

TOWN OF KINGFIELD, MAINE
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

JUNE 30, 2023

TABLE OF CONTENTS

	Statement	Page
Independent Auditors' Report		3-4
Basic Financial Statements		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position	1	5
Statement of Activities	2	6
<i>Fund Financial Statements:</i>		
Balance Sheet – Governmental Funds	3	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4	8-9
Statement of Net Position – Proprietary Fund	5	10
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Fund	6	11
Statement of Cash Flows – Proprietary Fund	7	12
Notes to Financial Statements		13-28
Required Supplemental Information	Schedule	
Schedule of Changes in Net OPEB Liability and Related Ratios		29
Budgetary Comparison Schedule – General Fund	A	30
Other Supplemental Information		
Combining Balance Sheet – All Other Non-Major Governmental Funds	B	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Other Non-Major Funds	C	32
Schedule of Property Valuation, Assessments and Appropriations – General Fund	D	33
Schedule of Taxes Receivable	E	34

Maine Municipal Audit Services, PA

Mindy J. Cyr, CPA

Independent Auditors' Report

To the Select Board
Town of Kingfield
Kingfield, Maine

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Kingfield, Maine, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Kingfield, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Kingfield, Maine, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Kingfield, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Kingfield, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Kingfield, Maine’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Kingfield, Maine’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

REQUIRED SUPPLEMENTARY INFORMATION

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in net OPEB liability and related ratios, and budgetary comparison schedule, on pages 29 and 30 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.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kingfield, Maine’s basic financial statements. The combining statements, schedule of property valuation, assessment, and appropriation, and schedule of taxes receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 statements, schedule of property valuation, assessment, and appropriation, and schedule of taxes receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maine Municipal Audit Services, PA

Levant, Maine
December 13, 2023

Town of Kingfield, Maine
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 9,174,392	\$ 226,144	\$ 9,400,536
Accounts receivable, net of allowance	-	11,655	11,655
Taxes receivable	158,410	-	158,410
Tax liens receivable	18,375	-	18,375
<i>Total current assets</i>	<u>9,351,176</u>	<u>237,798</u>	<u>9,588,975</u>
<i>Non-current assets:</i>			
Capital assets, net of accumulated depreciation	2,098,426	3,037,635	5,136,060
Non-depreciable capital assets	612,534	-	612,534
<i>Total non-current assets</i>	<u>2,710,960</u>	<u>3,037,635</u>	<u>5,748,594</u>
<i>Deferred outflows of resources:</i>			
OPEB related outflows	5,993	-	5,993
<i>Total deferred outflows of resources</i>	<u>5,993</u>	<u>-</u>	<u>5,993</u>
TOTAL ASSETS	<u>\$ 12,068,129</u>	<u>\$ 3,275,433</u>	<u>\$ 15,343,562</u>
LIABILITIES:			
<i>Current liabilities:</i>			
Accounts payable	\$ 406,731	\$ -	\$ 406,731
Current portion of notes payable	40,033	-	40,033
Current portion of bonds payable	462,590	-	462,590
<i>Total current liabilities</i>	<u>909,354</u>	<u>-</u>	<u>909,354</u>
<i>Non-current liabilities:</i>			
Bonds payable	3,556,392	-	3,556,392
Note payable	136,191	-	136,191
Accrued compensated absences	20,758	-	20,758
OPEB liabilities	37,748	-	37,748
<i>Total non-current liabilities</i>	<u>3,751,088</u>	<u>-</u>	<u>3,751,088</u>
TOTAL LIABILITIES	4,660,443	-	4,660,443
DEFERRED INFLOWS OF RESOURCES:			
Taxes collected in advance	8,810	-	8,810
OPEB related inflows	11,703	-	11,703
TOTAL DEFERRED INFLOWS OF RESOURCES	20,513	-	20,513
NET POSITION:			
Net investment in capital assets	2,534,736	2,999,795	5,534,530
Restricted (see footnotes)	68,270	653	68,922
Unrestricted	4,784,169	274,986	5,059,154
TOTAL NET POSITION	<u>7,387,174</u>	<u>3,275,433</u>	<u>10,662,607</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,068,129</u>	<u>\$ 3,275,433</u>	<u>\$ 15,343,562</u>

