1,902,577	\$ 1,902,577	\$ -
Resources (Inflows):				
Property taxes	5,776,345	5,776,345	5,778,673	2,328
Excise taxes	898,200	898,200	927,343	29,143
Intergovernmental:				
State revenue sharing	270,073	270,073	416,138	146,065
Homestead exemption	252,120	252,120	229,580	(22,540)
Local road assistance	71,488	71,488	71,848	360
BETE reimbursement	71,863	71,863	71,923	60
Other intergovernmental	45,228	45,228	27,846	(17,382)
Charges for services	92,620	92,620	74,834	(17,786)
Investment income	13,000	13,000	21,256	8,256
Other revenue	40,700	40,700	34,000	(6,700)
Amounts Available for Appropriation	9,434,214	9,434,214	9,556,018	121,804
Charges to Appropriations (Outflows):				
General government	599,787	599,787	681,577	(81,790)
Protection	1,117,768	1,117,768	1,184,122	(66,354)
Health and sanitation	285,423	285,423	280,255	5,168
Highways	689,399	689,399	751,392	(61,993)
Culture and recreation	217,862	217,862	212,756	5,106
Education	3,331,196	3,331,196	3,331,196	-
County tax	353,970	353,970	353,970	-
Debt service:				
Principal	142,171	142,171	152,287	(10,116)
Interest	24,650	24,650	14,605	10,045
Capital outlay	1,250,219	1,735,984	826,215	909,769
Unclassified	126,160	126,160	102,334	23,826
Total Charges to Appropriations	8,138,605	8,624,370	7,890,709	733,661
Budgetary Fund Balance, June 30	\$ 1,295,610	\$ 809,845	\$ 1,665,309	\$ 855,464
Utilization of assigned fund balance	\$ -	\$ 485,765	\$ -	\$ (485,765)
Utilization of unassigned fund balance	606,967	606,967	-	(606,967)
	\$ 606,967	\$ 1,092,732	\$ -	\$ (1,092,732)

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

TOWN OF PARIS, MAINE

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

	2020	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>							
Proportion of the net pension liability	0.07%	0.06%	0.06%	0.06%	0.11%	0.07%	0.02%
Proportionate share of the net pension liability	\$ 224,589	\$ 224,589	\$ 262,592	\$ 262,167	\$ 336,419	\$ 101,460	\$ 65,995
Covered payroll	\$ 450,733	\$ 350,924	\$ 344,897	\$ 487,318	\$ 526,716	N/A	N/A
Proportionate share of the net pension liability as a percentage of its covered payroll	49.83%	64.00%	76.14%	53.80%	63.87%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%	87.50%

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

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



TOWN OF PARIS, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION  
LAST 10 FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>							
Contractually required contribution	\$ 59,173	\$ 43,270	\$ 33,688	\$ 32,241	\$ 43,371	\$ 46,878	\$ 50,060
Contributions in relation to the contractually required contribution	<u>(59,173)</u>	<u>(43,270)</u>	<u>(33,688)</u>	<u>(32,241)</u>	<u>(43,371)</u>	<u>(46,878)</u>	<u>(50,060)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 593,372	\$ 450,733	\$ 350,924	\$ 344,897	\$ 487,318	\$ 526,716	N/A
Contributions as a percentage of covered payroll	9.97%	9.60%	9.60%	9.35%	8.90%	8.90%	0.00%

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

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

## TOWN OF PARIS, MAINE

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>				
Proportion of the net OPEB liability	0.06%	0.04%	0.05%	0.08%
Town's proportionate share of the net OPEB liability	<u>\$ 13,025</u>	<u>\$ 8,124</u>	<u>\$ 9,023</u>	<u>\$ 18,524</u>
Total	<u><u>\$ 13,025</u></u>	<u><u>\$ 8,124</u></u>	<u><u>\$ 9,023</u></u>	<u><u>\$ 18,524</u></u>
Covered payroll	\$ 450,733	\$ 350,924	\$ 344,897	\$ 487,318
Proportionate share of the net OPEB liability as a percentage of its covered payroll	2.89%	2.32%	2.62%	3.80%
Plan fiduciary net position as a percentage of the total OPEB liability	43.18%	43.92%	47.42%	0.00%

