

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 25, 2021**

**NEW ISSUE**

**Northeast Municipal Advisors LLC, Municipal Advisor**

**Rating: S&P: (APPLIED FOR)**

In the opinion of Bernstein, Shur, Sawyer and Nelson of Augusta, Maine, Bond Counsel (“Bond Counsel”), under existing statutes and court decisions, and assuming compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income tax pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax under the Code. Bond Counsel is also of the opinion that interest payable on the Bonds is not subject to State of Maine (the “State”) income taxes imposed upon individuals under existing statutes, regulations, and court decisions. **The Bonds will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.** See “THE BONDS—TAX MATTERS” and “APPENDIX B” herein.

**TOWN OF KINGFIELD, MAINE**  
**\$4,300,000**  
**2021 GENERAL OBLIGATION BONDS**

**Dated: Date of Delivery**

**Due: November 1 as shown below**

The 2021 General Obligation Bonds (the “Bonds”) will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See “THE BONDS—BOOK - ENTRY - ONLY SYSTEM” herein.

Principal and semi-annual interest on the the Bonds will be paid to DTC by U.S. Bank National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable May 1, 2022 and semi-annually on each November 1 and May 1 thereafter until maturity or redemption prior to maturity. As long as DTC or its nominee is the Bondowner, such payments will be made directly to such Bondowners. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The legal opinion of Bond Counsel, will be provided to the Underwriter and will indicate that the Bonds are valid and binding general obligations of the Town of Kingfield, Maine and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it, except as noted below with respect to LD 1 and except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality; and except to the extent that the Town has in the past established or may in the future establish municipal development districts as tax increment financing districts, pursuant to Title 30-A, Chapter 206 and the now repealed Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. Within the limits of the statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. The Town Treasurer has certified that no agreements under Chapter 223, Subchapter V, to share assessed valuation with another municipality, now exist. The opinion of Bond Counsel will indicate that the obligations of the Town, including the Bonds, are subject to bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion of Bond Counsel will be dated and given on and will speak as of the date of original delivery of the Bonds to the Underwriter.

The Bonds are not subject to redemption prior to their stated dates of maturity.

<u>November 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield/</u> <u>Price</u>	<u>CUSIP</u>
2022	\$430,000			
2023	430,000			
2024	430,000			
2025	430,000			
2026	430,000			
2027	430,000			
2028	430,000			
2029	430,000			
2030	430,000			
2031	430,000			

The Bonds are offered when, as and if issued, subject to the approval of legality by Bernstein, Shur, Sawyer and Nelson, Augusta, Maine, Bond Counsel. Northeast Municipal Advisors LLC, Portland, Maine serves as Municipal Advisor to the Town. U.S. Bank National Association, Boston, Massachusetts will serve as Paying Agent. It is expected that the Bonds, in definitive form, will be available for delivery to The Depository Trust Company in New York, New York, on or about November 30, 2021.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment. The Town will make available its final Official Statement with respect to the Securities. This Preliminary Official Statement is for information purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Issuer since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS ANY INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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**CERTIFICATE  
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Town of Kingfield, Maine with the assistance of Northeast Municipal Advisors LLC, its Municipal Advisor, from the records of the Town and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by its Municipal Advisor or by Bernstein, Shur, Sawyer and Nelson, Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form “deemed final” by the Town for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)].

Leanna Targett  
Treasurer  
Town of Kingfield, Maine

**OFFICIAL STATEMENT**

**TOWN OF KINGFIELD, MAINE**

**\$4,300,000**

**2021 GENERAL OBLIGATION BONDS**

This Official Statement sets forth certain information in connection with the issuance by the Town of Kingfield, Maine (the "Town" or "Kingfield") of \$4,300,000 2021 General Obligation Bonds.

**THE BONDS**

**DESCRIPTION OF THE BONDS**

The Bonds will be issued only as fully-registered bonds without coupons, one certificate per maturity and, when issued, will be registered in the name of Cede & Co., nominee for DTC (as described in "THE BONDS – BOOK-ENTRY-ONLY SYSTEM" herein). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery and will bear interest, payable on May 1, 2022 and semi-annually thereafter on November 1 and May 1 of each year until maturity, or redemption prior to maturity.

<u>November 1,</u>	<u>Amount</u>	<u>CUSIP</u>
2022	\$430,000	
2023	430,000	
2024	430,000	
2025	430,000	
2026	430,000	
2027	430,000	
2028	430,000	
2029	430,000	
2030	430,000	
2031	430,000	

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank National Association, Boston, Massachusetts as paying agent (the "Paying Agent"). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein.

**OPTIONAL REDEMPTION PRIOR TO MATURITY**

The Bonds are not subject to optional redemption prior to their stated dates of maturity.

**RECORD DATE; PAYMENT**

The principal of the Bonds is payable upon surrender thereof at the principal corporate trust office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the fifteenth day of

the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person's address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest which is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

## **SOURCE OF PAYMENT AND REMEDIES**

### **General**

The Bonds are valid general obligations of the Town and their payment is not limited to a particular fund or revenue source. The Bonds are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised statutes, as amended, are met in which case may be levied without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it, except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality; and except to the extent that the Town establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. See “THE BONDS – SOURCE OF PAYMENTS AND REMEDIES – Limitation on Municipal Property Tax Levy” herein. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the district to pay costs of the development projects described in the development programs adopted with respect to the districts. See “TOWN FINANCES – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS” herein. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The Treasurer has certified that no agreements under Chapter 223, Subchapter V, to share assessed valuation with another municipality, now exist. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on the Bonds. The Maine statutes provide that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, the Maine statutes provide that the personal property of the residents and the real estate within the boundaries of any town may be taken to pay any debt of the town. There has been no judicial determination as to whether the statutory remedy of taking property to satisfy debts or judgments is constitutional under current due process and equal protection standards, and Bond Counsel expresses no opinion thereon.