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine
 Statement of Activities
 For the Year Ended June 30, 2023

			Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
<i>Governmental activities:</i>							
General government	\$ 401,879	\$ 15,817	\$ -	\$ -	\$ (386,062)	\$ -	\$ (386,062)
Public safety	185,772	11,920	-	-	(173,852)	-	(173,852)
Public works	637,742	-	-	14,988	(622,754)	-	(622,754)
Transfer station	259,226	273,965	-	-	14,739	-	14,739
Education	1,709,765	-	-	-	(1,709,765)	-	(1,709,765)
County tax	196,452	-	-	-	(196,452)	-	(196,452)
Social services	21,000	-	-	-	(21,000)	-	(21,000)
Unclassified	81,271	-	-	-	(81,271)	-	(81,271)
Depreciation	212,141	-	-	-	(212,141)	-	(212,141)
Total governmental activities	3,705,248	301,702	-	14,988	(3,388,558)	-	(3,388,558)
<i>Business-type activities:</i>							
Kingfield waste water department	162,845	134,223	-	-	-	(28,622)	(28,622)
Total business-type activities	162,845	134,223	-	-	-	(28,622)	(28,622)
Total primary government	\$ 3,868,093	\$ 435,925	\$ -	\$ 14,988	(3,388,558)	(28,622)	(3,417,180)
<i>General revenues:</i>							
Property taxes, levied for general purposes					2,685,598	-	2,685,598
Motor vehicle excise taxes					282,138	-	282,138
Interest and lien fees					8,235	-	8,235
<i>Grants and contributions not restricted to specific programs:</i>							
State revenue sharing					146,785	-	146,785
Other					876,753	-	876,753
Unrestricted investment earnings					114,309	915	115,225
Interfund transfers					(63,138)	63,138	-
Miscellaneous revenues					266,915	-	266,915
Total general revenues and transfers					4,317,596	64,053	4,381,648
Changes in net position					929,037	35,431	964,469
NET POSITION - BEGINNING					6,458,137	3,240,001	9,698,138
NET POSITION - ENDING					\$ 7,387,174	\$ 3,275,433	\$ 10,662,607

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 9,163,277	\$ 11,115	\$ 9,174,392
Interfund receivable	-	8,325	8,325
Taxes receivable	158,410	-	158,410
Tax liens receivable	18,375	-	18,375
TOTAL ASSETS	\$ 9,340,061	\$ 19,440	\$ 9,359,501
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Interfund payable	\$ 8,325	\$ -	\$ 8,325
Accounts payable	406,731	-	406,731
<i>Total liabilities</i>	415,056	-	415,056
<i>Deferred inflows of resources:</i>			
Taxes collected in advance	8,810	-	8,810
Uncollected property taxes	141,400	-	141,400
<i>Total deferred inflows of resources</i>	150,210	-	150,210
<i>Fund balances: (see footnotes for breakdown)</i>			
Non-spendable	-	8,325	8,325
Restricted	48,829	11,115	59,944
Assigned	5,938,873	-	5,938,873
Unassigned	2,787,093	-	2,787,093
<i>Total fund balances</i>	8,774,796	19,440	8,794,236
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,340,061	\$ 19,440	
<i>Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:</i>			
Depreciable capital assets as reported on Statement 1			2,710,960
Long-term debt as reported on Statement 1			(4,195,206)
Accrued compensated absences			(20,758)
Deferred property taxes not reported on Statement 1			141,400
Deferred outflows of resources - OPEB related expenditures			5,993
Deferred inflows of resources - OPEB related inflows			(11,703)
OPEB liabilities			(37,748)
NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 7,387,174

