

City of Presque Isle, Maine

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
December 31, 2019*

City of Presque Isle, Maine

Comprehensive Annual Financial Report

For the Fiscal Year Ended
December 31, 2019

Prepared by:
City of Presque Isle
Finance Department

CITY OF PRESQUE ISLE, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	i - v
Principal Officials	vi
Organization Chart	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 17
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position	18 - 19
Statement of Activities	20 - 21
Fund Financial Statements	
Balance Sheet - Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Notes to Financial Statements	26 - 72
<u>Required Supplementary Information</u>	
Required Supplementary Information Description	73

Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund	74
Schedule of Changes in Net Pension Liability and Related Ratios	75
Schedule of Contributions - Pensions	76
Schedule of Investment Returns	77
Schedule of Proportionate Share of the Net OPEB Liability - Group Life	78
Schedule of Changes in Net OPEB Liability - Health Plan	79
Schedule of Changes in Net OPEB Liability and Related Ratios - Health Plan	80
Schedule of Contributions - OPEB - Group Life and Health	81
Notes to Required Supplementary Information	82
<u>Other Supplementary Information</u>	
Other Supplementary Information Description	83
Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues	84
Schedule of Departmental Operations - General Fund	85 - 88
Combining Balance Sheet - Nonmajor Governmental Funds	89
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds	90
Special Revenue Funds Description	91
Combining Balance Sheet - Nonmajor Special Revenue Funds	92 - 96
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Special Revenue Funds	97 - 101
Capital Project Funds Description	102
Combining Balance Sheet - Nonmajor Capital Project Funds	103 - 106
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Capital Project Funds	107 - 110
Permanent Funds Description	111

Combining Balance Sheet - Nonmajor Permanent Funds	112
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Permanent Funds	113
General Capital Assets Description	114
Schedule of General Capital Assets by Function	115
Schedule of Changes in General Capital Assets by Function	116

STATISTICAL SECTION

Statistical Information Description	117
Table 1 - Net Position by Component - Last Ten Fiscal Years	118
Table 2 - Changes in Net Position - Last Ten Fiscal Years	119
Table 3 - Program Revenues by Function/Program - Last Ten Years	120
Table 4 - Fund Balances of Governmental Funds - Last Ten Fiscal Years	121
Table 5 - Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	122
Table 6 - Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	123
Table 7 - Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	124
Table 8 - Principal Property Taxpayers	125
Table 9 - Total Property Tax Levies and Collections - Last Ten Fiscal Years	126
Table 10 - Ratios of Net General Debt Outstanding	127
Table 11 - Direct and Overlapping Governmental Activities Debt - Current Fiscal Year	128
Table 12 - Legal Debt Margin Information	129
Table 13 - Principal Employers - Current Fiscal Year and Nine Years Ago	130
Table 14 - Demographic and Economic Statistics	131
Table 15 - Full-time Employees by Function/Program - Last Ten Fiscal Years	132

Table 16 - Operating Indicators by Function/Program - Last Ten Fiscal Years	133 - 134
Table 17 - Capital Assets and Infrastructure by Function - Last Ten Fiscal Years	138

INTRODUCTORY SECTION

City of Presque Isle

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

June 3, 2020

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

Maine state statutes and the Presque Isle City Charter require that the City issue annually a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2019. These financial statements are presented in conformance with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted governmental auditing standards (GAGAS).

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

The firm of RHR Smith & Company, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Presque Isle, Maine’s financial statements for the year ended December 31, 2019. The independent auditor’s report is located at the front of the financial section of this report.

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

Governmental Profile

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

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

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

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

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

The budget includes information, by department, on the current and preceding fiscal years and requested appropriations for the next fiscal year. The City Manager may transfer resources within a department, promptly notifying the Council in writing of the reallocation. Transfers between departments require special approval from the Council. Expenditures may not legally exceed appropriations at the departmental level without Council approval. Budgetary Comparison by Department - Legal Level of Budgetary Control is provided on page 85 of this report.

Factors Affecting Financial Condition

Local Economy

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

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

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

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

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

The major industries affecting the local economy, agriculture and service, continue to be key components of the region's economic base. The two major agricultural industries, potato and woods, continue to struggle. Planted potato acreage, though lower than historical, remains stable. A third, broccoli, is doing well in the County. The City has a balanced and fairly diverse tax base with a 55 to 45 split between residential and commercial property values. The largest single tax payer in 2019 comprised 4.93% of the total tax base with the top ten taxpayers combined representing 16.10% of the total tax base.

Long-term financial planning

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

Included in the 2020 Capital Improvement Plan are:

- Reconstruction of the General Aviation ramp (phase 2), 95% financed by the Federal Aviation Administration, 2.5% by the Maine Department of Transportation and 2.5% from local funds;
- Paving and crack sealing for the airport; 95% financed by the Federal Aviation Administration, 2.5% by the Maine Department of Transportation and 2.5% from local funds;
- Analysis of City Hall and potential upgrades to building;
- Improvements to the Echo Lake sewer system;
- Completion of renovations of commercial buildings on the Industrial Park;
- Repairs and maintenance on the Public Safety Building, including lighting upgrades and tile repairs;
- Expansion of the bike path and upgrades to Mantle Lake Park;
- Updating the Downtown Area Master Plan along with the Municipal Comprehensive Plan Update
- Infrastructure improvements including updating public facilities (electrical, sidewalks, etc)

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

Relevant financial policies

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

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

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

Major initiatives include

Airport In 2020 the airport will continue updating the Airport Master Plan that will determine the needs of the airport over the next twenty years utilizing forecasts and Federal Aviation Administration regulations. Areas to be investigated include upgrading or replacement of the passenger terminal and the north hangar complex and the future development of airport property to maximize revenue generation. 95% of this project will be financed by the Federal Aviation Administration and 5% from local funds.

Recreation and Parks initiatives for 2020 include cleaning up Chapman Street near the Rec Center and Parks. To improve on the existing bike path and implement a better parking area for the different playgrounds and ball fields. The bike path expansion will begin in 2020.

Downtown Revitalization The *Downtown Revitalization Committee* is recognized as the formal committee and voice of downtown. Through their efforts a *Downtown Master Plan* was created in 2008 which included a number of design goals, strategies and proposed investments in the downtown business district.

Current projects include:

- In conjunction with Maine Department of Transportation, complete the Bike Path around the City;
- Improvements to the sidewalks in the downtown area;
- Sponsoring a series of summer concerts at the Downtown Pavilion to encourage traffic in the downtown area;
- Supporting Bike Maine activities that will attract over 450 riders to the area;
- Support tourism.

Industrial Council the Council's focus is to establish, assist, and implement area economic development using the Industrial Park's substantial developable land acreage, existing infrastructure, and building. Our objective is to best utilize these assets for long term economic growth. 2020 initiatives include:

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

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

Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Presque Isle, Maine for its Comprehensive Annual Financial Report for the year ended December 31, 2018. This was the 20th consecutive year that the

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Turner', written in a cursive style.

Bradley Turner,
Finance Director

**CITY OF PRESQUE ISLE
LIST OF PRINCIPAL OFFICIALS
AT DECEMBER 31, 2019**

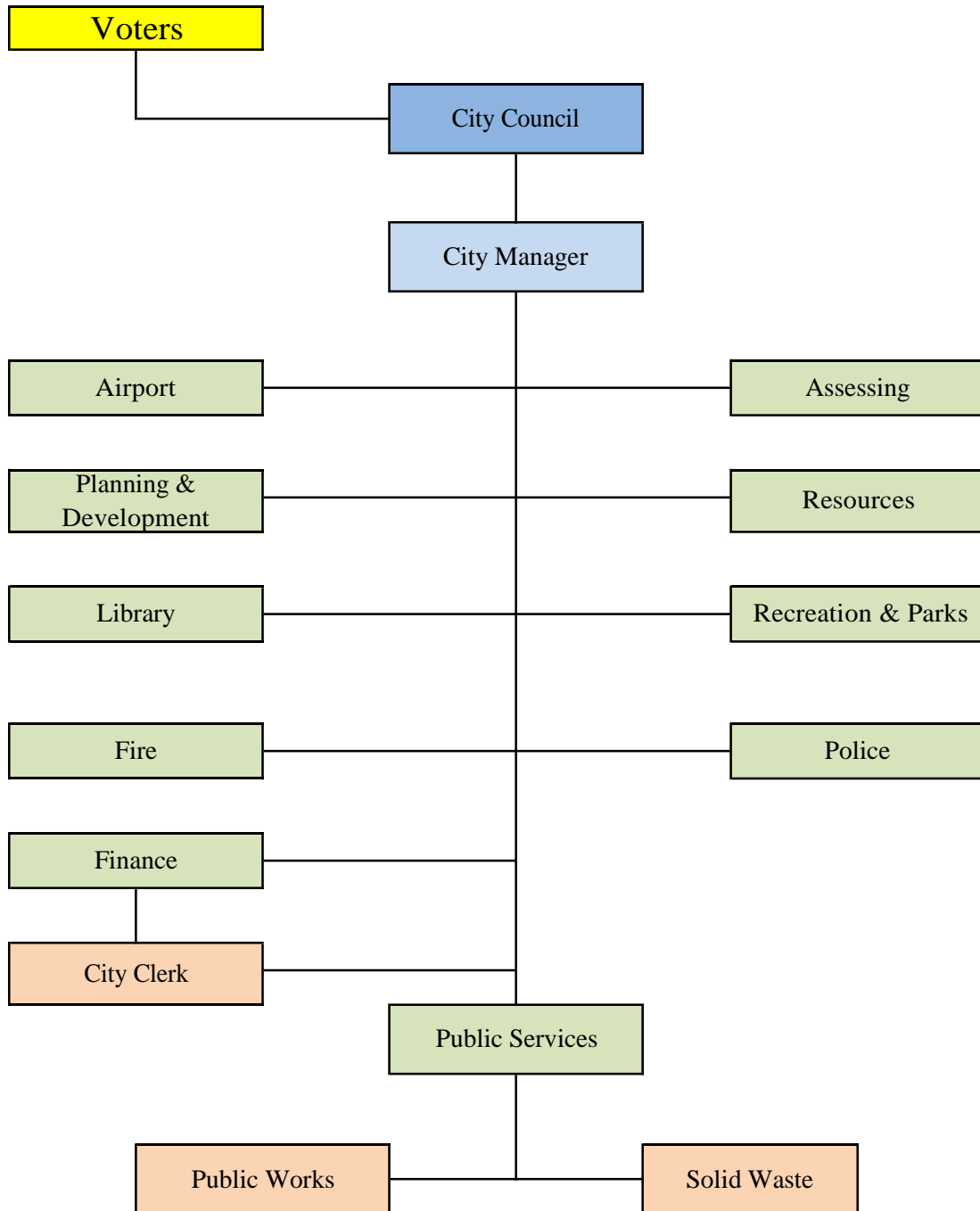
Elected Officials

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

Appointed Officials

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

City of Presque Isle
Organization Chart As of December 31, 2019





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Presque Isle
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

This page left blank intentionally.

FINANCIAL SECTION



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

City Council
City of Presque Isle
Presque Isle, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, Maine as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City of Presque Isle, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, Maine as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 17 on page 74 through 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Presque Isle, Maine's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary, airport and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary, airport, capital asset schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary, airport, capital asset schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, on our consideration of the City of Presque Isle Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Presque Isle's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
June 16, 2020

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2019

As management of the City of Presque Isle, we offer this narrative overview and analysis of the financial activities of the City of Presque Isle for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here along with additional information that is furnished in our letter of transmittal which can be found at the beginning of this report.

Financial Highlights

- The assets of the City of Presque Isle exceeded its liabilities at the close of 2019 by \$68,238,518 (*net position*).
- The City's total net position increased by \$4,874,658 from December 31, 2018.
- Net position was restated as of January 1, 2019 to account for an omitted note from direct borrowings in the prior year. As a result, the beginning net position balance was decreased by \$323,520.
- As of the close of the current fiscal year, the City of Presque Isle's governmental funds reported a combined ending fund balance of \$11,983,317 a decrease of \$529,881 from the previous year. 16.17% of this total amount or \$1,937,666 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$3,037,628 or 15.04% of total general fund expenditures.
- The City of Presque Isle's bonds and notes outstanding decreased by \$5,164,029 or 39.28%.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Presque Isle's finances. These statements are presented using the accrual basis of accounting which is similar to the accounting method used by

most private sector businesses. There are two Government-Wide Financial Statements, the *statement of net position* and the *statement of activities*.

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

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

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

The government-wide financial statements can be found on pages 18 through 21 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Presque Isle, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal documents. All of the funds of the City are categorized as governmental funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 22 through 25 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 72 of this report.

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

Required supplementary information can be found on page 74 through 82 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information on pensions and OPEB. Combining and individual fund statements can be found on pages 89 through 113 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. For the City of Presque Isle, assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by \$68,238,518 at December 31, 2019.

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

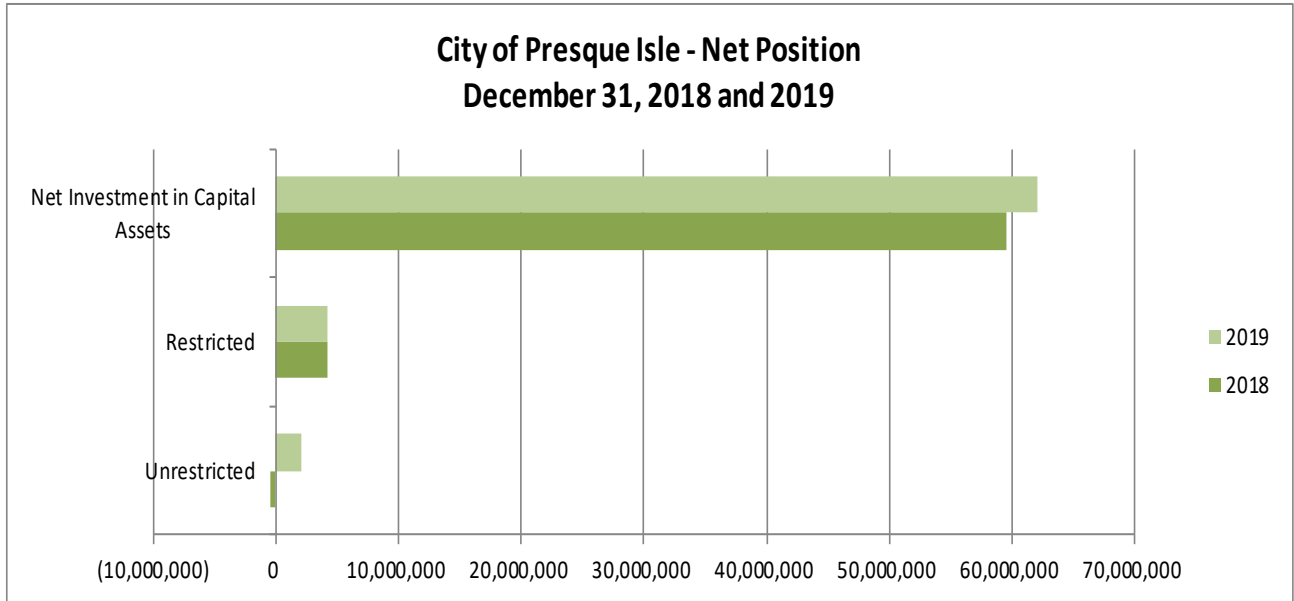
	2019	2018 (Restated)
Assets		
Current Assets	\$ 13,953,757	\$ 14,452,280
Noncurrent Assets	70,036,530	72,696,798
Total Assets	83,990,287	87,149,078
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB	99,260	-
Deferred Outflows Related to Pensions	291,036	290,269
Total Deferred Outflows of Resources	390,296	290,269
Liabilities		
Current Liabilities	1,999,742	1,562,945
Noncurrent Liabilities	13,144,679	21,680,439
Total Liabilities	15,144,421	23,243,384
Deferred Inflows of Resources		
Prepaid Taxes	32,899	46,270
Deferred Revenues	-	48,599
Deferred Inflows Related to OPEB	318,046	232,581
Deferred Inflows Related to Pensions	646,699	504,653
Total Deferred Inflows of Resources	997,644	832,103
Net Position		
Net Investment in Capital Assets	62,052,782	59,549,021
Restricted for: Special Revenue Funds	3,350,953	3,539,145
Capital Projects Funds	16,842	16,842
Permanent Funds	775,463	664,147
Unrestricted (deficit)	2,042,478	(405,295)
Total Net Position	\$ 68,238,518	\$ 63,363,860

By far the largest portion of the City of Presque Isle's net position, \$62,052,782 (90.94%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less accumulated depreciation and any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a wide variety of services to citizens; consequently, these assets are *not* available for future spending. Although the City of Presque Isle's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Presque Isle's net position, \$4,143,258 (6.07%) represents resources that are subject to external restrictions on how they may be spent. The remaining balance of \$2,042,478 (2.99%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Presque Isle is able to report a positive balance in the all three categories of net position for the government as a whole. In the prior fiscal year, only two categories of net position were able to report a positive balance.