Funds to meet Town expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State of Maine.

## **Limitation on Municipal Property Tax Levy**

Effective July 1, 2005, the Legislature enacted LD 1, which, subject to certain procedural overrides, establishes a limit on municipal property tax levies. This limit is referred to as the “Property Tax Levy Limit”. With certain exceptions, a municipality may not adopt a property tax levy that exceeds its Property Tax Levy Limit from one year to the next by more than a specified growth limitation factor.

The growth limitation factor is: (a) the 10-year average real personal income growth (but no more than 2.75%) plus a property growth factor (when, as currently is the case for the municipality, the state and local tax burden ranks in the highest 1/3 of all states); or (b) the 10-year average real personal income growth plus forecasted inflation plus a property growth factor (when the state and local tax burden ranks in the middle 1/3 of all states).

In addition, a municipality is required to lower its Property Tax Levy Limit in any year by an amount equal to net new Revenue Sharing funds provided by the State.

The Town may increase or exceed the Property Tax Levy Limit by a majority vote (the “Vote”) of the voters at Town Meeting on a separate article that specifically identifies the intent to exceed the Property Tax Levy Limit. This action is subject to override by initiative upon a petition signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality submitted within 30 days of the Vote.

In lieu of increasing the Property Tax Levy Limit, the voters at Town Meeting may vote to exceed the Property Tax Levy Limit for extraordinary circumstances. Exceeding the Property Tax Levy Limit permits the property tax levy to exceed the Property Tax Levy Limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the Property Tax Levy Limit for future years. Extraordinary circumstances are circumstances outside the control of the municipality and include:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens’ initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of state or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation.

Section 5721-A(7)(B) does not limit the amount of taxes which may be raised by a municipality to pay items included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended.

## **TAX MATTERS**

In the opinion of Bernstein, Shur, Sawyer and Nelson, Bond Counsel, under existing statutes, regulations and court decisions, and assuming compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income tax pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in the computation of certain taxes that may be imposed with respect to corporations,

including, without limitation, adjusted current earnings of a corporation for purposes of computation of the alternative minimum tax and the foreign branch profits tax.

Bond Counsel's opinion will state that the Code establishes certain requirements regarding use, expenditure and investment of the proceeds of the Bonds and the timely payment of certain investment earnings to the U.S. Treasury that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. Noncompliance with such requirements may cause interest on the Bonds to be included in the gross income of the owner thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The opinion will further state that Bond Counsel has examined the Arbitrage and Use of Proceeds Certificate and the Certificate of the Treasurer (the "Tax Certificates") delivered by the Town concurrently with the Bonds, which Tax Certificates will contain representations, certifications, warranties, provisions, and procedures regarding compliance with the requirements of the Code. The Town, in executing the Tax Certificates, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall not be included in the gross income of the owner thereof for federal income tax purposes. In rendering its opinion Bond Counsel will rely upon the representations of the Town set forth in the Tax Certificates and assume that the Town will comply with the representations, certifications, warranties, provisions, and procedures set forth in the Tax Certificates.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

In the opinion of Bond Counsel, interest payable on the Bonds is not subject to State of Maine income taxes imposed upon individuals under existing statutes, regulations, and court decisions. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

**The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.**

### **Original Issue Discount/Premium**

Original issue discount with respect to any maturity of the Bonds is equal to the excess, if any, of the stated redemption price at maturity of such Bonds over the initial offering price thereof to the public, excluding underwriters, placement agents or wholesalers, at which price a substantial amount of such Bonds is sold.

The excess, if any, of the tax basis of the Bonds to a purchaser (other than a purchaser who holds such Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Bond premium is amortized over the term of such Bonds, is not deductible, and reduces the purchaser's adjusted tax basis. Bond purchasers should consult their own tax advisors with respect to the tax consequences of original issue discount and bond premium.

Bond Counsel will not express an opinion regarding the treatment of original issue discount or bond premium for federal or state income tax purposes.

## **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s second highest rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC’s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of a maturity of the Bonds is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Town.

## **BOND AUTHORIZATION AND USE OF PROCEEDS**

The Bonds will be utilized for (1) the installation of sidewalk lights pursuant to the “Village Enhancement Plan” in an amount not to exceed \$800,000 and (2) road construction and repair in an amount not to exceed \$3,500,000.

The Bonds were authorized by vote of the Town Meeting duly noticed and held on June 5, 2021 (the “Vote”). The Vote delegated authority to the Treasurer and Chairman of the Board of Select Board to issue such Bonds and the discretion to fix other details of the same.

## **CONTINUING DISCLOSURE WITH RESPECT TO THE BONDS**

In order to assist the Underwriter in complying with the Securities Exchange Commission’s Rule 15(c)2-12 (the “Rule”), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Bonds not later than 270 days after the end of each fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The covenants will be contained in a “Continuing Disclosure Agreement” (the “CDA”). The proposed form of which is provided in Appendix C. The CDA will be executed by the Treasurer of the Town, and incorporated by reference in the Bonds. See also “Post Issuance Compliance Policy” herein.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town provided; however, that the Town assumes no responsibility for any CUSIP Service Bureau charge that may be imposed for the assignment of such numbers.

## **RATING**

The Town has applied for a rating on the Bonds from Standard & Poor’s Global Ratings (“S&P”). The Town has furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating, if received, will reflect only the views of S&P and is subject to revision or withdrawal, which could affect the market price of the Bonds. S&P should be contacted directly for its rating on the Bonds and their explanation of such rating.

## **MUNICIPAL ADVISOR**

Northeast Municipal Advisors LLC of Portland, Maine has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Northeast Municipal Advisors LLC will not participate in the underwriting for the Bonds.