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES;			
Property taxes	\$ 2,656,131	\$ -	\$ 2,656,131
Excise taxes	282,138	-	282,138
Intergovernmental revenue	1,038,526	-	1,038,526
Interest income	114,287	22	114,309
Interest on taxes and liens	8,235	-	8,235
Charges for services	301,702	-	301,702
Other revenue	266,915	-	266,915
<i>Total revenues</i>	4,667,934	22	4,667,956
EXPENDITURES:			
General government	400,495	-	400,495
Public safety	195,772	-	195,772
Public works	1,284,836	-	1,284,836
Transfer station	322,546	-	322,546
Education	1,709,765	-	1,709,765
County tax	196,452	-	196,452
Social services	21,000	-	21,000
Unclassified	471,347	-	471,347
<i>Total expenditures</i>	4,602,213	-	4,602,213
<i>Excess (deficiency) of revenues over (under) expenditures</i>	65,721	22	65,743
OTHER FINANCING SOURCES (USES):			
Operating transfers in	22	110	132
Operating transfers (out)	(63,248)	(22)	(63,270)
<i>Total other financing sources (uses)</i>	(63,225)	88	(63,138)
<i>Net change in fund balances</i>	2,495	110	2,605
FUND BALANCES - BEGINNING	8,772,301	19,330	8,791,631
FUND BALANCES - ENDING	\$ 8,774,796	\$ 19,440	\$ 8,794,236

Town of Kingfield, Maine
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds (Statement 4) \$ 2,605

Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:

Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on governmental funds (212,141)

Revenues in the Statement of Activities (Stmt 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes. 29,467

Capital outlays expensed on the Governmental Funds report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2) 606,120

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. More specifically, this represents the net amount of principal reduction in debt service made during the fiscal year. 504,370

Issuance of long-term debt recognized as revenue in fund statements, yet not considered revenue for purposes of the government-wide statements -

Change in accrued compensated absences 1,548

OPEB expenses under GASB #75 are not reported in the governmental fund statements (2,932)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (SEE STMT. 2) \$ **929,037**

Town of Kingfield, Maine
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type activities
	Enterprise Funds
	Sewer
ASSETS:	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 226,144
Accounts receivable, net of allowance for doubtful accounts	11,655
<i>Total current assets</i>	237,798
 <i>Non-current assets:</i>	
<i>Capital assets:</i>	
Property, plant, and equipment	4,591,395
Less accumulated depreciation	(1,553,761)
<i>Total non-current assets</i>	3,037,635
TOTAL ASSETS	\$ 3,275,433
 NET POSITION:	
Net investment in capital assets	\$ 2,999,795
Restricted - <i>grant funds</i>	653
Unrestricted	274,986
TOTAL NET POSITION	3,275,433
TOTAL LIABILITIES AND NET POSITION	\$ 3,275,433

Town of Kingfield, Maine
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type activities
	Enterprise Funds
	Sewer
<i>Operating revenues:</i>	
Charges for services	\$ 95,518
Pumping fees	5,290
Miscellaneous revenue	33,415
<i>Total operating revenues</i>	134,223
<i>Operating expenses:</i>	
Operations	79,118
Administrative operating costs	8,726
Utilities	9,706
Depreciation	64,268
Other expenses	1,026
<i>Total operating expenses</i>	162,845
<i>Operating income (loss)</i>	(28,622)
<i>Non-operating revenues (expenses):</i>	
Transfers in (out)	63,138
Interest income	915
<i>Total non-operating revenues (expenses)</i>	64,053
<i>Net income (loss)</i>	35,431
NET ASSETS - BEGINNING	3,240,001
NET ASSETS - ENDING	\$ 3,275,433