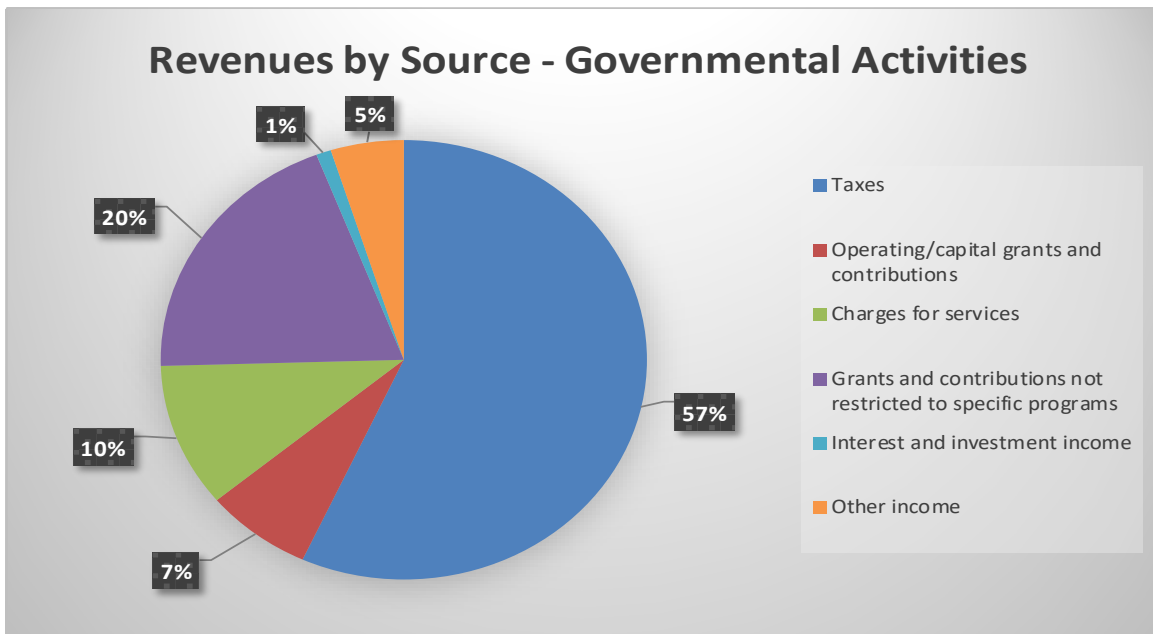
Table 2
City of Presque Isle, Maine
Change in Net Position
For the Years Ended December 31,

	<u>2019</u>	<u>2018</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 2,801,143	\$ 5,213,351
Operating grants and contributions	1,887,563	1,882,542
<i>General Revenues:</i>		
Taxes	15,041,543	15,274,009
Grants and contributions not restricted to specific programs	5,185,241	1,819,597
Interest income	126,659	82,343
Investment income, net of unrealized gains/(losses)	136,085	(86,060)
Miscellaneous	1,286,022	2,683,424
Total Revenues	<u>26,464,256</u>	<u>26,869,206</u>
Expenses		
Current:		
General government	4,618,062	3,343,472
Public safety	3,131,586	3,181,631
Solid waste	86,330	934,549
Public works	3,128,987	3,522,960
Recreation and culture	1,921,648	2,000,007
Airport	5,113,268	4,470,243
Education	6,315,512	6,236,004
County tax	746,844	730,680
Community service	279,852	504,678
Interest on debt service	203,476	14,322
Capital outlay	-	629,700
Total Expenses	<u>25,545,565</u>	<u>25,568,246</u>
Transfer long-term debt to Aroostook Waste Solutions	4,749,198	-
Transfer net capital assets to Aroostook Waste Solutions	<u>(793,231)</u>	<u>-</u>
Change in Net Position	4,874,658	1,300,960
Net Position - January 1, Restated	<u>63,363,860</u>	<u>62,062,900</u>
Net Position - December 31	<u>\$ 68,238,518</u>	<u>\$ 63,363,860</u>



Governmental Activities - The City's net position was restated as of January 1, 2019 to correctly reflect a new note from direct borrowings entered into during fiscal year 2018. As a result, the beginning balance decreased by \$323,520 to a beginning balance of \$63,363,860.

The City's net position increased by \$4,874,658 during the current year. Factors that affected the increase in net position include: a decrease of \$2,660,268 in capital assets due to higher depreciation expense than capital additions; a net decrease in bonds and notes outstanding of \$5,164,029, which was mainly due to the assignment of the landfill bond balance of \$4,749,198 to Aroostook Waste Solutions, a decrease in the landfill closure of \$2,860,070, which was due to the payments made to Aroostook Waste Solutions related to the landfill and a net decrease in pension and OPEB liabilities of \$74,851.

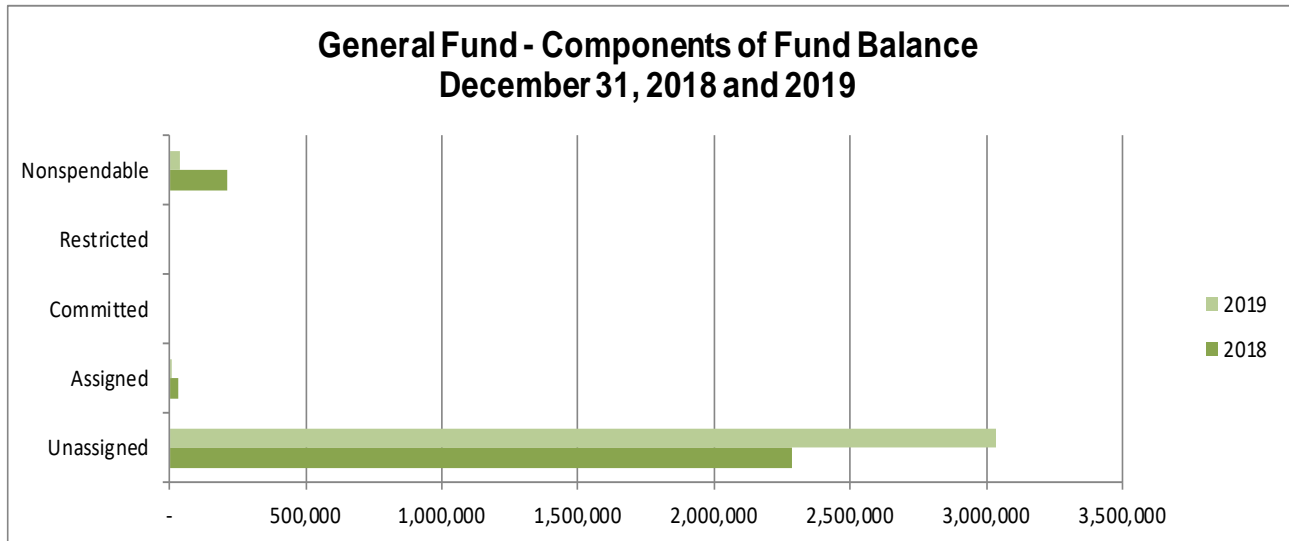


Financial Analysis of Governmental Funds

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

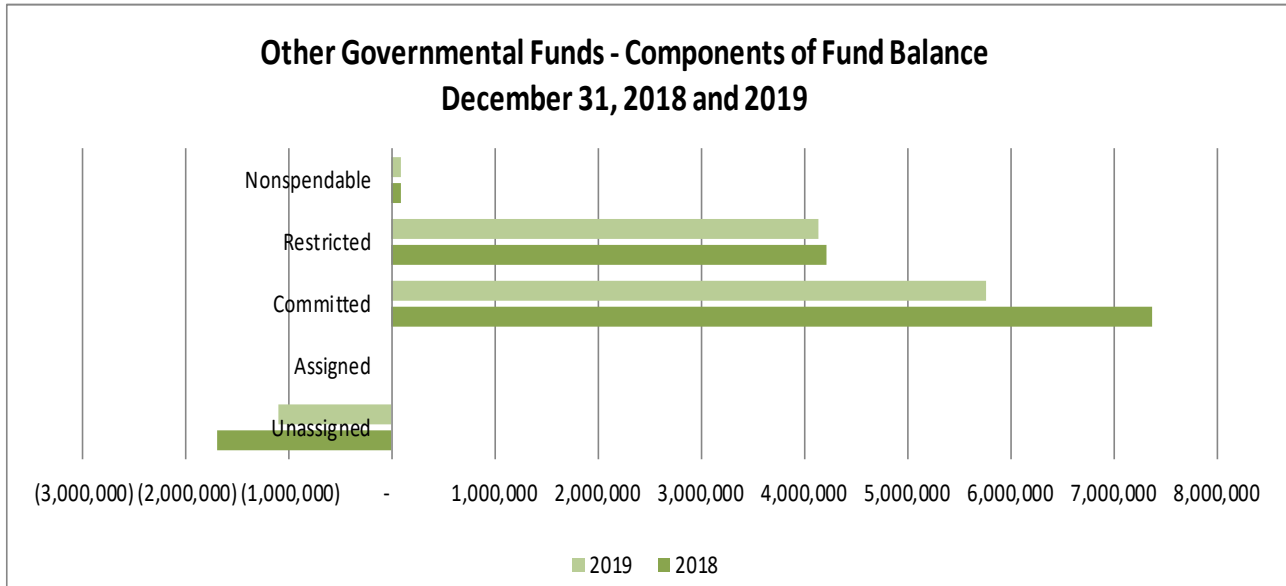
Governmental Funds. The focus of the City of Presque Isle’s **governmental funds** is to provide information on near-term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve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

As of December 31, 2019, the City of Presque Isle’s governmental funds reported combined fund balance of \$11,983,317, a decrease of \$529,881 from 2018. Approximately 16.17% of the total amount, \$1,937,666, constitutes *unassigned fund balance*, which is available to meet the future financial needs of the City. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is 1) not in spendable form (\$135,282), 2) restricted for a particular purpose (\$4,143,258), 3) committed for particular purposes (\$5,756,159) or 4) assigned for particular purposes (\$10,952).



The *general fund* is the central operating fund of the City of Presque Isle. At the end of the current fiscal year, unassigned fund balance of the general fund is \$3,037,628, an increase of \$749,399 from 2018. The total fund balance increased by \$559,836 to \$3,088,378.

As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 15.04% of total general fund expenditures, while total fund balance represents approximately 15.29% of that same amount.



The *Airport Fund* is used to monitor the activities of the City’s airport. During 2019 the airport generated \$2,668,680 in revenues and transfers in and had expenses and transfers out of \$2,815,524. The fund balance at December 31, 2019 was a deficit of (\$215,536).

The *Landfill Operations Fund* is used to monitor the revenue and expenses of the secure landfill. The secure landfill is a joint project with six other surrounding communities. The City of Presque Isle funds approximately 82% of the operating costs. The fund balance at December 31, 2019 was \$0.

The *Secure Landfill Closure Reserve* is used to monitor funds for the costs of closure. In 2019, \$465,654 of revenue was received and \$2,397,061 was expended to bring the fund balance to \$160,563.

The *Development Fund* manages funds from the Federal Government and is used as a revolving fund for the purpose of lending money for economic development. Currently there are eight loans outstanding totaling \$845,801 and \$1,183,954 available for lending.

The *Emergency Reserve* was created by City Charter to meet 'unanticipated, extraordinary needs'. This account is funded by an appropriation of 1.5% of the City's net annual budget appropriation. Expenditures require a unanimous vote of all Councilors but only for 'unanticipated, extraordinary needs'. In 2019, the City contributed \$95,000 to this fund and \$16,735 constituted earnings on investments.

The *Community Center Construction Reserve* was created to monitor the funding and construction costs of the new community center which is scheduled for completion in 2019.

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

General Fund Budgetary Highlights

The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenue \$180,906 overestimates and expenses \$378,930 below estimates, for an increase to unassigned fund balance of \$559,836 at year end.

Resources (inflows) for the General Fund (on the budgetary basis of accounting) totaled \$20,752,151 for the year ended December 31, 2019, an increase of \$1,452,640 from 2018.

For both the current and prior years, taxes represent the largest revenue source - \$14,948,158 or 72.03% of all general fund revenues, a decrease of \$197,601 or (1.30%) from 2018.

Intergovernmental revenues of \$2,225,938 or 10.7% of total revenues increased \$287,501 from 2018.

Charges for services revenue of \$2,801,143 or 13.5% of total revenues increased \$881,307 from 2018.

Charges to Appropriations (outflows) from the General Fund (on the budgetary basis of accounting) totaled \$20,192,315 for the year ended December 31, 2019, an increase of \$709,071 from 2018.

Education expenditures of \$6,315,512 (31.3% of total) increased \$79,508 over 2018.

General Government expenditures of \$3,711,771 (18.4% of the total) increased \$137,274 from 2018.

Public Safety expenditures of \$2,690,546 (13.3% of the total) decreased \$14,875 from 2018.

The following schedule provides a summary of General Fund revenues and expenditures on the budgetary basis of accounting for the year 2019 and the change from 2018.

City of Presque Isle
General Fund Analysis of Revenues and Expenses
For the Year Ended December 31, 2019

Revenues	Amount	% of Total	Increase/ (Decrease) from 2018
Taxes			
Real Estate	\$ 13,187,033	63.5%	\$ (238,580)
Excise	1,761,125	8.5%	40,979
Intergovernmental	2,225,938	10.7%	287,501
Charges for services	2,801,143	13.5%	881,307
Investment Income	35,973	0.2%	(2,963)
Other revenue	740,939	3.6%	484,396
Total Revenues	<u>20,752,151</u>	<u>100.0%</u>	<u>1,452,640</u>
Expenditures			
General government	3,711,771	18.4%	137,274
Public safety	2,690,546	13.3%	(14,875)
Public works	2,267,236	11.2%	(76,727)
Solid waste	480,813	2.4%	334,313
Recreation and culture	1,371,904	6.8%	34,057
Education	6,315,512	31.3%	79,508
County tax	746,844	3.7%	16,164
Outside services	57,950	0.3%	1,450
Unclassified	206,902	1.0%	(226,276)
Debt Service	888,307	4.4%	(23,136)
Transfers Out	1,454,530	7.2%	447,319
Total Expenditures	<u>\$ 20,192,315</u>	<u>100.0%</u>	<u>\$ 709,071</u>

Capital Asset and Debt Administration

Capital Assets - As of December 31, 2019, the City of Presque Isle's investment in capital assets was \$70,036,530 (net of depreciation), a decrease of \$2,660,268 or 3.66% from December 31, 2018. This decrease is a result of capital additions of \$2,598,778 less net current year disposals of \$1,108,089 and current year depreciation expense of \$4,150,957. This investment in capital assets includes land and building improvements, machinery, equipment, vehicles and roads.

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

	<u>2019</u>	<u>2018</u>
Land	\$ 4,937,288	\$ 5,500,788
Construction in progress	456,986	314,857
Works of art and historical treasures	698,990	698,990
Buildings, building improvements	23,422,179	23,631,575
Land improvements	2,065,305	2,260,305
Machinery, equipment and vehicles	6,768,056	7,073,594
Infrastructure	31,687,726	33,216,689
Total	<u>\$ 70,036,530</u>	<u>\$ 72,696,798</u>

Major capital asset events during the current fiscal year include:

- Equipment purchases:
 - Sweeper for public works, \$249,180
 - Loader/backhoe for public works, \$110,500
 - Leaf vacuum for public works, \$44,514
- Road improvements, \$504,225
- Renovations to various buildings at PIIC, \$926,800
- Construction in progress - AIP GA ramp \$214,772, bike path improvements \$101,358 and T hanger \$140,856
- Land for Echo Lake sewer expansion, \$48,000
- Transfer of landfill capital assets to Aroostook Waste Solutions, a net value of \$793,231

Additional information about the City of Presque Isle's capital assets can be found in the notes to the financial statements on page 42 of this report.

Long-term Debt - At the end of the current fiscal year, the City of Presque Isle had total bonded debt outstanding of \$7,337,162, a decrease of \$5,269,470 from 2018 due to scheduled principal payments and the assignment of the landfill bond balance to Aroostook Waste Solutions as of January 1, 2019. Notes from direct borrowings outstanding of \$646,586 increased by \$105,441 from 2018 due to the addition of a new note for the T-hanger less the principal pay downs.

Additional information about the City of Presque Isle's long-term debt can be found in the notes to the financial statements beginning on page 44.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation. The current debt limitation of the City of Presque Isle is \$41,186,250 which is well in excess of the City's outstanding general obligation debt.

The City of Presque Isle's rating was set at A+ by Standard and Poor's for its general obligation debt. Other long-term obligations consist of landfill closure of \$1,515,000, a decrease of \$2,860,070, accrued compensated absences of \$384,487, an increase of \$44, net OPEB liability of \$1,666,239, a decrease of \$97,414 from 2018 and net pension liability of \$2,956,254, an increase of \$22,563 from 2018.

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

	2019	2018 (Restated)
Bonds payable	\$ 7,337,162	\$ 12,606,632
Notes from direct borrowings payable	646,586	541,145
Landfill closure	1,515,000	4,375,070
Accrued compensated absences	384,487	384,443
Net OPEB liability	1,666,239	1,763,653
Net pension liability	2,956,254	2,933,691
	\$ 14,505,728	\$ 22,604,634

Economic Factors and Next Year's Budget

In preparing the City's 2019 budget, City management and officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic services to the citizens of the City while attempting to keep the property tax low.