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

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

TOWN OF PARIS, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - PLD  
LAST 10 FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 593,372	\$ 450,733	\$ 350,924	\$ 344,897
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

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

## TOWN OF PARIS, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT  
LAST 10 FISCAL YEARS\*

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 76,233	\$ -	\$ 76,233
Changes for the year:			
Service cost	9,023	-	9,023
Interest	3,495	-	3,495
Changes of benefits	(2,014)	-	(2,014)
Differences between expected and actual experience	(6,166)	-	(6,166)
Changes of assumptions	24,294	-	24,294
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net changes	<u>28,632</u>	<u>-</u>	<u>28,632</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 104,865</u>	<u>\$ -</u>	<u>\$ 104,865</u>

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

## TOWN OF PARIS, MAINE

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>			
Service cost (BOY)	9,023	9,774	10,669
Interest (includes interest on service cost)	3,495	2,790	2,902
Changes of benefit terms	(2,014)	-	-
Differences between expected and actual experience	(6,166)	-	(14,190)
Changes of assumptions	24,294	(7,670)	5,926
Benefit payments, including refunds of member contributions	-	-	(126)
Net change in total OPEB liability	<u>\$ 28,632</u>	<u>\$ 4,894</u>	<u>\$ 5,181</u>
Total OPEB liability - beginning	\$ 76,233	\$ 71,339	\$ 66,158
Total OPEB liability - ending	\$ 104,865	\$ 76,233	\$ 71,339
<u>Plan fiduciary net position</u>			
Contributions - employer	-	-	126
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	-	-	(126)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 104,865</u>	<u>\$ 76,233</u>	<u>\$ 71,339</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 889,250	\$ 549,717	\$ 549,717
Net OPEB liability as a percentage of covered payroll	11.8%	13.9%	13.0%

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

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

TOWN OF PARIS, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - MMEHT  
LAST 10 FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ -	\$ -	\$ 126
Benefit payments	-	-	(126)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 889,250	\$ 549,717	\$ 549,717
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

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

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

TOWN OF PARIS, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020

**Changes of Assumptions**

MEPERS PLD Pension Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEPERS PLD OPEB Plan:

No change.

MMEHT OPEB Plan:

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

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

## Other Supplementary Information

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

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



## TOWN OF PARIS, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 5,776,345	\$ 5,776,345	\$ 5,778,673	\$ 2,328
Motor vehicle excise	895,000	895,000	923,352	28,352
Boat excise	3,200	3,200	3,991	791
Intergovernmental revenues:				
State revenue sharing	270,073	270,073	416,138	146,065
Homestead exemption	252,120	252,120	229,580	(22,540)
Local road assistance	71,488	71,488	71,848	360
BETE reimbursement	71,863	71,863	71,923	60
Tree growth	24,000	24,000	23,007	(993)
Veterans' reimbursement	4,500	4,500	4,489	(11)
Other state/federal funds	16,728	16,728	350	(16,378)
Charges for services:				
Town clerk fees	27,275	27,275	26,375	(900)
Planning board fees	250	250	520	270
Code enforcement	12,500	12,500	19,309	6,809
Recreation	3,000	3,000	400	(2,600)
Protection	49,595	49,595	28,230	(21,365)
Investment income:				
Regular investment income	13,000	13,000	21,256	8,256
Other revenues:				
Interest on taxes/lien costs	35,000	35,000	33,052	(1,948)
Miscellaneous	5,700	5,700	948	(4,752)
Amounts Available for Appropriation	<u>\$ 7,531,637</u>	<u>\$ 7,531,637</u>	<u>\$ 7,653,441</u>	<u>\$ 121,804</u>