Town of Kingfield, Maine
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type activities Enterprise Funds
	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 138,544
Payments to suppliers	(138,092)
<i>Net cash provided (used) by operating activities</i>	451
CASH FLOWS FROM FINANCING ACTIVITIES:	
Transfers to/from general fund - net	63,138
<i>Net cash provided (used) in non-capital financing activities</i>	63,138
CASH FLOWS FROM INVESTING ACTIVITIES:	
Payment on line of credit	(77,161)
Interest income	915
Purchase of capital assets	(19,947)
<i>Net cash provided (used) by investing activities</i>	(96,193)
<i>Net increase (decrease) in cash and cash equivalents</i>	(32,604)
CASH BALANCE - BEGINNING OF YEAR	258,747
CASH BALANCE - END OF YEAR	\$ 226,144
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ (28,622)
<i>Adjustments to reconcile operating income to net cash provided (used) in operating activities:</i>	
Depreciation expense	59,268
<i>Change in net assets and liabilities:</i>	
Increase/(decrease) in accounts payable	(122,460)
(Increase)/decrease in accounts receivable	92,265
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 451

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Kingfield, Maine (the Town) was incorporated on January 24, 1816. The Town operates under a select board – town meeting form of government and is incorporated under the laws of the State of Maine.

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

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

The financial statements include those of the various departments governed by the Select Board and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by GASB.

B. Basis of Presentation

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

Government-Wide Financial Statements

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

The Statement of Net Position presents the financial condition of the governmental and business-type (if applicable) activities of the Town at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type (if applicable) activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

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

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

C. Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major funds:

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

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

Proprietary Fund Type

Wastewater treatment fund – The wastewater treatment fund is a business-type fund used to account for the operations of the town's sewer system.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus

Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services, and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, property taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

F. Budgets and Budgetary Accounting

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

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

Cash and Cash Equivalents

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

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

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

Compensated Absences

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term debt 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. The amount recorded in the government-wide financial statements as of June 30, 2023 was \$20,758.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Infrastructure	40
Machinery and Equipment	10-20
Vehicles	10-20

Net Position and Fund Balances

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is the residual 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 the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Restricted – Funds that are restricted for use by an external party, constitutional provision, or enabling legislation.

Committed – Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governing body.

Assigned – Funds intended to be used for specific purposes set by the Select Board.

Unassigned – Funds available for any purpose.

When an expenditure is incurred for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Deferred Revenue

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

Property Taxes

Property taxes for the current year were committed on August 16, 2022, on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Payment of taxes was due August 16, 2022 and January 3, 2023 with interest at 6% on all tax bills unpaid as of the due date.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$51,566 for the year ended June 30, 2023.

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

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

Risk Management

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

Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2023, cash deposits had a carrying value of \$9,400,536, all of which was covered by FDIC or collateralized.

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

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

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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments held by the Town are Level 1 inputs.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3. CAPITAL ASSETS

Governmental activities:	Balance 7/1/22	Additions	Deletions	Balance 6/30/23
<i>Non-depreciated assets:</i>				
Land	\$ 617,534	\$ -	\$ -	\$ 617,534
	<u>617,534</u>	<u>-</u>	<u>-</u>	<u>617,534</u>
<i>Depreciated assets:</i>				
Buildings	1,038,553	21,497	-	1,060,050
Infrastructure	1,558,915	406,740	(185,487)	1,780,168
Equipment and vehicles	1,163,692	177,883	-	1,341,575
	<u>3,761,160</u>	<u>606,120</u>	<u>(185,487)</u>	<u>4,181,793</u>
Less accumulated depreciation	<u>(2,061,713)</u>	<u>(212,141)</u>	<u>185,487</u>	<u>(2,088,367)</u>
Net capital assets	<u>1,699,447</u>	<u>393,979</u>	<u>-</u>	<u>2,093,426</u>
Governmental activities Capital assets, net	<u>\$ 2,316,981</u>	<u>\$ 393,979</u>	<u>\$ -</u>	<u>\$ 2,710,960</u>

Depreciation expense has not been charged as a direct expense for any department of the Town.