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

Revenue Projections:

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

Expenditure projections:

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

Requests for Information

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

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,702,003
Investments	3,486,701
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	1,625,070
Other	2,004,701
Tax acquired property	39,798
Inventory	95,484
Total current assets	<u>13,953,757</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	6,093,264
Depreciable assets, net of accumulated depreciation	<u>63,943,266</u>
Total noncurrent assets	<u>70,036,530</u>
TOTAL ASSETS	<u>83,990,287</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	99,260
Deferred outflows related to pensions	<u>291,036</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>390,296</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 84,380,583</u>

STATEMENT A (CONTINUED)
CITY OF PRESQUE ISLE, MAINE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

LIABILITIES	
Current liabilities:	
Accounts payable	\$ 402,388
Accrued expenses	216,437
Due to other governments	19,868
Current portion of long-term obligations	<u>1,361,049</u>
Total current liabilities	<u>1,999,742</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	6,812,979
Notes from direct borrowings payable	473,944
Landfill closure	870,000
Net OPEB liability	1,666,239
Accrued compensated absences	365,263
Net pension liability	<u>2,956,254</u>
Total noncurrent liabilities	<u>13,144,679</u>
 TOTAL LIABILITIES	 <u>15,144,421</u>
 DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	32,899
Deferred inflows related to OPEB	318,046
Deferred inflows related to pensions	<u>646,699</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>997,644</u>
 NET POSITION	
Net investment in capital assets	62,052,782
Restricted for:	
Grant funds	3,350,953
Capital projects funds	16,842
Cemetery and other permanent funds	775,463
Unrestricted (deficit)	<u>2,042,478</u>
TOTAL NET POSITION	<u>68,238,518</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u>\$ 84,380,583</u>

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

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 4,618,062	\$ 848,055	\$ 125,685	\$ -	\$ (3,644,322)
Public safety	3,131,586	849,011	66,959	-	(2,215,616)
Solid waste	86,330	634,555	-	-	548,225
Public works	3,128,987	-	193,807	-	(2,935,180)
Recreation and culture	1,921,648	383,317	-	-	(1,538,331)
Airport	5,113,268	86,205	1,484,659	-	(3,542,404)
Education	6,315,512	-	-	-	(6,315,512)
County tax	746,844	-	-	-	(746,844)
Community service	279,852	-	16,453	-	(263,399)
Interest on long-term debt	203,476	-	-	-	(203,476)
Total governmental activities	<u>\$ 25,545,565</u>	<u>\$ 2,801,143</u>	<u>\$ 1,887,563</u>	<u>\$ -</u>	<u>(20,856,859)</u>

STATEMENT B (CONTINUED)

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(20,856,859)
General revenues:	
Tax revenue	15,041,543
Grants and contributions not restricted to specific programs	5,185,241
Interest income	126,659
Investment income, net of unrealized gains/(losses)	136,085
Miscellaneous	1,286,022
Total general revenues	21,775,550
Transfer long-term debt to Aroostook Waste Solutions	4,749,198
Transfer net capital assets to Aroostook Waste Solutions	(793,231)
Change in net position	4,874,658
NET POSITION - JANUARY 1, RESTATED	63,363,860
NET POSITION - DECEMBER 31	\$ 68,238,518

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

CITY OF PRESQUE ISLE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Airport	Landfill Operations	Landfill Closure	Development Fund	Emergency Reserve	Community Center	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 6,675,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,196	\$ 6,702,003
Investments	2,737,434	-	-	-	-	-	-	749,267	3,486,701
Accounts receivable (net of allowance for uncollectibles):									
Taxes/liens	1,625,070	-	-	-	-	-	-	-	1,625,070
Other	1,158,900	-	-	-	845,801	-	-	-	2,004,701
Tax acquired property	39,798	-	-	-	-	-	-	-	39,798
Inventory	-	95,484	-	-	-	-	-	-	95,484
Due from other funds	311,020	-	-	160,563	1,183,955	2,394,640	105,525	4,433,470	8,589,173
TOTAL ASSETS	\$ 12,548,029	\$ 95,484	\$ -	\$ 160,563	\$ 2,029,756	\$ 2,394,640	\$ 105,525	\$ 5,208,933	\$ 22,542,930
LIABILITIES									
Accounts payable	\$ 402,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,388
Accrued expenses	162,150	-	-	-	-	-	-	-	162,150
Due to other governments	19,868	-	-	-	-	-	-	-	19,868
Due to other funds	7,489,211	311,020	-	-	-	-	-	788,942	8,589,173
TOTAL LIABILITIES	8,073,617	311,020	-	-	-	-	-	788,942	9,173,579
DEFERRED INFLOWS OF RESOURCES									
Prepaid taxes	32,899	-	-	-	-	-	-	-	32,899
Deferred tax revenues	1,353,135	-	-	-	-	-	-	-	1,353,135
TOTAL DEFERRED INFLOWS OF RESOURCES	1,386,034	-	-	-	-	-	-	-	1,386,034
FUND BALANCES (DEFICITS)									
Nonspendable - tax acquired property and inventory	39,798	95,484	-	-	-	-	-	-	135,282
Restricted	-	-	-	-	2,029,756	-	-	2,113,502	4,143,258
Committed	-	-	-	160,563	-	2,394,640	105,525	3,095,431	5,756,159
Assigned	10,952	-	-	-	-	-	-	-	10,952
Unassigned	3,037,628	(311,020)	-	-	-	-	-	(788,942)	1,937,666
TOTAL FUND BALANCES (DEFICITS)	3,088,378	(215,536)	-	160,563	2,029,756	2,394,640	105,525	4,419,991	11,983,317
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 12,548,029	\$ 95,484	\$ -	\$ 160,563	\$ 2,029,756	\$ 2,394,640	\$ 105,525	\$ 5,208,933	\$ 22,542,930

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

CITY OF PRESQUE ISLE, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Total Governmental Funds
Total Fund Balances	\$ 11,983,317
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	70,036,530
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	1,353,135
Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the funds	390,296
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(54,287)
Bonds payable	(7,337,162)
Notes from direct borrowings payable	(646,586)
Landfill closure	(1,515,000)
Net OPEB liability	(1,666,239)
Accrued compensated absences	(384,487)
Net pension liability	(2,956,254)
Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the funds	(964,745)
Net position of governmental activities	\$ 68,238,518

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

STATEMENT E

CITY OF PRESQUE ISLE, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Airport	Landfill Operations	Landfill Closure	Development Fund	Emergency Reserve	Community Center	Other Governmental Funds	Total Governmental Funds
REVENUES									
Tax revenue	\$ 14,948,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,948,158
Intergovernmental revenue	2,225,938	2,573,242	-	448,154	-	-	-	1,825,470	7,072,804
Charges for services	2,801,143	-	-	-	-	-	-	-	2,801,143
Interest income	35,973	-	-	17,500	17,500	16,735	-	38,951	126,659
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	-	136,085	136,085
Other revenue	268,689	26,747	-	-	15,872	-	51,429	923,285	1,286,022
TOTAL REVENUES	20,279,901	2,599,989	-	465,654	33,372	16,735	51,429	2,923,791	26,370,871
EXPENDITURES									
Current:									
General government	3,711,771	-	-	-	-	-	-	358,553	4,070,324
Public safety	2,690,546	-	-	-	-	-	-	95,666	2,786,212
Solid waste	480,813	-	-	2,397,061	-	-	-	-	2,877,874
Public works	2,267,236	-	-	-	-	-	-	-	2,267,236
Recreation and culture	1,371,904	-	-	-	-	-	-	66,214	1,438,118
Airport	-	2,688,468	-	-	-	-	-	528,085	3,216,553
Education	6,315,512	-	-	-	-	-	-	-	6,315,512
County tax	746,844	-	-	-	-	-	-	-	746,844
Outside services	57,950	-	-	-	-	-	-	-	57,950
Unclassified	206,902	-	-	-	15,000	-	-	-	221,902
Debt service	888,307	-	-	-	-	-	-	-	888,307
Capital outlay	-	-	-	-	-	-	9,818	2,274,102	2,283,920
TOTAL EXPENDITURES	18,737,785	2,688,468	-	2,397,061	15,000	-	9,818	3,322,620	27,170,752
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,542,116	(88,479)	-	(1,931,407)	18,372	16,735	41,611	(398,829)	(799,881)
OTHER FINANCING SOURCES (USES)									
Note from direct borrowings payable	-	-	-	-	-	-	-	270,000	270,000
Transfers in	472,250	68,691	-	-	-	95,000	-	1,795,109	2,431,050
Transfers (out)	(1,454,530)	(127,056)	(122,480)	-	-	-	-	(726,984)	(2,431,050)
TOTAL OTHER FINANCING SOURCES (USES)	(982,280)	(58,365)	(122,480)	-	-	95,000	-	1,338,125	270,000
NET CHANGE IN FUND BALANCES (DEFICITS)	559,836	(146,844)	(122,480)	(1,931,407)	18,372	111,735	41,611	939,296	(529,881)
FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED	2,528,542	(68,692)	122,480	2,091,970	2,011,384	2,282,905	63,914	3,480,695	12,513,198
FUND BALANCES (DEFICITS) - DECEMBER 31	\$ 3,088,378	\$ (215,536)	\$ -	\$ 160,563	\$ 2,029,756	\$ 2,394,640	\$ 105,525	\$ 4,419,991	\$ 11,983,317

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

CITY OF PRESQUE ISLE, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (529,881)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	2,283,921
Capital asset disposals	(793,232)
Depreciation expense	<u>(4,150,957)</u>
	<u>(2,660,268)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>93,385</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	99,260
Pension	767
	<u>100,027</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(270,000)</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>684,831</u>
Long-term debt principal transferred to Aroostook Waste Solutions	
	<u>4,749,198</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	(85,465)
Pension	(142,046)
	<u>(227,511)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Landfill closure	2,860,070
Net OPEB liability	97,414
Accrued compensated absences	(44)
Net pension liability	<u>(22,563)</u>
	<u>2,934,877</u>
Change in net position of governmental activities (Statement B)	<u>\$ 4,874,658</u>

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Implementation of New Accounting Standards

During the year ended December 31, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations". This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

The following fund types are used by the City:

1. Governmental Funds:

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

Major funds:

- a. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Airport Fund is used to account for the operations of the City's airport and the revenues associated with the operations such as terminal fees, landing fees and general aviation revenues.
- c. The Landfill Operations Fund accounts for the annual operating costs of the landfill. This fund was closed out in fiscal year 2019.
- d. The Landfill Closure Fund is used to accumulate funds to cover the cost of closing the landfill and associated revenues received from the State of Maine.
- e. The Development Fund is used to account for the City's loan funds for business development and associated revenues from loan receipts and interest income.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. The Emergency Reserve Fund is used to accumulate funds to cover any unforeseen and unbudgeted emergency expenses. Revenues are primarily from interest income and transfers from the general fund.
- g. The Community Center Fund is being used to account for the construction of a new community center. Revenues are primarily from donations.

Nonmajor funds:

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

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

Basis of Accounting

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

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

Budget

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

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

1. Per City Charter, the City Manager must submit a budget to the City Council at least 90 days prior to the beginning of the next fiscal year.
2. The annual budget is prepared for the general fund and includes a net appropriation for the capital reserves and airport fund.
3. The legal level of budgetary control is at the department level.
4. The City Council must hold at least two public hearings.
5. The City Council must adopt the budget before the beginning of the next fiscal year.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

It is the City's policy to value investments at fair value. None of the City's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The City Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

Receivables

Receivables include amounts due from governmental agencies, local businesses and sewer receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$2,004,701 for the year ended December 31, 2019. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2019.

Inventories

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

Prepaid Items

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

CITY OF PRESQUE ISLE, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 both Governmental and Proprietary Funds.

Capital Assets

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

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets, donated works of art or similar items and capital assets received in a service concession arrangement are valued at acquisition value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, airport runways, etc. These infrastructure assets are likely to be the largest asset class of the City.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	5 - 50 years
Machinery and equipment	2 - 30 years
Vehicles	3 - 25 years

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

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

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

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

Pensions

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the City's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

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

Fund Balance

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the City Council.

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

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

Deferred Outflows and Inflows of Resources

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The City's property tax for the current year was levied July 10, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the City. Taxes were due on October 15, 2019. Interest on unpaid taxes commenced on October 16, 2019, at 7% per annum.

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

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$81,626 for the year ended December 31, 2019.

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

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS

The City's policies, which follow state statutes, authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all City funds.

Deposits:

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

At December 31, 2019, the City's cash balance of \$6,702,003 was comprised of bank deposits and cash equivalents totaling \$6,731,665. Of these bank deposits, \$5,846,395 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$20,099 was covered by the Securities Investor Protection Corporation (SIPC) and \$865,171 was collateralized with securities held by the financial institution in the City's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,150,228
ICS savings account	5,339,977
Money market accounts	221,361
Cash equivalents	20,099
	<u>\$ 6,731,665</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the City does not have a policy for custodial credit risk for investments; however, the City seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2019, of the City's investments of \$3,486,701, \$2,737,434 was covered by federal depository insurance and consequently not exposed to custodial credit risk and \$479,901 was covered by the Securities Investor Protection Corporation (SIPC). The remaining investments of \$269,366 were uncollateralized and uninsured.

At December 31, 2019, the City had the following investments and maturities:

Investment Type	Fair Value	N/A	<1 Year	1 - 5 Years
Fixed income - mutual funds	\$ 244,049	\$ 244,049	\$ -	\$ -
Equities - stock	191,440	191,440	-	-
Equities - mutual funds	304,510	304,510	-	-
Real assets	9,268	9,268	-	-
Certificate of deposits	2,737,434	-	2,737,434	-
	<u>\$ 3,486,701</u>	<u>\$ 749,267</u>	<u>\$ 2,737,434</u>	<u>\$ -</u>

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as December 31, 2019:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

	December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments by fair value level				
Equity securities:				
Mutual funds - fixed income	\$ 244,049	\$ 244,049	\$ -	\$ -
Mutual funds - equity	304,510	304,510	-	-
Common stock	191,440	191,440	-	-
REIT	9,268	9,268	-	-
Total equity securities	<u>749,267</u>	<u>749,267</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>749,267</u>	<u>\$ 749,267</u>	<u>\$ -</u>	<u>\$ -</u>
Cash equivalents measured at the net asset value (NAV)				
Money market mutual funds	<u>20,099</u>			
Total cash equivalents measured at the NAV	<u>20,099</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 769,366</u>			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The City has no Level 2 or 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of December 31, 2019 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 \$2,737,434 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 City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The City does not have an investment policy on credit risk. Generally, the City invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - REVOLVING LOAN FUND

The revolving loan program is used for the purpose of lending money for economic development. The program has eight loans outstanding. Loans receivable at December 31, 2019 and 2018 were \$845,801 and \$870,860, respectively.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2019 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
	<u> </u>	<u> </u>
General fund	\$ 311,020	\$ 7,489,211
Airport	-	311,020
Landfill closure	160,563	-
Development fund	1,183,955	-
Emergency reserve	2,394,640	-
Community center	105,525	-
Nonmajor special revenue funds	1,580,421	38,064
Nonmajor capital projects funds	2,853,049	750,878
	<u>\$ 8,589,173</u>	<u>\$ 8,589,173</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	Balance, 1/1/19	Additions	Deletions	Balance, 12/31/19
Non-depreciated assets:				
Land	\$ 5,500,788	\$ 48,000	\$ (611,500)	\$ 4,937,288
Construction in progress	314,857	456,986	(314,857)	456,986
Works of art and historical treasures	698,990	-	-	698,990
	<u>6,514,635</u>	<u>504,986</u>	<u>(926,357)</u>	<u>6,093,264</u>
Depreciated assets:				
Land improvements	9,729,662	17,894	(269,122)	9,478,434
Buildings	32,560,018	-	(91,200)	32,468,818
Building improvements	13,621,232	1,014,858	(1,104,251)	13,531,839
Furniture and fixtures	421,670	9,818	(728)	430,760
Machinery and equipment	8,234,484	496,007	(60,000)	8,670,491
Vehicles	7,397,652	50,990	(165,564)	7,283,078
Infrastructure	52,648,691	504,225	(19,773)	53,133,143
	<u>124,613,409</u>	<u>2,093,792</u>	<u>(1,710,639)</u>	<u>124,996,562</u>
Less: accumulated depreciation				
Land improvements	(7,469,357)	(141,548)	197,776	(7,413,129)
Buildings	(16,103,553)	(646,487)	85,728	(16,664,312)
Building improvements	(6,446,122)	(471,755)	1,003,711	(5,914,166)
Furniture and fixtures	(150,046)	(18,769)	728	(168,087)
Machinery and equipment	(4,497,203)	(441,898)	60,000	(4,879,101)
Vehicles	(4,332,963)	(401,685)	165,564	(4,569,084)
Infrastructure	(19,432,002)	(2,028,815)	15,400	(21,445,417)
	<u>(58,431,246)</u>	<u>(4,150,957)</u>	<u>1,528,907</u>	<u>(61,053,296)</u>
Subtotal	<u>66,182,163</u>	<u>(2,057,165)</u>	<u>(181,732)</u>	<u>63,943,266</u>
Net capital assets	<u>\$ 72,696,798</u>	<u>\$ (1,552,179)</u>	<u>\$ (1,108,089)</u>	<u>\$ 70,036,530</u>
<u>Current year depreciation</u>				
General government				\$ 495,061
Public safety				345,374
Public works				861,751
Airport				1,896,715
Solid waste				68,526
Recreation				483,530
Total depreciation expense				<u>\$ 4,150,957</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2019:

	Balance, 1/1/19 (Restated)	Additions	Deletions	Balance, 12/31/19	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable	\$ 12,606,632	\$ -	\$ (5,269,470)	\$ 7,337,162	\$ 524,183
Notes from direct borrowings payable	541,145	270,000	(164,559)	646,586	172,642
Total Governmental Activities	<u>\$ 13,147,777</u>	<u>\$ 270,000</u>	<u>\$ (5,434,029)</u>	<u>\$ 7,983,748</u>	<u>\$ 696,825</u>

The following is a summary of outstanding bonds payable:

\$2,600,000, 2001 General Obligation Bond due in annual principal installments of \$130,000 through November 2021. There is no interest charged on this bond.	\$ 260,000
\$1,145,000, 2007 General Obligation Bond due in annual principal installments and semiannual interest installments through November 2025. Interest is charged at a varying fixed rate of 2.00% to 6.00% per annum. Annual principal installments vary from \$42,999 to \$91,297.	486,564
\$375,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through July 2030. Interest is charged at a fixed rate of 2.99% per annum. Annual principal installments vary from \$20,091 to \$30,563.	290,598
\$7,500,000, 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through July 2040. Interest is charged at a varying fixed rate of 2.00% to 3.25% per annum. Annual principal installments are \$300,000.	<u>6,300,000</u>
	<u>\$ 7,337,162</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - LONG TERM DEBT (CONTINUED)

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

\$145,594 Note payable to Machias Savings Bank for a Public Works plow truck with a fixed interest rate of 2.49%. Note matures on October 1, 2020 with annual installments of \$38,725.	\$ 37,761
\$188,591 Note payable to Katahadin Trust for a JD loader with plow with a fixed interest rate of 2.26%. Note matures on November 1, 2021 with annual principal and interest payments of \$49,841.	96,444
\$400,000 Note payable to Presque Isle Development Fund for the Fire Department's EMS ambulance service startup costs with a fixed interest rate of 2.25%. Note matures on July 1, 2022 with annual principal and interest payments of \$85,480.	245,319
\$270,000 Note payable to Presque Isle Development Fund for an airport hanger with a fixed interest rate of 3.25%. Note matures on December 31, 2044 with monthly principal and interest payments of \$1,316.	<u>267,062</u>
	<u><u>\$ 646,586</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 524,183	\$ 199,509	\$ 723,692
2021	528,470	187,474	715,944
2022	402,935	175,274	578,209
2023	407,607	166,407	574,014
2024	412,483	158,786	571,269
2025-2029	1,731,136	665,397	2,396,533
2030-2034	1,530,348	419,230	1,949,578
2035-2039	1,500,000	187,125	1,687,125
2040-2044	300,000	9,750	309,750
	<u>\$ 7,337,162</u>	<u>\$ 2,168,952</u>	<u>\$ 9,506,114</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - LONG TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 172,642	\$ 17,233	\$ 189,875
2021	137,955	13,154	151,109
2022	91,299	9,970	101,269
2023	7,954	7,835	15,789
2024	8,217	7,572	15,789
2025-2029	45,333	33,612	78,945
2030-2034	53,321	25,625	78,946
2035-2039	62,715	16,230	78,945
2040-2044	67,150	5,216	72,366
	<u>\$ 646,586</u>	<u>\$ 136,447</u>	<u>\$ 783,033</u>

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2019 is as follows:

	<u>Balance, 1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 12/31/19</u>	<u>Due Within One Year</u>
Landfill closure	\$ 4,375,070	\$ -	\$ (2,860,070)	\$ 1,515,000	\$ 645,000
Accrued compensated absences	384,443	17,444	(17,400)	384,487	19,224
Net OPEB liability	1,763,653	115,789	(213,203)	1,666,239	-
Net pension liability	2,933,691	277,254	(254,691)	2,956,254	-
Total Governmental Activities	<u>\$ 9,456,857</u>	<u>\$ 410,487</u>	<u>\$ (3,345,364)</u>	<u>\$ 6,521,980</u>	<u>\$ 664,224</u>

Please see Notes 8, 15, 18 and 20 for detailed information on each of the other long-term obligations.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The City's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2019, the City's liability for compensated absences is \$384,487.

