

TOWN OF MONTVILLE, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2021*

**TOWN OF MONTVILLE
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS		PAGE(S)
INDEPENDENT AUDITOR'S REPORT		1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS		3 - 7
BASIC FINANCIAL STATEMENTS:		
EXHIBIT GOVERNMENTAL-WIDE FINANCIAL STATEMENTS		
A	Statement of Net Position	8
B	Statement of Activities	9
FUND FINANCIAL STATEMENTS		
C	Balance Sheet - Governmental Funds	10
D	Statement of Revenues, Expenditures And Changes in Fund Balances - Governmental Funds	11 - 12
NOTES TO THE FINANCIAL STATEMENTS		13 - 23
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:		
E	Statement of Revenues, Expenditures and Changes in Fund Balance - Unassigned Fund Balance	24
SUPPLEMENTARY INFORMATION:		
GENERAL FUND		
A-1	Statement of Estimated and Actual Revenues	25
A-2	Statement of Appropriations, Expenditures, and Balances	26 - 27
A-3	Statement of Changes in Unassigned Fund Balance	28
A-4	Combining Balance Sheet - General Restricted Funds	29
A-5	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - General Restricted Funds	30
SPECIAL REVENUE FUNDS		
B-1	Balance Sheet	31
B-2	Statement of Revenues, Expenditures and Changes in Fund Balance	32
PERMANENT FUNDS		
C-1	Balance Sheet	33
C-2	Statement of Revenues, Expenditures and Changes in Fund Balance	34

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
Kellie M. Bowden, C.P.A.
Wanese L. Lynch, C.P.A.
Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Montville
414 Center Road
Montville, ME 04941

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Montville, Maine as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Montville, Maine, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 24 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 Montville, Maine's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA
February 16, 2022

TOWN OF MONTVILLE, MAINE
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Management of the Town of Montville, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the year ended December 31, 2021. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of the Town of Montville, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at year ending December 31, 2021 by \$5,724,782 (presented as “net position”). Of this amount, \$735,540 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position decreased by \$174,099 (a 2.95% decrease) for the year ended December 31, 2021.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the year ended December 31, 2021; the Town's governmental funds reported a combined ending fund balance of \$645,984 with \$403,696 being general unassigned fund balance. This unassigned fund balance represents approximately 18.6% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations increased by \$49,880 (88.11%) during the current fiscal year. Two leases were issued to Gorham Leasing Group, one in the amount of \$44,000 for a wheel loader, and another in the amount of \$36,200 for a compactor. Existing debt obligations were retired according to schedule.

Additional information on the Town's debt can be found in Note 3D of the notes to the financial statements on page 22 and 23 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The government-wide financial statements can be found on pages 8 - 9 of this report.

Fund Financial Statements

The fund financial statements include statements for one of the three categories of activities – governmental. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual

basis of accounting. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 10-12 of this report.

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 the financial statements can be found on pages 13-23 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). Required supplementary information can be found on page 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town’s net position (84.8%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that are still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

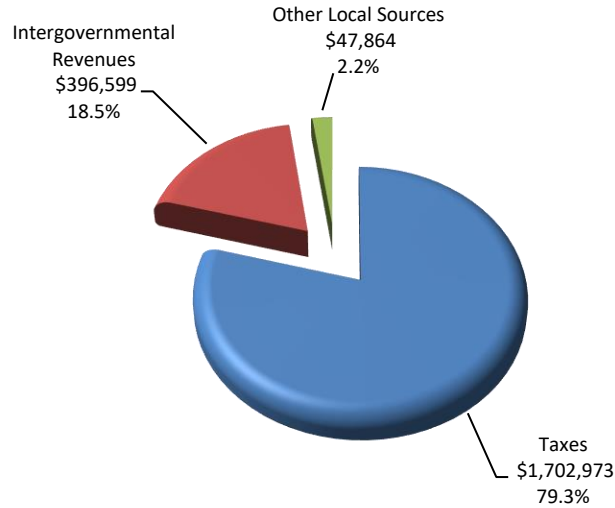
	<i>Governmental Activities</i>	
	<i>Total 2021</i>	<i>Total 2020</i>
Current Assets	896,443	826,970
Capital Assets	4,963,056	5,135,860
Total Assets	5,859,499	5,962,830
Current Liabilities	23,340	2,557
Long-Term Liabilities	106,489	56,609
Total Liabilities	129,829	59,166
Property Taxes Collected in Advance	4,888	4,783
Total Deferred Inflows of Resources	4,888	4,783
Net Position:		
Net Investment in Capital Assets	4,856,567	5,079,251
Restricted	132,675	58,780
Unrestricted	735,540	760,850
Total Net Position	5,724,782	5,898,881
Total Liabilities, Deferred Inflows of Resources and Net Position	5,859,499	5,962,830