Business-type activities:	Balance 7/1/22	Additions	Deletions	Balance 6/30/23
<i>Capital assets being depreciated:</i>				
Buildings	\$ 303,747	\$ -	\$ -	\$ 303,747
Equipment and vehicles	251,656	18,500	(5,000)	265,156
Infrastructure	4,016,045	6,447	-	4,022,492
	<u>4,571,448</u>	<u>24,947</u>	<u>(5,000)</u>	<u>4,591,395</u>
Less accumulated depreciation	<u>(1,494,492)</u>	<u>(64,268)</u>	<u>5,000</u>	<u>(1,553,760)</u>
Business-type activities Capital assets, net	<u>\$ 3,076,956</u>	<u>\$ (39,321)</u>	<u>\$ -</u>	<u>\$ 3,037,635</u>

4. CONTINGENCIES

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

5. SUBSEQUENT EVENTS

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

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of June 30, 2023 consisted of the following:

	<i>Due from:</i>
	General Fund
<i>Due to:</i>	
Permanent Fund	\$ 8,325

	<i>Transfer from:</i>		
	General Fund	Permanent Fund	<i>Totals</i>
<i>Transfer to:</i>			
General Fund	\$ -	\$ 22	\$ 22
Permanent Fund	110	-	110
Sewer Fund	63,138	-	63,138
	\$ 63,248	\$ 22	\$ 63,270

7. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Kingfield's landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town's annual operating budget.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

8. FUND BALANCES

The Select Board has the authority to assign amounts specific for future purposes. Approved assigned balances at June 30, 2023, consisted of:

<i>ASSIGNED BALANCES -</i>	
Transfer station	\$ 11,866
Highway equipment reserve	195,202
Fire truck replacement	145,695
Planning funds	13,674
Computer reserve	8,580
Webster Hall	27,751
Comprehensive plan	71,648
Cemetery lots sales	12,988
Sunnyside trust interest	10,314
Playground equipment	548
Riverside interest	2,719
Village enhancement	330,714
Village enhancement sidewalks	27,141
Recreation	7,985
Planters	3,412
Simmon's fund	1,000
Simmon's emergency fund	473
Legal funds	46,105
PW engineering	18,633
Selectmen's contingency	16,313
TS funds from insurance	1,519
Road construction	187,327
Gray water reserve	58,290
Safe route to school	5,154
Road project reserve	4,222,043
Map updates	6,658
Village parking fund	86,439
Sunnyside cemetery trust	64,554
Sidewalk equipment – PW	75,105
Downtown fence & signage	4,628
Downtown street lights	166,997
Wyman scholarship interest	559
Flag interest	581
ARPA funds	89,533
Comprehensive planning funds	10,000
Website design	6,725
Total	<u>\$ 5,938,873</u>

Restricted amounts are funds that have been restricted to being used for a specific purpose by an external party, constitutional provision, or enabling legislation. Restricted balances at June 30, 2023, are:

<i>RESTRICTED BALANCES –</i>	
TIF	\$ 35,839
TIF – legal	7,500
TIF – wireless internet access	5,490
Wyman scholarship	<u>11,115</u>
Total	<u>\$ 59,944</u>

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

9. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2023, was as follows:

Description	Balance 7/1/22	Additions	(Reductions)	Balance 6/30/23	Due within one year
Governmental activities:					
Bonds payable	\$ 4,481,166	\$ -	\$ (462,184)	\$ 4,018,982	\$ 462,590
Notes payable – direct borrowings	218,410	-	(42,186)	176,224	40,033
Total	\$ 4,699,576	\$ -	\$ (504,370)	\$ 4,195,206	\$ 502,623

Description	Balance 7/1/22	Additions	(Reductions)	Balance 6/30/23	Due within one year
Business-type activities:					
Notes payable – direct borrowings	\$ 77,161	\$ -	\$ (77,161)	\$ -	\$ -
Total	\$ 77,161	\$ -	\$ (77,161)	\$ -	\$ -

Payments on bonds payable, notes payable and capital leases of the governmental activities are paid out of the General Fund. Payments on the notes payable of the business-type activities are paid out of the Sewer Fund.