NOTE 9 - NONSPENDABLE FUND BALANCES

At December 31, 2019, the City had the following nonspendable fund balances:

General fund:	
Tax acquired property	\$ 39,798
Airport fund:	
Inventory	95,484
	<u>\$ 135,282</u>

NOTE 10 - RESTRICTED FUND BALANCES

At December 31, 2019, the City had the following restricted fund balances:

Development fund	\$ 2,029,756
Nonmajor special revenue funds (Schedule E)	1,321,197
Nonmajor capital projects funds (Schedule G)	16,842
Nonmajor permanent funds (Schedule I)	775,463
	<u>\$ 4,143,258</u>

NOTE 11 - COMMITTED FUND BALANCES

At December 31, 2019, the City had the following committed fund balances:

Landfill closure	\$ 160,563
Emergency reserve	2,394,640
Community center	105,525
Nonmajor special revenue funds (Schedule E)	259,224
Nonmajor capital projects funds (Schedule G)	2,836,207
	<u>\$ 5,756,159</u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 12 - ASSIGNED FUND BALANCES

At December 31, 2019, the City had the following assigned fund balances:

General fund:		
Drug forfeiture	\$	952
Vehicle repairs		<u>10,000</u>
	\$	<u><u>10,952</u></u>

NOTE 13 - RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2019. 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 14 - OVERLAPPING DEBT

The City is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2019, the County of Aroostook had no outstanding debt. The City's share of school debt was approximately:

	<u>Outstanding Debt</u>	<u>City's Percentage</u>	<u>Total Share</u>
RSU #1	\$ 2,340,054	70.98%	<u><u>\$ 1,660,970</u></u>

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The City is a member of the Maine Public Employees Retirement System's (MainePERS) Participating Local District (PLD) Agent Plan, an agent multiple employer defined benefit pension plan established by the Maine State Legislature. This plan is an aggregation of single employer plans that were open when the PLD Consolidated Plan began. Under the legislation that created the consolidated plan, single employers could either join the consolidated plan whereby the single employer plan would end, or they could opt to not join the plan and continue to maintain their single employer plan as a closed plan until there were no further liabilities for pension, at which time the single employer plan would be dissolved. The City chose the latter and as of June 30, 2019, the City's plan membership consisted of the following:

<u>Membership</u>	<u>Number of Active Employees</u>	<u>Annual Payroll</u>	<u>Number of Retirees</u>	<u>Annual Benefit</u>	<u>Number of Vested Inactive</u>
Regular employees	7	\$ 442,342	52	\$ 931,598	12
Fire	2	114,483	25	497,378	-
Police	2	149,366	20	451,078	-
Total membership	<u>11</u>	<u>\$ 706,191</u>	<u>97</u>	<u>\$ 1,880,054</u>	<u>12</u>

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

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.40%. At June 30, 2019, the most recent period available, the retirement system consisted of 304 participating employers.

The City's status as a withdrawn PLD requires that the City continue to fund the plan on an actuarially sound basis for liabilities of any currently active, inactive vested or retired participants. This plan is not available to any non-participating current employees or new hires. The City's participating employees are eligible for normal retirement upon attaining age 60 and early retirement after completing 25 or more years of service. Participants are fully vested after 10 years of service.

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 contribution rates of plan members and the City are established and may be amended by the Maine Public Employee Retirement Systems advisory group. Plan members are required to contribute 6.5% (8.0% for fire and police department employees) of their annual covered salary and the City of Presque Isle is required to contribute an actuarially determined rate. The contribution rates of plan members and the City are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The City's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2019 was \$576,409.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2019, the City reported a net pension liability of \$2,956,254. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2019, the City recognized net pension expense of \$163,842. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 646,699
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Contributions subsequent to the measurement date	<u>291,036</u>	<u>-</u>
Total	<u>\$ 291,036</u>	<u>\$ 646,699</u>

\$291,036 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ (161,675)
2021	(161,675)
2022	(161,675)
2023	(161,675)
2024	-
Thereafter	-

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Valuation Method

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

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

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.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year.

Mortality Rates - For participating local districts, 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% for participating local districts.

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.

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%

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the 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 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 and Agent Plans.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Discount rate	5.75%	6.75%	7.75%
City's net pension liability	\$ 5,869,863	\$ 2,956,254	\$ 307,518

Changes in Net Pension Liability

Changes in the 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. For 2019, this was 3 years for the PLD Consolidated Plan.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

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.

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 or by contacting the System at (207) 512-3100.

NOTE 16 - DEFINED CONTRIBUTION PLAN

Plan Description

The City offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401. All eligible employees hired subsequent to July 1, 1996 may only enroll in the 401 Plan. Employees who were enrolled in the MainePERS plan as of July 1, 1996, also have the option of changing to the 401 Plan. The Plan was established as a money purchase pension plan and trust to be known as the Money Purchase Pension Plan and Trust. The plan is administered by ICMA Retirement Corporation.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 16 - DEFINED CONTRIBUTION PLAN (CONTINUED)

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the City Council. Under the 401 Plan, the City is required to contribute 6.0% of a participant's earnings for the plan year. Participating police and fire personnel received contributions of 8.0% of their earnings for the plan year. The City Manager and Deputy City Manager received contributions of 8.0% of their earnings for the plan year. For the year ended December 31, 2019, the City recognized pension expense of \$285,492.

Employees become fully vested in City contributions and earnings on City contributions after completion of 48 months of creditable service with the City. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2019, forfeitures reduced the City's pension expense by \$30.

NOTE 17 - DEFERRED COMPENSATION PLAN

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

City employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS)), a cost-sharing multiple-employer defined benefit plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2018, there were 138 employers participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

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

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.46 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period. The City's contribution to the Plan for the year ended December 31, 2019 was \$4,051.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

At December 31, 2019, the City reported a liability of \$134,001 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2018 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liabilities were based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2018, the City's proportion was 0.663341%, which was a decrease of 0.046383% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2019, the City recognized net OPEB revenue of \$6,345. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>PLD Life Insurance</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,308	\$ -
Changes of assumptions	8,591	24,725
Net difference between projected and actual earnings on pension plan investments	-	7,031
Changes in proportion and differences between contributions and proportionate share of contributions	-	14,041
Contributions subsequent to the measurement date	<u>1,981</u>	<u>-</u>
Total	<u>\$ 21,880</u>	<u>\$ 45,797</u>

\$1,981 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	<u>PLD Life Insurance</u>
Plan year ended June 30:	
2019	\$ (7,374)
2020	(7,374)
2021	(7,374)
2022	(6,046)
2023	2,265
Thereafter	-

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

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

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

Asset Valuation Method

Investments are reported at fair value.

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2018, there were 12 years remaining for the Plan.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

The actuarial assumptions used in the June 30, 2018 and June 30, 2017 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, 2018 are as follows:

Investment Rate of Return - For the PLD Plan, 6.75% per annum, compounded annually; the rate for 2017 was 6.875%, compounded annually.

Inflation Rate - 2.75%

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

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

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

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

Form of Benefit Payment - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

Discount Rate

The discount rate used to measure the collective total OPEB liability was 5.13% for 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2018 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 5.13% for the PLD Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	4.13%	5.13%	6.13%
City's proportionate share of the net OPEB benefits liability	\$ 177,036	\$ 134,001	\$ 100,072

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, 2018 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, 2018 with the following exceptions:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no differences between expected and actual experience as of June 30, 2018.

Differences between Projected and Actual Investment Earnings on OPEB Plan Investments

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

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2018 and June 30, 2017 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 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the use of a blended discount rate for the PLD Plan. Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans*, requires the use of a blended discount rate for determining the total OPEB liability when it is projected that plan assets are not sufficient to meet benefit obligations in the future. In years where assets are projected to be sufficient to pay benefits, the Plan's assumed rate of return is used; in years where assets are not projected to be sufficient to pay benefits, the use of a municipal bond rate is required. The result is a single blended discount rate.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2018.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2018 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Benefits Provided

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

Employees Covered by Benefit Terms

At January 1, 2019, the following employees were covered by the benefit terms:

Active members	85
Retirees and spouses	<u>20</u>
Total	<u><u>105</u></u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
PPO 1000	\$771.23	\$1,729.46
<u>Medicare</u>		
Medicare-Eligible Retirees	\$517.14	\$1,034.28

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

At December 31, 2019, the City reported a liability of \$1,532,238 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 City's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended December 31, 2019, the City recognized OPEB revenue of \$104,864. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 99,494
Changes of assumptions	-	172,755
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	77,380	-
Total	<u>\$ 77,380</u>	<u>\$ 272,249</u>

\$77,380 were reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	<u>MMEHT</u>
Plan year ended December 31:	
2020	\$ (50,569)
2021	(50,569)
2022	(50,569)
2023	(50,569)
2024	(50,568)
Thereafter	(19,405)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2018. 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 4.10% per annum for December 31, 2019 was based upon a measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 1,745,659	\$ 1,532,238	\$ 1,358,101
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 1,745,659</u>	<u>\$ 1,532,238</u>	<u>\$ 1,358,101</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:

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 1,410,630	\$ 1,532,238	\$ 1,683,336
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 1,410,630</u>	<u>\$ 1,532,238</u>	<u>\$ 1,683,336</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%	 0.00%	 0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2017. 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.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Assumptions

The actuarial assumptions used in the January 1, 2018 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2018 and December 31, 2019.

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, 2018, they are as follows:

Discount Rate - 4.10% per annum.

Trend Assumptions:

Pre-Medicare Medical - Initial trend of 8.20% applied in 2018 grading over 14 years to 4.00% per annum.

Pre-Medicare Drug - Initial trend of 9.60% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Medical - Initial trend of 4.93% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Drug - Initial trend of 9.60% applied in 2017 grading over 14 years to 4.00% per annum.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

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

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

Administrative expenses - Included in the per capita claims cost.

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

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

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

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended December 31, 2019 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2019 was \$99,494.

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. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at City Hall at 12 Second Street, Presque Isle, Maine 04769.

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 19 - CONTINGENCIES

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

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

NOTE 20 - JOINT VENTURE

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

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 20 - JOINT VENTURE (CONTINUED)

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

NOTE 21 - DEFICIT FUND BALANCES

At December 31, 2019, the City has the following funds with deficit fund balances:

Major funds:	
Airport	\$ 215,536
Subtotal major funds	<u>215,536</u>
Nonmajor funds:	
Police grant	2,198
Retirement pay	34,051
Riverside market	1,815
Airport	99,822
Airport project 48	12,184
Airport project 51	2,097
Airport project 50	9,627
Airport project 50	397,044
Airport project 43	10,341
Airport crack sealing	17,776
Airport pavement markings	201,517
Cunningham School	470
Subtotal nonmajor funds	<u>788,942</u>
Total	<u>\$ 1,004,478</u>

NOTE 22 - COMPARATIVE DATA/RECLASSIFICATIONS

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 23 - RESTATEMENTS

The beginning net position was restated as of January 1, 2019 to correct the beginning balance of notes from direct borrowings payable. Notes from direct borrowings payable was increased by \$323,520, which decreased net position by the same amount.

As a result of this restatement, beginning net position of the governmental activities was restated by \$323,520 from \$63,687,380 to \$63,363,860.

The special revenue fund and the capital projects fund total fund balance was also restated to correct an error in the public safety buildings fund balance. As a result of this restatement, the special revenue fund - RLF buildings beginning fund balance was reduced by \$17,000, from \$605,162 to \$588,162, while the capital projects fund - Public Safety building increased by \$17,000 from \$0 to \$17,000.

NOTE 24 - SUBSEQUENT EVENT

The City of Presque Isle has entered into an agreement with Maine Public Employees Retirement System (MEPERS) to become part of the Consolidated PLD Retirement Plan. Effective January 1, 2020, general government employees, who work 20 or more hours per week can participate in the AC Plan, while police and firefighters who work 20 or more hours per week can participate in the 3C plan. Current contributions rates for the AC Plan are 8.1% for employees and 10.0% for employers. The 3C Plan contribution rates are 9.5% for employees and 12.8% for employers.

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions - Pension
- Schedule of Investment Returns
- Schedule of Funding Progress
- Schedule of Proportionate Share of the OPEB Liability - Group Life
- Schedule of Changes in Net OPEB Liability - Health Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - Health Plan
- Schedule of Contributions - OPEB - Group Life and Health
- Notes to Required Supplementary Information

CITY OF PRESQUE ISLE, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1	\$ 2,528,542	\$ 2,528,542	\$ 2,528,542	\$ -
Resources (Inflows):				
General tax revenue - municipal and education	14,962,537	14,962,537	14,948,158	(14,379)
Intergovernmental revenue	2,160,428	2,160,428	2,225,938	65,510
Charges for services	2,730,680	2,730,680	2,801,143	70,463
Investment income	25,000	25,000	35,973	10,973
Other revenue	220,350	220,350	268,689	48,339
Transfers from other funds	472,250	472,250	472,250	-
Amounts Available for Appropriation	<u>23,099,787</u>	<u>23,099,787</u>	<u>23,280,693</u>	<u>180,906</u>
Charges to Appropriations (Outflows):				
General government	3,833,475	3,833,475	3,711,771	121,704
Public safety	2,816,854	2,816,854	2,690,546	126,308
Solid waste	467,400	467,400	480,813	(13,413)
Public works	2,529,467	2,292,157	2,267,236	24,921
Recreation and culture	1,385,104	1,385,104	1,371,904	13,200
Debt service	899,658	899,658	888,307	11,351
Education	6,315,510	6,315,510	6,315,512	(2)
County Tax	746,844	746,844	746,844	-
Outside services	57,950	57,950	57,950	-
Unclassified	357,772	301,272	206,902	94,370
Transfers to other funds	1,161,211	1,455,021	1,454,530	491
Total Charges to Appropriations	<u>20,571,245</u>	<u>20,571,245</u>	<u>20,192,315</u>	<u>378,930</u>
Budgetary Fund Balance, December 31	<u>\$ 2,528,542</u>	<u>\$ 2,528,542</u>	<u>\$ 3,088,378</u>	<u>\$ 559,836</u>

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 102,865	\$ 112,808	\$ 114,802	\$ 126,831	\$ 124,786	\$ 128,547
Interest	1,888,425	1,902,765	1,894,827	1,975,016	2,046,607	2,032,234
Difference between actual and expected experience	288,742	16,398	39,140	(158,217)	(1,240,226)	58,985
Changes of assumptions	-	249,097	-	(193,153)	416,189	-
Benefit payments	(2,002,778)	(1,939,768)	(1,923,149)	(1,939,722)	(1,943,291)	(1,889,865)
Net change in total pension liability	277,254	341,300	125,620	(189,245)	(595,935)	329,901
Total pension liability - beginning	28,858,837	28,517,537	28,391,917	28,581,162	29,177,097	28,847,196
Total pension liability - ending (a)	\$ 29,136,091	\$ 28,858,837	\$ 28,517,537	\$ 28,391,917	\$ 28,581,162	\$ 29,177,097
Plan fiduciary net position						
Contributions - employer	\$ 546,294	\$ 515,907	\$ 533,271	\$ 651,488	\$ 697,879	\$ 507,333
Contributions - employee	60,366	59,158	65,008	69,399	76,352	70,439
Net investment income	1,675,727	2,428,578	2,891,957	81,119	457,533	3,748,995
Benefit payments	(2,002,778)	(1,939,768)	(1,923,149)	(1,939,722)	(1,943,291)	(1,889,865)
Other	(24,919)	(23,018)	(2,775)	(20,671)	(22,206)	(18,343)
Net change in plan fiduciary net position	254,690	1,040,858	1,564,312	(1,158,387)	(733,733)	2,418,559
Plan fiduciary net position - beginning	25,925,147	24,884,289	23,319,979	24,478,366	25,212,099	22,793,540
Plan fiduciary net position - ending (b)	\$ 26,179,837	\$ 25,925,147	\$ 24,884,291	\$ 23,319,979	\$ 24,478,366	\$ 25,212,099
Net pension liability - ending (a) - (b)	\$ 2,956,254	\$ 2,933,691	\$ 3,633,246	\$ 5,071,938	\$ 4,102,796	\$ 3,964,998
Plan fiduciary net position as a percentage of the total pension liability	89.85%	89.83%	87.26%	82.14%	85.65%	86.41%
Covered payroll	\$ 855,996	\$ 861,629	\$ 923,352	\$ 962,341	\$ 952,531	N/A
Net pension liability as a percentage of its covered payroll	345.36%	340.48%	393.48%	527.04%	430.73%	N/A

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

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 576,409	\$ 577,066	\$ 559,300	\$ 628,253	\$ 736,961	\$ 534,465
Contributions in relation to the actuarially determined contribution	(576,409)	(577,066)	(559,300)	(628,253)	(736,961)	(534,465)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 787,496	\$ 855,996	\$ 861,629	\$ 923,352	\$ 962,341	\$ 952,531
Contributions as a percentage of covered payroll	73.20%	67.41%	64.91%	68.04%	76.58%	56.11%

Notes to schedule:

Valuation date: June 30, 2019
 Actuarial cost method - retirement benefits: Entry age normal.
 Actuarial cost method - ancillary benefits: Term cost method.
 Asset-valuation method: Market value of assets as of the measurement date.