## **STATUTORY REFERENCES**

All quotations from, references to and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

## **CONDITIONS PRECEDENT TO DELIVERY**

The following, among other things, are conditions precedent to the delivery of the Bonds to the underwriter thereof.

### **No Litigation**

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by the Town Clerk, dated the date of delivery, to the effect that there is no litigation pending or, to the knowledge of such officers, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

### **Approval of Legality**

The legality of the Bonds will be approved by Bernstein, Shur, Sawyer and Nelson, Augusta, Maine, Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the underwriter. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

### **Certification of the Bonds**

The Bonds will be certified as to their genuineness by U.S Bank National Association which certificate will appear on the Bonds.

### **Certificate With Respect to Official Statement**

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer, to the effect that he has examined this Official Statement and the financial and other data contained therein and that, to the best of his knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe that such information is materially inaccurate or misleading.

### **Certificate With Respect to Debt Limits**

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town that certifies that the Town has not exceeded its debt limitations and that issuance of the Bonds will not cause the Town to exceed the debt limit.

## TOWN OF KINGFIELD

### GENERAL

The Town of Kingfield is located in the County of Franklin in the western section of the State of Maine (the “State”) and is the gateway community to the Sugarloaf Mountain Ski Resort. The Town is approximately 80 miles northwest of the City of Portland, the State’s largest city.

The Town was settled in 1807, with William King (Maine’s first Governor) and three other men purchasing three townships known as Concord, Lexington and Kingfield. Along with King came the Stanley brothers, Salomon, Frances and Freelan who were inventors and businessmen famous for the Stanley Steamer automobile which was manufacutered from 1902-1924.

In 1816, Kingfield was incoporated as the 210<sup>th</sup> town in Maine and became a farming community with the principal crops being potatoes, corn, wheat , as well as, orchards growing apples, and pears. Various mills sprung up in the town including sawmills, a tannery, flour mill and a rake factory. In the early 1950’s, several local leaders and enthusiasts began the planning of the Sugarloaf Mountain Ski area in nearby Carrabasset Valley which has grown into one of the Easts’ premier ski resorts. In 2007, Nestle’s Poland Spring Water 200,000 square foot bottling plant was constructed leading to new economic growth in the area.

### GOVERNMENT

The Town operates under Maine law providing for a *Town Meeting/Board of Selectmen/Administrative Assistant* form of government with a five-member Board of Selectmen, each of whom is elected at large by voters of the Town for three-year staggered terms. The Board of Selectmen recommends an annual budget and any issuance of debt to the voters at Town Meeting. The Administrative Assistant is appointed by the Board of Selectmen and is responsible for carrying out the policies and ordinances of the Board of Selectmen, and for overseeing the day-to-day operations of the Town.

### ELECTED OFFICIALS

<u>Office</u>	<u>Name</u>	<u>Term Expires</u>
Selectman – Chair	Wade Browne	2023
Selectman – Vice Chair	Morgan Dunham	2024
Selectman	Walter Kilbreth	2022
Selectman	Raymond Meldrum	2022
Selectman	Polly MacMichael	2023

### MUNICIPAL SERVICES

The Town provides general governmental services for the territory within its boundaries, including fire protection, maintenance of streetsand sidewalks, solid waste, parks and recreation, and permitting. The administrative offices located in the Town Hall include the administrative assistant, treasurer, tax collector, town clerk, assessor, health officer, registrar of voters, animal control officer, and code enforcement. The Town employs 10 full-time, one part-time and per diem employees Public education is provided for grades Pre-Kindergarten through 12 by Regional School Unit #58 (“RSU 58”).

## **Public Safety**

Police protection is provided by the Franklin County Sheriff's Department.

## **Fire and Rescue**

The Fire Department is staffed by twenty personnel including a Fire Chief, two Deputy Chiefs, one Captain, two Lieutenants, and 15 Firefighters who are cross-trained as firefighters and EMTs at Basic, Advanced and Paramedic levels. The department operates four fire apparatus and one rescue vehicle.

Ambulance services is provide by NorthStar, a department of Franklin Memorial Hospital, located in Farmington. NorthStar provides the Town with 24 hour coverage with one paramedic level operated ambulance. During ski season an additional ambulance is provided during peak time periods.

## **Public Works**

The Public Works Department provides for 21 miles of roadway maintenance. The department is staffed by a Road Commissioner, one fulltime laborer and one seasonal laborer. The department operates and maintains major equipment consisting of 2 dump trucks, a one ton truck, a street sweeper, a grader, a loader and 2 sidewalk machines.

## **Waste Water Treatment Facility**

The Waste Water Treatment Facility (the "WTF"), a department of the Town, was constructed in the 1980's. The facility and its infrastructure were financed with USDA Rural Development bonds. The WTF is licensed to treat 77,000 gallons per day ("GPD"). The WTF employs a superintendent and an assistant that provide for the transmission and treatment of the Town's wastewater along the Route 27 corridor.

The WTF is also licensed for the oversight of 50,000 GPD boiler and cooling tower waters into a dedicated sub-surface wastewater disposal system which releases the wastewater to groundwater for the Poland Spring/Nestle Waters plant.

## **Transfer Station and Recycling Center**

The facility is jointly owned with New Portland and Franklin County and and serves 11 surrounding communities. The facility annually handles approximately 900 tons of trash, 3 tons of universal waste, 900 tons of chipped brush/trees, 150 tons of metal and over 150 tons of recyclable materials. The transfer station and recycling center operates under a current five year contract expiring in 2022 with Waste Management of Maine at an annual budgeted cost of \$238,000. The facility is staffed by a supervisor and an attendant.

## **Kingfield Water District**

The Kingfield Water District (the "District"), an independent public regulated utility, provides water service and fire protection to 364 customers in the Town. The District is overseen by a five member, town elected Board of Trustees.