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

TOWN OF PARIS, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Administration	\$ 470,797	\$ -	\$ 470,797	\$ 506,811	\$ (36,014)
General government	122,650	-	122,650	169,155	(46,505)
Boards and committees	6,340	-	6,340	5,611	729
Total	<u>599,787</u>	<u>-</u>	<u>599,787</u>	<u>681,577</u>	<u>(81,790)</u>
<b>PROTECTION</b>					
Hydrants	183,463	-	183,463	183,463	-
Fire department	214,277	-	214,277	224,697	(10,420)
Police department	659,042	-	659,042	714,496	(55,454)
Animal control	10,386	-	10,386	11,676	(1,290)
Street lights	50,600	-	50,600	49,790	810
Total	<u>1,117,768</u>	<u>-</u>	<u>1,117,768</u>	<u>1,184,122</u>	<u>(66,354)</u>
<b>HEALTH AND SANITATION</b>					
General assistance	16,498	-	16,498	11,330	5,168
Sanitation	262,000	-	262,000	262,000	-
Testing wells	6,925	-	6,925	6,925	-
Total	<u>285,423</u>	<u>-</u>	<u>285,423</u>	<u>280,255</u>	<u>5,168</u>
<b>HIGHWAYS</b>					
Highway department	689,399	-	689,399	751,392	(61,993)
Total	<u>689,399</u>	<u>-</u>	<u>689,399</u>	<u>751,392</u>	<u>(61,993)</u>
<b>CULTURE AND RECREATION</b>					
Parks and recreation	34,362	-	34,362	29,256	5,106
Libraries	183,500	-	183,500	183,500	-
Total	<u>217,862</u>	<u>-</u>	<u>217,862</u>	<u>212,756</u>	<u>5,106</u>

TOWN OF PARIS, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Expenditures	Variance Positive (Negative)
<b>SPECIAL ASSESSMENTS</b>					
MSAD 17	3,331,196	-	3,331,196	3,331,196	-
County taxes	353,970	-	353,970	353,970	-
Total	<u>3,685,166</u>	<u>-</u>	<u>3,685,166</u>	<u>3,685,166</u>	<u>-</u>
<b>DEBT SERVICE</b>					
Principal	142,171	-	142,171	152,287	(10,116)
Interest	24,650	-	24,650	14,605	10,045
Total	<u>166,821</u>	<u>-</u>	<u>166,821</u>	<u>166,892</u>	<u>(71)</u>
<b>CAPITAL OUTLAY</b>	<u>1,250,219</u>	<u>485,765</u>	<u>1,735,984</u>	<u>826,215</u>	<u>909,769</u>
<b>UNCLASSIFIED</b>					
Cemeteries	2,800	-	2,800	-	2,800
Workers compensation	65,000	-	65,000	56,013	8,987
Unemployment	2,500	-	2,500	1,372	1,128
Insurance	55,860	-	55,860	44,949	10,911
Total	<u>126,160</u>	<u>-</u>	<u>126,160</u>	<u>102,334</u>	<u>23,826</u>
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<u>\$ 8,138,605</u>	<u>\$ 485,765</u>	<u>\$ 8,624,370</u>	<u>\$ 7,890,709</u>	<u>\$ 733,661</u>

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

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Investments	\$ 80,736	\$ -	\$ 260,982	\$ 341,718
Due from other funds	186,180	90,831	161,396	438,407
<b>TOTAL ASSETS</b>	<b>\$ 266,916</b>	<b>\$ 90,831</b>	<b>\$ 422,378</b>	<b>\$ 780,125</b>
<b>LIABILITIES</b>				
Due to other funds	\$ 26,874	\$ -	\$ -	\$ 26,874
<b>TOTAL LIABILITIES</b>	<b>26,874</b>	<b>-</b>	<b>-</b>	<b>26,874</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	60,025	-	422,378	482,403
Committed	-	-	-	-
Assigned	206,891	90,831	-	297,722
Unassigned	(26,874)	-	-	(26,874)
<b>TOTAL FUND BALANCES</b>	<b>240,042</b>	<b>90,831</b>	<b>422,378</b>	<b>753,251</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 266,916</b>	<b>\$ 90,831</b>	<b>\$ 422,378</b>	<b>\$ 780,125</b>