Actuarial assumptions

Annual investment rate of return: 6.75%
 Annual rate of salary increase: 2.75%
 Annual cost of living increase (if adopted): 2.20%
 Expense allowance: None.
 Retirement age: Age 60 for employees in regular plans; earliest age eligible for unreduced benefits for employees in special plans.

Probabilities of employment termination due to:

Age	Death	Disability*	Quit
25	0.0003	0.0006	0.07
30	0.0003	0.0008	0.06
35	0.0004	0.0011	0.05
40	0.0005	0.0016	0.04
45	0.0008	0.0029	0.03
50	0.0034	0.0053	0.02
55	0.0047	0.0085	0.01

* Disabilities are assumed to be 100% service-connected for Fire and Police and 100% non-service connected for regular groups.

Family composition: 100% married, spouses are same age, two children receive benefits for an average of five year apiece.

Post-retirement mortality: 104% male and 120% female of the RP-2014 total dataset mortality. Projected generationally using RPEC_2015 model with ultimate rate of 0.85% at 2020

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

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

CITY OF PRESQUE ISLE, MAINE
 SCHEDULE OF INVESTMENT RETURNS
 LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	6.75%	6.75%	12.00%	0.35%	7.13%

* The amounts presented for each fiscal year were determined as of June 30, 2019 and are for those years for which information is available.

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

CITY OF PRESQUE ISLE, MAINE

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD Life Insurance:</u>			
Proportion of the net OPEB liability	0.66%	0.71%	0.75%
City's proportionate share of the net OPEB liability	\$ 134,001	\$ 118,677	\$ 168,699
State's proportionate share of the net OPEB liability associated with the District	-	-	-
Total	<u>\$ 134,001</u>	<u>\$ 118,677</u>	<u>\$ 168,699</u>
Covered payroll	\$ 855,996	\$ 861,629	\$ 923,352
Proportionate share of the net OPEB liability as a percentage of its covered payroll	15.65%	13.77%	18.27%
Plan fiduciary net position as a percentage of the total OPEB liability	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.

CITY OF PRESQUE ISLE, MAINE

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

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/18 (Reporting December 31, 2018)	\$ 1,644,976	\$ -	\$ 1,644,976
Changes for the year:			
Service cost	43,694	-	43,694
Interest	56,771	-	56,771
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(135,823)	-	(135,823)
Contributions - employer	-	77,380	(77,380)
Contributions - member	-	-	-
Projected earnings on investments	-	-	-
Net investment (gain) / loss	-	-	-
Benefit payments	(77,380)	(77,380)	-
Administrative expense	-	-	-
Net changes	<u>(112,738)</u>	<u>-</u>	<u>(112,738)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	<u>\$ 1,532,238</u>	<u>\$ -</u>	<u>\$ 1,532,238</u>

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

CITY OF PRESQUE ISLE, MAINE

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

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

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

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

CITY OF PRESQUE ISLE, MAINE

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

	<u>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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 787,496	\$ 855,996	\$ 861,629
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

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

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

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

CITY OF PRESQUE ISLE, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

Changes of Assumptions

MEPERS Group Life Plan:

The discount rate for the OPEB PLD Plan was reduced from 6.875% to 6.75%; a blended discount rate was used for the PLD Consolidated Plan.

Maine Municipal Health Trust:

There was a change in the discount rate from 3.44% to 4.10% per GASB 75 discount rate selection.

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

Other Supplementary Information

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

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

CITY OF PRESQUE ISLE, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 13,109,337	\$ 13,109,337	\$ 13,063,218	\$ (46,119)
Excise tax	1,748,200	1,748,200	1,761,125	12,925
Interest and penalties	105,000	105,000	123,815	18,815
Intergovernmental revenues:				
General assistance	19,075	19,075	16,453	(2,622)
State parks reimbursement	3,500	3,500	6,162	2,662
Chapman fire reimbursement	25,190	25,190	25,190	-
Veterans reimbursement	9,800	9,800	9,807	7
Tree growth	1,850	1,850	4,695	2,845
State revenue sharing	946,000	946,000	1,077,384	131,384
Homestead reimbursement	596,249	596,249	596,249	-
BETE reimbursement	472,764	472,764	469,548	(3,216)
Police dept. grant	86,000	86,000	20,450	(65,550)
Charges for services:				
Administrative services	44,000	44,000	45,717	1,717
Code enforcement	150,300	150,300	56,930	(93,370)
ARFF	55,500	55,500	53,205	(2,295)
EMS Co-op with TAMC	723,064	723,064	790,863	67,799
Police dept.	2,000	2,000	1,218	(782)
Recreation and parks:				
Program income	52,500	52,500	40,113	(12,387)
Indoor pool income	48,500	48,500	59,542	11,042
Forum income	255,000	255,000	263,379	8,379
Rental income	21,500	21,500	20,283	(1,217)
Solid waste fees	598,072	598,072	628,575	30,503
PIIC rentals	566,000	566,000	608,886	42,886
Echo Lake sewer	5,544	5,544	5,980	436
Airport admin fee	33,000	33,000	33,000	-
City clerk	34,700	34,700	42,719	8,019
Cable franchise fee	55,000	55,000	61,122	6,122
Bon Aire housing parcel	46,000	46,000	45,644	(356)
PI Housing authority	40,000	40,000	43,967	3,967
Investment income	25,000	25,000	35,973	10,973
Other income				
Finance miscellaneous	6,000	6,000	6,031	31
Fire dept. miscellaneous	10,000	10,000	7,747	(2,253)
General government miscellaneous	225	225	-	(225)
Library miscellaneous	24,800	24,800	18,247	(6,553)
Police dept. miscellaneous	95,485	95,485	101,406	5,921
Public works miscellaneous	21,274	21,274	34,900	13,626
Recreation and parks miscellaneous	1,800	1,800	240	(1,560)
Employee benefits miscelaneous	22,500	22,500	37,694	15,194
Insurance	10,516	10,516	11,308	792
City clerk	2,100	2,100	809	(1,291)
Assessing	2,500	2,500	2,600	100
Sales of tax acquired property	8,150	8,150	44,229	36,079
Other	15,000	15,000	3,478	(11,522)
Transfers from other funds:				
Solid waste operations	472,250	472,250	472,250	-
Total revenues	\$ 20,571,245	\$ 20,571,245	\$ 20,752,151	\$ 180,906

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government					
General government	\$ 303,943	\$ -	\$ 303,943	\$ 297,001	\$ 6,942
Employee benefits	2,132,406	-	2,132,406	2,081,075	51,331
Finance	353,345	-	353,345	349,917	3,428
City clerk	59,368	-	59,368	55,653	3,715
Resource management	78,101	-	78,101	70,580	7,521
PIIC appropriation	393,000	-	393,000	372,000	21,000
Insurances	165,181	-	165,181	145,829	19,352
Assessing	163,633	-	163,633	163,588	45
Planning and development	116,153	-	116,153	114,154	1,999
Information technology	68,345	-	68,345	61,974	6,371
	<u>3,833,475</u>	<u>-</u>	<u>3,833,475</u>	<u>3,711,771</u>	<u>121,704</u>
Public safety					
Fire department	1,276,782	-	1,276,782	1,300,339	(23,557)
Public safety building	335,977	-	335,977	322,536	13,441
Police department	1,204,095	-	1,204,095	1,067,671	136,424
	<u>2,816,854</u>	<u>-</u>	<u>2,816,854</u>	<u>2,690,546</u>	<u>126,308</u>
Solid waste					
City	460,250	-	460,250	473,663	(13,413)
Echo Lake	7,150	-	7,150	7,150	-
	<u>467,400</u>	<u>-</u>	<u>467,400</u>	<u>480,813</u>	<u>(13,413)</u>
Public works					
Highway department	1,898,680	(237,310)	1,661,370	1,643,282	18,088
Street lights	146,400	-	146,400	139,567	6,833
Hydrant rental	484,387	-	484,387	484,387	-
	<u>2,529,467</u>	<u>(237,310)</u>	<u>2,292,157</u>	<u>2,267,236</u>	<u>24,921</u>

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Recreation and culture					
Parks and recreation	1,006,393	-	1,006,393	995,746	10,647
Library	378,711	-	378,711	376,158	2,553
	<u>1,385,104</u>	<u>-</u>	<u>1,385,104</u>	<u>1,371,904</u>	<u>13,200</u>
Debt service					
Interest on TAN	10,000	-	10,000	-	10,000
Debt payments	889,658	-	889,658	888,307	1,351
	<u>899,658</u>	<u>-</u>	<u>899,658</u>	<u>888,307</u>	<u>11,351</u>
Outside services					
Chamber of Commerce	20,000	-	20,000	20,000	-
Aroostook Area Agency - Aging	5,500	-	5,500	5,500	-
Central Aroostook Soil and Water	1,050	-	1,050	1,050	-
Quoggy Joe Ski Club	6,400	-	6,400	6,400	-
Presque Isle Snowmobile Club	2,300	-	2,300	2,300	-
Veterans cemetery	200	-	200	200	-
American Red Cross	2,500	-	2,500	2,500	-
Wintergreen Arts	20,000	-	20,000	20,000	-
	<u>57,950</u>	<u>-</u>	<u>57,950</u>	<u>57,950</u>	<u>-</u>
Education	<u>6,315,510</u>	<u>-</u>	<u>6,315,510</u>	<u>6,315,512</u>	<u>(2)</u>
County Tax	<u>746,844</u>	<u>-</u>	<u>746,844</u>	<u>746,844</u>	<u>-</u>

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified					
State Street dam utilities	188	-	188	188	-
Maine Municipal dues	7,965	-	7,965	7,963	2
Cemeteries	4,775	-	4,775	4,022	753
Annual reports	500	-	500	634	(134)
Legal services	16,000	-	16,000	30,915	(14,915)
Contingent	75,000	-	75,000	34,213	40,787
Northern ME Development Commission	17,760	-	17,760	17,760	-
Fair Association lease	3,000	-	3,000	3,000	-
C A Humane Society	16,170	-	16,170	16,170	-
Sister O'Donnell shelter	14,538	-	14,538	14,538	-
Retirement payout	50,000	(50,000)	-	-	-
Downtown revitalization committee	18,000	(6,500)	11,500	2,028	9,472
Cunningham taxes	15,000	-	15,000	13,487	1,513
Tax acquired property costs	-	-	-	21,089	(21,089)
General assistance	27,250	-	27,250	18,176	9,074
Miscellaneous	10,000	-	10,000	-	10,000
Overlay	81,626	-	81,626	22,719	58,907
	<u>357,772</u>	<u>(56,500)</u>	<u>301,272</u>	<u>206,902</u>	<u>94,370</u>

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Transfers					
Police department	58,560	-	58,560	58,560	-
Fire department	125,000	-	125,000	125,000	-
Recreation and parks	102,500	-	102,500	102,500	-
City Hall	69,200	-	69,200	69,200	-
Public works	385,050	-	385,050	385,050	-
Street overlay reserve	-	237,310	237,310	237,310	-
Emergency reserve	95,000	-	95,000	95,000	-
Revitalization reserve	-	6,500	6,500	6,500	-
Library	5,000	-	5,000	5,000	-
Public safety building	51,500	-	51,500	51,500	-
PIIC	150,000	-	150,000	150,000	-
BLD hospitality TIF	111,901	-	111,901	111,410	491
Retirement payouts	-	50,000	50,000	50,000	-
Echo Lake	7,500	-	7,500	7,500	-
	<u>1,161,211</u>	<u>293,810</u>	<u>1,455,021</u>	<u>1,454,530</u>	<u>491</u>
Total Departmental Operations	<u>\$ 20,571,245</u>	<u>\$ -</u>	<u>\$ 20,571,245</u>	<u>\$ 20,192,315</u>	<u>\$ 378,930</u>

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

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 26,196	\$ 26,196
Investments	-	-	749,267	749,267
Due from other funds	1,580,421	2,853,049	-	4,433,470
TOTAL ASSETS	<u>\$ 1,580,421</u>	<u>\$ 2,853,049</u>	<u>\$ 775,463</u>	<u>\$ 5,208,933</u>
LIABILITIES				
Due to other funds	\$ 38,064	\$ 750,878	\$ -	\$ 788,942
TOTAL LIABILITIES	<u>38,064</u>	<u>750,878</u>	<u>-</u>	<u>788,942</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,321,197	16,842	775,463	2,113,502
Committed	259,224	2,836,207	-	3,095,431
Assigned	-	-	-	-
Unassigned	(38,064)	(750,878)	-	(788,942)
TOTAL FUND BALANCES	<u>1,542,357</u>	<u>2,102,171</u>	<u>775,463</u>	<u>4,419,991</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,580,421</u>	<u>\$ 2,853,049</u>	<u>\$ 775,463</u>	<u>\$ 5,208,933</u>

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

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 147,004	\$ 1,678,466	\$ -	\$ 1,825,470
Interest income	6,105	15,000	17,846	38,951
Investment income, net of unrealized gains/(losses)	-	-	136,085	136,085
Other income	291,413	631,692	180	923,285
TOTAL REVENUES	<u>444,522</u>	<u>2,325,158</u>	<u>154,111</u>	<u>2,923,791</u>
EXPENDITURES				
General government	265,746	50,012	42,795	358,553
Public safety	31,103	64,563	-	95,666
Recreation and culture	20,967	45,247	-	66,214
Airport	14,127	513,958	-	528,085
Capital outlay	436,655	1,837,447	-	2,274,102
TOTAL EXPENDITURES	<u>768,598</u>	<u>2,511,227</u>	<u>42,795</u>	<u>3,322,620</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(324,076)</u>	<u>(186,069)</u>	<u>111,316</u>	<u>(398,829)</u>
OTHER FINANCING SOURCES (USES)				
Note from direct borrowings payable	-	270,000	-	270,000
Transfers in	228,953	1,566,156	-	1,795,109
Transfers (out)	-	(726,984)	-	(726,984)
TOTAL OTHER FINANCING SOURCES (USES)	<u>228,953</u>	<u>1,109,172</u>	<u>-</u>	<u>1,338,125</u>
NET CHANGE IN FUND BALANCES	(95,123)	923,103	111,316	939,296
FUND BALANCES, JANUARY 1, RESTATED	<u>1,637,480</u>	<u>1,179,068</u>	<u>664,147</u>	<u>3,480,695</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,542,357</u>	<u>\$ 2,102,171</u>	<u>\$ 775,463</u>	<u>\$ 4,419,991</u>

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

This page left blank intentionally.