The system consists of two wells, a corrosion control facility, a 550,000 gallon reservoir, and a booster pump station with an average daily demand of 70,000 gallons.

## Webster Library

In 1901, a group of Kingfield residents formed library association and engineered a movement to raise money for the establishment of a library. The library association was formed for the purpose of “affording and encouraging useful entertaining reading, to provide literary and scientific lectures and other means of promoting moral and intellectual improvement in Kingfield and vicinity”. John C. Webster was one of the initial subscribers. As a testimony of respect and esteem for this benefactor, the association was named Webster Library Association. Besides the usual officers, chairmen were appointed in the fields of literature, science, art, and miscellaneous to provide papers of lectures for bi-monthly meetings. A critic, usually the school principal, was appointed to correct the English or pronunciation of those who read or spoke at the meetings. Members paid \$1 per year and nonmembers could borrow books for a small fee. The library was originally housed in the French block, and later moved to the bank building across the street. In March of 1910, the society was reorganized, lectures and office of the critic abolished, and membership changed from private to public. In 1922, John C. Webster bequeathed the association \$10,000 to build a library. In January of 1929 the library was incorporated, a site was purchased, and in June of 1931 the building was complete and ready for occupancy at a cost of \$7,000.

## PUBLIC EDUCATION

The Regional School Unit (“RSU No. 58” or “RSU”) is comprised of the towns of Kingfield, Avon, Phillips, and Strong. Today the RSU enrolls approximately 562 students covering a geographical area of over 500 square miles. The RSU employs 68 teaching staff and 42 support staff. RSU No. 58 is governed by a 14 member School Board elected to staggered three year terms. There are 4 directors each from Kingfield, Phillips and Strong; and, 2 directors from Avon. RSU No. 58 consists of the following schools:

<u>School</u>	<u>Town</u>	<u>Grades</u>	<u>Enrollment</u>
Kingfield Elementary	Kingfield	K-8	111
Phillips Elementary	Phillips	K-8	116
Strong Elementary	Strong	K-8	131
Mt. Abram High School	Salem	9-12	204

Source: Maine Department of Education/RSU 58

The following shows the trends of the RSU No. 58 enrollments over the last ten years:

<u>Year</u>	<u>Grades PreK-8</u>	<u>Grades 9-12</u>	<u>Enrollment</u>
2021	358	204	562
2020	412	206	618
2019	429	209	638
2018	449	214	663
2017	475	235	710
2016	492	251	743
2015	473	256	729
2014	482	258	740
2013	475	238	713
2012	477	240	717

Source: Maine Department of Education/RSU 58

**LABOR RELATIONS**

The Town employs full-time and various part-time employees. There are no bargaining units. The Town of Kingfield has 3 office staff, 1 code enforcement officer, 1 tax assessor, 2 public works staff members, 2 waste water staff – one is seasonal, 2 transfer station staff – one is part time, 1 seasonal caretaker, 1 animal control officer, 1 health officer, volunteer fire department, ballot clerks and planning board that are paid through payroll.

Source: Town of Kingfield

**LARGEST EMPLOYERS**

A representative list of the Town’s largest employers is listed as follows:

<b>Employer</b>	<b>Business Type</b>	<b>Approximate Number of Full-time/Part-time Employees</b>
BlueTriton Brands	Water bottling/distribution	92/0
New England Wire	Manufacturing (steel racks)	30/0
Arc Enterprises Inc	Steel Fabrication	27/1
Mainely Provisions	Grocery/Convenience Store	13/46
Jordan’s & Jordan Excavation	Lumber/Hardware/Contractor	29/0
Valley Gas/Carrabassett Coffee	Fuel distributor/Coffee roaster	27/19
Kingfield Wood Products	Specialty Wood Products	22/0

Source: Town of Kingfield

**RETAIL SALES**

**Retail Sales (\$/000)**

<b>Year</b>	<b>Rest. &amp; Lodging</b>	<b>Total</b>
2020	\$5,506	\$27,583
2019	7,950	27,955
2018	7,504	26,672
2017	7,453	25,667
2016	6,780	26,941
2015	6,866	27,803
2014	7,045	26,236
2013	7,672	24,901
2012	9,183	26,404
2011	10,066	29,450

Source: State of Maine, Department of Taxation, Sales Tax Section

## BUILDING PERMITS

Year Ended June 30	Commercial Permits	Value	Residential Permits	Value	Total Permits	Total Value
2021	2	\$ 539,250	40	\$3,123,960	42	\$3,678,210
2020	1	257,400	7	401,040	8	658,440
2019	2	2,193,750	28	829,200	28	3,022,950
2018	2	600,000	40	1,272,240	42	1,812,240
2017	3	1,420,000	34	1,330,560	37	2,750,560

Source: Town of Kingfield, Code Enforcement

## ECONOMIC CHARACTERISTICS

POPULATION	-----% Change-----			
	<u>Kingfield</u>	<u>Town</u>	<u>State</u>	<u>USA</u>
1980	1,058	20.4	13.4	11.4
1990	1,114	5.2	9.2	9.8
2000	1,103	0.0	3.8	13.2
2010	997	(9.6)	4.2	9.7
2019	974	(2.3)	0.1	3.9

Source: 1980-2010 U.S. Census, 2019 Population Estimates

POPULATION CHARACTERISTICS	<u>Town of Kingfield</u>	<u>Franklin County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	52.8	46.3	44.7	37.9
% school age	16.8%	16.8%	16.0%	19.0%
% working age	54.8%	57.2%	57.9%	58.5%
% 65 and over	27.1%	21.5%	21.3%	16.5%

Source: 2019 American Community Survey

INCOME	<u>Town of Kingfield</u>	<u>Franklin County</u>	<u>State of Maine</u>	<u>USA</u>
Median family income	\$52,500	\$51,422	\$57,918	\$80,944
% below poverty level	7.9%	11.5%	11.8%	2.3%
Per capita income	\$31,658	\$29,982	\$32,637	\$35,672