General Obligation Bonds

Bonds payable at June 30, 2023 are comprised of the following:

	Interest Rate	Maturity Date	Balance at 6/30/2023
Governmental Activities:			
Maine Municipal Bond Bank	1.26%	04/2028	\$ 148,982
US Bank Global Trust	1-2%	11/2032	<u>3,870,000</u>
Total governmental activities			<u>\$ 4,018,982</u>

Debt service requirements to retire the bonds payable outstanding for governmental activities at June 30, 2023 are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 462,590	\$ 60,698	\$ 523,288
2025	463,000	55,133	518,133
2026	463,416	46,971	510,387
2027	463,837	40,943	504,780
2028	446,139	31,480	477,619
2029-2032	<u>1,720,000</u>	<u>51,600</u>	<u>1,771,600</u>
Total	<u>\$ 4,018,982</u>	<u>\$ 286,825</u>	<u>\$ 4,305,807</u>

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

9. LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable – Direct Borrowings

Notes payable at June 30, 2023 are comprised of the following individual issues:

	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance at 6/30/2023</u>	<u>Collateral Pledged</u>
Governmental activities:				
Skowhegan Savings Bank	4%	05/2027	\$ 121,098	n/a
Skowhegan Savings Bank	4%	10/2028	55,126	n/a
			<u>\$ 176,224</u>	

Notes payable from direct borrowings include provisions that in the event the Town defaults on the note for any reason, the holder may demand immediate payment of all principal and accrued unpaid interest.

Debt service requirements to retire the general obligation notes outstanding for governmental activities at June 30, 2023 are as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2024	\$ 40,033	\$ 4,866	\$ 44,900
2025	41,270	3,775	45,045
2026	43,962	2,960	46,922
2027	46,117	1,308	47,425
2028	4,842	257	5,099
Total	<u>\$ 176,224</u>	<u>\$ 13,167</u>	<u>\$ 189,391</u>

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

10. DEFERRED COMPENSATION PLAN

The Town offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. As of June 30, 2023, five employees were enrolled in the plan. The deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

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

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

The Town's policy states the Town shall match 3%. Total contributions for the year ended June 30, 2023 was \$15,907.

11. OPEB OBLIGATIONS

Plan Description

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

Accounting Policies

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 8 years.

The table below shows changes in the change in Net OPEB Liability during the 2023 measurement year:

	Net OPEB Liability (a)	<i>Increase (Decrease)</i> Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances 1/1/2022 (Reporting 12/31/2022)	\$ 36,966	\$ -	\$ 36,966
Changes for the year:			
Service cost	4,799	-	4,799
Interest	857	-	857
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(4,547)	-	(4,547)
Contributions – employer	-	327	(327)
Benefit payments	(327)	(327)	-
Net changes	782	-	782
Balances 1/1/2023 (Reporting 12/31/2023)	\$ 37,748	\$ -	\$ 37,748

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

11. OPEB OBLIGATIONS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,627
Changes in assumptions	3,438	8,080
Contributions subsequent to measurement date	259	-
Total	\$ 3,697	\$ 11,707

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

Year ended December 31:

2024	(749)
2025	(372)
2026	(1,358)
2027	(1,738)
2028	(1,738)
Thereafter	(2,314)

As of January 1, 2023, the plan membership data is comprised of 4 active members with only an implicit benefit.

Key Economic Assumptions:

Measurement date: January 1, 2023

Discount rates: 3.72% per annum for year end 2023 reporting
2.06% per annum for year end 2022 reporting

Trend assumptions: Pre-Medicare Medical – Initial trend of 7.90% applied in FYE 2022 grading over 20 years to 4.55% per annum.

Pre-Medicare Drug – Initial trend of 8.15% applied in FYE 2022 grading over 20 years to 4.55% per annum.