Special Revenue Funds

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

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Restricted Reserve Funds						
	RLF Building Fund	CDBG Program	REDLP Loan Funds	Industrial Council Land Sales	Intermodal Rail Yard	Police Grant	Library Grants
ASSETS							
Due from other funds	\$ 249,742	\$ 7,869	\$ 103,924	\$ 138,086	\$ 32,743	\$ -	\$ 2,091
TOTAL ASSETS	<u>\$ 249,742</u>	<u>\$ 7,869</u>	<u>\$ 103,924</u>	<u>\$ 138,086</u>	<u>\$ 32,743</u>	<u>\$ -</u>	<u>\$ 2,091</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,198	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,198</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	249,742	7,869	103,924	-	-	-	2,091
Committed	-	-	-	138,086	32,743	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(2,198)	-
TOTAL FUND BALANCES (DEFICITS)	<u>249,742</u>	<u>7,869</u>	<u>103,924</u>	<u>138,086</u>	<u>32,743</u>	<u>(2,198)</u>	<u>2,091</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 249,742</u>	<u>\$ 7,869</u>	<u>\$ 103,924</u>	<u>\$ 138,086</u>	<u>\$ 32,743</u>	<u>\$ -</u>	<u>\$ 2,091</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Restricted Reserve Funds					
	Fire Department Grants	Airport PFC	Planning and Development Grants	Grant Matching Funds	Economic Development Fund	BLD Hospitality TIF Funds
ASSETS						
Due from other funds	\$ 7,894	\$ 37,317	\$ 1,766	\$ 206,534	\$ 144,826	\$ 544,282
TOTAL ASSETS	<u>\$ 7,894</u>	<u>\$ 37,317</u>	<u>\$ 1,766</u>	<u>\$ 206,534</u>	<u>\$ 144,826</u>	<u>\$ 544,282</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	7,894	37,317	1,766	206,534	144,826	544,282
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>7,894</u>	<u>37,317</u>	<u>1,766</u>	<u>206,534</u>	<u>144,826</u>	<u>544,282</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 7,894</u>	<u>\$ 37,317</u>	<u>\$ 1,766</u>	<u>\$ 206,534</u>	<u>\$ 144,826</u>	<u>\$ 544,282</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Other Special Revenues						
	Recreation Programs	Cost Recovery	Softball	Downing Park	Bloodhound	Police Unclaimed	Outside Grants
ASSETS							
Due from other funds	\$ 37,530	\$ 1,636	\$ 2,032	\$ 968	\$ 2,441	\$ 1,641	\$ 1,566
TOTAL ASSETS	<u>\$ 37,530</u>	<u>\$ 1,636</u>	<u>\$ 2,032</u>	<u>\$ 968</u>	<u>\$ 2,441</u>	<u>\$ 1,641</u>	<u>\$ 1,566</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	1,566
Committed	37,530	1,636	2,032	968	2,441	1,641	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>37,530</u>	<u>1,636</u>	<u>2,032</u>	<u>968</u>	<u>2,441</u>	<u>1,641</u>	<u>1,566</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 37,530</u>	<u>\$ 1,636</u>	<u>\$ 2,032</u>	<u>\$ 968</u>	<u>\$ 2,441</u>	<u>\$ 1,641</u>	<u>\$ 1,566</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Other Special Revenues						
	Wellness Grant	Retirement Pay	Book Memorials	Revitalization	Riverside Market	BBQ Cook Off	Donated Fuel
ASSETS							
Due from other funds	\$ 13,386	\$ -	\$ 4,072	\$ 12,629	\$ -	\$ -	\$ 3,564
TOTAL ASSETS	\$ 13,386	\$ -	\$ 4,072	\$ 12,629	\$ -	\$ -	\$ 3,564
LIABILITIES							
Due to other funds	\$ -	\$ 34,051	\$ -	\$ -	\$ 1,815	\$ -	\$ -
TOTAL LIABILITIES	-	34,051	-	-	1,815	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	13,386	-	-	-	-	-	-
Committed	-	-	4,072	12,629	-	-	3,564
Assigned	-	-	-	-	-	-	-
Unassigned	-	(34,051)	-	-	(1,815)	-	-
TOTAL FUND BALANCES (DEFICITS)	13,386	(34,051)	4,072	12,629	(1,815)	-	3,564
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 13,386	\$ -	\$ 4,072	\$ 12,629	\$ -	\$ -	\$ 3,564

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Other Special Revenues					Total
	Appraisals	Movie Night	Military Surplus	Riverside Playground	Downtown Market	
ASSETS						
Due from other funds	\$ 11,450	\$ 194	\$ 1,887	\$ 8,031	\$ 320	\$ 1,580,421
TOTAL ASSETS	<u>\$ 11,450</u>	<u>\$ 194</u>	<u>\$ 1,887</u>	<u>\$ 8,031</u>	<u>\$ 320</u>	<u>\$ 1,580,421</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,064
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,064</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,321,197
Committed	11,450	194	1,887	8,031	320	259,224
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(38,064)
TOTAL FUND BALANCES (DEFICITS)	<u>11,450</u>	<u>194</u>	<u>1,887</u>	<u>8,031</u>	<u>320</u>	<u>1,542,357</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 11,450</u>	<u>\$ 194</u>	<u>\$ 1,887</u>	<u>\$ 8,031</u>	<u>\$ 320</u>	<u>\$ 1,580,421</u>

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

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Restricted Reserve Funds						
	RLF Building Fund	CDBG Program	REDLP Loan Funds	Industrial Council Land Sales	Intermodal Rail Yard	Police Grant	Library Grants
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,319	\$ -
Interest income	4,375	-	-	1,730	-	-	-
Other income	93,860	-	-	20,515	20,075	2,700	-
TOTAL REVENUES	<u>98,235</u>	<u>-</u>	<u>-</u>	<u>22,245</u>	<u>20,075</u>	<u>24,019</u>	<u>-</u>
EXPENDITURES							
General government	-	-	611	56,548	7,178	-	-
Public safety	-	-	-	-	-	31,103	-
Recreation and culture	-	-	-	-	-	-	1,114
Airport	-	-	-	-	-	-	-
Capital outlay	436,655	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>436,655</u>	<u>-</u>	<u>611</u>	<u>56,548</u>	<u>7,178</u>	<u>31,103</u>	<u>1,114</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(338,420)</u>	<u>-</u>	<u>(611)</u>	<u>(34,303)</u>	<u>12,897</u>	<u>(7,084)</u>	<u>(1,114)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(338,420)	-	(611)	(34,303)	12,897	(7,084)	(1,114)
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	<u>588,162</u>	<u>7,869</u>	<u>104,535</u>	<u>172,389</u>	<u>19,846</u>	<u>4,886</u>	<u>3,205</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 249,742</u>	<u>\$ 7,869</u>	<u>\$ 103,924</u>	<u>\$ 138,086</u>	<u>\$ 32,743</u>	<u>\$ (2,198)</u>	<u>\$ 2,091</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Restricted Reserve Funds					
	Fire Department Grants	Airport PFC	Planning and Development Grants	Grant Matching Funds	Economic Development Fund	BLD Hospitality TIF Funds
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ 7,771	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-
Other income	300	42,352	-	-	-	-
TOTAL REVENUES	<u>300</u>	<u>42,352</u>	<u>7,771</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Airport	-	14,127	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>14,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>300</u>	<u>28,225</u>	<u>7,771</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	111,410
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,410</u>
NET CHANGE IN FUND BALANCES	300	28,225	7,771	-	-	111,410
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	<u>7,594</u>	<u>9,092</u>	<u>(6,005)</u>	<u>206,534</u>	<u>144,826</u>	<u>432,872</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 7,894</u>	<u>\$ 37,317</u>	<u>\$ 1,766</u>	<u>\$ 206,534</u>	<u>\$ 144,826</u>	<u>\$ 544,282</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Other Special Revenues						Outside Grants
	Recreation Programs	Cost Recovery	Softball	Downing Park	Bloodhound	Police Unclaimed	
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,914
Interest income	-	-	-	-	-	-	-
Other income	16,300	1,950	2,200	338	2,000	-	4,025
TOTAL REVENUES	<u>16,300</u>	<u>1,950</u>	<u>2,200</u>	<u>338</u>	<u>2,000</u>	<u>-</u>	<u>121,939</u>
EXPENDITURES							
General government	-	1,169	-	-	-	-	121,350
Public safety	-	-	-	-	-	-	-
Recreation and culture	1,239	-	2,019	1,310	-	-	-
Airport	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,239</u>	<u>1,169</u>	<u>2,019</u>	<u>1,310</u>	<u>-</u>	<u>-</u>	<u>121,350</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,061</u>	<u>781</u>	<u>181</u>	<u>(972)</u>	<u>2,000</u>	<u>-</u>	<u>589</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15,061	781	181	(972)	2,000	-	589
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	<u>22,469</u>	<u>855</u>	<u>1,851</u>	<u>1,940</u>	<u>441</u>	<u>1,641</u>	<u>977</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 37,530</u>	<u>\$ 1,636</u>	<u>\$ 2,032</u>	<u>\$ 968</u>	<u>\$ 2,441</u>	<u>\$ 1,641</u>	<u>\$ 1,566</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Other Special Revenues						
	Wellness Grant	Retirement Pay	Book Memorials	Revitalization	Riverside Market	BBQ Cook Off	Donated Fuel
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-
Other income	13,982	-	6,044	4,750	200	3,682	-
TOTAL REVENUES	13,982	-	6,044	4,750	200	3,682	-
EXPENDITURES							
General government	805	71,757	-	4,307	2,015	-	6
Public safety	-	-	-	-	-	-	-
Recreation and culture	-	-	6,481	-	-	6,092	-
Airport	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	805	71,757	6,481	4,307	2,015	6,092	6
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,177	(71,757)	(437)	443	(1,815)	(2,410)	(6)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	50,000	-	6,500	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	50,000	-	6,500	-	-	-
NET CHANGE IN FUND BALANCES	13,177	(21,757)	(437)	6,943	(1,815)	(2,410)	(6)
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	209	(12,294)	4,509	5,686	-	2,410	3,570
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 13,386	\$ (34,051)	\$ 4,072	\$ 12,629	\$ (1,815)	\$ -	\$ 3,564

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Other Special Revenues					Total
	Appraisals	Movie Night	Military Surplus	Riverside Playground	Downtown Market	
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,004
Interest income	-	-	-	-	-	6,105
Other income	-	2,490	-	53,650	-	291,413
TOTAL REVENUES	-	2,490	-	53,650	-	444,522
EXPENDITURES						
General government	-	-	-	-	-	265,746
Public safety	-	-	-	-	-	31,103
Recreation and culture	-	2,712	-	-	-	20,967
Airport	-	-	-	-	-	14,127
Capital outlay	-	-	-	-	-	436,655
TOTAL EXPENDITURES	-	2,712	-	-	-	768,598
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(222)	-	53,650	-	(324,076)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	61,043	-	228,953
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	61,043	-	228,953
NET CHANGE IN FUND BALANCES	-	(222)	-	114,693	-	(95,123)
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	11,450	416	1,887	(106,662)	320	1,637,480
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 11,450</u>	<u>\$ 194</u>	<u>\$ 1,887</u>	<u>\$ 8,031</u>	<u>\$ 320</u>	<u>\$ 1,542,357</u>

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

This page left blank intentionally.

Capital Projects Funds

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

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	Reserve Funds						
	Police Department	Fire Department	Recreation and Parks	Library	City Hall	Public Works	
ASSETS							
Due from other funds	\$ 71,720	\$ 311,576	\$ 201,308	\$ 5,051	\$ 106,458	\$ 78,561	\$ -
TOTAL ASSETS	\$ 71,720	\$ 311,576	\$ 201,308	\$ 5,051	\$ 106,458	\$ 78,561	\$ -
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,822
TOTAL LIABILITIES	-	-	-	-	-	-	99,822
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	71,720	311,576	201,308	5,051	106,458	78,561	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(99,822)
TOTAL FUND BALANCES (DEFICITS)	71,720	311,576	201,308	5,051	106,458	78,561	(99,822)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 71,720	\$ 311,576	\$ 201,308	\$ 5,051	\$ 106,458	\$ 78,561	\$ -

SCHEDULE G (CONTINUED)

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	Reserve Funds					Restricted Reserve Funds	
	PIIC	Echo Lake	FAA	Downtown Infrastructure	Public Safety Building	Airport T Hanger	Airport Hanger
ASSETS							
Due from other funds	\$ 377,381	\$ 24,581	\$ 106,130	\$ 76,428	\$ 26,037	\$ 94,696	\$ 16,476
TOTAL ASSETS	<u>\$ 377,381</u>	<u>\$ 24,581</u>	<u>\$ 106,130</u>	<u>\$ 76,428</u>	<u>\$ 26,037</u>	<u>\$ 94,696</u>	<u>\$ 16,476</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	16,476
Committed	377,381	24,581	106,130	76,428	26,037	94,696	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>377,381</u>	<u>24,581</u>	<u>106,130</u>	<u>76,428</u>	<u>26,037</u>	<u>94,696</u>	<u>16,476</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 377,381</u>	<u>\$ 24,581</u>	<u>\$ 106,130</u>	<u>\$ 76,428</u>	<u>\$ 26,037</u>	<u>\$ 94,696</u>	<u>\$ 16,476</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	Restricted Reserve Funds						
	Airport Project 43	Septic Systems	Airport Project 52	Airport Project 51	Airport Project 48	Airport Crack Sealing	Airport Pavement Markings
ASSETS							
Due from other funds	\$ 366	\$ 3,008	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 366</u>	<u>\$ 3,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 9,627	\$ 2,097	\$ 12,184	\$ 17,776	\$ 201,517
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>9,627</u>	<u>2,097</u>	<u>12,184</u>	<u>17,776</u>	<u>201,517</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	366	-	-	-	-	-	-
Committed	-	3,008	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(9,627)	(2,097)	(12,184)	(17,776)	(201,517)
TOTAL FUND BALANCES (DEFICITS)	<u>366</u>	<u>3,008</u>	<u>(9,627)</u>	<u>(2,097)</u>	<u>(12,184)</u>	<u>(17,776)</u>	<u>(201,517)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 366</u>	<u>\$ 3,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	Restricted Reserve Funds				Solid Waste Reserve	Street Overlay	Total
	Airport Project 50	Airport Project 49	Bike Path Improvements	Airport Project Equipment			
ASSETS							
Due from other funds	\$ -	\$ -	\$ 431,642	\$ -	\$ 867,320	\$ 54,310	\$ 2,853,049
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,642</u>	<u>\$ -</u>	<u>\$ 867,320</u>	<u>\$ 54,310</u>	<u>\$ 2,853,049</u>
LIABILITIES							
Due to other funds	\$ 397,044	\$ 10,341	\$ -	\$ 470	\$ -	\$ -	\$ 750,878
TOTAL LIABILITIES	<u>397,044</u>	<u>10,341</u>	<u>-</u>	<u>470</u>	<u>-</u>	<u>-</u>	<u>750,878</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	16,842
Committed	-	-	431,642	-	867,320	54,310	2,836,207
Assigned	-	-	-	-	-	-	-
Unassigned	(397,044)	(10,341)	-	(470)	-	-	(750,878)
TOTAL FUND BALANCES (DEFICITS)	<u>(397,044)</u>	<u>(10,341)</u>	<u>431,642</u>	<u>(470)</u>	<u>867,320</u>	<u>54,310</u>	<u>2,102,171</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,642</u>	<u>\$ -</u>	<u>\$ 867,320</u>	<u>\$ 54,310</u>	<u>\$ 2,853,049</u>

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

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Reserve Funds						
	Police Department	Fire Department	Recreation and Parks	Library	City Hall	Public Works	Airport
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,460
Interest income	-	-	-	-	-	-	-
Other income	7,625	560	5,700	-	-	10,000	-
TOTAL REVENUES	<u>7,625</u>	<u>560</u>	<u>5,700</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>101,460</u>
EXPENDITURES							
General government	-	-	-	-	50,012	-	-
Public safety	-	64,563	-	-	-	-	-
Recreation and culture	-	-	40,247	5,000	-	-	-
Airport	-	-	-	-	-	-	140,004
Capital outlay	-	-	-	-	-	481,872	121,076
TOTAL EXPENDITURES	<u>-</u>	<u>64,563</u>	<u>40,247</u>	<u>5,000</u>	<u>50,012</u>	<u>481,872</u>	<u>261,080</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,625</u>	<u>(64,003)</u>	<u>(34,547)</u>	<u>(5,000)</u>	<u>(50,012)</u>	<u>(471,872)</u>	<u>(159,620)</u>
OTHER FINANCING SOURCES (USES)							
Note from direct borrowings payable	-	-	-	-	-	-	-
Transfers in	58,560	125,000	102,500	5,000	69,200	510,050	127,056
Transfers (out)	-	-	-	-	(61,043)	-	(68,691)
TOTAL OTHER FINANCING SOURCES (USES)	<u>58,560</u>	<u>125,000</u>	<u>102,500</u>	<u>5,000</u>	<u>8,157</u>	<u>510,050</u>	<u>58,365</u>
NET CHANGE IN FUND BALANCES	66,185	60,997	67,953	-	(41,855)	38,178	(101,255)
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	<u>5,535</u>	<u>250,579</u>	<u>133,355</u>	<u>5,051</u>	<u>148,313</u>	<u>40,383</u>	<u>1,433</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 71,720</u>	<u>\$ 311,576</u>	<u>\$ 201,308</u>	<u>\$ 5,051</u>	<u>\$ 106,458</u>	<u>\$ 78,561</u>	<u>\$ (99,822)</u>

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Reserve Funds					Restricted Reserve Funds	
	PIIC	Echo Lake	FAA	Downtown Infrastructure	Public Safety Building	Airport T Hanger	Airport Hanger
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ 66,000	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-
Other income	12,525	16,182	30,000	-	-	-	-
TOTAL REVENUES	12,525	16,182	96,000	-	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-
Capital outlay	246,676	48,000	-	-	42,463	140,856	-
TOTAL EXPENDITURES	246,676	48,000	-	-	42,463	140,856	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(234,151)	(31,818)	96,000	-	(42,463)	(140,856)	-
OTHER FINANCING SOURCES (USES)							
Note from direct borrowings payable	-	-	-	-	-	270,000	-
Transfers in	150,000	7,500	-	-	51,500	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	150,000	7,500	-	-	51,500	270,000	-
NET CHANGE IN FUND BALANCES	(84,151)	(24,318)	96,000	-	9,037	129,144	-
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	461,532	48,899	10,130	76,428	17,000	(34,448)	16,476
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 377,381	\$ 24,581	\$ 106,130	\$ 76,428	\$ 26,037	\$ 94,696	\$ 16,476

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Restricted Reserve Funds						
	Airport Project 43	Septic Systems	Airport Project 52	Airport Project 51	Airport Project 48	Airport Crack Sealing	Airport Pavement Markings
REVENUES							
Intergovernmental revenue	\$ -	\$ 14,161	\$ 205,145	\$ -	\$ 46,076	\$ -	\$ -
Interest income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	14,161	205,145	-	46,076	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Airport	-	12,211	-	2,097	-	17,776	201,517
Capital outlay	-	-	214,772	-	-	-	-
TOTAL EXPENDITURES	-	12,211	214,772	2,097	-	17,776	201,517
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,950	(9,627)	(2,097)	46,076	(17,776)	(201,517)
OTHER FINANCING SOURCES (USES)							
Note from direct borrowings payable	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	1,950	(9,627)	(2,097)	46,076	(17,776)	(201,517)
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	366	1,058	-	-	(58,260)	-	-
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 366	\$ 3,008	\$ (9,627)	\$ (2,097)	\$ (12,184)	\$ (17,776)	\$ (201,517)

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Restricted Reserve Funds						Total
	Airport Project 50	Airport Project 49	Bike Path Improvements	Airport Project Equipment	Solid Waste Reserve	Street Overlay	
REVENUES							
Intergovernmental revenue	\$ 855,851	\$ 195,966	\$ -	\$ -	\$ -	\$ 193,807	\$ 1,678,466
Interest income	-	-	-	-	15,000	-	15,000
Other income	-	-	533,000	-	16,100	-	631,692
TOTAL REVENUES	855,851	195,966	533,000	-	31,100	193,807	2,325,158
EXPENDITURES							
General government	-	-	-	-	-	-	50,012
Public safety	-	-	-	-	-	-	64,563
Recreation and culture	-	-	-	-	-	-	45,247
Airport	88	139,795	-	470	-	-	513,958
Capital outlay	-	-	101,358	-	-	440,374	1,837,447
TOTAL EXPENDITURES	88	139,795	101,358	470	-	440,374	2,511,227
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	855,763	56,171	431,642	(470)	31,100	(246,567)	(186,069)
OTHER FINANCING SOURCES (USES)							
Note from direct borrowings payable	-	-	-	-	-	-	270,000
Transfers in	-	-	-	-	122,480	237,310	1,566,156
Transfers (out)	-	-	-	-	(597,250)	-	(726,984)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(474,770)	237,310	1,109,172
NET CHANGE IN FUND BALANCES	855,763	56,171	431,642	(470)	(443,670)	(9,257)	923,103
FUND BALANCES (DEFICITS), JANUARY 1, RESTATED	(1,252,807)	(66,512)	-	-	1,310,990	63,567	1,179,068
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (397,044)	\$ (10,341)	\$ 431,642	\$ (470)	\$ 867,320	\$ 54,310	\$ 2,102,171

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

This page left blank intentionally.