Source: 2019 American Community Survey

<b>Housing</b>
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	<b><u>Town of Kingfield</u></b>	<b><u>Franklin County</u></b>	<b><u>State of Maine</u></b>	<b><u>USA</u></b>
% owner occupied	84.1%	79.4%	72.3%	64.1%
% Built before 1939	30.1%	20.7%	24.1%	12.3%
% Built since 2000	14.1%	15.7%	16.7%	20.4%
Owner occupied med. value	\$153,300	\$139,200	\$190,400	\$242,500
Median monthly costs(mortgaged)	\$1,182	\$1,071	\$1,338	\$1,619
Occupied housing units	797	22,181	559,921	122,802,852

Source: 2019 American Community Survey

<b>Unemployment</b>
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	<b><u>Town of Kingfield</u></b>	<b><u>Franklin County</u></b>	<b><u>State of Maine</u></b>	<b><u>USA</u></b>
2020	5.9%	6.1%	9.9%	10.2%
2019	3.8	3.4	3.0	3.7
2018	4.4	3.7	3.4	3.9
2017	5.1	4.1	3.3	4.4
2016	5.9	4.5	3.9	4.9
2015	7.6	4.9	4.4	5.3
2014	10.2	6.5	5.7	6.2
2013	11.2	7.8	6.7	7.4
2012	12.4	8.3	7.3	7.6
2011	14.1	8.9	7.4	8.3

Source: State of Maine, Department of Labor

## TOWN FINANCES

### BUDGETARY PROCESS

The fiscal year (or “budget year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following calendar year. The Administrative Assistant to the Board of Selectmen (the “Administrative Assistant”) submits a budget to the Board of Selectmen. The budget, compiled from detailed information furnished by the departments reporting to the Administrative Assistant and from other sources, is reviewed by the Board of Selectmen, with the prerogative of amendment. The Town has a 15 member Budget Committee whose members serve five year terms. After review by the Board of Selectmen and the Budget Committee, recommendations from both are submitted to voters at Town Meeting in June.

### Fiscal Year Ending June 30,

REVENUES	2022	2021	2020	2019	2018
Taxes	\$2,285,000	\$2,354,000	\$2,053,000	\$2,117,800	\$2,193,600
Excise tax	251,600	216,800	216,400	201,500	150,500
Intergovernmental	854,800	781,100	526,400	415,580	408,684
Charges for Services	412,000	384,999	324,999	271,249	256,005
Miscellaneous	146,000	116,000	25,800	96,000	83,500
Fund Balance Approp.	250,000	250,000	250,000	250,000	300,000
<b>TOTAL REVENUES</b>	<b>\$4,199,400</b>	<b>\$4,102,899</b>	<b>\$3,396,599</b>	<b>\$3,352,129</b>	<b>\$3,392,289</b>
<b>EXPENDITURES</b>					
General government	\$289,200	\$281,000	\$272,500	\$253,100	\$239,000
Transfer station	238,500	235,150	199,190	170,850	178,995
Public safety	82,400	75,700	74,200	71,600	67,000
Public works	488,288	452,530	435,132	417,695	331,930
Waste Water	191,100	147,400	143,500	131,000	125,000
Education	1,662,668	1,577,185	1,636,905	1,549,682	1,396,771
County tax	192,635	156,500	156,065	156,051	148,298
Social services	38,000	29,700	52,650	62,450	62,000
Debt Service/TIF/Capital	1,016,609	1,147,834	423,457	539,701	473,029
<b>TOTAL EXPENDITURES</b>	<b>\$4,199,400</b>	<b>\$3,644,137</b>	<b>\$3,396,599</b>	<b>\$3,352,129</b>	<b>\$3,392,289</b>

## PROPERTY TAX LEVY LIMIT

Unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, the Town is limited to an increase in the Town’s property tax levy from one year to the next to an amount not more than its Municipal Property Tax Levy Limit (see “THE BONDS - SOURCE OF PAYMENT AND REMEDIES - Limitation on Municipal Property Tax Levy” herein). The Municipal Property Tax Limit for subsequent fiscal years is the Municipal Property Tax Levy Limit for the preceding year multiplied by the Growth Limitation Factor. Therefore, in cases where the amount of the prior year’s Municipal Property Tax Levy Limit exceeds the amount of the Town’s actual property tax levy (“Municipal Property Tax Levy”), the Town may carry-forward that difference in establishing its future years’ property tax levy. The following table displays the Town’s limitation on Municipal Property Tax Levy:

	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
State Personal Income Factor:	2.89	2.77	2.61	2.84	2.67
Town Property Growth Factor:	<u>.32</u>	<u>.37</u>	<u>.32</u>	<u>.33</u>	<u>.31</u>
Growth Limitation Factor:	3.21	3.14	2.93	3.17	2.98
Property Tax Levy Limit:	1,041,716	1,035,173	1,118,421	1,105,173	1,070,414
Property Tax Levy:	<u>1,391,733</u>	<u>1,484,163</u>	<u>1,400,551</u>	<u>1,566,350</u>	<u>1,038,699</u>
Amt. Below Prop Tax Levy Limit:	(350,017)	(448,990)	(282,130)	(460,716)	31,715

## FUND BALANCE POLICY

The Board of Selectmen have not adopted a formal fund balance policy. The historical benchmark has been to maintain Fund Balance of at least \$1,000,000.

