

Audited Financial Statements and  
Other Financial Information

**Town of Chebeague Island, Maine**

June 30, 2024



*Proven Expertise & Integrity*

TOWN OF CHEBEAGUE ISLAND, MAINE

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JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Chebeague Island  
Chebeague Island, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chebeague Island, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Chebeague Island, 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 Chebeague Island, Maine as of June 30, 2024 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Chebeague Island, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that 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 the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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## Auditor's Responsibilities for the Audit of 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 GAAS and *Government 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls 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 the Town of Chebeague Island, 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 doubt about the Town of Chebeague Island, 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*

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 6 through 13 and 69 through 79 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 Chebeague Island, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 20-A MRSA §6051, Sub-chapter 1(K) of the Maine Revised Statutes as amended and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management is responsible for the other information included in the annual report. The other information also comprises the reconciliation of audit adjustments to annual financial data submitted to the Maine Education Financial System and the accompanying schedule of expenditures of federal awards presented for purposes of additional analysis as required by Title 20-A MRSA §6051, Sub-chapter 1(K) of the Maine Revised Statutes as amended. This additional information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we concluded that an unrecorded material misstatement of the other information exists, we are required to describe it in our report.

#### Other Reporting Required by Maine Revised Statutes

In accordance with Maine Revised Statutes, we have also issued our report dated September 9, 2025, on our consideration of Town of Chebeague Island, Maine's budgetary controls that are in place, the accuracy of the annual financial report that was submitted to the Maine Department of Education and Town of Chebeague Island, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, § 6051. The purpose of that report is to describe the scope of our testing over Town of Chebeague Island, Maine's other information, as described above, and provide an opinion on Town of Chebeague Island, Maine's internal control and compliance with the provisions of the Maine Finance Act as noted under MRSA Title 20A, § 6051 and not to provide an opinion on the effectiveness of Town of Chebeague Island, Maine's internal control over financial reporting. That report is an integral part of an audit performed in accordance with Maine Revised Statutes in considering Town of Chebeague Island, Maine's internal control and compliance over the applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, § 6051.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025, on our consideration of the Town of Chebeague Island, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Chebeague Island, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
September 9, 2025

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Chebeague Island, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above-mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Chebeague Island are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public services and solid waste, social services, education, other and program expenses.

### **Fund Financial Statements**

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

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

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

The Town of Chebeague Island presents six columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and

changes in fund balances. The Town's major governmental funds are the general fund, education fund, Connect ME grant fund, the town wharf fund and broadband reserve. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and education fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund provide comparisons of the original and final budget and the actual expenditures for the current year.

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

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

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

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$345,783 from \$5,695,928 to \$6,041,711.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is \$2,557,866 at the end of this year for governmental activities.

**Table 1**  
**Town of Chebeague Island, Maine**  
**Net Position**  
**June 30,**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 3,637,672	\$ 3,882,800
Noncurrent Assets-Capital Assets	6,048,443	5,645,209
Total Assets	<u>9,686,115</u>	<u>9,528,009</u>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pension	12,123	8,832
Deferred Outflows Related to OPEB	27,681	26,101
Total Deferred Outflows of Resources	<u>39,804</u>	<u>34,933</u>
<b>Liabilities:</b>		
Current Liabilities	608,787	462,161
Noncurrent Liabilities	3,004,066	3,328,090
Total Liabilities	<u>3,612,853</u>	<u>3,790,251</u>
<b>Deferred Inflows of Resources:</b>		
Deferred Revenues	33,259	29,761
Prepaid Taxes	6,744	11,649
Deferred Inflows Related to OPEB	31,352	35,353
Total Deferred Inflows of Resources	<u>71,355</u>	<u>76,763</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	2,789,786	2,054,291
Restricted	694,059	575,456
Unrestricted	2,557,866	3,066,181
Total Net Position	<u>\$ 6,041,711</u>	<u>\$ 5,695,928</u>

**Table 2**  
**Town of Chebeague Island, Maine**  
**Change in Net Position**  
**For the Years Ended June 30,**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 102,702	\$ 126,581
Operating grants and contributions	209,096	551,368
<i>General Revenues:</i>		
Taxes	3,412,808	3,292,654
Grants and contributions not restricted to specific programs	118,722	92,777
Investment income	69,189	26,020
Miscellaneous	38,608	34,200
Total Revenues	<u>3,951,125</u>	<u>4,123,600</u>
<b>Expenses</b>		
General government	602,383	509,855
Public safety	224,341	218,100
Public services and solid waste	453,184	398,502
Social services	174,885	165,588
Education	1,277,592	1,001,494
County tax	216,527	171,517
State of Maine on-behalf payments	102,699	41,165
Overlay	29,472	2,096
Other	83,442	215,530
Program expenses	41,917	246,760
Capital outlay	-	477,138
Unallocated depreciation (Note 5)*	307,652	309,422
Interest on long-term debt	91,248	85,686
Total Expenses	<u>3,605,342</u>	<u>3,842,853</u>
Change in Net Position	<u>345,783</u>	<u>280,747</u>
Net Position - July 1, As Previously Reported	6,038,614	5,757,867
Net Position Corrections	<u>(342,686)</u>	<u>-</u>
Net Position - July 1, As Restated	<u>5,695,928</u>	<u>5,757,867</u>
Net Position - June 30	<u>\$ 6,041,711</u>	<u>\$ 6,038,614</u>

## Revenues and Expenses

Revenues for the Town's governmental activities increased by 26.93%, while total expenses increased by 27.21%. The increase in revenues was primarily due to operating grants and contributions. The increase in expenses was primarily due to education.

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

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

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

	2024	2023 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Committed	\$ 250,000	\$ 200,000	\$ 50,000
Unassigned	442,840	638,165	(195,325)
Education Fund:			
Restricted	335,557	218,863	116,694
Connect ME Grant Fund:			
Restricted	199,926	199,926	-
Town Wharf Fund:			
Committed	332,824	222,342	110,482
Broadband Reserve:			
Committed	473,515	1,062,707	(589,192)
<b>Total Major Funds</b>	<b>\$ 2,034,662</b>	<b>\$ 2,542,003</b>	<b>\$ (507,341)</b>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 53,728	\$ 40,758	\$ 12,970
Unassigned (deficits)	(29,037)	(30,320)	1,283
Capital Projects Funds:			
Committed	1,102,298	987,130	115,168
Unassigned (deficits)	(21,756)	(2,393)	(19,363)
Permanent Funds:			
Restricted	104,848	102,939	1,909
<b>Total Nonmajor Funds</b>	<b>\$ 1,210,081</b>	<b>\$ 1,098,114</b>	<b>\$ 111,967</b>

The changes to total fund balances for the general fund, education fund, Connect ME grant fund, town wharf fund, broadband reserve and the aggregate nonmajor funds occurred due to the regular activity of operations.

### **Budgetary Highlights**

There were no differences between the original and final budget for the general fund.

The general fund actual revenues were below budgeted amounts by \$7,991. All revenue categories were received in excess of budgeted amounts with the exception of intergovernmental revenue and other revenue.

The general fund actual expenditures were under budgeted amounts by \$75,666. All expenditure categories were within or under budgeted amounts with the exception of general government.

There was no difference between the original and final budget for the education fund.

The education fund actual revenues were in excess of budgeted amounts by \$110,077. All revenue categories were received within or under budget.

The education fund actual expenditures were under budgeted amounts by \$6,617. All expenditure categories were within or under budgeted amounts with the exception of regular instruction and special education.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of June 30, 2024, the net book value of capital assets recorded by the Town increased by \$403,234. This increase is a result of capital additions of \$710,886 less current year depreciation expense of \$307,652. Refer to Note 5 of Notes to Financial Statements for additional information.

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

	<b>2024</b>	<b>2023</b> <b>(Restated)</b>
Land	\$ 196,880	\$ 196,880
Construction in progress	701,130	176,429
Land improvements	26,428	14,338
Buildings and improvements	2,874,615	2,944,246
Machinery and equipment	331,515	205,481
Vehicles	493,261	556,547
Infrastructure	1,421,617	1,546,752
Right to use lease asset	2,997	4,536
<b>Total</b>	<b>\$ 6,048,443</b>	<b>\$ 5,645,209</b>

### **Debt**

At June 30, 2024, the Town had \$3,261,627 in bonds payable and a lease liability versus \$3,595,508 in the prior year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

### **Currently Known Facts, Decisions or Conditions**

The 2024 - 2025 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2024 - 2025 as of the date this report was issued.

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

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

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 192 North Road, Chebeague Island, Maine 04017.