Changes in Net Position

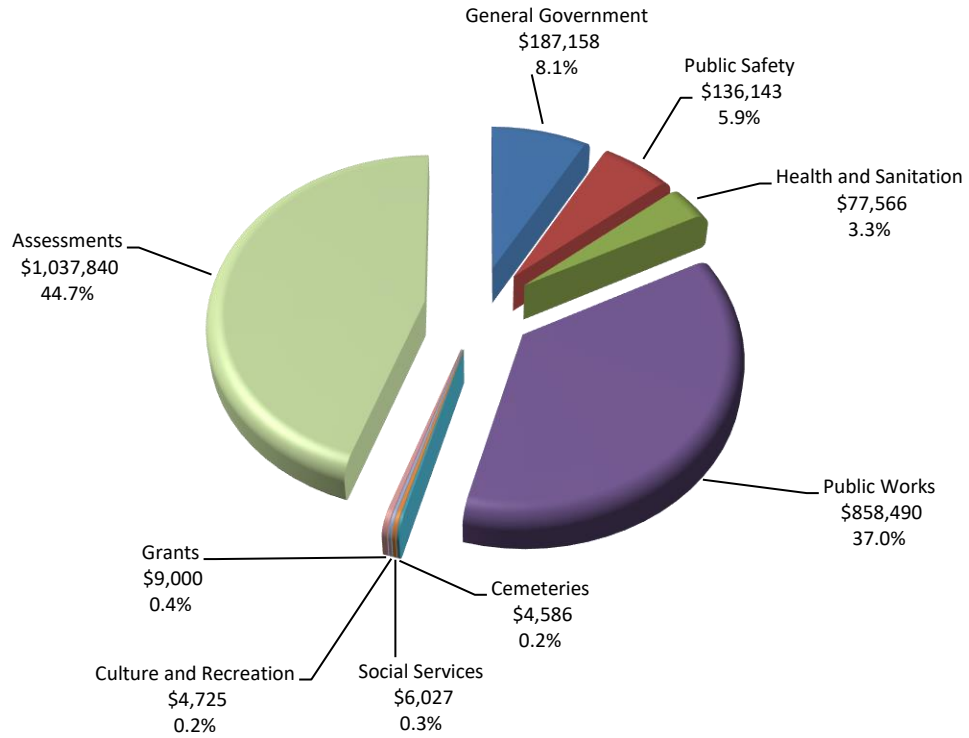
Approximately 79.3% of the Town’s total revenue came from property and excise taxes, approximately 18.5% came from State subsidies and grants, and approximately 2.2% came from services, investment earnings and other sources. Depreciation expense on the Town’s governmental activity assets represents \$312,307 of the total expenses for the year.

	<i>Governmental Activities</i>	
	<i>Total 2021</i>	<i>Total 2020</i>
Revenues:		
Taxes	1,702,973	1,662,257
Intergovernmental Revenues	396,599	297,954
Other Local Sources	47,864	33,946
Total	2,147,436	1,994,157
Expenses:		
General Government	187,158	161,765
Public Safety	136,143	123,399
Health and Sanitation	77,566	87,813
Public Works	858,490	805,923
Cemeteries	4,586	4,232
Social Services	6,027	6,042
Culture and Recreation	4,725	3,500
Assessments	1,037,840	1,030,731
Grants	9,000	
Total	2,321,535	2,223,405
Changes in Net Position	(174,099)	(229,248)

Revenues By Source - Governmental Activities



Expenditures By Source - Governmental Activities



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the year, the Town's governmental funds reported ending fund balances of \$645,984, an increase of \$81,640 in comparison with the prior year. Approximately 62.5% of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior year or for a variety of other purposes.

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$45,777 positive variance in property tax revenue due to lower outstanding property tax balances at year end.
- \$11,235 positive variance in auto excise due to conservative budgeting.
- \$5,209 negative variance in garbage stickers due to the 2021 budget falling short of the budget based on the prior year revenue.
- \$13,632 positive variance in fire department wages due to budgeting for possible increased hours for COVID-19 response, possible wage increases and possible personnel increases that did not materialize.
- \$5,387 negative variance in tipping fees due to the town packer truck going out of service, and contracting with the Town of Freedom for solid waste removal until a permanent solution could be put in place.
- \$4,000 positive variance in the purchase of a recycling trailer resulting from the town not purchasing the trailer as anticipated.
- \$43,571 negative variance in road maintenance due to various projects that ran over due to unforeseen damages and the need to replace aging culverts in order to facilitate those repairs.
- \$25,589 positive variance in winter roads due to a relatively snowless winter resulting in lower amounts of salt/sand being needed.
- \$7,164 negative variance in public works equipment repairs and maintenance due to the transition from contract services to town owned equipment.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$10,935,686, net of accumulated depreciation of \$5,972,630, leaving a net book value of \$4,963,056. Current year additions include \$47,500 for 2 gravel pits, \$11,803 for the town office roof, \$36,200 for a compactor and \$44,000 for a wheel loader.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Montville, 414 Center Road, Montville, ME 04941.