The following table reflects the most recent five year history of the relationship of Unassigned Fund Balance to total Budgeted Expenditures:

	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Unassigned Fund Balance	\$3,089,180	\$2,917,773	\$2,306,749	\$1,891,253	\$1,007,702
Total Prior Year Expenditures	8,383,939	8,730,354	9,105,978	8,483,205	7,291,135
Unassigned Fund Balance as % of Budgeted Expenditures	36.8%	33.4%	25.3%	22.3%	13.8%

## CAPITAL IMPROVEMENT PLAN

The Town Administrative Assistant with input from the Town Department Heads prepares the Capital Improvement Plan (the “CIP”) and submits it to the Board of Selectmen. The CIP shall include a listing of all capital improvements proposed within the next five succeeding fiscal years. Funding for the majority of the CIP ranges from reserve accounts and grants. Major projects may include bond financing.

A summary of the 2021-2025 CIP is presented in the following table:

CATEGORY	FY21	FY22	FY23	FY24	FY25	TOTAL
Computers/related equipment	\$20,680	\$2,000	\$1,950	\$8,000	\$2,300	\$34,930
Vehicles and Equipment	44,500	401,400	2,617,700	538,000	240,000	3,841,600
Buildings/Infrastructure	79,500	1,515,000	25,000	80,000	3,144,300	4,843,800
General Equipment	118,900	199,500	82,000	40,000	40,000	480,400
<b>TOTAL</b>	\$263,580	\$2,117,900	\$2,726,650	\$666,000	\$3,426,600	\$9,200,730

## FUTURE FINANCING

The above CIP includes an inventory of possible capital projects, the majority of which are planned to be funded through reserves, grants and operating funds appropriated for the projects. The Town has no authorized but unissued debt that it expects to finance through bond issues.

## INVESTMENT POLICY

While the Town does not have a formal Investment Policy, pursuant to Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. The Town is invested principally in bank deposits covered by FDIC insurance or securitized by direct obligations of the United States government and its agencies.

## POST-ISSUANCE COMPLIANCE POLICY

The Town adopted a Post-Issuance Compliance Policy on July 5, 2021 which assigns the duties of Compliance Officer to the Administrative Assistant to the Board of Selectmen. The Compliance Officer is responsible for maintaining all records and transcripts for each tax-exempt obligation of the Town. The Compliance Officer specifically is to maintain closing transcripts; IRS filing forms; deposit and use of proceeds records; ensure proper use of bond financed property; annual filing of audited financial statements and any material event notices in a timely manner.

## FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and the Town's Charter provide, and establish procedures, for independent annual audits of the Town's accounts. The Town, in conformance with these statutes and its Charter, currently engages the services of Maine Municipal Audit Services, Certified Public Accountants, to conduct its audit.

The Town's Annual Audited Financial Statements for the fiscal year ended June 30, 2020, is presented as APPENDIX A to this Official Statement.

### TOWN OF KINGFIELD COMPARATIVE BALANCE SHEETS GENERAL FUND (As of June 30,)

	2020	2019	2018	2017	2016
<b>ASSETS</b>					
Cash and cash equivalents	\$3,808,589	\$3,266,422	\$2,790,522	\$2,478,941	\$2,273,941
Receivables:					
Taxes	153,342	136,791	146,928	142,761	157,460
Tax liens	24,676	33,729	32,935	38,895	38,579
Accounts	252	1,968	--	--	30
<b>TOTAL ASSETS</b>	<b>\$3,986,858</b>	<b>\$3,438,910</b>	<b>\$2,970,385</b>	<b>\$2,660,597</b>	<b>\$2,470,010</b>
<b>LIABILITIES</b>					
Accounts payable	\$ --	\$ --	\$10,927	\$5,968	\$5,927
Accrued expenses	--	1,726	15,224	--	--
Deferred revenues	151,282	184,889	170,498	147,528	159,543
Due to other funds	8,215	8,215	13,215	12,000	--
<b>TOTAL LIABILITIES</b>	<b>\$1,181,679</b>	<b>\$194,830</b>	<b>\$209,864</b>	<b>\$165,496</b>	<b>\$165,470</b>
<b>FUND BALANCES</b>					
Nonspendable	--	--	--	--	--
Restricted	20,885	12,169	14,282	5,684	94,612
Assigned	1,744,928	1,345,866	1,018,117	907,015	792,545
Unassigned	2,061,548	1,886,044	1,728,122	1,582,403	1,417,383
<b>TOTAL FUND BALANCES</b>	<b>\$3,827,361</b>	<b>\$3,244,079</b>	<b>\$2,760,521</b>	<b>\$2,495,102</b>	<b>\$2,304,540</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$3,986,858</b>	<b>\$3,428,910</b>	<b>\$2,970,385</b>	<b>\$2,660,597</b>	<b>\$2,470,010</b>