## TOWN OF CHEBEAGUE ISLAND, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,444,724
Accounts receivable (net of allowance for uncollectibles):	
Taxes	191,174
Due from other governments	<u>1,774</u>
Total current assets	<u>3,637,672</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	898,010
Buildings and vehicles net of accumulated depreciation	<u>5,150,433</u>
Total noncurrent assets	<u>6,048,443</u>
<b>TOTAL ASSETS</b>	<u>9,686,115</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension	12,123
Deferred outflows related to OPEB	<u>27,681</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>39,804</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 9,725,919</u></u>

STATEMENT A (CONTINUED)

TOWN OF CHEBEAGUE ISLAND, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 198,279
Accrued expenses	27,543
Current portion of long-term obligations	<u>382,965</u>
Total current liabilities	<u>608,787</u>
 Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	2,881,742
Lease liability	1,350
Accrued compensated absences	6,645
Net OPEB liability	<u>114,329</u>
Total noncurrent liabilities	<u>3,004,066</u>
 TOTAL LIABILITIES	 <u>3,612,853</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenues	33,259
Prepaid taxes	6,744
Deferred inflows related to OPEB	<u>31,352</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>71,355</u>
 <b>NET POSITION</b>	
Net investment in capital assets	2,789,786
Restricted	694,059
Unrestricted	<u>2,557,866</u>
TOTAL NET POSITION	<u>6,041,711</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	  <u>\$ 9,725,919</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

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
General government	\$ 602,383	\$ 30,726	\$ -	\$ -	\$ (571,657)
Public safety	224,341	35,511	-	-	(188,830)
Public services and solid waste	453,184	-	-	-	(453,184)
Social services	174,885	-	-	-	(174,885)
Education	2,560,536	-	1,376,556	-	(1,183,980)
County tax	216,527	-	-	-	(216,527)
Program expenses	41,917	-	12,785	-	(29,132)
State of Maine on-behalf payments	102,699	-	102,699	-	-
Overlay	29,472	-	-	-	(29,472)
Other	83,442	36,465	-	-	(46,977)
Unallocated depreciation (Note 5)*	307,652	-	-	-	(307,652)
Interest on long-term debt	91,248	-	-	-	(91,248)
Total governmental activities	<u>\$ 4,888,286</u>	<u>\$ 102,702</u>	<u>\$ 1,492,040</u>	<u>\$ -</u>	<u>(3,293,544)</u>

\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)

TOWN OF CHEBEAGUE ISLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(3,293,544)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,271,798
Excise taxes	141,010
Grants and contributions not restricted to specific programs	118,722
Investment income, net of unrealized gains/(losses)	69,189
Miscellaneous	<u>38,608</u>
Total general revenues	<u>3,639,327</u>
Change in net position	<u>345,783</u>
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	6,038,614
NET POSITION CORRECTIONS	<u>(342,686)</u>
NET POSITION - JULY 1, AS RESTATED	<u>5,695,928</u>
NET POSITION - JUNE 30	<u><u>\$ 6,041,711</u></u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Education Fund	Connect ME Grant	Town Wharf Fund	Moved from Nonmajor Funds Broadband Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,700,094	\$ -	\$ -	\$ 391,864	\$ 50,345	\$ 1,302,421	\$ 3,444,724
Accounts receivables (net of allowance for uncollectibles):							
Taxes/liens	191,174	-	-	-	-	-	191,174
Due from other governments	1,774	-	-	-	-	-	1,774
Due from other funds	221,378	348,322	199,926	-	423,170	108,417	1,301,213
<b>TOTAL ASSETS</b>	<b>\$ 2,114,420</b>	<b>\$ 348,322</b>	<b>\$ 199,926</b>	<b>\$ 391,864</b>	<b>\$ 473,515</b>	<b>\$ 1,410,838</b>	<b>\$ 4,938,885</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 198,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,279
Accrued expenses	9,618	12,765	-	-	-	5,160	27,543
Due to other funds	1,079,835	-	-	59,040	-	162,338	1,301,213
<b>TOTAL LIABILITIES</b>	<b>1,287,732</b>	<b>12,765</b>	<b>-</b>	<b>59,040</b>	<b>-</b>	<b>167,498</b>	<b>1,527,035</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenues	-	-	-	-	-	33,259	33,259
Prepaid taxes	6,744	-	-	-	-	-	6,744
Deferred tax revenues	127,104	-	-	-	-	-	127,104
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>133,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,259</b>	<b>167,107</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	335,557	199,926	-	-	158,576	694,059
Committed	250,000	-	-	332,824	473,515	1,102,298	2,158,637
Assigned	-	-	-	-	-	-	-
Unassigned (deficits)	442,840	-	-	-	-	(50,793)	392,047
<b>TOTAL FUND BALANCES</b>	<b>692,840</b>	<b>335,557</b>	<b>199,926</b>	<b>332,824</b>	<b>473,515</b>	<b>1,210,081</b>	<b>3,244,743</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,114,420</b>	<b>\$ 348,322</b>	<b>\$ 199,926</b>	<b>\$ 391,864</b>	<b>\$ 473,515</b>	<b>\$ 1,410,838</b>	<b>\$ 4,938,885</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,244,743
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	6,048,443
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	127,104
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	12,123
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	27,681
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(3,258,657)
Lease liability	(2,970)
Accrued compensated absences	(11,075)
Net OPEB liability	(114,329)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	<u>(31,352)</u>
Net position of governmental activities	<u><u>\$ 6,041,711</u></u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Education Fund	Connect ME Grant	Town Wharf Fund	Moved from Nonmajor Funds Broadband Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
General tax revenue	\$ 3,400,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,400,412
Local assessments	-	1,282,944	-	-	-	-	1,282,944
Intergovernmental revenue	118,722	93,612	-	-	-	12,785	225,119
Charges for services	102,702	-	-	-	-	-	102,702
State of Maine on-behalf payments	-	53,069	-	-	-	-	53,069
Interest income	40,804	-	-	482	1,034	26,869	69,189
Other revenue	22,143	16,465	-	-	-	-	38,608
<b>TOTAL REVENUES</b>	<b>3,684,783</b>	<b>1,446,090</b>	<b>-</b>	<b>482</b>	<b>1,034</b>	<b>39,654</b>	<b>5,172,043</b>
<b>EXPENDITURES</b>							
Current:							
General government	596,914	-	-	-	-	-	596,914
Public safety	224,341	-	-	-	-	-	224,341
Public services and solid waste	382,074	-	-	-	-	-	382,074
Social services	174,885	-	-	-	-	-	174,885
Education	1,282,944	1,141,963	-	-	-	-	2,424,907
County tax	216,527	-	-	-	-	-	216,527
State of Maine on-behalf payments	-	53,069	-	-	-	-	53,069
Overlay	29,472	-	-	-	-	-	29,472
Other	83,442	-	-	-	-	-	83,442
Program expenses	-	-	-	-	-	41,917	41,917
Debt service:							
Principal	332,261	134,364	-	-	-	-	466,625
Interest	91,248	-	-	-	-	-	91,248
Capital outlay	-	-	-	-	590,226	191,770	781,996
<b>TOTAL EXPENDITURES</b>	<b>3,414,108</b>	<b>1,329,396</b>	<b>-</b>	<b>-</b>	<b>590,226</b>	<b>233,687</b>	<b>5,567,417</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>270,675</b>	<b>116,694</b>	<b>-</b>	<b>482</b>	<b>(589,192)</b>	<b>(194,033)</b>	<b>(395,374)</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	110,000	-	306,000	416,000
Transfers (out)	(416,000)	-	-	-	-	-	(416,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(416,000)</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>-</b>	<b>306,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(145,325)</b>	<b>116,694</b>	<b>-</b>	<b>110,482</b>	<b>(589,192)</b>	<b>111,967</b>	<b>(395,374)</b>
<b>FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED</b>	<b>838,165</b>	<b>218,863</b>	<b>199,926</b>	<b>209,372</b>	<b>-</b>	<b>2,203,552</b>	<b>3,669,878</b>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY FUND BALANCE CORRECTION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,062,707</b>	<b>(1,062,707)</b>	<b>-</b>
<b>FUND BALANCES - JULY 1, AS RESTATED</b>	<b>838,165</b>	<b>218,863</b>	<b>199,926</b>	<b>222,342</b>	<b>1,062,707</b>	<b>1,098,114</b>	<b>3,640,117</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 692,840</b>	<b>\$ 335,557</b>	<b>\$ 199,926</b>	<b>\$ 332,824</b>	<b>\$ 473,515</b>	<b>\$ 1,210,081</b>	<b>\$ 3,244,743</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, 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, 2024

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (395,374)</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	710,886
Depreciation expense	<u>(307,652)</u>
	<u>403,234</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	3,291
OPEB	<u>1,580</u>
	<u>4,871</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported:	
Taxes and liens receivable	<u>12,396</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>333,881</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	<u>4,001</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:	
Accrued compensated absences	(1,462)
Net OPEB liability	<u>(15,764)</u>
	<u>(17,226)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 345,783</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Chebeague Island was incorporated under the laws of the State of Maine. The Town operates under Selectboard-manager form of government and provides the following services: general government, public safety, public services and solid waste, social services, education, other and program expenses.

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

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Town are categorized as governmental.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (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. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

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

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

1. Governmental Funds:

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Education Fund is used to account for all financial resources of the Chebeague Island School Department. Revenue sources are from intergovernmental revenues, charges for services and other revenues.
- c. The Connect ME Grant Fund is used to account for the proceeds of a grant agreement that are legally restricted to expenditures for specified grant purposes.
- d. The Town Wharf Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The primary revenue source for this fund is interest income.
- e. The Broadband Reserve is used to account for financial resources to be used for broadband access projects. Revenue sources are from interest income.