Permanent Funds

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

CITY OF PRESQUE ISLE, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2019

	Cemetery Perpetual Care	School Lunch	Volunteer Fire Department	Bike and Walk Path Fund	Burlock Lavway Scholarship Fund	Total
ASSETS						
Cash and cash equivalents	\$ 17,908	\$ 206	\$ 1,065	\$ 920	\$ 6,097	\$ 26,196
Investments	667,497	7,692	39,728	34,350	-	749,267
TOTAL ASSETS	\$ 685,405	\$ 7,898	\$ 40,793	\$ 35,270	\$ 6,097	\$ 775,463
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	685,405	7,898	40,793	35,270	6,097	775,463
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	685,405	7,898	40,793	35,270	6,097	775,463
TOTAL LIABILITIES AND FUND BALANCES	\$ 685,405	\$ 7,898	\$ 40,793	\$ 35,270	\$ 6,097	\$ 775,463

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

CITY OF PRESQUE ISLE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Cemetery Perpetual Care	School Lunch	Volunteer Fire Department	Bike and Walk Path Fund	Burlock Lavway Scholarship Fund	Total
REVENUES						
Interest income	\$ 15,943	\$ 176	\$ 924	\$ 790	\$ 13	\$ 17,846
Investment income, net of unrealized gains/(losses)	121,580	1,336	7,150	6,019	-	136,085
Other	-	-	180	-	-	180
TOTAL REVENUES	137,523	1,512	8,254	6,809	13	154,111
EXPENDITURES						
Fees	4,687	51	274	233	-	5,245
Other	34,423	-	2,289	338	500	37,550
TOTAL EXPENDITURES	39,110	51	2,563	571	500	42,795
NET CHANGE IN FUND BALANCES	98,413	1,461	5,691	6,238	(487)	111,316
FUND BALANCES, JANUARY 1	586,992	6,437	35,102	29,032	6,584	664,147
FUND BALANCES, DECEMBER 31	\$ 685,405	\$ 7,898	\$ 40,793	\$ 35,270	\$ 6,097	\$ 775,463

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

This page left blank intentionally.

General Capital Assets

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2019

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings, Land and Building Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General Government	\$ 4,315,871	\$ 25,260,638	\$ 919,477	\$ -	\$ 30,495,986
Public Safety	375,000	3,690,523	3,888,601	-	7,954,124
Public Works	41,000	1,872,835	3,996,021	17,746,071	23,655,927
Airport	611,506	14,817,136	4,679,044	31,699,110	51,806,796
Solid Waste	11,200	-	1,706,682	3,687,962	5,405,844
Recreation	738,687	9,837,959	1,194,503	-	11,771,149
Total General Capital Assets	6,093,264	55,479,091	16,384,328	53,133,143	131,089,826
Less: Accumulated Depreciation	-	(29,991,607)	(9,616,272)	(21,445,417)	(61,053,296)
Net General Capital Assets	\$ 6,093,264	\$ 25,487,484	\$ 6,768,056	\$ 31,687,726	\$ 70,036,530

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

CITY OF PRESQUE ISLE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Capital Assets 1/1/19	Additions	Deletions	General Capital Assets 12/31/19
General Government	\$ 29,440,767	\$ 1,055,219	\$ -	\$ 30,495,986
Public Safety	7,865,032	89,092	-	7,954,124
Public Works	22,777,508	938,419	(60,000)	23,655,927
Airport	51,927,941	359,276	(480,421)	51,806,796
Solid Waste	7,502,418	-	(2,096,574)	5,405,844
Recreation	11,614,378	156,771	-	11,771,149
Total General Capital Assets	131,128,044	2,598,777	(2,636,995)	131,089,826
Less: Accumulated Depreciation	(58,431,246)	(4,150,957)	1,528,907	(61,053,296)
Net General Capital Assets	<u>\$ 72,696,798</u>	<u>\$ (1,552,180)</u>	<u>\$ (1,108,088)</u>	<u>\$ 70,036,530</u>

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

This page left blank intentionally.

STATISTICAL SECTION

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

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net Investment in capital assets	\$ 53,914,937	\$ 52,297,509	\$ 51,509,110	\$ 50,931,088	\$ 51,001,689	\$ 53,333,316	\$ 56,466,655	\$ 60,238,239	\$ 59,549,021	\$ 62,052,782
Restricted (a)	645,630	3,389,997	3,322,212	3,556,999	3,404,836	3,887,064	3,627,448	4,123,070	\$ 4,220,134	\$ 4,143,258
Unrestricted	5,149,664	3,444,455	3,242,563	4,194,578	5,497,287	863,725	1,410,914	(1,974,889)	\$ (405,295)	\$ 2,042,478
Total governmental activities net position	<u>\$ 59,710,231</u>	<u>\$ 59,131,961</u>	<u>\$ 58,073,885</u>	<u>\$ 58,682,665</u>	<u>\$ 59,903,812</u>	<u>\$ 58,084,105</u>	<u>\$ 61,505,017</u>	<u>\$ 62,386,420</u>	<u>\$ 63,363,860</u>	<u>\$ 68,238,518</u>

(a) Beginning in the fiscal year ending December 31, 2011, the City changed the way it accounts for restricted net position.

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

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

Expenses	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 4,941,896	\$ 4,674,607	\$ 4,889,842	\$ 4,716,128	\$ 4,067,679	\$ 4,180,348	\$ 6,327,967	\$ 2,937,715	\$ 3,343,472	\$ 4,618,062
Public safety	2,597,925	2,634,579	2,486,138	2,751,289	2,508,598	2,502,715	2,614,101	3,037,148	3,181,631	3,131,586
Solid waste	1,536,356	2,355,571	2,319,919	1,221,998	1,573,640	1,627,681	1,749,569	1,110,981	934,549	86,330
Public works	2,588,693	2,815,777	3,077,507	1,168,012	2,741,027	2,789,012	2,421,188	2,521,107	3,522,960	3,128,987
Recreation and culture	1,490,592	1,544,757	1,430,088	1,515,441	1,237,803	1,270,879	1,455,310	1,655,539	2,000,007	1,921,648
County Tax	-	-	-	-	603,602	619,295	645,031	665,733	730,680	746,844
Education	5,375,744	5,375,744	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554	6,210,945	6,236,004	6,315,512
Airport	2,489,402	2,712,857	3,064,007	3,342,171	2,031,029	2,965,690	2,967,703	3,345,973	4,470,243	5,113,268
Outside requests	-	-	-	-	-	-	60,825	-	-	-
TIF	-	-	-	-	131,373	68,832	-	-	-	-
Program Expenditures	-	-	-	-	96,865	1,720,521	-	-	-	-
Community Service	-	-	-	-	-	-	-	453,817	504,678	279,852
Miscellaneous	-	-	-	-	-	-	451,677	-	-	-
Interest on debt service	151,761	398,620	374,636	623,921	129,953	139,789	311,766	320,228	14,322	203,476
Capital Outlay	-	-	-	-	-	-	(76,705)	330,935	629,700	-
Total governmental activities expenses	21,172,369	22,512,512	23,021,607	21,129,880	21,271,865	24,037,531	25,168,986	22,590,121	25,568,246	25,545,565
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 669,519	\$ 702,109	\$ 753,999	\$ 871,603	\$ 202,119	\$ 194,965	\$ 634,948	\$ 781,643	\$ 796,478	\$ 848,055
Public safety	100,483	92,737	44,691	59,349	89,871	84,037	153,832	471,439	651,860	849,011
Solid Waste	783,478	1,596,920	1,670,927	1,672,625	1,720,313	1,443,138	477,679	224,892	1,091,592	634,555
Public works	10,056	12,012	5,526	6,795	-	-	-	-	-	-
Recreation and culture	437,898	436,168	430,395	403,917	336,046	331,340	324,227	351,505	387,906	383,317
Airport	1,114,214	1,439,342	1,644,060	1,646,208	1,936,977	-	1,112,688	1,533,950	2,285,515	86,205
Program Revenues	-	-	-	-	614,048	2,325,076	-	-	-	-
Operating grants and contributions	872,228	545,679	663,864	474,687	1,042,892	2,974,744	-	1,973,617	1,882,542	1,887,563
Capital grants and contributions	1,782,404	1,776,696	1,488,310	757,936	-	-	-	5,852,514	-	-
Total governmental activities program revenues	5,770,280	6,601,663	6,701,772	5,893,120	5,942,266	7,353,300	2,703,374	11,189,560	7,095,893	4,688,706
Net (expense)/revenue										
Governmental activities	(15,402,089)	(15,910,849)	(16,319,835)	(15,236,760)	(15,329,599)	(16,684,231)	(22,465,612)	(11,400,561)	(18,472,353)	(20,856,859)
Total primary government net (expense)/revenue	\$ (15,402,089)	\$ (15,910,849)	\$ (16,319,835)	\$ (15,236,760)	\$ (15,329,599)	\$ (16,684,231)	\$ (22,465,612)	\$ (11,400,561)	\$ (18,472,353)	\$ (20,856,859)
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes:										
Tax Revenue	\$ 12,021,452	\$ 12,050,893	\$ 11,955,543	\$ 14,071,278	\$ 14,602,932	\$ 14,736,466	\$ 15,325,258	\$ 15,302,118	\$ 15,274,009	\$ 15,041,543
Cable television franchise	62,669	64,744	64,438	61,755	59,836	56,541	-	-	-	-
Intergovernmental	-	-	-	-	-	-	5,902,477	-	-	-
Unrestricted grants and contributions	1,625,123	1,607,047	1,562,793	1,405,817	1,428,254	1,691,127	-	-	1,819,597	5,185,241
Licenses and permits	-	-	-	-	-	-	593,440	13,951	-	-
Miscellaneous Revenues	102,981	92,815	83,345	113,755	363,671	2,189,663	3,127,186	2,296,310	2,683,424	1,286,022
Interest and investment earnings	162,092	95,424	141,344	192,935	96,053	11,267	170,066	150,104	(3,717)	262,744
Total governmental activities	\$ 13,974,317	\$ 13,910,923	\$ 13,807,463	\$ 15,845,540	\$ 16,550,746	\$ 18,685,064	\$ 25,118,427	\$ 17,762,483	\$ 19,773,313	\$ 21,775,550
Transfers debt and net capital assets to Aroostook Waste Solutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,955,967
Change in Net Position										
Governmental activities	(1,427,772)	(1,999,926)	1,058,076	608,780	1,221,147	2,000,833	2,652,815	6,361,922	1,300,960	4,874,658
Total primary government	\$ (1,427,772)	\$ (1,999,926)	\$ 1,058,076	\$ 608,780	\$ 1,221,147	\$ 2,000,833	\$ 2,652,815	\$ 6,361,922	\$ 1,300,960	\$ 4,874,658

Table 3

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 1,063,659	\$ 964,890	\$ 1,092,166	\$ 1,077,645	\$ 277,191	\$ 245,065	\$ 634,948	\$ 781,643	\$ 796,478	\$ 848,055
Public safety	334,585	378,506	369,451	292,402	177,607	207,189	153,832	471,439	651,860	849,011
Public works	223,774	215,189	208,976	311,125	184,284	-	-	-	-	-
Airport	2,522,082	1,670,575	2,648,069	2,003,861	1,936,977	-	1,112,688	1,533,949	2,285,515	86,205
Solid waste	925,702	1,705,536	1,906,276	1,748,859	1,720,313	1,443,138	477,679	224,892	1,091,592	634,555
Recreation and culture	700,478	1,666,967	476,834	459,228	336,046	331,340	324,227	-	387,906	383,317
Programs	-	-	-	-	1,309,848	5,126,568	-	-	-	-
Total governmental activities	<u>5,770,280</u>	<u>6,601,663</u>	<u>6,701,772</u>	<u>5,893,120</u>	<u>5,942,266</u>	<u>7,353,300</u>	<u>2,703,374</u>	<u>3,011,923</u>	<u>5,213,351</u>	<u>2,801,143</u>
Total primary government	<u>\$ 5,770,280</u>	<u>\$ 6,601,663</u>	<u>\$ 6,701,772</u>	<u>\$ 5,893,120</u>	<u>\$ 5,942,266</u>	<u>\$ 7,353,300</u>	<u>\$ 2,703,374</u>	<u>\$ 3,011,923</u>	<u>\$ 5,213,351</u>	<u>\$ 2,801,143</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 170,500	\$ 224,447	\$ 358,498	\$ 317,839	\$ 209,361	\$ 39,798
Committed	-	1,712,886	1,792,142	1,892,560	-	-	3,137,983	4,088,973	-	-
Assigned	-	51,165	51,431	177,247	107,232	32,200	-	-	30,952	10,952
Unassigned	-	2,146,195	2,089,444	1,824,405	1,220,800	1,300,507	4,665,371	4,945,244	2,288,229	3,037,628
Reserved										
Unreserved	2,291,584	-	-	-	-	-	-	-	-	-
Total general fund	\$ 2,291,584	\$ 3,910,246	\$ 3,933,017	\$ 3,894,212	\$ 1,498,532	\$ 1,557,154	\$ 8,161,852	\$ 9,352,056	\$ 2,528,542	\$ 3,088,378
All other governmental funds										
Nonspendable	\$ -	\$ 1,651,696	\$ 1,499,348	\$ 1,499,348	\$ 1,052,194	\$ 69,398	\$ -	\$ -	\$ 91,654	\$ 95,484
Restricted	-	1,738,301	1,822,864	1,822,864	3,384,836	3,877,064	3,627,448	2,774,499	4,220,134	4,143,258
Committed	-	4,368,662	4,250,602	4,250,602	4,268,174	5,276,690	718,198	62,399	7,370,202	5,756,159
Unassigned	-	(337,403)	(310,744)	(310,744)	(344,579)	(837,310)	-	-	(1,697,334)	(1,099,962)
Reserved	1,487,382	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,338,726	-	-	-	-	-	-	-	-	-
Capital projects funds	(3,046,391)	-	-	-	-	-	-	-	-	-
Permanent Funds	625,630	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 2,405,347	\$ 7,421,256	\$ 7,262,070	\$ 7,262,070	\$ 8,360,625	\$ 8,385,842	\$ 4,345,646	\$ 2,836,898	\$ 9,984,656	\$ 8,894,939

(a) Beginning in the fiscal year ending December 31, 2011, the City adopted the provisions of GASB Statement No. 54.