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

## TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,151	\$ -	\$ -	\$ 1,151
Investment income, net of unrealized gains/(losses)	1,234	-	2,156	3,390
Other income	27,468	-	23,222	50,690
TOTAL REVENUES	<u>29,853</u>	<u>-</u>	<u>25,378</u>	<u>55,231</u>
EXPENDITURES				
Other	49,446	4,423	17,043	70,912
TOTAL EXPENDITURES	<u>49,446</u>	<u>4,423</u>	<u>17,043</u>	<u>70,912</u>
NET CHANGE IN FUND BALANCES	(19,593)	(4,423)	8,335	(15,681)
FUND BALANCES, JULY 1	<u>259,635</u>	<u>95,254</u>	<u>414,043</u>	<u>768,932</u>
FUND BALANCES, JUNE 30	<u>\$ 240,042</u>	<u>\$ 90,831</u>	<u>\$ 422,378</u>	<u>\$ 753,251</u>

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

## Special Revenue Funds

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

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2020

	Micro Loan/ Community Development	Subdivision Assessment	Volunteer Fire Asst. Grant	Recreation	Parks	Fit Test Machine
<b>ASSETS</b>						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	33,765	-	10,111	6,635	253
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 33,765</b>	<b>\$ -</b>	<b>\$ 10,111</b>	<b>\$ 6,635</b>	<b>\$ 253</b>
<b>LIABILITIES</b>						
Due to other funds	\$ 21,864	\$ -	\$ 998	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>21,864</b>	<b>-</b>	<b>998</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	33,765	-	10,111	6,635	253
Unassigned	(21,864)	-	(998)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(21,864)</b>	<b>33,765</b>	<b>(998)</b>	<b>10,111</b>	<b>6,635</b>	<b>253</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 33,765</b>	<b>\$ -</b>	<b>\$ 10,111</b>	<b>\$ 6,635</b>	<b>\$ 253</b>

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020

	Animal Control Late Fees	Police Grants	Police Forfeiture	2008 Fuel Assistance	CDBG Grant	Efficiency Grant
<b>ASSETS</b>						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	7,357	764	408	436	1,500	-
<b>TOTAL ASSETS</b>	<u>\$ 7,357</u>	<u>\$ 764</u>	<u>\$ 408</u>	<u>\$ 436</u>	<u>\$ 1,500</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,012
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,012</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	764	408	-	1,500	-
Committed	-	-	-	-	-	-
Assigned	7,357	-	-	436	-	-
Unassigned	-	-	-	-	-	(4,012)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>7,357</u>	<u>764</u>	<u>408</u>	<u>436</u>	<u>1,500</u>	<u>(4,012)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
	<u>\$ 7,357</u>	<u>\$ 764</u>	<u>\$ 408</u>	<u>\$ 436</u>	<u>\$ 1,500</u>	<u>\$ -</u>



TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020

	Wellness Grant	Fairview Cemetery	FD FF1 and FF2 Class	Radio Grant	Veterans Monument
<b>ASSETS</b>					
Investments	\$ -	\$ 80,736	\$ -	\$ -	\$ -
Due from other funds	-	33,795	42	20	3,789
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 114,531</u>	<u>\$ 42</u>	<u>\$ 20</u>	<u>\$ 3,789</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	114,531	42	20	3,789
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>114,531</u>	<u>42</u>	<u>20</u>	<u>3,789</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
	<u>\$ -</u>	<u>\$ 114,531</u>	<u>\$ 42</u>	<u>\$ 20</u>	<u>\$ 3,789</u>

SCHEDULE E (CONTINUED)