TOWN OF MONTVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Exhibit A

<i>Assets</i>	<u>Governmental Activities</u>
Cash and Equivalents	627,497
Receivables	
Taxes	210,787
Tax Liens	33,007
Due From Other Governments	25,152
Capital Assets:	
Land	101,300
Other Capital Assets, Net of Depreciation	4,861,756
Total Assets	<u>5,859,499</u>
<i>Liabilities, Deferred Inflows of Resources and Net Position</i>	
Liabilities:	
Accounts Payable	20,737
Due to Other Governments	2,603
Long-term Liabilities:	
Due Within One Year	30,320
Due in More Than One Year	76,169
Total Liabilities	<u>129,829</u>
Deferred Inflows of Resources:	
Property Taxes Collected in Advance	4,888
Total Deferred Inflows of Resources	<u>4,888</u>
Net Position:	
Net Investment in Capital Assets	4,856,567
Restricted Net Position	132,675
Unrestricted	735,540
Total Net Position	<u>5,724,782</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>5,859,499</u>

The notes to financial statements are an integral part of this statement.

TOWN OF MONTVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Position</u>
<u>Primary Government</u>				<u>Total Governmental Activities</u>
<u>Governmental Activities</u>				
General Government	187,158			(187,158)
Protection and Enforcement	136,143	247	6,665	(129,231)
Health and Sanitation	77,566	11,491		(66,075)
Public Works	858,490		-	(858,490)
Cemeteries	4,586			(4,586)
Social Services	6,027		-	(6,027)
Recreation	4,725	500		(4,225)
Assessments	1,037,840			(1,037,840)
Grants	9,000		77,406	68,406
<u>Total Governmental Activities</u>	<u>2,321,535</u>	<u>12,238</u>	<u>6,665</u>	<u>(2,225,226)</u>
<u>Total Primary Government</u>	<u>2,321,535</u>	<u>12,238</u>	<u>6,665</u>	<u>(2,225,226)</u>
<u>General Revenues:</u>				
Taxes				
Property				1,504,238
Auto Excise				198,735
Intergovernmental Revenues				319,193
Other Local Sources				28,961
<u>Total Revenues, Special Items and Transfers</u>				<u>2,051,127</u>
<u>Changes in Net Position</u>				<u>(174,099)</u>
<u>Net Position - Beginning</u>				<u>5,898,881</u>
<u>Net Position - Ending</u>				<u>5,724,782</u>

The notes to financial statements are an integral part of this statement.

TOWN OF MONTVILLE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

Exhibit C

<i>Assets</i>	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	538,805	88,692	627,497
Receivables			
Taxes	210,787		210,787
Tax Liens	33,007		33,007
Due from Other Funds	-	750	750
Due from Other Governments	25,152		25,152
Total Assets	807,751	89,442	897,193
<i>Liabilities, Deferred Inflows of Resources and Fund Balances</i>			
<i>Liabilities:</i>			
Accounts Payable	20,737		20,737
Due to Other Funds	750	-	750
Due to Other Governments	2,603		2,603
Total Liabilities	24,090	-	24,090
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Taxes	199,539		199,539
Unavailable Local Road Assistance	22,692		22,692
Property Taxes Collected in Advance	4,888		4,888
Total Deferred Inflows of Resources	227,119	-	227,119
<i>Fund Balances:</i>			
Non-Spendable		17,908	17,908
Restricted	46,361	68,406	114,767
Committed	106,485		106,485
Assigned	-	3,128	3,128
Unassigned	403,696		403,696
Total Fund Balances	556,542	89,442	645,984
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	807,751	89,442	897,193

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance	645,984
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$5,972,630	4,963,056
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Loans Payable	(106,489)
Unavailable Property Taxes	199,539
Unavailable Local Road Assistance	22,692
Net Position of Governmental Activities	5,724,782

The notes to financial statements are an integral part of this statement.