Table 5

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 13,338,363	\$ 13,460,549	\$ 13,368,839	\$ 14,034,278	\$ 14,567,932	\$ 14,571,466	\$ 15,248,758	\$ 15,502,118	\$ 15,145,759	\$ 14,948,158
Intergovernmental	3,932,546	2,667,110	3,602,143	2,625,900	2,471,146	4,665,871	5,902,477	7,826,131	3,702,139	7,072,804
Licenses, permits and fees	280,373	202,278	177,665	234,170	-	-	593,440	13,951	-	-
Charges for services	2,767,521	4,021,333	4,266,264	4,275,953	4,899,374	4,378,556	2,703,375	3,363,426	5,213,351	2,801,143
Unclassified	745,613	1,475,548	366,276	338,424	-	-	-	-	-	-
Interest/investment Income	162,092	95,424	141,344	192,935	69,980	11,267	170,065	150,105	(3,717)	262,744
Other Revenue	-	-	-	-	449,580	2,246,204	3,127,184	2,296,310	2,683,424	1,286,022
Total revenues	21,226,508	21,922,242	21,922,531	21,701,660	22,458,012	25,873,364	27,745,299	29,152,041	26,740,956	26,370,871
Expenditures										
General government	3,411,839	3,590,133	3,669,662	3,474,156	3,359,133	3,372,955	3,999,047	4,074,519	4,160,874	4,070,324
Public safety	2,446,174	2,415,255	2,379,866	2,478,214	2,216,973	2,243,880	2,320,443	2,709,520	2,832,877	2,786,212
Public works	2,132,829	2,062,078	2,076,095	2,080,725	2,034,957	2,035,532	1,561,102	1,593,313	2,686,602	2,267,236
Airport	2,667,398	1,727,426	1,854,421	2,035,279	2,031,029	1,583,008	1,573,843	1,771,313	2,610,436	3,216,553
Solid waste	991,795	1,699,742	1,799,471	1,361,812	3,820,663	1,202,454	1,326,777	944,965	1,110,261	2,877,874
Recreation and culture	1,398,408	1,367,469	1,270,469	1,331,972	1,057,313	1,053,791	1,124,606	1,218,379	1,538,431	1,438,118
Education	5,375,744	5,375,744	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554	6,210,945	6,236,004	6,315,512
Outside requests	64,250	64,250	39,850	41,600	41,600	41,125	60,825	59,000	56,500	57,950
Intergovernmental	562,365	574,757	605,109	613,702	603,602	619,295	645,031	665,733	730,680	746,844
TIF	-	-	-	-	131,373	68,832	-	-	-	-
Unclassified	169,554	146,798	126,384	133,477	372,074	250,341	451,677	394,818	448,178	221,902
Program expenditures	-	-	-	-	145,010	1,162,164	-	-	-	-
Capital outlay	4,577,327	2,020,841	2,192,123	1,191,220	1,682,733	5,783,345	12,292,224	8,752,320	3,468,586	2,283,920
Debt service										
Principal	314,910	394,423	324,672	417,238	382,069	480,776	926,773	945,483	897,121	684,831
Interest	152,841	158,755	379,551	268,350	248,114	258,716	315,572	315,441	14,322	203,476
Total expenditures	24,265,434	21,597,671	22,097,143	21,218,665	24,276,939	26,308,983	32,838,474	29,655,749	26,790,872	27,170,752
Excess (deficiency) of revenues over (under) expenditures	(3,038,926)	324,571	(174,612)	482,995	(1,818,927)	(435,619)	(5,093,175)	(503,708)	(49,916)	(799,881)
Other financing sources (uses)										
Issuance of debt	-	6,310,000	38,200	-	-	375,000	7,645,594	188,591	-	270,000
Transfers in	2,259,924	2,074,819	1,882,525	2,221,242	2,537,993	4,626,590	680,983	298,501	1,007,211	2,431,050
Transfers out	(2,259,924)	(2,074,819)	(1,882,525)	(2,221,242)	(2,537,993)	(4,626,590)	(680,983)	(298,501)	(1,007,211)	(2,431,050)
Total other financing sources (uses)	-	6,310,000	38,200	-	-	375,000	7,645,594	188,591	-	270,000
Net change in fund balances	\$ (3,038,926)	\$ 6,634,571	\$ (136,412)	\$ 482,995	\$ (1,818,927)	\$ (60,619)	\$ 2,552,419	\$ (315,117)	\$ (49,916)	\$ (529,881)
Debt service as a percentage of noncapital expenditures	2.38%	2.83%	3.54%	3.42%	2.79%	3.60%	6.05%	6.03%	3.91%	3.57%

Table 6

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

Tax Roll Year	Real Property	Taxable Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
2010	\$ 462,100,650	\$ 52,569,700	\$ 514,670,350	\$ 11.96	\$ 544,400,000	94.54%
2011	461,521,450	52,739,700	514,261,150	11.93	565,150,000	91.00%
2012	461,712,650	48,371,000	510,083,650	11.76	590,350,000	86.40%
2013	461,998,350	46,733,500	508,731,850	12.11	571,950,000	88.95%
2014	463,947,280	46,633,100	510,580,380	12.19	565,700,000	90.26%
2015	464,908,780	48,747,300	513,656,080	12.28	565,050,000	90.90%
2016	484,358,700	46,215,300	530,574,000	12.70	553,200,000	95.91%
2017	484,881,300	42,164,900	527,046,200	12.55	561,800,000	93.81%
2018	480,129,300	41,766,600	521,895,900	12.47	560,600,000	93.10%
2019	483,633,900	40,649,300	524,283,200	11.52	549,150,000	95.47%

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

Table 7

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

Tax Year	Direct Rates			Overlapping Rates		Total
	Basic Rate	Debt Service	Total Direct	Aroostook County	M.S.A.D. #1	Total Tax rate
2010	\$ 11.19	\$ 0.77	\$ 11.96	\$ 1.09	\$ 10.45	\$ 23.50
2011	11.08	0.85	11.93	1.12	10.45	23.50
2012	11.07	0.69	11.76	1.19	10.55	23.50
2013	11.43	0.68	12.11	1.21	11.38	24.70
2014	11.02	1.17	12.19	1.18	12.05	25.42
2015	10.84	1.44	12.28	1.21	11.98	25.46
2016	10.36	2.34	12.70	1.22	11.76	25.68
2017	10.16	2.39	12.55	1.26	11.78	25.60
2018	10.39	2.08	12.47	1.40	11.95	25.82
2019	9.89	1.63	11.52	1.42	12.05	24.99

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

Source: City Finance Department

Table 8

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

Taxpayer	2019			2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
EMERA MAINE	\$ 27,955,800	1	4.93%	\$ 17,819,100	1	3.77%
Wal-Mart	13,704,500	2	2.42%	13,876,500	3	2.93%
R & L Real Estate	11,717,500	3	2.07%	10,663,700	4	2.25%
Lowe's Home Centers, Inc	7,445,400	4	1.31%	8,023,700	5	1.70%
Aroostook Centre LLC	7,319,500	5	1.29%	16,696,600	2	3.53%
Leisure Gardens, Inc	6,611,500	6	1.17%	6,187,200	6	1.31%
BLD Hospitality, LLC	4,870,200	7	0.86%	5,267,700	8	
MMG Insurance Co	4,532,500	8	0.80%	5,265,500	9	1.11%
McCrum Land, LLC	3,919,700	9	0.69%			
Cavendish Farms LLC	3,244,600	10	0.57%			
Columbia Forest Products, Inc				5,421,900	7	1.15%
Halvorson, Phillip H				4,382,200	10	0.94%
	91,321,200		16.10%	93,604,100		18.69%
Total Assessed Valuation	\$ 567,060,841			\$ 473,076,800		

Source: City Assessment Records

Table 9

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 12,094,753	\$ 11,174,937	92.39%	\$ 917,153	\$ 12,089,329	99.96%
2011	12,094,998	11,146,701	92.16%	943,061	12,085,885	99.92%
2012	11,986,966	11,098,299	92.59%	885,083	11,972,819	99.88%
2013	12,565,677	11,635,946	92.60%	919,857	12,512,043	99.57%
2014	12,996,655	12,097,575	93.08%	885,968	12,589,575	96.87%
2015	13,077,684	12,200,005	93.29%	861,260	13,061,265	99.87%
2016	13,625,140	12,612,980	92.57%	890,055	13,503,035	99.10%
2017	13,492,383	12,604,905	93.42%	572,063	13,176,968	97.66%
2018	13,475,360	12,391,350	91.96%	772,281	13,163,631	97.69%
2019	13,101,838	11,913,064	90.93%	-	11,913,064	90.93%

Source: City Assessment and Accounting Records

Table 10

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

Fiscal Year	General Obligation Bonds	Notes Payable	Total	Personal Income (a)	Debt as a Percentage of Personal Income	Population (b)	General Bonded Debt Per Capita	Ratio of Bonded Debt to Assessed Value (c)
2010	\$ 2,576,567	\$ 106,466	\$ 2,683,033	\$ 268,353,000	1.00%	9,000	\$ 298.11	0.47%
2011	8,569,700	28,910	8,598,610	279,488,204	3.08%	9,692	887.19	1.52%
2012	8,273,908	38,200	8,312,108	288,431,826	2.88%	9,658	860.64	1.40%
2013	8,120,093	364,291	8,484,384	291,575,732	2.91%	9,596	884.16	1.42%
2014	7,643,574	340,580	7,984,154	291,396,165	2.74%	9,402	849.20	1.35%
2015	7,537,799	221,650	7,759,449	273,221,025	2.84%	9,317	832.83	1.33%
2016	14,232,573	245,698	14,478,271	277,495,702	5.22%	9,228	1,542.32	2.57%
2017	13,422,242	299,136	13,721,378	203,409,828	6.75%	9,106	1,474.00	2.39%
2018	12,606,632	217,625	12,824,257	219,110,298	5.85%	8,998	1,401.05	2.25%
2019	7,337,162	646,527	7,983,689	242,023,392	3.30%	9,162	800.83	1.34%

(a) See Table 14

(b) See Table 14

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

Table 11

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Governmental Activities Debt
December 31, 2019

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of Presque Isle General Obligation	\$ 7,337,162	100.00%	\$ 7,337,162
City of Presque Isle Notes Payable	646,586	100.00%	646,586
Total direct debt	<u>7,983,748</u>		<u>7,983,748</u>
Overlapping:			
M.S.A.D. #1	2,340,054	70.98%	1,660,970
Aroostook County	-	0.00%	-
Total overlapping debt	<u>2,340,054</u>		<u>1,660,970</u>
Total direct and overlapping debt	<u>\$ 10,323,802</u>		<u>\$ 9,644,718</u>

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

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

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

**CITY OF PRESQUE ISLE, MAINE
Legal Debt Margin Information
December 31, 2019**

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 7.5% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2019 State Valuation of \$549,150,000 the City is in compliance with the total and categorical debt limits:

Debt Limit by Category				
<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
Municipal	7.50%	\$ 41,186,250	\$ 7,983,748	\$ 33,202,502
Total Max Debt	7.50%	\$ 41,186,250	\$ 7,983,748	\$ 33,202,502

Legal Debt Margin Calculation for Fiscal Year 2019

State Valuation	\$ 549,150,000
Debt Limit - 7.5% of State Valuation	41,186,250
Less outstanding debt applicable to debt limit	<u>(7,983,748)</u>
Legal Debt Margin	<u>\$ 33,202,502</u>

Total debt applicable to the limit
as a percentage of debt limit 19.38%

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 40,830,000	\$ 42,386,250	\$ 44,276,250	\$ 42,896,250	\$ 42,427,500	\$ 42,378,750	\$ 42,135,000	\$ 42,045,000	\$ 42,045,000	\$ 41,186,250
Total debt applicable to limit	<u>2,576,567</u>	<u>8,569,700</u>	<u>8,273,908</u>	<u>8,120,093</u>	<u>7,984,154</u>	<u>7,759,449</u>	<u>14,478,271</u>	<u>13,721,378</u>	<u>12,824,257</u>	<u>7,983,748</u>
Legal debt margin	\$ 38,253,433	\$ 33,816,550	\$ 36,002,342	\$ 34,776,157	\$ 34,443,346	\$ 34,619,301	\$ 27,656,729	\$ 28,323,622	\$ 29,220,743	\$ 33,202,502
Total debt applicable to the limit as a percentage of debt limit	6.31%	20.22%	18.69%	18.93%	18.82%	18.31%	34.36%	32.63%	30.50%	19.38%

Table 13

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

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Aroostook Medical Center	1000-4999	1	1000-4999	1
Walmart	250-499	2	500-999	2
Maine Mutual Insurance Group	250-499	3	100-249	10
University of Maine at Presque Isle	250-499	4	250-499	4
MSAD #1	250-499	5	250-499	6
Columbia Forest Products	100-249	6	250-499	5
Northern Maine Community College	100-249	7	100-249	7
ACAP	100-249	8		
Presque Isle Nursing Home	100-249	9	100-249	8
Lowe's	100-249	10	100-249	9
Burrelle's Press Clipping Service			500-999	3

Source: Aroostook Partnership for Progress
 Source: maine.gov/labor/cwri/employer2.html

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

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	School Enrollment (d)	Unemployment Rate (c)
2010	9,000	\$ 268,353,000	\$ 29,817	1,797	7.90%
2011	9,692	279,488,204	28,837	1,692	8.60%
2012	9,658	288,431,826	29,865	1,620	8.70%
2013	9,596	291,575,732	30,385	1,594	7.70%
2014	9,402	291,396,165	30,993	1,578	7.50%
2015	9,317	273,221,025	29,325	1,548	6.60%
2016	9,228	277,495,702	30,071	1,727	6.70%
2017	9,106	203,409,828	22,338	1,739	4.20%
2018	8,998	219,110,298	24,351	1,800	3.50%
2019	9,162	242,023,392	26,416	2,258	3.00%

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

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

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

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

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

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

Table 15

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration:										
General Government	4.50	5.50	6.50	6.00	5.50	4.50	4.50	4.50	4.00	4.00
Human Resources	1.00	1.00	1.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Planning	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	6.50	6.50	5.50	5.50	6.00	6.00	6.00	6.00	6.00	6.00
Assessing	3.00	3.00	3.00	3.00	2.50	2.50	2.00	2.00	2.00	2.20
Public Safety:										
Police:										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Officers/Dispatch	20.00	19.00	19.00	19.00	19.00	19.00	19.00	22.00	18.00	22.00
Support Staff	2.50	2.50	2.75	2.75	2.75	2.88	2.88	2.88	4.50	2.88
Fire:										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Firefighters	15.00	12.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00	10.00
Paramedics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00	8.00
Airport:	7.50	7.50	7.50	8.00	8.00	8.00	8.00	9.00	9.50	9.50
Solid Waste	10.00	8.00	8.00	7.35	7.50	7.00	7.00	7.00	5.75	1.00
Public Works	15.00	14.00	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
Library	8.50	8.50	7.50	7.50	7.50	8.00	8.00	8.50	8.25	8.25
Recreation	18.00	16.50	16.5	15.50	14.20	14.00	15.68	17.25	17.15	17.50
Total	117.50	109.00	107.75	105.10	103.45	104.38	105.56	117.63	113.65	111.83
In addition there are:										
On-Call Fire Fighters	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Code enforcement:										
Residential construction value	\$ 1,531,791	\$ 607,185	\$ 1,360,521	\$ 1,953,974	\$ 1,181,655	\$ 3,046,886	\$ 908,639	\$ 1,445,893	\$ 2,084,050	\$ 2,033,878
Number of permits	99	59	64	76	71	75	54	70	72	74
Commercial construction value	\$ 2,512,070	\$ 3,778,926	\$ 2,008,102	\$ 8,517,064	\$ 7,471,636	\$ 13,000,944	\$ 3,878,896	\$ 1,482,993	\$ 16,837,676	\$ 3,942,490
Number of permits	51	55	50	72	68	68	62	48	72	66
Public Safety:										
Fire Department:										
Fire Calls	293	241	319	354	329	305	287	253	304	214
First Response Calls	63	53	52	49	-	-	-	-	0	8
EMS					569	1,288	868	881	1,267	1,887
Inspections	410	423	418	414	375	360	370	375	197	360
Police Department:										
Calls for Service	5,461	10,366	12,201	15,318	14,377	13,594	18,821	24,072	18,219	14,144
Criminal Arrests	404	687	680	673	655	689	645	680	849	871
Vehicle Stops	3,689	2,993	1,743	1,892	1,681	3,609	2,804	4,351	879	2,592
Accidents	253	385	253	347	601	531	536	585	351	603
Public Works:										
Street Paving (miles)	4.67	1.86	3.50	3.62	3.76	4.03	4.08	3.83	3.97	5.45*
Solid Waste:										
Refuse Collected (tons)	13,047	12,081	10,564	9,417	11,873	13,720	10,884	10,884	11,183	8469**
Recyclable Collected (tons)	7,262	8,125	6,559	6,907	7,259	6,674	4,774	1,251	1,356	1760***
Municipal Recycling Rate (a)	52.7%	47.2%	45.4%	49.3%	49.3%	47.1%	38.8%	38.8%	13.9%	6.1%****

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

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

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

*Paving during the year, chip seal not included

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

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

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

Table 16, continued

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Airport:										
Enplanements	15,204	14,453	12,379	11,555	12,122	12,878	12,398	12,780	10,911	13,147
Deplanements	15,250	14,353	12,048	11,422	12,183	12,918	12,094	12,613	10,569	12,777
Landing Fees	\$ 55,355	\$ 55,618	\$ 50,292	\$ 65,199	\$ 154,747	\$ 298,324	\$ 285,370	\$ 326,838	501,696	571,233
Recreation:										
Library:										
Total materials circulated	160,946	96,332	81,899	85,240	75,350	72,777	89,033	129,669	113,612	52,075
Total materials borrowed	85,917	50,220	63,345	64,540	55,005	63,290	81,033	83,474	84,892	55,080
Total print items in collection	55,601	57,366	61,265	52,794	50,500	50,251	61,085	61,085	77,561	83,399
Total program participants	5,197	4,085	5,423	5,226	4,390	6,022	7,835	8,490	8,767	6,320
Visits ot Library							45,835	46,195	46,165	42,227
Forum:										
Major Events	15	15	14	14	12	11	13	14	13	8
Support for Events	12	12	11	11	12	12	12	12	12	15
Weeks of Ice	23	23	23	23	22	22	22	22	22	22
Parks and Recreation:										
Non-Aquatic Programs:										
Youth Participants	5,159	4,443	4,430	4,377	4,531	5,196	7,447	9,952	10,551	9,146
Adult Participants	1,606	1,103	1,147	1,084	1,101	1,196	1,265	2,673	4,654	4,313
Aquatic Programs:										
Indoor Pool Participants	27,278	23,483	21,475	19,630	1,230	1,345	1,124	1,059	1,098	1,426
Outdoor Pool Participants	8,032	5,607	7,460	-	-	-	-	-	-	-
Mantle Lake Park Attendance	13,025	12,286	12,687	12,441	13,240	13,122	12,680	-	-	-
Community Center Visits								37,564	78,618	98,437

Sources: Various City Departments

n/a ---- information not available

(a) Percentages provided by the State Planning Office

Outdoor pool was closed in 2013;

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

Mantle Lake Attendance is no longer tracked

The City began tracking Library visits in 2016

The City began tracking Community Center visits in 2017.

Table 17

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

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

Sources: Various City Departments

Data for fiscal years prior to 2017 is not available.

This page left blank intentionally.