Medicare Medical – Initial trend of 4.80% applied in FYE 2022 grading over 20 years to 4.55% per annum.

Medicare Drug – Initial trend of 8.15% applied in FYE 2022 grading over 20 years to 4.55% per annum.

Administrative and claims expense – 3% per annum.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

11. OPEB OBLIGATIONS (CONTINUED)

Future Plan Changes

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

Demographic Assumptions:

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

Rate of mortality: Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those include in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

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

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

Salary increases: 2.75% per year

Discount Rate

The discount rate used to measure the TOL was 3.72% based on a measurement date of January 1, 2023. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

**TOWN OF KINGFIELD, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

11. OPEB OBLIGATIONS (CONTINUED)

The following table shows how the net OPEB liability as of June 30, 2023 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 3.72%.

1% Decrease 2.72%	Current Rate 3.72%	1% Increase 4.72%
\$ 44,118	\$ 37,748	\$ 32,531

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

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 31,587	\$ 37,748	\$ 45,542

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 16.3%. A 1% increase in the healthcare trend rate increases the NOL by approximately 20.6%.

TOWN OF KINGFIELD, MAINE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

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

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Total OPEB Liability						
Service cost (BOY)	\$ 4,799	\$ 5,079	\$ 4,488	\$ 3,993	\$ 4,333	\$ 3,572
Interest (includes interest on service cost)	857	966	1,030	1,106	840	606
Changes of benefit terms	0	0	0	(660)	0	0
Differences between expected and actual experience	0	(4,394)	0	(988)	0	1,131
Changes of assumptions	(4,547)	(4,971)	2,270	6,906	(2,231)	2,351
Benefit payments, including refunds of member contributions	(327)	(413)	(397)	(55)	(53)	(5)
Net change in total OPEB liability	\$ 782	\$ (3,733)	\$ 7,391	\$ 10,302	\$ 2,889	\$ 7,655
Total OPEB liability – beginning	\$ 36,966	\$ 40,699	\$33,308	\$ 23,006	\$ 20,117	\$ 12,462
Total OPEB liability – ending	\$ 37,748	\$ 36,966	\$ 40,699	\$ 33,308	\$ 23,006	\$ 20,117
Plan fiduciary net position						
Contributions – employer	327	413	397	55	53	5
Contributions – member	0	0	0	0	0	0
Net investment income	0	0	0	0	0	0
Benefit payments, including refunds of member contributions	(327)	(413)	(397)	(55)	(53)	(5)
Administrative expenses	0	0	0	0	0	0
Net change in plan fiduciary net position	0	0	0	0	0	0
Plan fiduciary net position – beginning	0	0	0	0	0	0
Plan fiduciary net position – ending	0	0	0	0	0	0
Net OPEB liability – endings	\$ 37,748	\$ 36,966	\$ 40,699	\$ 33,308	\$ 23,006	\$ 20,117
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 207,396	\$ 207,396	\$ 141,800	\$ 144,480	\$ 144,480	\$ 144,480
Net OPEB liability as a percentage of covered employee payroll	18.2%	17.8%	28.7%	23.5%	15.9%	13.9%