TOWN OF MONTVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues			
Taxes	1,737,560		1,737,560
Intergovernmental Revenues	317,661	77,406	395,067
Other Local Sources	47,793	71	47,864
	<u>2,103,014</u>	<u>77,477</u>	<u>2,180,491</u>
Total Revenues			
Expenditures			
Current:			
General Government	193,186		193,186
Public Safety	133,575		133,575
Health & Sanitation	120,066		120,066
Public Works	670,046		670,046
Cemeteries	4,586	-	4,586
Social Services	6,027		6,027
Culture and Recreation	4,725		4,725
Assessments	1,037,840		1,037,840
Grants		9,000	9,000
	<u>2,170,051</u>	<u>9,000</u>	<u>2,179,051</u>
Total Expenditures			
Excess of Revenues Over (Under)			
Expenditures	<u>(67,037)</u>	<u>68,477</u>	<u>1,440</u>
Other Financing Sources (Uses)			
Lease Proceeds	<u>80,200</u>		<u>80,200</u>
Total Other Financing			
Sources (Uses)	<u>80,200</u>	<u>-</u>	<u>80,200</u>
Excess of Revenues and Other			
Financing Sources Over			
(Under) Expenditures	13,163	68,477	81,640
Fund Balance - January 1	<u>543,379</u>	<u>20,965</u>	<u>564,344</u>
Fund Balance - December 31	<u>556,542</u>	<u>89,442</u>	<u>645,984</u>

(Continued)

The notes to financial statements are an integral part of this statement.

TOWN OF MONTVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit D
Page 2 of 2

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	81,640
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	139,503
Depreciation expense	<u>(312,307)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable property taxes	(34,587)
Change in unavailable local road assistance	<u>1,532</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
General obligation loan proceeds	(80,200)
General obligation loan principal payments	<u>30,320</u>
Change in net position of governmental activities	<u><u>(174,099)</u></u>

The notes to financial statements are an integral part of this statement.

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Montville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The Town of Montville operates under a Board of Selectmen form of government. The Town's major operations include public works, public safety, health and sanitation, and general administrative services.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. Fiduciary activities, whose resources are not available to finance the Town's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and various intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when transactions occurred and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments are recorded only when payment is due.

**TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, interdepartmental charges and intergovernmental revenues are considered susceptible to accrual. Special assessments are recorded as revenues in the year the assessment become current. Annual installments not yet due are reflected as special assessment receivables and unavailable revenues. Other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Fund Balance

1. 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. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Maine Statute 5705 Title 30-A and as provided in the authorized investment guidelines of the Maine Statutes 5711 through 5719 in effect on the date the investment is made.

2. Receivables and Payables

Transactions between funds that result in outstanding balances are reported as due to/from other funds.

Property taxes receivable not expected to be collected within 60 days from year-end are classified as unavailable revenue. At December 31, \$199,539 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on July 13 on property values assessed on April 1. Taxes were due on August 1 and November 1, with interest at 6.0% beginning 60 days after each installment due date. Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Fund Balance (Continued)

2. Receivables and Payables (Continued)

the 2020 fiscal year levy on May 28, 2021. The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.

3. Inventories

Inventories are valued at cost using the first in, first out method.

4. Capital Assets

Capital assets, which property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	10-40
Equipment	15-25

5. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

6. Estimates

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

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Fund Balance (continued)

7. Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

Under State Law, no municipality can incur debt, which would cause its total outstanding debt, exclusive of debt incurred for school, storm or sanitary sewer, energy facilities, or municipal airports, to exceed 7.50% of its last full state valuation. A municipality may incur debt for schools not exceeding 10%, storm or sanitary sewers 7.50%, and municipal airports, water districts and special purpose districts 3% of its last full state valuation. In no event can the total debt exceed 15% of its last full valuation. Full state valuation is the valuation of taxable property as certified by the State Tax Assessor, adjusted to 100%.

At December 31, the Town of Montville is in compliance with the above requirements.

9. Fund Balances/Net Position

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, the Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through town meeting voting and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Board of Selectmen.

Unassigned – includes positive fund balance within the general fund which has not been classified within the above-mentioned categories and negative fund balance in other governmental funds.

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Fund Balance (continued)

9. Fund Balances/Net Position (continued)

The Town considers restricted, committed, assigned, and unassigned amounts to be spent in that order when expenditures for which any of those amounts are available.

The Town does not have a formal minimum fund balance policy.

Fund Balances

The Town has identified December 31, 2021 fund balances on the balance sheet as follows:

	General Fund	Other Governmental Funds	Total
<u>Non-Spendable</u>			
Mt. Repose Principal		14,858	14,858
Cemetery Principal		3,050	3,050
	-	17,908	17,908
<u>Restricted</u>			
Municipal Revenue Sharing	39,424		39,424
Nash Lot	6,937		6,937
ARPA Funds		68,406	68,406
	46,361	68,406	114,767
<u>Committed</u>			
Fire Department Equipment Reserve	76,642		76,642
Fire Department Matching Grants	2,875		2,875
Records Restoration	997		997
Public Works Equipment Reserve	12,500		12,500
Paving Reserve	13,471		13,471
	106,485	-	106,485
<u>Assigned</u>			
Mt. Repose		1,872	1,872
Cemetery		1,256	1,256
	-	3,128	3,128
<u>Unassigned</u>			
General Fund	403,696		403,696
<u>Total Fund Balance</u>	556,542	89,442	645,984

**TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Fund Equity (continued)

9. Fund Balances/Net Position (continued)

Net Position

Net position is required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at fiscal year end to the extent that they have not been encumbered.