Nonmajor Funds

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

Governmental activities in the government-wide financial statements 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 Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

Revenues per budgetary basis	\$ 1,393,021
Add: On-behalf payments	53,069
Total GAAP basis	<u>\$ 1,446,090</u>
Expenditures per budgetary basis	\$ 1,276,327
Add: On-behalf payments	53,069
Total GAAP basis	<u>\$ 1,329,396</u>

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

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

**Deposits and Investments**

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

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

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Repurchase agreements
- Money market mutual funds

The Town of Chebeague Island has no formal investment policy but instead follows the State of Maine Statutes.

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectibles were \$1,774 for the year ended June 30, 2024.

**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 the 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 government-wide financial statements as "internal balances".

**Transactions Between Funds**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. 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.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized in a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

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

Estimated useful lives are as follows:

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

**Long-term Obligations**

The accounting treatment of long-term obligations depend 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, a lease liability, accrued compensated absences and net OPEB liability.

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plans' fiduciary net position have been determined on the same basis as they are reported by the SET Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**OPEB**

For purposes of measuring the total 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) and Maine Education Association Benefits Trust (MEABT), which determined the School's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT and MEABT to complete the actuarial report. Additions to/deductions from the MMEHT and MEABT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT and MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

For purposes of measuring the 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 State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET 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.

**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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

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

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

**Committed** - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town or the Selectboard in accordance with its charter. The inhabitants of the Town, through Town meetings, are the highest level of decision-making authority of the Town in that they must approve certain annual budgets (School), bonding and appropriation of unassigned fund balance. The Selectboard must approve other annual budgets (capital and Town operating) and spending. Commitments may be modified or rescinded in the same manner they were established.

**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 given annually by the taxpayers and is expressed by the Selectboard.

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB, which 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 and deferred revenue qualifies for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to OPEB qualifies for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

The Town's property tax for the current year was levied August 15, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due in two installments on September 30, 2023 and March 31, 2024. Interest on unpaid taxes commenced on October 1, 2023 and April 1, 2024, at 6% per annum.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$66,594 for the year ended June 30, 2024.

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

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

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

At June 30, 2024, the Town's cash balance of \$3,444,724 was comprised of bank deposits amounting to \$3,445,777. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. All of these bank deposits were insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,744,628
ICS accounts	1,701,149
	<u>\$ 3,445,777</u>

**Investments:**

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

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2024, the Town doesn't have any investments.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 221,378	\$ 1,079,835
Education fund	348,322	-
Connect ME grant fund	199,926	-
Town wharf fund	-	59,040
Broadband reserve	423,170	-
Nonmajor special revenue funds	92,147	29,037
Nonmajor capital projects funds	7,832	133,301
Nonmajor permanent funds	8,438	-
	<u>\$ 1,301,213</u>	<u>\$ 1,301,213</u>

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2024, the Town had the following interfund transfers:

	Transfers In	Transfers Out
General fund	\$ -	\$ 416,000
Town wharf fund	110,000	-
Nonmajor capital projects funds	306,000	-
	<u>\$ 416,000</u>	<u>\$ 416,000</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23 (Restated)	Additions	Disposals	Balance, 6/30/24
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 196,880	\$ -	\$ -	\$ 196,880
Construction in progress	176,429	524,701	-	701,130
	<u>373,309</u>	<u>524,701</u>	<u>-</u>	<u>898,010</u>
Depreciated assets:				
Land improvements	77,674	13,650	-	91,324
Buildings and improvements	3,865,993	22,908	-	3,888,901
Machinery and equipment	531,583	149,627	-	681,210
Vehicles	1,033,769	-	-	1,033,769
Infrastructure	2,620,124	-	-	2,620,124
Right to lease asset	7,695	-	-	7,695
	<u>8,136,838</u>	<u>186,185</u>	<u>-</u>	<u>8,323,023</u>
Less: accumulated depreciation	<u>(2,864,938)</u>	<u>(307,652)</u>	<u>-</u>	<u>(3,172,590)</u>
	<u>5,271,900</u>	<u>(121,467)</u>	<u>-</u>	<u>5,150,433</u>
Net capital assets	<u>\$ 5,645,209</u>	<u>\$ 403,234</u>	<u>\$ -</u>	<u>\$ 6,048,443</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23 (Restated)	Additions	Deletions	Balance, 6/30/24	Current Portion
Bonds payable	\$ 3,590,918	\$ -	\$ (332,261)	\$ 3,258,657	\$ 376,915
Lease liability	4,590	-	(1,620)	2,970	1,620
	<u>\$ 3,595,508</u>	<u>\$ -</u>	<u>\$ (333,881)</u>	<u>\$ 3,261,627</u>	<u>\$ 378,535</u>

The following is a summary of the outstanding bonds payable and lease liability:

Bonds payable:

\$3,000,000, 2008 Maine Municipal Bond Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through October 2037. Interest is at fixed rates varying from 2.50% to 5.50% per annum. Annual principal installments vary.	\$ 801,407
\$1,605,000, 2018 Machias Savings Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through May of 2039. Interest is at fixed rates varying from 1.72% to 3.764% per annum. Annual principal installments vary.	1,203,750
\$124,000, 2021B Maine Municipal Bond Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through November 2027. Interest is at fixed rates varying from 0.61% to 1.29% per annum.	82,667
\$250,000, 2022B Maine Municipal Bond Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through November of 2042. Interest is at fixed rates varying from 3.52% to 4.89% per annum.	237,500
\$250,000, 2022B Maine Municipal Bond Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through November of 2028. Interest is at fixed rates varying from 3.52% to 3.79% per annum.	208,333

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6 - LONG-TERM DEBT (CONTINUED)

\$725,000, 2023A Maine Municipal Bond Bank General Obligation Bond due in annual principal and interest payments and semi-annual interest payments through November of 2043. Interest is at fixed rates varying from 2.99% to 4.625% per annum.

	<u>725,000</u>
Total bonds payable	<u>\$ 3,258,657</u>

Lease liability:

The Town has entered into an operating lease, effective March of 2021, payable to Xerox Financial Services LLC. Monthly payments of \$135 through April of 2026.

\$ 2,970

The following is a summary of outstanding bonds payable and lease liability principal and interest requirements for the following fiscal years ending June 30:

	Bonds Payable and Lease Liability		Total Debt Service
	Principal	Interest	
2025	\$ 378,535	\$ 77,327	\$ 455,862
2026	387,782	63,097	450,879
2027	396,437	51,313	447,750
2028	406,956	42,065	449,021
2029	170,667	35,387	206,054
2030-2034	645,000	134,016	779,016
2035-2039	645,000	55,243	700,243
2040-2044	231,250	10,906	242,156
	<u>\$ 3,261,627</u>	<u>\$ 469,354</u>	<u>\$ 3,730,981</u>

No interest costs were capitalized during the period. All bonds payable and the lease liability are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

The right of use lease assets associated with these lease liabilities (including amortization/depreciation applicable to the same) are presented as a separate category of Capital Assets and are grouped accordingly on the Statement of Net Position.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
Accrued compensated absences	\$ 9,613	\$ 1,462	\$ -	\$ 11,075	\$ 4,430
Net pension liability	-	-	-	-	-
Net OPEB liability	98,565	21,763	(5,999)	114,329	-
	<u>\$ 108,178</u>	<u>\$ 23,225</u>	<u>\$ (5,999)</u>	<u>\$ 125,404</u>	<u>\$ 4,430</u>

Refer to Notes 8, 16, 18 and 20 for more detailed information regarding other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation 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 June 30, 2024, the Town's liability for compensated absences is \$11,075.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024:

Invested in capital assets	\$ 9,221,033
Accumulated depreciation	(3,172,590)
Outstanding capital related debt	<u>(3,258,657)</u>
	<u>\$ 2,789,786</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2024, the Town had the following restricted net position and fund balances:

Education fund	\$ 335,557
Connect ME grant fund	199,926
Nonmajor special revenue funds (Schedule E)	53,728
Nonmajor permanent funds (Schedule I)	<u>104,848</u>
	<u>\$ 694,059</u>

NOTE 11 - COMMITTED FUND BALANCES

At June 30, 2024, the Town had the following committed fund balances:

General fund:	
FY 2025 budget	\$ 250,000
Town wharf fund	332,824
Broadband reserve	473,515
Nonmajor capital projects funds (Schedule G)	<u>1,102,298</u>
	<u>\$ 2,158,637</u>

NOTE 12 - DEFICIT FUND BALANCES

At June 30, 2024, the Town had the following deficit fund balances:

Nonmajor special revenue funds:	
REAP grant	\$ 29,037
Nonmajor capital projects funds:	
Public services equipment	<u>21,756</u>
	<u>\$ 50,793</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.maineopers.org](http://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 authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members. As of June 30, 2023, there were 239 employers, including the State of Maine, participating in the plan.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 3.88%.