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020

	Soule Trust	Bicentennial	Town Office	Branch Rail Trail South Paris	Highway Special Clothing Allowance	DARE	Salt Shed Reimbursement	Total
<b>ASSETS</b>								
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,736
Due from other funds	25,085	601	2,035	12,000	627	1,604	45,353	186,180
<b>TOTAL ASSETS</b>	<u>\$ 25,085</u>	<u>\$ 601</u>	<u>\$ 2,035</u>	<u>\$ 12,000</u>	<u>\$ 627</u>	<u>\$ 1,604</u>	<u>\$ 45,353</u>	<u>\$ 266,916</u>
<b>LIABILITIES</b>								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,874
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,874</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	12,000	-	-	45,353	60,025
Committed	-	-	-	-	-	-	-	-
Assigned	25,085	601	2,035	-	627	1,604	-	206,891
Unassigned	-	-	-	-	-	-	-	(26,874)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>25,085</u>	<u>601</u>	<u>2,035</u>	<u>12,000</u>	<u>627</u>	<u>1,604</u>	<u>45,353</u>	<u>240,042</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 25,085</u>	<u>\$ 601</u>	<u>\$ 2,035</u>	<u>\$ 12,000</u>	<u>\$ 627</u>	<u>\$ 1,604</u>	<u>\$ 45,353</u>	<u>\$ 266,916</u>

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

TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Micro Loan/ Community Development	Subdivision Assessment	Volunteer Fire Asst. Grant	Recreation	Parks	Fit Test Machine
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-
Other income	-	-	-	1,100	250	-
TOTAL REVENUES	-	-	-	1,100	250	-
EXPENDITURES						
Other	-	-	-	2,212	3,581	-
TOTAL EXPENDITURES	-	-	-	2,212	3,581	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	(1,112)	(3,331)	-
FUND BALANCES (DEFICITS) - JULY 1	(21,864)	33,765	(998)	11,223	9,966	253
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (21,864)</u>	<u>\$ 33,765</u>	<u>\$ (998)</u>	<u>\$ 10,111</u>	<u>\$ 6,635</u>	<u>\$ 253</u>

TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Animal Control Late Fees	Police Grants	Police Forfeiture	2008 Fuel Assistance	CDBG Grant	Efficiency Grant
REVENUES						
Intergovernmental	\$ -	\$ 1,151	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-
Other income	1,161	-	-	-	-	-
TOTAL REVENUES	<u>1,161</u>	<u>1,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Other	242	-	-	-	-	-
TOTAL EXPENDITURES	<u>242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	919	1,151	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	<u>6,438</u>	<u>(387)</u>	<u>408</u>	<u>436</u>	<u>1,500</u>	<u>(4,012)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 7,357</u>	<u>\$ 764</u>	<u>\$ 408</u>	<u>\$ 436</u>	<u>\$ 1,500</u>	<u>\$ (4,012)</u>

TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Wellness Grant	Fairview Cemetery	FD FF1 and FF2 Class	Radio Grant	Veterans Monument
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	1,115	-	-	16
Other income	76	-	-	20,000	-
TOTAL REVENUES	<u>76</u>	<u>1,115</u>	<u>-</u>	<u>20,000</u>	<u>16</u>
EXPENDITURES					
Other	-	2,200	-	19,980	256
TOTAL EXPENDITURES	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>19,980</u>	<u>256</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	76	(1,085)	-	20	(240)
FUND BALANCES (DEFICITS) - JULY 1	<u>(76)</u>	<u>115,616</u>	<u>42</u>	<u>-</u>	<u>4,029</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 114,531</u>	<u>\$ 42</u>	<u>\$ 20</u>	<u>\$ 3,789</u>

SCHEDULE F (CONTINUED)

TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Soule Trust	Bicentennial	Town Office	Branch Rail Trail South Paris	Highway Special Clothing Allowance	DARE	Salt Shed Reimbursement	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,151
Interest income	100	3	-	-	-	-	-	1,234
Other income	-	50	3,000	-	-	1,831	-	27,468
TOTAL REVENUES	<u>100</u>	<u>53</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>1,831</u>	<u>-</u>	<u>29,853</u>
EXPENDITURES								
Other	160	223	1,465	-	-	227	18,900	49,446
TOTAL EXPENDITURES	<u>160</u>	<u>223</u>	<u>1,465</u>	<u>-</u>	<u>-</u>	<u>227</u>	<u>18,900</u>	<u>49,446</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(60)	(170)	1,535	-	-	1,604	(18,900)	(19,593)
FUND BALANCES (DEFICITS) - JULY 1	<u>25,145</u>	<u>771</u>	<u>500</u>	<u>12,000</u>	<u>627</u>	<u>-</u>	<u>64,253</u>	<u>259,635</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 25,085</u>	<u>\$ 601</u>	<u>\$ 2,035</u>	<u>\$ 12,000</u>	<u>\$ 627</u>	<u>\$ 1,604</u>	<u>\$ 45,353</u>	<u>\$ 240,042</u>

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

## Capital Projects Funds

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

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2020

	Highway Equipment and Vehicle Reserve	Town Office Building Reserve	Fire Dept. Equipment Reserve	Recreation Department Equipment Reserve	Protection Equipment	Capital Reserve	Total
<b>ASSETS</b>							
Due from other funds	\$ 22,266	\$ 18,105	\$ 8,509	\$ 24,657	\$ 796	\$ 16,498	\$ 90,831
<b>TOTAL ASSETS</b>	<u>\$ 22,266</u>	<u>\$ 18,105</u>	<u>\$ 8,509</u>	<u>\$ 24,657</u>	<u>\$ 796</u>	<u>\$ 16,498</u>	<u>\$ 90,831</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	22,266	18,105	8,509	24,657	796	16,498	90,831
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>22,266</u>	<u>18,105</u>	<u>8,509</u>	<u>24,657</u>	<u>796</u>	<u>16,498</u>	<u>90,831</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 22,266</u>	<u>\$ 18,105</u>	<u>\$ 8,509</u>	<u>\$ 24,657</u>	<u>\$ 796</u>	<u>\$ 16,498</u>	<u>\$ 90,831</u>

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



TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Highway Equipment and Vehicle Reserve	Town Office Building Reserve	Fire Dept. Equipment Reserve	Recreation Department Equipment Reserve	Protection Equipment	Capital Reserve	Total
REVENUES							
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Other	-	-	-	-	-	4,423	4,423
TOTAL EXPENDITURES	-	-	-	-	-	4,423	4,423
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(4,423)	(4,423)
FUND BALANCES, JULY 1	22,266	18,105	8,509	24,657	796	20,921	95,254
FUND BALANCES, JUNE 30	<u>\$ 22,266</u>	<u>\$ 18,105</u>	<u>\$ 8,509</u>	<u>\$ 24,657</u>	<u>\$ 796</u>	<u>\$ 16,498</u>	<u>\$ 90,831</u>

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

## Permanent Funds

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

SCHEDULE I

TOWN OF PARIS, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2020

	Cemetery Funds	Bonney Library Funds	Education Funds	Charity Funds	Paris Welfare Committee	Miriam O'Connell Scholarship	George Morton Trust	Hooper- Perkins Trust	Total
<b>ASSETS</b>									
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,380	\$ 109,602	\$ -	\$ 260,982
Due from other funds	11,806	657	40,474	14,849	1,178	69,233	455	22,744	161,396
<b>TOTAL ASSETS</b>	<u>\$ 11,806</u>	<u>\$ 657</u>	<u>\$ 40,474</u>	<u>\$ 14,849</u>	<u>\$ 1,178</u>	<u>\$ 220,613</u>	<u>\$ 110,057</u>	<u>\$ 22,744</u>	<u>\$ 422,378</u>
<b>LIABILITIES</b>									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	11,806	657	40,474	14,849	1,178	220,613	110,057	22,744	422,378
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>11,806</u>	<u>657</u>	<u>40,474</u>	<u>14,849</u>	<u>1,178</u>	<u>220,613</u>	<u>110,057</u>	<u>22,744</u>	<u>422,378</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 11,806</u>	<u>\$ 657</u>	<u>\$ 40,474</u>	<u>\$ 14,849</u>	<u>\$ 1,178</u>	<u>\$ 220,613</u>	<u>\$ 110,057</u>	<u>\$ 22,744</u>	<u>\$ 422,378</u>