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2021, \$140,100 of the beginning General Fund fund balance was applied for this purpose.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year.

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. The Town does not currently have a deposit/investment policy.

State Statute 5706 requires banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town Treasurer in the amount of the Town’s deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Corporation (FDIC).

The financial institutions holding the Town’s cash accounts are participating in the FDIC Program. For time and savings deposit accounts, the Town's savings accounts, including certificates of deposit, are insured up to \$250,000 by the FDIC. Separately, for demand deposit accounts, the Town's cash accounts, including checking and money market accounts are insured up to \$250,000 by the FDIC. Any cash deposits or certificates of deposit in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the Town and thus no custodial risk exists.

At year-end, the government’s carrying amount of deposits was \$627,497 and the bank balance was \$662,307, all of which was insured/collateralized.

Investment Policy

The Town does not currently have an investment policy.

Summary of Deposits and Investment Balances

Following is a reconciliation of the Town’s deposit balances as of December 31, 2021:

Deposits and Cash on Hand (including invested repurchase agreement)	<u>\$ 627,497</u>	
	Government-wide Statement of Net Position	Totals
Cash and Cash Equivalents	<u>\$ 627,497</u>	<u>\$ 627,497</u>
	<u>\$ 627,497</u>	<u>\$ 627,497</u>

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		70,400,799
Tax Rate (per \$1,000)		<u>21.10</u>
Commitment		<u><u>1,485,457</u></u>
Appropriations		2,085,867
Less:		
State Municipal Revenue Sharing	162,093	
Estimated Revenues	343,755	
Homestead Reimbursement	<u>94,562</u>	
		<u>600,410</u>
Net Assessment for Commitment		<u><u>1,485,457</u></u>

Uncollected taxes at December 31 for the current year commitment totaled \$198,824, prior year uncollected taxes totaled \$11,963. Unpaid liens at December 31 totaled \$33,007.

TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Governmental Activities;				
<i>Capital assets not depreciated:</i>				
Land	53,800	47,500		101,300
<i>Capital assets being depreciated</i>				
Buildings	438,592	11,803		450,395
Equipment	300,441	80,200		380,641
Infrastructure	10,003,351	-		10,003,351
<i>Total capital assets being depreciated</i>	10,742,384	92,003	-	10,834,387
<i>Less accumulated depreciation for:</i>				
Buildings	259,978	12,307		272,285
Equipment	175,872	12,805		188,677
Infrastructure	5,224,474	287,195		5,511,669
<i>Total accumulated depreciation</i>	5,660,324	312,307	-	5,972,631
<i>Net capital assets being depreciated</i>	5,082,060	(220,304)	-	4,861,756
Governmental Activities				
Capital Assets, net	5,135,860	(172,804)	-	4,963,056

Depreciation expense was charged to functions/programs of the primary government as follows;

<u>Governmental Activities</u>	
General Government	5,775
Public Safety	2,568
Sanitation	1,207
Public Works, including depreciation of general infrastructure assets	302,757
Total Depreciation Expense - Governmental Activities	312,307

**TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-Term Debt

1. General Obligation Bonds and Notes.

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital expenditures.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes currently outstanding are as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Governmental activities:</i>					
<i>Leases payable:</i>					
2006 John Deere Grader	56,609	-	(13,694)	42,915	13,995
Wheel Loader	-	44,000	(9,119)	34,881	8,450
Compactor	-	36,200	(7,507)	28,693	6,961
<i>Sub-Total Leases Payable</i>	56,609	80,200	(30,320)	106,489	29,406
Total Governmental Activities	56,609	80,200	(30,320)	106,489	29,406
Total Debt	56,609	80,200	(30,320)	106,489	29,406

Governmental Activities:

In 2020, the Town was issued a lease for a John Deere Grader from Gorham Leasing Group. The lease was issued for \$71,500 with annual principal and interest payments of \$14,939. Interest is payable yearly at a rate of 2.20%. The balance at December 31, 2021 was \$42,915.

In 2021, the Town was issued a lease for a wheel loader from Gorham Leasing Group. The lease was issued for \$44,000 with annual principal and interest payments of \$9,183. Interest is payable yearly at a rate of 2.10%. The balance at December 31, 2021 was \$34,881.

In 2021, the Town was issued a lease for a compactor from Gorham Leasing Group. The lease was issued for \$36,200 with annual principal and interest payments of \$7,535. Interest is payable yearly at a rate of 2.00%. The balance at December 31, 2021 was \$28,693.