**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 Department's teachers are required to contribute 7.65% of their compensation to the retirement system. The Department's payroll for teachers covered by this program was approximately \$212,140 for the year ended June 30, 2024. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.51% of the Department's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$53,069 for the year ended June 30, 2024. Title 5 of the Maine Revised Statutes Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 4.47%, which totaled \$12,123 for 2024. In addition, the Department is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 15.10% of compensation and totaled \$0 the year ended June 30, 2024.

**Pension Liabilities**

At June 30, 2024, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>283,162</u>
Total	\$	<u><u>283,162</u></u>

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2023, the Town's proportion was 0.00%, which was the same as its proportion measured as of June 30, 2022.

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

For the year ended June 30, 2024, the Town recognized total pension expense of \$50,343 and revenue of \$49,630 for support provided by the State of Maine for the SET plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	12,123	-
<b>Total</b>	<b>\$ 12,123</b>	<b>\$ -</b>

\$12,123 were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan
Plan year ended June 30:	
2024	\$ -
2025	-
2026	-
2027	-
2028	-
Thereafter	-

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Actuarial Methods and Assumptions**

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal cost method is used to determine costs. Under this cost 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 member is the product of the member's pay and 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 the 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 reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

*Investment Rate of Return* - 6.50% per annum for the year ended June 30, 2023 and 2022, compounded annually.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Salary Increases, Merit and Inflation* - state employees, 3.26% - 9.43%; teachers, 2.80% - 13.03%.

*Mortality Rates* - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

*Cost of Living Benefit Increases* - 2.20% per annum for the year ended June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2023 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.6%
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%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.0%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.50% for 2023 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 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 6.50%.

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2023 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2023 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2017 through 2023, this was three years for the SET Plan.

*Differences between Expected and Actual Investment Earnings*

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

*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 pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of 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.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2023 Annual Comprehensive Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

NOTE 14 - DEFERRED COMPENSATION PLAN

MissionSquare Retirement

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the MissionSquare Retirement. The plan, available to all Town employees permits them to defer a portion

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 14 - DEFERRED COMPENSATION PLAN (CONTINUED)

of their salary, in addition to Town contributions, until future years. Employee's participation in this plan is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Selectboard. Effective July 1, 2001, the Town agrees to expand the coverage of the MissionSquare Retirement 457 plan currently in effect. This plan will be available for current employees who are not enrolled in the Maine State Retirement System and any newly-hired employee who wishes to enroll in the MissionSquare Retirement plan instead of the MSRS plan. The Town will match the employee's contribution into the 457 plan, up to a maximum Town contribution of six percent. The Town will make a contribution to either MSRS or the MissionSquare Retirement plan, but not both.

The Town's contributions to the plan for the year ended June 30, 2024 were \$8,046.

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

**Plan Description**

The Town and Town retirees contribute to the Town's OPEB Plan with Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trusts which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

**Benefits Provided**

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

**Employees Covered by Benefit Terms**

At January 1, 2024, the following employees were covered by the benefit terms:

Active members	6
Retirees and spouses	-
Total	<u>6</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.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

<u>Pre-Medicare</u>	<u>Single</u>	<u>Family</u>
POS 2500	\$ 1,015.49	\$ 2,277.90
<u>Medicare</u>		
Medicare-Eligible Retirees	\$ 659.34	\$ 1,318.68

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

At June 30, 2024, the Town reported a liability of \$52,441 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2024, the Town recognized OPEB expense of \$5,627. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,738	\$ 10,014
Changes of assumptions	12,049	7,810
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	126	-
Total	<u>\$ 14,913</u>	<u>\$ 17,824</u>

\$126 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

	<u>MMEHT</u>	
Plan year ended June 30:		
2024	\$	544
2025		548
2026		(1,781)
2027		(2,189)
2028		(2,192)
Thereafter		2,033

**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, 2024. 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 3.26% per annum for June 30, 2024 was based upon a measurement date of December 28, 2023. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1%</u> <u>Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
	2.26%	3.26%	4.26%
Total OPEB liability	\$ 62,040	\$ 52,441	\$ 44,630
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 62,040</u>	<u>\$ 52,441</u>	<u>\$ 44,630</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
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**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:

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 43,110	\$ 52,441	\$ 64,345
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 43,110</u>	<u>\$ 52,441</u>	<u>\$ 64,345</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2024, 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, 2021. 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.

*Assumptions*

The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2024, they are as follows:

Discount Rate - 3.26% per annum for year end 2024 reporting. 3.72% per annum for 2023 reporting.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2024\_1b was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capital 2031+	1.40%
Extra Trend due to Taste/Technology 2031+	1.10%
Expected Health Share of GDP 2031	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2044

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2024 to 2027 were based on plan design, population weighting, renewal projections and market analysis. For years 2028 to 2032, these are interpolated from 2027 to 2033 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

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

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, 2021.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

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:

Healthy Annuitant - 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 included in the published MP-2021 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.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

annuitant mortality. 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, 2022.

Retiree Continuation Percentage:

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

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

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

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 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, 2024 was (\$7,276).

*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 January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

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

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

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 192 North Road, Chebeague Island, Maine 04017.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2023, there were 234 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (800) 451-9800.

**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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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 Department's teachers, 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. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2024 were approximately \$284.

**OPEB Liabilities and OPEB Expense**

At June 30, 2024, the School reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School. The total portion of the net OPEB liability that was associated with the School were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the School		<u>2,071</u>
Total	\$	<u>2,071</u>

For the year ended June 30, 2024, the District recognized net OPEB expense of \$268 and revenue of \$268 for support provided by the State of Maine.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

**Plan Description**

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

**Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms:

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Active members	11
Retirees and spouses	-
Total	<u>11</u>

**Cost Sharing Provisions/Contributions**

Retirees are eligible for a State subsidy of 60% (effective November 1, 2023) and 55% (effective July 1, 2021) of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree pays 40% (November 1, 2023 and later) and 45% (July 1, 2021) of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree (and/or spouse). The Maine Education Association Benefits Trust is not responsible for the premium, but instead, the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability throughout this report.

**Employee/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>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Family</u>
<b><u>Pre-Medicare</u></b>				
Choice Plus	\$ 887	\$ 1,999	\$ 1,569	\$ 2,433
Standard \$500 Ded	\$ 842	\$ 1,899	\$ 1,491	\$ 2,310
<b><u>Medicare</u></b>				
Medicare-eligible retirees	\$ 388	\$ 776		

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

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

At June 30, 2024, the Town reported a liability of \$61,888 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2024, the Town recognized OPEB expense of \$4,556. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,293	\$ 6,971
Changes of assumptions	8,771	6,557
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	1,704	-
<b>Total</b>	<b>\$ 12,768</b>	<b>\$ 13,528</b>

\$1,704 were reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MEABT
Plan year ended June 30:	
2024	\$ 2,543
2025	1,737
2026	(3,197)
2027	(3,325)
2028	(222)
Thereafter	-

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2023. 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 3.65% per annum for June 30, 2024 was based upon a measurement date of June 30, 2023. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	2.65%	3.65%	4.65%
Total OPEB liability	\$ 75,247	\$ 61,888	\$ 51,280
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 75,247</u>	<u>\$ 61,888</u>	<u>\$ 51,280</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 total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 50,069	\$ 61,888	\$ 77,011
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 50,069</u>	<u>\$ 61,888</u>	<u>\$ 77,011</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2023, 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.

*Assumptions*

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, ie trend rates, were developed based on historical and future projections of long term health care rates:

Discount Rate - 3.65% per annum for year-end 2024 reporting, 3.54% per annum for year-end 2023 reporting.

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2023\_1f. The following assumptions were applied in this model as below:

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Trend Assumption Inputs

Variable	Rate
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.90%
Year for Limiting Cost Growth to GDP Growth	2042

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. Sample medical trends are listed in the table below.

Pre-Medicare - Initial trend of 7.95% applied in FYE 2023 and 4.00% applied in FYE 2022 grading over 19 years to 4.00% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% 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 Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2023, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

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

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

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

Administrative expenses - Included in the per capita claims cost

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

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2022 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

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 included in the published MP-2020 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are based on the actual community rated premiums of the entire group. As of June 30, 2023, they are as follows:

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2022 and projects through June 30, 2024 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

**Changes in Total OPEB Liability**

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 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. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2023, there were no differences between expected and actual experience.

*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 over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 7 years. 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 the year ending June 30, 2019. For the fiscal year ended June 30, 2023, there were no changes in assumptions.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

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

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

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 192 North Road, Chebeague Island, Maine 04017.

NOTE 18 - 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 Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town'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.

As a result of negotiations between the Town of Cumberland, Maine School Administrative District No. 51 (MSAD #51) and the Chebeague Island Secession Representatives, the Town entered into an agreement to pay 50% of the property taxes committed to the Town from properties located on Outer Island for a period of 50 years on an annual basis to the Town of Cumberland. This agreement was effective in July of 2007 and will end after June of 2056. For the year ended June 30, 2024 the Town paid \$45,895 under this agreement.