**Town of Kingfield, Maine
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 2,673,218	\$ 2,673,218	\$ 2,656,131	\$ (17,087)
Excise taxes	251,600	251,600	282,138	30,538
Intergovernmental revenue	1,207,415	1,207,415	1,038,526	(168,889)
Interest income	-	-	114,287	114,287
Interest on taxes and liens	-	-	8,235	8,235
Charges for services	274,100	274,100	301,702	27,602
Other revenues	2,600	2,600	266,915	264,315
<i>Total revenues</i>	<u>4,408,933</u>	<u>4,408,933</u>	<u>4,667,934</u>	<u>259,001</u>
EXPENDITURES:				
General government	412,900	605,832	400,495	205,337
Public safety	245,738	349,398	195,772	153,627
Public works	929,284	3,018,793	1,284,836	1,733,957
Transfer station	336,058	406,874	322,546	84,329
Education	1,709,765	1,709,765	1,709,765	0
County tax	192,636	192,636	196,452	(3,816)
Social services	22,500	22,500	21,000	1,500
Unclassified	487,886	569,738	471,347	98,391
<i>Total expenditures</i>	<u>4,336,767</u>	<u>6,875,537</u>	<u>4,602,213</u>	<u>2,273,324</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	72,166	(2,466,604)	65,721	2,532,324
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	22	(22)
Operating transfers (out)	(55,500)	(55,500)	(63,248)	7,748
<i>Total other financing sources</i>	<u>(55,500)</u>	<u>(55,500)</u>	<u>(63,225)</u>	<u>7,725</u>
<i>Net changes in fund balances</i>			2,495	
FUND BALANCES - BEGINNING			<u>8,772,301</u>	
FUND BALANCES - ENDING			<u>\$ 8,774,796</u>	

Town of Kingfield, Maine
Combining Balance Sheet - All Other Non-Major Governmental Funds
June 30, 2023

	<i>Permanent Funds</i>	<i>Total Other Governmental Funds</i>
ASSETS:		
Cash and cash equivalents	\$ 11,115	\$ 11,115
Interfund receivable	8,325	8,325
TOTAL ASSETS	\$ 19,440	\$ 19,440
LIABILITIES AND FUND BALANCE:		
<i>Fund Balance:</i>		
Non-spendable - <i>endowments</i>	\$ 8,325	\$ 8,325
Restricted - <i>Wyman scholarship</i>	11,115	11,115
<i>Total fund balance</i>	19,440	19,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,440	\$ 19,440

Town of Kingfield, Maine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Other Non-Major Governmental Funds
For the Year Ended June 30, 2023

	<i>Permanent Funds</i>	<i>Total Other Governmental Funds</i>
REVENUES:		
Interest Income	\$ 22	\$ 22
<i>Total revenues</i>	22	22
 <i>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</i>	 22	 22
 OTHER FINANCING SOURCES (USES) OF FUNDS:		
Transfer from General Fund	110	110
Transfer (to) General Fund	(22)	(22)
<i>Total other financing sources (uses)</i>	88	88
 <i>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	 110	 110
 FUND BALANCE - BEGINNING OF YEAR	 19,330	 19,330
 FUND BALANCE - END OF YEAR	 \$ 19,440	 \$ 19,440

Town of Kingfield, Maine
Schedule of Property Valuation, Assessment, and Appropriations
General Fund
For the Year Ended June 30, 2023

<i>Assessed Valuation:</i>	
Real estate valuation	\$ 132,121,703
Personal property valuation	<u>1,541,200</u>
 <i>Total valuation</i>	 <u>133,662,903</u>
 <i>Tax Commitment:</i>	
Tax assessment at \$20.00 per thousand	<u>2,673,218</u>
 <i>Reconciliation of Commitment with Appropriation:</i>	
Current year tax commitment, as above	2,673,218
Estimated revenues	1,770,615
Budgeted transfers out	<u>(55,500)</u>
 <i>Appropriations per original budget</i>	 <u>4,388,333</u>
 <i>Overlay</i>	 <u>(51,566)</u>
 TOTAL APPROPRIATIONS	 <u>\$ 4,336,767</u>

**Town of Kingfield, Maine
 Schedule of Taxes and Tax Liens Receivable
 General Fund
 June 30, 2023**

<i>Taxes receivable:</i>			
	Real property	\$ 151,243	
	Personal property	<u>7,166</u>	
			\$ 158,410
 <i>Tax liens receivable:</i>			
	2022	14,974	
	2021	2,807	
	2020	<u>594</u>	
			<u>18,375</u>
 TOTAL TAXES AND TAX LIENS RECEIVABLE			 <u><u>\$ 176,784</u></u>