Annual debt service requirements to maturity for all general obligation bonds and notes, including estimated interest are as follows:

<i>Year Ended</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>December 31,</i>			
2022	29,406	2,250	31,656
2023	30,032	1,626	31,658
2024	30,669	988	31,657
2025	16,382	337	16,719
Total	106,489	5,201	111,690

**TOWN OF MONTVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-Term Debt

Overlapping Debt

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town is summarized as follows:

<i>Units</i>	<i>Net debt outstanding December 31, 2021</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
Regional School Unit No. 3	\$ 6,024,126	9.57%	\$ 576,396
Waldo County	\$ -	0.00%	\$ -
Totals	<u>\$ 6,024,126</u>		<u>\$ 576,396</u>

The Town's proportionate share of the above debt is paid through annual assessments by the receptive units. The school's outstanding debt does not include the state portion of debt which amounts to \$9,166,214.

E. Permanent Funds

The principal amount of all Nonexpendable Permanent Funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The government's Principal and Income Permanent Funds at December 31 are detailed as follows:

<i>Purpose</i>	<i>Principal</i>	<i>Income</i>
General Cemetery Care	3,050	1,256
Mt. Repose Cemetery	<u>14,858</u>	<u>1,872</u>
	<u>17,908</u>	<u>3,128</u>

NOTE 4 - OTHER INFORMATION

A. Commitments/Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amount, if any to be immaterial.

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.

TOWN OF MONTVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit E

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Taxes	1,672,957	1,672,957	1,737,560	64,603
Intergovernmental Revenues	136,882	136,882	150,153	13,271
Other Local Sources	38,458	38,458	47,769	9,311
Total Revenues	1,848,297	1,848,297	1,935,482	87,185
Expenditures (Net of Departmental Revenues)				
General Government	203,268	203,268	192,278	10,990
Public Safety	154,570	154,570	154,678	(108)
Health and Sanitation	80,707	116,907	120,066	(3,159)
Public Works	587,017	691,017	691,017	-
Cemeteries	5,600	5,600	4,586	1,014
Social Services	8,177	8,177	6,027	2,150
Culture and Recreation	5,000	5,000	4,725	275
Assessments	1,046,151	1,046,151	1,037,840	8,311
Total Expenditures	2,090,490	2,230,690	2,211,217	19,473
Excess Revenues Over Expenditures	(242,193)	(382,393)	(275,735)	106,658
Other Financing Sources				
Lease Proceeds	-	80,200	80,200	
Transfers In	162,093	162,093	162,093	-
Total Other Financing Sources	162,093	242,293	242,293	-
Net Change in Fund Balance	(80,100)	(140,100)	(33,442)	106,658
Beginning Fund Balances - Unassigned			437,138	
Ending Fund Balances - Unassigned			403,696	
Reconciliation to Exhibit C:				
Unassigned Fund Balance			403,696	
Encumbered Fund Balance			106,485	
Municipal Revenue Sharing			39,424	
Nash Lot			6,937	
Total Fund Balance Exhibit C			556,542	

TOWN OF MONTVILLE
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-1

<i>Revenues</i>	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	1,485,457	1,531,234	45,777
Interest on Taxes/Lien Costs		7,591	7,591
Auto/RV Excise	187,500	198,735	11,235
	<u>1,672,957</u>	<u>1,737,560</u>	<u>64,603</u>
Intergovernmental			
Local Road Assistance Funds	42,320	43,852	1,532
Homestead Exemption	94,562	94,562	-
Veterans Reimbursement		1,032	1,032
Tree Growth Reimbursement		10,707	10,707
	<u>136,882</u>	<u>150,153</u>	<u>13,271</u>
Local Sources			
Clerk Fees	1,092	8,565	7,473
Permits and Fees		292	292
Animal Control Fees		247	247
Garbage Stickers	16,700	11,491	(5,209)
MRC Dividend		287	287
Matching Funds Grant	6,665	6,665	-
Investment Interest		1,329	1,329
Equipment Sales	13,501	16,000	2,499
Cemetery Donation	500	500	-
Sale of Tax Acquired Property		1,712	1,712
All Other		681	681
	<u>38,458</u>	<u>47,769</u>	<u>9,311</u>
Other Financing Sources (Uses)			
Lease Proceeds	80,200	80,200	-
Transfers In	162,093	162,093	-
	<u>242,293</u>	<u>242,293</u>	<u>-</u>
Total Revenues and Transfers	2,090,590	<u>2,177,775</u>	<u>87,185</u>
Fund Balance Used to Reduce Taxes	<u>140,100</u>		
Total Revenues and Use of Fund Balance	<u>2,230,690</u>		