The Town also entered into an agreement to annually pay MSAD #51 a proportionate share of MSAD #51's annual debt service. The proportionate share is based on the ratio of the State valuation of the Town to the combined State valuations of the Towns of Cumberland, North Yarmouth and Chebeague Island. For the year ended June 30, 2024, the Town paid \$133,477 under this agreement.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL

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

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 20 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2024, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
Cumberland County	\$ 30,102,056	1.41%	<u>\$ 424,439</u>

NOTE 21 - RESTATEMENT

In fiscal year 2024, the beginning net position was restated to correct capital assets. Governmental fund balances were restated to correct assets and liabilities, some funds were combined and the broadband reserve was moved to major funds from the nonmajor capital projects funds. The adjustments and restatements are as follows:

	<u>6/30/23 As Previously Reported</u>	<u>Fund Balance Corrections</u>	<u>Net Position Corrections</u>	<u>Change Within Financial Reporting Entity</u>	<u>6/30/23 As Restated</u>
Government-Wide Activities	<u>\$ 6,038,614</u>	<u>\$ (29,761)</u>	<u>\$ (312,925)</u>	<u>\$ -</u>	<u>\$ 5,695,928</u>
Governmental Funds:					
Major Funds					
General Fund	\$ 838,165	\$ -	\$ -	\$ -	\$ 838,165
Education Fund	218,863	-	-	-	218,863
Connect ME Grant	199,926	-	-	-	199,926
Town Wharf Fund	209,372	12,970	-	-	222,342
Broadband Reserve	-	-	-	1,062,707	1,062,707
Other Governmental Funds	<u>2,203,552</u>	<u>(42,731)</u>	<u>-</u>	<u>(1,062,707)</u>	<u>1,098,114</u>
	<u>\$ 3,669,878</u>	<u>\$ (29,761)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,640,117</u>

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

## TOWN OF CHEBEAGUE ISLAND, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 838,165	\$ 838,165	\$ 838,165	\$ -
Resources (Inflows):				
General tax revenue	3,391,894	3,391,894	3,400,412	8,518
Intergovernmental revenue	154,964	154,964	118,722	(36,242)
Charges for services	70,300	70,300	102,702	32,402
Interest income	-	-	40,804	40,804
Other revenue	75,616	75,616	22,143	(53,473)
Amounts Available for Appropriation	<u>4,530,939</u>	<u>4,530,939</u>	<u>4,522,948</u>	<u>(7,991)</u>
Charges to Appropriations (Outflows):				
General government	561,890	561,890	596,914	(35,024)
Public safety	246,855	246,855	224,341	22,514
Public services and solid waste	413,031	413,031	382,074	30,957
Social services	177,400	177,400	174,885	2,515
Education	1,282,944	1,282,944	1,282,944	-
County tax	216,527	216,527	216,527	-
Debt service:				
Principal	332,262	332,262	332,261	1
Interest	106,326	106,326	91,248	15,078
Overlay	66,594	66,594	29,472	37,122
Other	85,945	85,945	83,442	2,503
Transfers to other funds	416,000	416,000	416,000	-
Total Charges to Appropriations	<u>3,905,774</u>	<u>3,905,774</u>	<u>3,830,108</u>	<u>75,666</u>
Budgetary Fund Balance, June 30	<u>\$ 625,165</u>	<u>\$ 625,165</u>	<u>\$ 692,840</u>	<u>\$ 67,675</u>
Utilization of unassigned fund balance	<u>\$ 213,000</u>	<u>\$ 213,000</u>	<u>\$ -</u>	<u>\$ (213,000)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - EDUCATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 218,863	\$ 218,863	\$ 218,863	\$ -
Revenues (Inflows):				
Local assessments	1,282,944	1,282,944	1,282,944	-
Intergovernmental revenues:				
State subsidy	-	-	93,612	93,612
Other revenue	-	-	16,465	16,465
Amounts Available for Appropriation	<u>1,501,807</u>	<u>1,501,807</u>	<u>1,611,884</u>	<u>110,077</u>
Charges to Appropriations (Outflows):				
Regular instruction	572,079	572,079	593,131	(21,052)
Special education	162,081	162,081	195,734	(33,653)
Student and staff support	28,200	28,200	12,801	15,399
System administration	81,936	81,936	75,405	6,531
School administration	64,194	64,194	61,533	2,661
Transportation and buses	123,018	123,018	104,177	18,841
Operations and maintenance	70,335	70,335	55,647	14,688
Debt service	134,364	134,364	134,364	-
Other expenditures	46,737	46,737	43,535	3,202
Total Charges to Appropriations	<u>1,282,944</u>	<u>1,282,944</u>	<u>1,276,327</u>	<u>6,617</u>
Budgetary Fund Balance, June 30	<u>\$ 218,863</u>	<u>\$ 218,863</u>	<u>\$ 335,557</u>	<u>\$ 116,694</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SET Plan:</u>										
School Department's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School Department's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School Department	227,493	283,162	177,603	434,574	276,871	170,840	174,948	215,760	163,296	146,579
<b>Total</b>	<b>\$ 227,493</b>	<b>\$ 283,162</b>	<b>\$ 177,603</b>	<b>\$ 434,574</b>	<b>\$ 276,871</b>	<b>\$ 170,840</b>	<b>\$ 174,948</b>	<b>\$ 215,760</b>	<b>\$ 163,296</b>	<b>\$ 146,579</b>
School Department's covered payroll	\$ 212,140	\$ 274,633	\$ 224,691	\$ 332,814	\$ 207,446	\$ 195,813	\$ 196,534	\$ 245,800	\$ 242,756	\$ 200,492
School Department's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	76.21%	81.18%	83.91%

\* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE  
 SCHEDULE OF CONTRIBUTIONS - PENSION  
 LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SET Plan:</u>										
Contractually required contribution	\$ 12,123	\$ 8,832	\$ 11,268	\$ 9,347	\$ 14,086	\$ 13,229	\$ 6,920	\$ 5,958	\$ 5,716	\$ 4,735
Contributions in relation to the contractually required contribution	(12,123)	(8,832)	(11,268)	(9,347)	(14,086)	(13,229)	(6,920)	(5,958)	(5,716)	(4,735)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Department's covered payroll	\$ 365,930	\$ 212,140	\$ 274,633	\$ 224,691	\$ 332,814	\$ 207,446	\$ 195,813	\$ 196,534	\$ 245,800	\$ 242,756
Contributions as a percentage of covered payroll	3.31%	4.16%	4.10%	4.16%	4.23%	6.38%	3.53%	3.03%	2.33%	1.95%

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>							
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,071</u>	<u>1,991</u>	<u>863</u>	<u>1,737</u>	<u>1,605</u>	<u>3,078</u>	<u>2,983</u>
Total	<u>\$ 2,071</u>	<u>\$ 1,991</u>	<u>\$ 863</u>	<u>\$ 1,737</u>	<u>\$ 1,605</u>	<u>\$ 3,078</u>	<u>\$ 2,983</u>
Covered payroll	\$ 212,140	\$ 274,633	\$ 224,691	\$ 332,814	\$ 207,446	\$ 195,813	\$ 196,534
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	66.13%	52.39%	62.90%	55.40%	49.51%	49.22%	48.04%

\* 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 auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN  
FOR THE YEAR ENDED JUNE 30, 2024

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at 1/1/23 (Reporting December 31, 2023)	\$ 39,675	\$ -	\$ 39,675
Changes for the year:			
Service cost	3,874	-	3,874
Interest	1,610	-	1,610
Changes of benefits	-	-	-
Differences between expected and actual experience	(2,191)	-	(2,191)
Changes of assumptions	10,023	-	10,023
Contributions - employer	-	550	(550)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(550)	(550)	-
Administrative expense	-	-	-
Net changes	<u>12,766</u>	<u>-</u>	<u>12,766</u>
Balances at 1/1/24 (Reporting December 31, 2024)	<u>\$ 52,441</u>	<u>\$ -</u>	<u>\$ 52,441</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

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

	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>							
Service cost (BOY)	\$ 3,874	\$ 4,421	\$ 6,964	\$ 6,186	\$ 4,360	\$ 4,692	\$ 4,088
Interest (includes interest on service cost)	1,610	899	1,239	1,314	1,053	769	778
Changes of benefit terms	-	-	-	-	(884)	-	-
Differences between expected and actual experience	(2,191)	-	(12,905)	-	9,578	-	(3,166)
Changes of assumptions	10,023	(4,605)	(6,970)	2,844	6,715	(1,668)	(431)
Benefit payments, including refunds of member contributions	(550)	(487)	(672)	(646)	(126)	(121)	(68)
Net change in total OPEB liability	<u>\$ 12,766</u>	<u>\$ 228</u>	<u>\$ (12,344)</u>	<u>\$ 9,698</u>	<u>\$ 20,696</u>	<u>\$ 3,672</u>	<u>\$ 1,201</u>
Total OPEB liability - beginning	\$ 39,675	\$ 39,447	\$ 51,791	\$ 42,093	\$ 21,397	\$ 17,725	\$ 16,524
Total OPEB liability - ending	<u>\$ 52,441</u>	<u>\$ 39,675</u>	<u>\$ 39,447</u>	<u>\$ 51,791</u>	<u>\$ 42,093</u>	<u>\$ 21,397</u>	<u>\$ 17,725</u>
<u>Plan fiduciary net position</u>							
Contributions - employer	550	487	646	646	126	121	68
Contributions - member	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(550)	(487)	(646)	(646)	(126)	(121)	(68)
Administrative expense	-	-	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 52,441</u>	<u>\$ 39,675</u>	<u>\$ 39,447</u>	<u>\$ 51,791</u>	<u>\$ 42,093</u>	<u>\$ 21,397</u>	<u>\$ 17,725</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-	-
Covered employee payroll	\$ 304,398	\$ 233,289	\$ 233,289	\$ 281,812	\$ 281,812	\$ 247,671	\$ 247,671
Net OPEB liability as a percentage of covered employee payroll	17.2%	17.0%	16.9%	18.4%	14.9%	8.6%	7.2%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN  
FOR THE YEAR ENDED JUNE 30, 2024