Prepared from Audited Financial Statements

**TOWN OF KINGFIELD**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**(For the Years Ended June 30,)**

	2020	2019	2018	2017	2016
<b>REVENUES</b>					
Property tax	\$2,333,643	\$2,069,130	\$2,110,520	\$2,122,664	\$2,185,101
Excise tax	229,675	232,085	221,187	200,325	190,770
Intergovernmental	891,990	724,655	419,854	430,632	512,572
Charges for services	229,709	198,913	175,568	212,651	131,712
Investment earnings	63,388	51,888	10,629	4,818	4,133
Miscellaneous	37,554	151,426	66,679	81,798	38,630
<b>TOTAL REVENUES</b>	<b>\$3,785,958</b>	<b>\$3,440,864</b>	<b>\$3,004,437</b>	<b>\$3,052,888</b>	<b>\$3,062,918</b>
<b>EXPENDITURES</b>					
General government	306,196	297,585	277,773	265,323	282,334
Transfer station	216,742	242,446	184,306	178,192	186,154
Public safety	155,186	173,080	164,211	176,929	163,667
Public works	309,999	330,987	442,576	250,661	278,205
Education	1,636,905	1,549,681	1,396,772	1,404,401	1,488,240
County tax	154,865	156,051	151,673	148,298	154,616
Miscellaneous	264,610	76,532	215,807	352,443	243,597
Social services	19,955	20,346	23,196	17,884	27,110
Debt service	87,901	76,532	51,430	36,429	46,485
<b>TOTAL EXPENDITURES</b>	<b>\$3,152,359</b>	<b>\$2,932,477</b>	<b>\$2,907,744</b>	<b>\$2,830,560</b>	<b>\$2,820,408</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>633,599</b>	<b>508,387</b>	<b>96,693</b>	<b>222,328</b>	<b>242,510</b>
<b>OTHER FINANCING SOURCES/USES</b>					
Operating transfers in	183	171	57,968	233	7,000
Operating transfers out	(50,500)	(25,000)	(25,500)	(25,000)	(5,000)
Proceeds from Debt Issuance			136,259		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$(50,317)</b>	<b>\$(24,829)</b>	<b>\$168,727</b>	<b>\$(24,767)</b>	<b>\$2,000</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>583,282</b>	<b>463,558</b>	<b>265,420</b>	<b>197,561</b>	<b>244,510</b>
<b>FUND BALANCE, JULY 1</b>	<b>3,244,079</b>	<b>2,760,521</b>	<b>2,495,101</b>	<b>2,297,540<sup>(1)</sup></b>	<b>2,060,030</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$3,827,361</b>	<b>\$3,244,079</b>	<b>\$2,760,521</b>	<b>\$2,495,101</b>	<b>\$2,304,540</b>

<sup>(1)</sup>As restated

Prepared from Audited Financial Statements

## PROPERTY TAXATION

The following table sets forth the equalized state valuations and assessed valuations of real and personal property, tax rate, tax levy and collections for the most recent five years:

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate	Tax Levy (000)	Collected @ Fiscal Year End		Collected A/O 06/30/2021 %
					(000)	%	
2021	\$147,050	\$ 123,974	\$18.50	\$2,294	\$2,203	96.03	96.03
2020	141,000	125,861	18.50	2,328	2,195	94.29	99.30
2019	120,050	126,638	16.50	2,075	1,960	94.46	100.00
2018	123,850	122,741	17.00	2,087	1,954	93.63	100.00
2017	125,350	124,860	17.00	2,123	1,993	93.88	100.00

The principal tax of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's Tax Collector receives the tax commitment from the Town Assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal year 2022 the tax due dates are November 11, 2021 and April 14, 2022. All taxes paid after the due date are subject to interest, at the rate of 6% per annum.

### Real Estate Taxes

Collection of real estate taxes is ordinarily enforced in the Town by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real Estate Tax Liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the Town.

### Business Personal Property Taxes

In 2006, the Maine Legislature enacted LD 2056, codified as Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended, which exempts from taxation, beginning with the April 1, 2008 tax year, most types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements. The exemption does not apply to:

- (1) Office furniture;
- (2) Lamps and lighting fixtures used to provide general purpose office or worker lighting;
- (3) Property owned or used by public utilities and persons providing certain television/telecommunications services;
- (4) Telecommunications personal property subject to the tax imposed by section 457 of Title 36;
- (5) Gambling machines or devices and associated equipment;
- (6) Property located at a retail sales facility unless such facility is more than 100,000 square feet in size and owned by a business whose Maine-based operations derive less than 30% of their total annual revenue from sales in the State.

The exemption also does not apply to certain energy facilities and pollution control facilities and does not apply to personal property currently subject to property tax but applies to all qualifying property that is first installed in Maine after April 1, 2007 and would therefore, if not for the law, have become subject to taxation on or after April 1, 2008.

In order for any personal property to be exempted from taxation under LD 2056, the property owner must file a complete list of that property with the municipal assessor by May 1 every year. If the owner fails to file for the exemption in a timely manner or fails to follow other statutory procedures in the legislation, the property in question is not exempt from taxation for that year.

The State will reimburse municipalities with respect to the lost property taxes associated with this new exemption through one of two formulas, whichever is most beneficial to the municipality, as follows:

- (1) Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY2010), 80% in FY2011, 70% in FY2012, 60% in FY2013, and 50% in FY2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
- (2) Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property made exempt by this legislation in the municipality must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the state other than property located in, and the assessed value of which is retained in, a tax increment financing district.

The value of all property made exempt by this legislation in the municipality will also be considered part of that municipality's Equalized State Valuation to the extent the municipality is being reimbursed for its lost property taxes by the state with an additional adjustment for property in a tax increment financing district.

## LARGEST TAXPAYERS

Taxpayer	Business	FY2022 Assessment	Property Tax	% of Levy
Nestles Waters North	Water Bottling	\$21,592,527	\$421,054	17.27%
Bayroot LLC	Forest Mgmt	3,429,651	66,878	2.74
Central Maine Power	Utility	1,678,348	32,727	1.34
Walter Kilbreth	Steel Fabrication	999,060	19,481	.80
KKE Realty LLC	Wire Fabrication	890,941	17,373	.71
Kingfield Housing	Low Inc/Elder	765,875	14,934	.61
U.S. Cellular Corp	Wireless Service	696,680	13,585	.56
James Meldrum	Residential	688,980	13,435	.55
Frontier Forge	Wood Products	678,705	13,234	.54
Maine Provisions	Retail Stores	644,148	12,560	.52
Timothy Stearns	Residential	606,541	11,827	.48
Leslie Cordon	Residential	551,560	10,755	.44
13 Winter Street	Residential	540,476	10,539	.43
<b>TOTALS</b>		<b>\$33,772,435</b>	<b>\$658,282</b>	<b>26.99%</b>

Source: Town of Kingfield, Assessor

## TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing (“TIF”) district or an affordable housing development district (a “housing district”) for a term of up to 30 years and adopts a development program (the “Development Program”) stating the means and objectives for the development of that district. The municipality may designate, or “capture”, all or a portion of the increase in assessed value resulting from development within the district and dedicates the increased property taxes it receives in future years generated by the “captured” assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs. Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of all TIF districts and the aggregate original assessed value of all housing districts within the municipality as of the April 1st preceding the date the Commissioner of the Department of Economic and Community Development, with respect to TIF districts, or the Director of the Maine State Housing Authority, with respect to housing districts, approves the designation of any such district each cannot exceed 5% of the municipality’s total value of taxable property. Excluded from this limit as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality’s total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3.