**TOWN OF MONTVILLE
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<i>Encumbered January 1</i>	<i>Town Appropriation</i>	<i>Expenditures</i>	<i>Transfers</i>	<i>Balances (Over) Under Lapsed December 31</i>	<i>Encumbered</i>
General Government:						
Administration:						
Town General Government		34,470	31,173	(3,159)	138	
Town Officers		21,400	19,900		1,500	
Deputy Tax Collector/Treasurer		1,500	45		1,455	
Deputy Town Clerk		3,500	3,604		(104)	
Town Administration Assistant		15,000	14,985		15	
Registrar of Voters		500	500		-	
Elections		2,500	1,532		968	
FICA/Medicare		8,046	7,803		243	
Town Administration Insurance		24,100	24,481		(381)	
Town Office		16,560	18,479		(1,919)	
Town Hall		4,200	201		3,999	
Assessing Agent		10,000	8,291		1,709	
Town Revaluation		7,000	6,792		208	
Sub-Total Administration	-	148,776	137,786	(3,159)	7,831	-
Elected Officials:						
Town Clerk		20,000	20,000		-	
Treasurer		11,700	11,700		-	
Tax Collector		11,700	11,700		-	
Selectors		10,000	10,000		-	
Sub-Total Elected Officials	-	53,400	53,400	-	-	-
Records Restoration	1,905	1,092	2,000			997
Total General Government	1,905	203,268	193,186	(3,159)	7,831	997
Protection and Enforcement:						
Fire Department:						
Fire Department Wages		25,000	11,368	(13,632)	-	
Fire Department Payroll Liability		1,875	481	(1,394)	-	
Fire Department Operations		24,750	25,276	526	-	
Fire Department Station		3,500	1,301	(2,199)	-	
Fire Department Equipment		6,180	5,701	(479)	-	
Fire Department Reserve	54,780	5,000	-	16,862	-	76,642
Fire Department COVID-19 Expenditures		-	316	316	-	
Fire Dept. Matching Grant	3,634	8,665	9,424		-	2,875
Sub-Total Fire Department	58,414	74,970	53,867	-	-	79,517
Emergency Management		600	555		45	
Street Lights		900	865		35	
Sub-Total Protection	58,414	76,470	55,287	-	80	79,517
Enforcement:						
Animal Control		2,000	1,961		39	
Code Enforcement Officer		100	-		100	
Planning Board		1,000	1,415		(415)	
Sub-Total Enforcement	-	3,100	3,376	-	(276)	-
Liberty Ambulance		75,000	74,912		88	
Total Protection and Enforcement	58,414	154,570	133,575	-	(108)	79,517
Health and Sanitation						
Tipping Fees		36,000	41,387	3,159	(2,228)	
Wages		6,000	6,951		(951)	
Payroll Liability		1,300	573		727	
Supplies		600	425		175	
Demolition Days		6,500	5,696		804	
Unity Recycling		11,057	11,057		-	
Repairs & Maintenance		500	1,193		(693)	
Recycling Transportation		6,000	5,171		829	
Compactor Lease Payment		8,750	11,357		(2,607)	
Compactor Purchase		36,200	36,200		-	
Recycling Trailer		4,000	-		4,000	
COVID-19 Related Costs		-	56		(56)	
Total Health and Sanitation	-	116,907	120,066	3,159	-	-

TOWN OF MONTVILLE
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-2
Page 2 of 2

	<i>Encumbered</i>	<i>Town</i>		<i>Balances</i>	
	<i>January 1</i>	<i>Appropriation</i>	<i>Expenditures</i>	<i>Lapsed</i>	<i>Encumbered</i>
				<i>(Over) Under</i>	
			<i>Transfers</i>	<i>December 31</i>	
Public Works					
Road Maintenance		184,978	228,549	43,571	-
Gravel Pit Purchase		47,500	47,500		-
Winter Roads-Snow Removal and Sanding		322,000	296,411	(25,589)	-
Equipment Repairs/Maint. & Misc.		11,500	18,664	7,164	-
Garage/SS Shed		8,000	8,694	694	-
Grader Purchase					-
Grader Lease		14,939	14,939		-
Paving Reserve		40,000	2,107	(24,422)	-
Loader Lease		10,600	9,182	(1,418)	-
Loader Purchase		44,000	44,000		-
Public Works Equipment Reserve Fund	5,000	7,500	-		-
Sub-Total Public Works	5,000	691,017	670,046	-	-
Total Public Works	5,000	691,017	670,046	-	-
Cemeteries		5,600	4,586		1,014
Social Services					
General Assistance		2,500	350		2,150
American Red Cross		500	500		-
Gary Owen House		250	250		-
Waldo Broadband		500	500		-
Community Agencies		4,427	4,427		-
Total Social Services		8,177	6,027	-	2,150
Recreation					
Library		2,500	2,500		-
Field Day		1,000	725		275
Liberty		1,000	1,000		-
Knox Booster Club		200	200		-
Recreation		300	300		-
Total Recreation		5,000	4,725	-	275
Assessment					
County Tax		154,066	154,066		-
R.S.U. #3		851,392	851,392		-
Abatements, Discounts, Overlay		40,693	32,382		8,311
Total Assessments		1,046,151	1,037,840	-	8,311
	65,319	2,230,690	2,170,051	-	19,473
					106,485