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/22 (Reporting June 30, 2023)	\$ 58,890	\$ -	\$ 58,890
Changes for the year:			
Service cost	2,159	-	2,159
Interest	2,161	-	2,161
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(1,322)	-	(1,322)
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net changes	<u>2,998</u>	<u>-</u>	<u>2,998</u>
Balances at 6/30/23 (Reporting June 30, 2024)	<u>\$ 61,888</u>	<u>\$ -</u>	<u>\$ 61,888</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

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

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ 2,159	\$ 2,553	\$ 2,247	\$ 1,063	\$ 880	\$ 956
Interest (includes interest on service cost)	2,161	1,639	1,569	1,819	1,717	1,628
Changes of benefit terms	-	-	-	(14,670)	-	-
Differences between expected and actual experience	-	(10,457)	-	6,885	-	-
Changes of assumptions	(1,322)	(8,183)	790	22,722	4,833	(3,631)
Benefit payments, including refunds of member contributions	-	-	-	-	-	-
Net change in total OPEB liability	<u>\$ 2,998</u>	<u>\$ (14,448)</u>	<u>\$ 4,606</u>	<u>\$ 17,819</u>	<u>\$ 7,430</u>	<u>\$ (1,047)</u>
Total OPEB liability - beginning	\$ 58,890	\$ 73,338	\$ 68,732	\$ 50,913	\$ 43,483	\$ 44,530
Total OPEB liability - ending	<u>\$ 61,888</u>	<u>\$ 58,890</u>	<u>\$ 73,338</u>	<u>\$ 68,732</u>	<u>\$ 50,913</u>	<u>\$ 43,483</u>
<u>Plan fiduciary net position</u>						
Contributions - employer	-	-	-	-	-	-
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 61,888</u>	<u>\$ 58,890</u>	<u>\$ 73,338</u>	<u>\$ 68,732</u>	<u>\$ 50,913</u>	<u>\$ 43,483</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-
Covered employee payroll	\$ 527,387	\$ 514,524	\$ 524,491	\$ 511,698	\$ 656,774	\$ 639,196
Net OPEB liability as a percentage of covered employee payroll	11.7%	11.4%	14.0%	13.4%	7.8%	6.8%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	2024	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 365,930	\$ 212,140	\$ 274,633	\$ 224,691	\$ 332,814	\$ 207,446	\$ 195,813
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MMEHT:</u>							
Employer contributions	\$ 550	\$ 487	\$ 672	\$ 646	\$ 126	\$ 121	\$ 68
Benefit payments	(550)	(487)	(672)	(646)	(126)	(121)	(68)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 233,289	\$ 233,289	\$ 233,289	\$ 281,812	\$ 281,812	\$ 247,671	\$ 247,671
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MEABT:</u>							
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit payments	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 527,387	\$ 514,524	\$ 524,491	\$ 511,698	\$ 656,774	\$ 639,196	N/A
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

**Changes of Assumptions**

MEPERS SET PENSION PLAN:

There was a change to the annual salary increases, including inflation, to state employees, 3.26% - 9.43% per year from state employees, 2.75% - 11.48%.

MMEHT:

There was a change in the discount rate from 3.72% to 3.26% per GASB 75 discount rate selection. Trends have been updated since the last valuation.

MEABT:

There was a change in the discount rate from 3.54% to 3.65% per GASB 75 discount rate selection.

MEPERS SET OPEB Plan:

There was a change to the annual salary increases, including inflation, to state employees, 3.26% - 9.43% per year from state employees, 2.75% - 11.48%.

## Other Supplementary Information

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

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

## TOWN OF CHEBEAGUE ISLAND, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 3,264,894	\$ 3,264,894	\$ 3,259,402	\$ (5,492)
Vehicle excise taxes	119,000	119,000	132,906	13,906
Boat excise taxes	8,000	8,000	8,104	104
Intergovernmental revenues:				
State revenue sharing	36,731	36,731	38,349	1,618
Homestead exemption	27,275	27,275	61,971	34,696
BETE	121	121	121	-
LRAP	14,880	14,880	17,160	2,280
Other	75,957	75,957	1,121	(74,836)
Charges for services:				
Building/other permits	15,500	15,500	19,247	3,747
Electrical permits	1,500	1,500	3,037	1,537
Plumbing permits	2,500	2,500	2,520	20
Town clerk fees	5,000	5,000	5,922	922
Solid waste/recycling	26,000	26,000	36,465	10,465
Police fines	-	-	3,039	3,039
Animal control	-	-	1,003	1,003
Transient tie-up fees	2,000	2,000	4,531	2,531
Stone wharf permits	8,600	8,600	7,058	(1,542)
Shellfish licenses	1,500	1,500	1,350	(150)
Mooring fees	7,700	7,700	18,530	10,830
Interest income	-	-	40,804	40,804
Other income:				
Interest/fees on taxes	4,500	4,500	11,676	7,176
Miscellaneous	71,116	71,116	10,467	(60,649)
<b>Total Revenues</b>	<b>\$ 3,692,774</b>	<b>\$ 3,692,774</b>	<b>\$ 3,684,783</b>	<b>\$ (7,991)</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General government</b>					
Administration and Selectboard	\$ 285,069	\$ -	\$ 285,069	\$ 320,665	\$ (35,596)
Assessor	14,650	-	14,650	9,342	5,308
Elections	1,000	-	1,000	1,401	(401)
Planning	3,525	-	3,525	722	2,803
Legal services	23,000	-	23,000	23,838	(838)
Code enforcement	40,255	-	40,255	44,018	(3,763)
Benefits and insurance	194,391	-	194,391	196,928	(2,537)
	<u>561,890</u>	<u>-</u>	<u>561,890</u>	<u>596,914</u>	<u>(35,024)</u>
<b>Public safety</b>					
Law enforcement	56,735	-	56,735	54,555	2,180
Fire and rescue	145,743	-	145,743	124,938	20,805
Harbormaster and shellfish	31,127	-	31,127	30,680	447
Animal control	4,850	-	4,850	4,294	556
Street lights	8,400	-	8,400	9,874	(1,474)
	<u>246,855</u>	<u>-</u>	<u>246,855</u>	<u>224,341</u>	<u>22,514</u>
<b>Public services and solid waste</b>					
Public services	201,588	-	201,588	188,810	12,778
Solid waste	211,443	-	211,443	193,264	18,179
	<u>413,031</u>	<u>-</u>	<u>413,031</u>	<u>382,074</u>	<u>30,957</u>
<b>Social services</b>					
Contributions	161,000	-	161,000	161,000	-
General assistance	500	-	500	-	500
Cemetery	13,900	-	13,900	11,885	2,015
Public health services	2,000	-	2,000	2,000	-
	<u>177,400</u>	<u>-</u>	<u>177,400</u>	<u>174,885</u>	<u>2,515</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Education</b>	1,282,944	-	1,282,944	1,282,944	-
<b>County tax</b>	216,527	-	216,527	216,527	-
<b>Debt service</b>					
Principal	332,262	-	332,262	332,261	1
Interest	106,326	-	106,326	91,248	15,078
	438,588	-	438,588	423,509	15,079
<b>Overlay</b>	66,594	-	66,594	29,472	37,122
<b>Other</b>					
Mainland	23,897	-	23,897	23,897	-
Cumberland tax	48,048	-	48,048	45,895	2,153
Contingency	14,000	-	14,000	13,650	350
	85,945	-	85,945	83,442	2,503
<b>Transfers to other funds</b>					
Capital projects funds	416,000	-	416,000	416,000	-
	416,000	-	416,000	416,000	-
<b>Total Departmental Operations</b>	<u>\$ 3,905,774</u>	<u>\$ -</u>	<u>\$ 3,905,774</u>	<u>\$ 3,830,108</u>	<u>\$ 75,666</u>