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

## TOWN OF PARIS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Cemetery Funds	Bonney Library Funds	Education Funds	Charity Funds	Paris Welfare Committee	Miriam O'Connell Scholarship	George Morton Trust	Hooper- Perkins Trust	Total
<b>REVENUES</b>									
Investment income, net of unrealized gains/(losses)	\$ 80	\$ 20	\$ 155	\$ 61	\$ 5	\$ 1,380	\$ 455	\$ -	\$ 2,156
Other income	-	-	-	-	-	23,222	-	-	23,222
<b>TOTAL REVENUES</b>	<b>80</b>	<b>20</b>	<b>155</b>	<b>61</b>	<b>5</b>	<b>24,602</b>	<b>455</b>	<b>-</b>	<b>25,378</b>
<b>EXPENSES</b>									
Cemetery expenses	11,618	-	-	-	-	-	-	-	11,618
Scholarship/other	-	-	-	-	-	5,425	-	-	5,425
<b>TOTAL EXPENSES</b>	<b>11,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,425</b>	<b>-</b>	<b>-</b>	<b>17,043</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(11,538)</b>	<b>20</b>	<b>155</b>	<b>61</b>	<b>5</b>	<b>19,177</b>	<b>455</b>	<b>-</b>	<b>8,335</b>
<b>FUND BALANCES, JULY 1</b>	<b>23,344</b>	<b>637</b>	<b>40,319</b>	<b>14,788</b>	<b>1,173</b>	<b>201,436</b>	<b>109,602</b>	<b>22,744</b>	<b>414,043</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 11,806</b>	<b>\$ 657</b>	<b>\$ 40,474</b>	<b>\$ 14,849</b>	<b>\$ 1,178</b>	<b>\$ 220,613</b>	<b>\$ 110,057</b>	<b>\$ 22,744</b>	<b>\$ 422,378</b>

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

## General Capital Assets

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

## TOWN OF PARIS, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 167,399	\$ 296,434	\$ 17,500	\$ 48,900	\$ 530,233
Fire department	110,000	2,035,496	1,784,112	-	3,929,608
Police department	50,000	131,250	271,347	11,746	464,343
Highway	336,631	374,795	1,006,353	10,825,979	12,543,758
Parks and recreation	225,000	55,000	-	-	280,000
Total General Capital Assets	889,030	2,892,975	3,079,312	10,886,625	17,747,942
Less: Accumulated Depreciation	-	(1,533,821)	(2,524,556)	(5,310,261)	(9,368,638)
Net General Capital Assets	<u>\$ 889,030</u>	<u>\$ 1,359,154</u>	<u>\$ 554,756</u>	<u>\$ 5,576,364</u>	<u>\$ 8,379,304</u>

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

TOWN OF PARIS, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2020

	General Capital Assets 7/1/19	Additions	Deletions	General Capital Assets 6/30/20
General government	\$ 490,713	\$ 39,520	\$ -	\$ 530,233
Fire department	3,915,883	13,725	-	3,929,608
Police department	464,343	-	-	464,343
Highway	11,808,465	735,293	-	12,543,758
Parks and recreation	280,000	-	-	280,000
Total General Capital Assets	16,959,404	788,538	-	17,747,942
Less: Accumulated Depreciation	<u>(8,768,092)</u>	<u>(600,546)</u>	-	<u>(9,368,638)</u>
Net General Capital Assets	<u>\$ 8,191,312</u>	<u>\$ 187,992</u>	<u>\$ -</u>	<u>\$ 8,379,304</u>

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



*Proven Expertise & Integrity*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard  
Town of Paris  
Paris, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Paris, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Paris, Maine's basic financial statements and have issued our report thereon dated July 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Paris, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Paris, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Paris, Maine's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708      (207) 929-4606      Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Paris, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Paris, Maine in a separate letter dated July 14, 2021.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
July 21, 2021