**TOWN OF MONTVILLE
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Exhibit A-3

Unassigned Fund Balance, January 1		437,138
Additions		
Revenue Surplus	87,185	
Unexpended Balances of Appropriations Lapsed	<u>19,473</u>	
Budget Surplus (Deficit)		<u>106,658</u>
Deductions		
Beginning Fund Balance Used to Reduce Taxes		<u>(140,100)</u>
Unassigned Fund Balance, December 31		<u><u>403,696</u></u>

**TOWN OF MONTVILLE
GENERAL RESTRICTED FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2021**

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Nash Lot</i>	<i>Total</i>
Cash		6,937	6,937
Due From Other Funds	39,424		39,424
Total Assets	39,424	6,937	46,361
<i>Liabilities and Fund Balance</i>			
Liabilities			
Due To Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Restricted	39,424	6,937	46,361
Total Fund Balances	39,424	6,937	46,361
Total Liabilities and Fund Balances	39,424	6,937	46,361

TOWN OF MONTVILLE
GENERAL RESTRICTED FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-5

	<i>Municipal Revenue Sharing</i>	<i>Nash Lot</i>	<i>Total</i>
Revenues			
Intergovernmental			
State	167,508		167,508
Local Sources		24	24
Total Revenues	167,508	24	167,532
Expenditures			
Miscellaneous			-
Total Expenditures	-	-	-
Excess of Revenues Over (Under)			
Expenditures	167,508	24	167,532
Other Financing Sources (Uses)			
Transfers Out	(162,093)		(162,093)
Total Other Financing Sources (Uses)	(162,093)		(162,093)
Excess of Revenues and Other Sources Over (Under) Expenditures	5,415	24	5,439
Fund Balance - January 1	34,009	6,913	40,922
Fund Balance - December 31	39,424	6,937	46,361

**TOWN OF MONTVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Exhibit B-1

<i>Assets</i>	<u><i>American Rescue Plan Act Funds (ARPA)</i></u>	<u><i>Total</i></u>
Cash and Equivalents	68,406	68,406
Due From Other Funds	-	-
Total Assets	<u>68,406</u>	<u>68,406</u>
<i>Liabilities and Fund Balance</i>		
Liabilities		
Due To Other Funds	-	-
Fund Balances		
Restricted	68,406	68,406
Total Fund Balance	68,406	68,406
Total Liabilities and Fund Balance	<u>68,406</u>	<u>68,406</u>

TOWN OF MONTVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B-2

	<i>American Rescue Plan Act Funds (ARPA)</i>	<i>Total</i>
Revenues		
Intergovernmental	77,406	77,406
Other Local Sources		-
Investment Income		-
Total Revenues	77,406	77,406
Expenditures		
Feasibility Study	9,000	9,000
Maintenance		-
Total Expenditures	9,000	9,000
Excess of Revenues and Other Sources Over (Under) Expenditures	68,406	68,406
Fund Balance - January 1	-	-
Fund Balance - December 31	68,406	68,406

**TOWN OF MONTVILLE
 COMBINING BALANCE SHEET
 ALL PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Exhibit C-1

<i>Assets</i>	<i>Cemetery Trust</i>	<i>Mt. Repose Cemetery</i>	<i>Total</i>
Cash and Equivalents	3,556	16,730	20,286
Due From Other Funds	750		750
Total Assets	4,306	16,730	21,036
<i>Liabilities and Fund Balance</i>			
Liabilities			
Due To Other Funds	-	-	-
Fund Balances			
Non-Spendable	3,050	14,858	17,908
Restricted			
Assigned	1,256	1,872	3,128
Total Fund Balance	4,306	16,730	21,036
Total Liabilities and Fund Balance	4,306	16,730	21,036

TOWN OF MONTVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL PERMANENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit C-2

	<i>Cemetery Trust</i>	<i>Mt. Repose Cemetery</i>	<i>Total</i>
Revenues			
Intergovernmental			-
Other Local Sources	50		50
Investment Income	1	20	21
Total Revenues	<u>51</u>	<u>20</u>	<u>71</u>
Expenditures			
Feasibility Study			-
Maintenance			-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	51	20	71
Fund Balance - January 1	<u>4,255</u>	<u>16,710</u>	<u>20,965</u>
Fund Balance - December 31	<u><u>4,306</u></u>	<u><u>16,730</u></u>	<u><u>21,036</u></u>