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,206,011	\$ 96,410	\$ 1,302,421
Due from other funds	92,147	7,832	8,438	108,417
<b>TOTAL ASSETS</b>	<u>\$ 92,147</u>	<u>\$ 1,213,843</u>	<u>\$ 104,848</u>	<u>\$ 1,410,838</u>
<b>LIABILITIES</b>				
Accrued expenses	\$ 5,160	\$ -	\$ -	\$ 5,160
Due to other funds	29,037	133,301	-	162,338
<b>TOTAL LIABILITIES</b>	<u>34,197</u>	<u>133,301</u>	<u>-</u>	<u>167,498</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	33,259	-	-	33,259
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>33,259</u>	<u>-</u>	<u>-</u>	<u>33,259</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	53,728	-	104,848	158,576
Committed	-	1,102,298	-	1,102,298
Assigned	-	-	-	-
Unassigned (deficits)	(29,037)	(21,756)	-	(50,793)
<b>TOTAL FUND BALANCES</b>	<u>24,691</u>	<u>1,080,542</u>	<u>104,848</u>	<u>1,210,081</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 92,147</u>	<u>\$ 1,213,843</u>	<u>\$ 104,848</u>	<u>\$ 1,410,838</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenues	\$ 12,785	\$ -	\$ -	\$ 12,785
Interest income	-	24,960	1,909	26,869
<b>TOTAL REVENUES</b>	<u>12,785</u>	<u>24,960</u>	<u>1,909</u>	<u>39,654</u>
<b>EXPENDITURES</b>				
Capital outlay	-	191,770	-	191,770
Other	11,502	30,415	-	41,917
<b>TOTAL EXPENDITURES</b>	<u>11,502</u>	<u>222,185</u>	<u>-</u>	<u>233,687</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>1,283</u>	<u>(197,225)</u>	<u>1,909</u>	<u>(194,033)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	306,000	-	306,000
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>306,000</u>	<u>-</u>	<u>306,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,283</u>	<u>108,775</u>	<u>1,909</u>	<u>111,967</u>
<b>FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED</b>	53,169	2,047,444	102,939	2,203,552
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY FUND BALANCE CORRECTION</b>	<u>(29,761)</u>	<u>(1,062,707)</u>	<u>-</u>	<u>(1,062,707)</u>
<b>FUND BALANCES - JULY 1, AS RESTATED</b>	<u>23,408</u>	<u>971,767</u>	<u>102,939</u>	<u>1,098,114</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 24,691</u>	<u>\$ 1,080,542</u>	<u>\$ 104,848</u>	<u>\$ 1,210,081</u>

See accompanying independent auditor's report and notes to financial statements.

## Special Revenue Funds

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

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	ARPA	REAP Grant	Local Entitlement Grant	Resilience Community Action Grant	Total
<b>ASSETS</b>					
Due from other funds	\$ 18,259	\$ -	\$ 25,088	\$ 48,800	\$ 92,147
<b>TOTAL ASSETS</b>	<b>\$ 18,259</b>	<b>\$ -</b>	<b>\$ 25,088</b>	<b>\$ 48,800</b>	<b>\$ 92,147</b>
<b>LIABILITIES</b>					
Accrued expenses	\$ -	\$ -	\$ 5,160	\$ -	\$ 5,160
Due to other funds	-	29,037	-	-	29,037
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>29,037</b>	<b>5,160</b>	<b>-</b>	<b>34,197</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue	18,259	-	15,000	-	33,259
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,259</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>33,259</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	4,928	48,800	53,728
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(29,037)	-	-	(29,037)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>(29,037)</b>	<b>4,928</b>	<b>48,800</b>	<b>24,691</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 18,259</b>	<b>\$ -</b>	<b>\$ 25,088</b>	<b>\$ 48,800</b>	<b>\$ 92,147</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	ARPA	REAP Grant	Local Entitlement Grant	Resilience Community Action Grant	Total
REVENUES					
Intergovernmental revenue	\$ 11,502	\$ 1,283	\$ -	\$ -	\$ 12,785
TOTAL REVENUES	<u>11,502</u>	<u>1,283</u>	<u>-</u>	<u>-</u>	<u>12,785</u>
EXPENDITURES					
Other	11,502	-	-	-	11,502
TOTAL EXPENDITURES	<u>11,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,502</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>-</u>	<u>1,283</u>	<u>-</u>	<u>-</u>	<u>1,283</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	29,761	(30,320)	4,928	48,800	53,169
FUND BALANCE CORRECTION	<u>(29,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,761)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>-</u>	<u>(30,320)</u>	<u>4,928</u>	<u>48,800</u>	<u>23,408</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ (29,037)</u>	<u>\$ 4,928</u>	<u>\$ 48,800</u>	<u>\$ 24,691</u>

See accompanying independent auditor's report and notes to financial statements.

## Capital Projects Funds

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

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2024

	Paving	Rescue Vehicles and Equipment	Dredging	Fire Truck	Easements and Drainage	Town Office	Floats and Ramps	Town Match for Grants	Cousin's Island Parking/CTC Escrow	Indian Point Retaining Wall
<b>ASSETS</b>										
Cash and cash equivalents	\$ 64,120	\$ 13,769	\$ 131,842	\$ 135,392	\$ 84,567	\$ 15,373	\$ 33,681	\$ 49,138	\$ 24,637	\$ 58,019
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 64,120</u>	<u>\$ 13,769</u>	<u>\$ 131,842</u>	<u>\$ 135,392</u>	<u>\$ 84,567</u>	<u>\$ 15,373</u>	<u>\$ 33,681</u>	<u>\$ 49,138</u>	<u>\$ 24,637</u>	<u>\$ 58,019</u>
<b>LIABILITIES</b>										
Due to other funds	\$ 8,789	\$ -	\$ 80,000	\$ -	\$ 10,000	\$ 1,044	\$ 4,996	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>8,789</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>10,000</u>	<u>1,044</u>	<u>4,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	55,331	13,769	51,842	135,392	74,567	14,329	28,685	49,138	24,637	58,019
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>55,331</u>	<u>13,769</u>	<u>51,842</u>	<u>135,392</u>	<u>74,567</u>	<u>14,329</u>	<u>28,685</u>	<u>49,138</u>	<u>24,637</u>	<u>58,019</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
	<u>\$ 64,120</u>	<u>\$ 13,769</u>	<u>\$ 131,842</u>	<u>\$ 135,392</u>	<u>\$ 84,567</u>	<u>\$ 15,373</u>	<u>\$ 33,681</u>	<u>\$ 49,138</u>	<u>\$ 24,637</u>	<u>\$ 58,019</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	<u>Facilities</u>	<u>Revaluation</u>	<u>Public Services Equipment</u>	<u>Boat Ramp</u>	<u>Coastal Access Fund</u>	<u>Solar Array</u>	<u>Harbor Master Vessel</u>	<u>Cemetery Capital Reserve</u>	<u>Fire Pond</u>
ASSETS									
Cash and cash equivalents	\$ 41,232	\$ 77,576	\$ 6,716	\$ 31,123	\$ 2,976	\$ 80,011	\$ 6,730	\$ 6,971	\$ 4,980
Due from other funds	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 41,232</u>	<u>\$ 77,576</u>	<u>\$ 6,716</u>	<u>\$ 31,123</u>	<u>\$ 2,976</u>	<u>\$ 80,011</u>	<u>\$ 6,730</u>	<u>\$ 6,971</u>	<u>\$ 4,980</u>
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ 28,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>28,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	41,232	77,576	-	31,123	2,976	80,011	6,730	6,971	4,980
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(21,756)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>41,232</u>	<u>77,576</u>	<u>(21,756)</u>	<u>31,123</u>	<u>2,976</u>	<u>80,011</u>	<u>6,730</u>	<u>6,971</u>	<u>4,980</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 41,232</u>	<u>\$ 77,576</u>	<u>\$ 6,716</u>	<u>\$ 31,123</u>	<u>\$ 2,976</u>	<u>\$ 80,011</u>	<u>\$ 6,730</u>	<u>\$ 6,971</u>	<u>\$ 4,980</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	Vehicles	Recycling Compactor	Stone Wharf Parking	<i>Moved to Major Fund</i> Broadband Reserve	School Special Ed Reserve	School Tuition Reserve	School Playground	School Capital Improvement Fund	School Capital Transportation Reserve	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 38	\$ -	\$ -	\$ 125,896	\$ 85,411	\$ 7,474	\$ 66,795	\$ 51,544	\$ 1,206,011
Due from other funds	-	-	-	-	-	-	-	7,832	-	7,832
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,896</b>	<b>\$ 85,411</b>	<b>\$ 7,474</b>	<b>\$ 74,627</b>	<b>\$ 51,544</b>	<b>\$ 1,213,843</b>
<b>LIABILITIES</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,301
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,301</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	38	-	-	125,896	85,411	7,474	74,627	51,544	1,102,298
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(21,756)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>125,896</b>	<b>85,411</b>	<b>7,474</b>	<b>74,627</b>	<b>51,544</b>	<b>1,080,542</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
	<b>\$ -</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,896</b>	<b>\$ 85,411</b>	<b>\$ 7,474</b>	<b>\$ 74,627</b>	<b>\$ 51,544</b>	<b>\$ 1,213,843</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Paving	Rescue Vehicles and Equipment	Dredging	Fire Truck	Easements and Drainage	Town Office	Floats and Ramps	Town Match for Grants	Cousin's Island Parking/CTC Escrow	Indian Point Retaining Wall
REVENUES										
Interest income	\$ 1,317	\$ 283	\$ 2,571	\$ 2,811	\$ 1,683	\$ 589	\$ 691	\$ 1,009	\$ 452	\$ 1,213
TOTAL REVENUES	<u>1,317</u>	<u>283</u>	<u>2,571</u>	<u>2,811</u>	<u>1,683</u>	<u>589</u>	<u>691</u>	<u>1,009</u>	<u>452</u>	<u>1,213</u>
EXPENDITURES										
Capital outlay	-	-	80,000	13,126	-	34,197	-	-	-	-
Other	-	-	-	-	-	-	4,496	-	-	4,500
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>13,126</u>	<u>-</u>	<u>34,197</u>	<u>4,496</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,317</u>	<u>283</u>	<u>(77,429)</u>	<u>(10,315)</u>	<u>1,683</u>	<u>(33,608)</u>	<u>(3,805)</u>	<u>1,009</u>	<u>452</u>	<u>(3,287)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	25,000	5,000	80,000	70,000	-	10,000	5,000	20,000	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>25,000</u>	<u>5,000</u>	<u>80,000</u>	<u>70,000</u>	<u>-</u>	<u>10,000</u>	<u>5,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>26,317</u>	<u>5,283</u>	<u>2,571</u>	<u>59,685</u>	<u>1,683</u>	<u>(23,608)</u>	<u>1,195</u>	<u>21,009</u>	<u>452</u>	<u>(3,287)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	29,014	98	49,271	75,707	72,884	37,937	27,490	28,129	24,185	61,306
CHANGE WITHIN FINANCIAL REPORTING ENTITY FUND BALANCE CORRECTION	<u>-</u>	<u>8,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>29,014</u>	<u>8,486</u>	<u>49,271</u>	<u>75,707</u>	<u>72,884</u>	<u>37,937</u>	<u>27,490</u>	<u>28,129</u>	<u>24,185</u>	<u>61,306</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 55,331</u>	<u>\$ 13,769</u>	<u>\$ 51,842</u>	<u>\$ 135,392</u>	<u>\$ 74,567</u>	<u>\$ 14,329</u>	<u>\$ 28,685</u>	<u>\$ 49,138</u>	<u>\$ 24,637</u>	<u>\$ 58,019</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Facilities	Revaluation	Public Services Equipment	Boat Ramp	Coastal Access Fund	Solar Array	Harbor Master Vessel	Cemetery Capital Reserve	Fire Pond
REVENUES									
Interest income	\$ 935	\$ 1,537	\$ 148	\$ 639	\$ 198	\$ 1,580	\$ 138	\$ 143	\$ 95
TOTAL REVENUES	935	1,537	148	639	198	1,580	138	143	95
EXPENDITURES									
Capital outlay	4,286	-	44,511	-	13,650	-	-	-	-
Other	1,419	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	5,705	-	44,511	-	13,650	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,770)	1,537	(44,363)	639	(13,452)	1,580	138	143	95
OTHER FINANCING SOURCES (USES)									
Transfers in	20,000	-	25,000	20,000	10,000	15,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,000	-	25,000	20,000	10,000	15,000	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	15,230	1,537	(19,363)	20,639	(3,452)	16,580	138	143	95
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	26,002	76,039	(2,393)	10,484	6,428	63,431	6,592	6,828	4,885
CHANGE WITHIN FINANCIAL REPORTING ENTITY FUND BALANCE CORRECTION	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	26,002	76,039	(2,393)	10,484	6,428	63,431	6,592	6,828	4,885
FUND BALANCES (DEFICITS) - JUNE 30	\$ 41,232	\$ 77,576	\$ (21,756)	\$ 31,123	\$ 2,976	\$ 80,011	\$ 6,730	\$ 6,971	\$ 4,980

TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Vehicles	Recycling Compactor	Stone Wharf Parking	Moved to Major Fund Broadband Reserve	School Special Ed Reserve	School Tuition Reserve	School Playground	School Capital Improvement Fund	School Capital Transportation Reserve	Total
REVENUES										
Interest income	\$ -	\$ 21	\$ -	\$ -	\$ 2,736	\$ 1,651	\$ 143	\$ 1,361	\$ 1,016	\$ 24,960
TOTAL REVENUES	-	21	-	-	2,736	1,651	143	1,361	1,016	24,960
EXPENDITURES										
Capital outlay	-	2,000	-	-	-	-	-	-	-	191,770
Other	-	-	-	-	20,000	-	-	-	-	30,415
TOTAL EXPENDITURES	-	2,000	-	-	20,000	-	-	-	-	222,185
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,979)	-	-	(17,264)	1,651	143	1,361	1,016	(197,225)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	1,000	-	-	-	-	-	-	-	306,000
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,000	-	-	-	-	-	-	-	306,000
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(979)	-	-	(17,264)	1,651	143	1,361	1,016	108,775
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	8,388	1,017	12,970	1,062,707	143,160	83,760	7,331	73,266	50,528	2,047,444
CHANGE WITHIN FINANCIAL REPORTING ENTITY FUND BALANCE CORRECTION	-	-	-	(1,062,707)	-	-	-	-	-	(1,062,707)
	(8,388)	-	(12,970)	-	-	-	-	-	-	(12,970)
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	-	1,017	-	-	143,160	83,760	7,331	73,266	50,528	971,767
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 38	\$ -	\$ -	\$ 125,896	\$ 85,411	\$ 7,474	\$ 74,627	\$ 51,544	\$ 1,080,542

See accompanying independent auditor's report and notes to financial statements.

## Permanent Funds

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

## TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2024

	Cemetery Perpetual Care	Total
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 96,410	\$ 96,410
Due from other funds	8,438	8,438
<b>TOTAL ASSETS</b>	<u>\$ 104,848</u>	<u>\$ 104,848</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	104,848	104,848
Committed	-	-
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCES</b>	<u>104,848</u>	<u>104,848</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 104,848</u>	<u>\$ 104,848</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF CHEBEAGUE ISLAND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND  
BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Cemetery Perpetual Care	Total
	<u>          </u>	<u>          </u>
REVENUES		
Interest income	\$ 1,909	\$ 1,909
TOTAL REVENUES	<u>1,909</u>	<u>1,909</u>
EXPENDITURES		
Other	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,909	1,909
FUND BALANCES, JULY 1	<u>102,939</u>	<u>102,939</u>
FUND BALANCES, JUNE 30	<u>\$ 104,848</u>	<u>\$ 104,848</u>

See accompanying independent auditor's report and notes to financial statements.



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

Selectboard  
Town of Chebeague Island  
Chebeague Island, Maine

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chebeague Island, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Chebeague Island, Maine's basic financial statements and have issued our report thereon dated September 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

#### Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of Town of Chebeague Island, Maine in a separate letter dated September 9, 2025.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
September 9, 2025

## State Compliance

State compliance includes financial information and reports that are presented for purposes of additional analysis as required by Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on State Requirements
- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System

TOWN OF CHEBEAGUE ISLAND, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Education				
Passed-through State of Maine - Department of Education:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	3046	\$ -	\$ 9,420
Subtotal Special Education Cluster (IDEA)			<u>-</u>	<u>9,420</u>
Direct Award:				
Improving Teacher Quality State Grants	84.367	3042	<u>-</u>	<u>47,760</u>
Total U.S. Department of Education			<u>-</u>	<u>57,180</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ -</u>	<u>\$ 57,180</u>

TOWN OF CHEBEAGUE ISLAND, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Chebeague Island, Maine under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Chebeague Island, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Chebeague Island, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- a. The Town of Chebeague Island, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Uniform Guidance Requirements

Although this schedule has been prepared in accordance with the requirements of the Uniform Guidance, the Town is not required to have a federal 2 CFR Part 200 Uniform Guidance Audit for the year ended June 30, 2024.



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## INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Selectboard  
Town of Chebeague Island  
Chebeague Island, Maine

We have audited the financial statements of Town of Chebeague Island, Maine for the year ended June 30, 2024 and have issued our report thereon dated September 9, 2025. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Town of Chebeague Island, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Chebeague Island, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Chebeague Island, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town of Chebeague Island, Maine and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the Selectboard, School Board, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

*RHR Smith & Company*

Buxton, Maine  
September 9, 2025

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CHEBEAGUE ISLAND SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA  
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM  
 FOR THE YEAR ENDED JUNE 30, 2024

	General Fund (1000)	Special Revenue Funds (2000), (6000) & (9000)	Total
June 30, 2024 Balance per MEFS	\$ 85,933	\$ -	\$ 85,933
<b>Revenue Adjustments:</b>	291,837	-	-
<b>Expenditure Adjustments:</b>	(42,213)	-	(42,213)
<b>Other adjustments:</b>			
Funds Not Reported on MEFS:			
REAP	-	(29,037)	(29,037)
Local Entitlement	-	4,928	4,928
Special Ed Reserve	-	125,896	125,896
Tuition Reserve	-	85,411	85,411
School Playground	-	7,474	7,474
School Capital Improvement Fund	-	74,627	74,627
School Capital Transportation Reserve	-	51,544	51,544
Audited GAAP Basis Fund Balance June 30, 2024	<u>\$ 335,557</u>	<u>\$ 320,843</u>	<u>\$ 364,563</u>