The increase in assessed value captured by the municipality is excluded from the municipality’s equalized just value for each year’s State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality’s share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5702 of the Maine Revised Statutes, as amended.

In 2007, the Town designated a tax increment financing district, the *Kingfield Tax Increment Financing District (“KTIF”)*. The KTIF includes approximately 250 acres of land on which the Poland Spring Development Program has invested \$51 million in a new 200,000 square foot water bottling facility which has created approximately 60 new jobs. The KTIF has a 30 year term and is anticipating nearly \$9 million in additional property taxes over the life of the KTIF.

The Town may consider proposals for other districts on an ongoing basis. All districts will be evaluated based upon the Town’s comprehensive plan for economic development, which includes tax increment financing as one of its aspects.

**STATE AID**

The State provides aid to the Town in a number of areas including education, welfare assistance, road maintenance, homestead exemption and revenue sharing. The amount of aid in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature or are subject to appropriation by the State Legislature in its budgetary process.

The following table displays state aid received by the Town for the last five fiscal years and projected for FY22:

<b>Fiscal Yr. End June 30,</b>	<b>State Revenue Sharing</b>	<b>Homestead Exemption</b>	<b>Other State Aid</b>	<b>Total From State</b>
2022	\$65,000	\$90,000	\$685,000	\$840,000
2021	70,721	98,316	673,331	842,368
2020	82,017	70,728	664,524	817,279
2019	42,881	65,587	524,134	632,602
2018	42,776	53,383	274,200	370,359
2017	40,702	38,891	267,129	346,722

**INDEBTEDNESS**

**LIMITATIONS AND EXCLUSIONS**

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7 ½% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7 ½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state

valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set.”

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply “... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

On January 1, 2021, the Town’s Equalized State Valuation (“Equalized State Valuation”) was \$147,050,000. The 15% debt limit is \$22,057,500. As of June 30, 2021 the Town’s general obligation bonded debt outstanding was \$212,949 or .14% of the Equalized State Valuation. The Town will certify on the date of issue of the Bonds that the Town has not exceeded the foregoing debt limits and that issuance of the Bonds will not cause the Town to exceed such debt limits.

**DEBT SUMMARY**

<b>Year Issued</b>	<b>Amount Issued</b>	<b>Final Maturity</b>	<b>Balance on July 1, 2020</b>	<b>Paid in FY21</b>	<b>Balance on June 30, 2021</b>
2004	\$249,000	10/01/2034	\$89,786	(11,407)	\$78,378
2008	610,000	4/01/2028	244,337	(31,388)	212,949
<b>TOTAL</b>	<b>\$859,000</b>		<b>\$334,123</b>	<b>\$(42,795)</b>	<b>\$291,328</b>

**GENERAL OBLIGATION PRINCIPAL PAYMENTS BY ISSUE**

<b>F/Y/E</b>	<b>2004</b>	<b>2008</b>	<b>TOTAL</b>
<b>June 30,</b>			
2022	11,865	31,783	\$43,648
2023	12,835	32,184	45,019
2024	13,350	32,590	45,340
2025	13,885	33,000	46,885
2026	14,440	33,416	47,856
2027		33,837	33,837
2028		16,139	16,139
	\$66,375	\$212,949	\$279,342

**DEBT RATIOS**

<b>Fiscal Yr. End June 30,</b>	<b>Population</b>	<b>Equalized State Valuation (000)</b>	<b>Assessed Valuation (000)</b>	<b>Total G.O. Debt</b>	<b>Debt as % Eq. Val.</b>	<b>Per Capita Debt</b>
2021	974	\$147,050	123,974	\$279,342	.14%	\$286.80
2020	974	141,000	125,861	334,123	.24	343.04
2019	974	120,050	126,539	457,624	.38	469.88
2018	997	123,850	122,741	469,389	.38	470.80
2017	997	125,250	124,860	506,620	.40	508.14

## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

	Existing Debt			Projected Debt Service (this issue)			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2022	43,648	7,779	51,427		32,500	32,500	83,927
2023	45,019	6,359	51,378	430,000	61,275	491,275	542,653
2024	45,340	5,490	50,830	430,000	54,825	484,825	535,655
2025	46,885	4,544	51,429	430,000	48,375	478,375	529,804
2026	47,856	3,573	51,429	430,000	41,925	471,925	523,354
2027	33,837	2,552	36,389	430,000	35,475	465,475	501,864
2028	16,139	1,020	17,159	430,000	29,025	459,025	476,184
2029				430,000	22,575	452,575	464,409
2030				430,000	16,125	446,125	446,125
2031				430,000	9,675	439,675	439,675
2032				430,000	3,225	433,225	433,225
	\$279,342	\$31,317	\$310,659	\$4,300,000	\$354,750	\$4,654,750	\$4,965,409

## OVERLAPPING AND CONTINGENT DEBT

### Overlapping Debt

The Town is a member of Regional School Unit No. 58 (the “District”) and is responsible for a portion of the District’s outstanding debt in the event of a default by the District. As of June 30, 2021, the District had outstanding \$0- of long term debt and the Town had no overlapping debt liability.

### Contingent Debt

The Town is not liable for any long term debt on a contingent basis.

## RETIREMENT

### A. DEFERRED COMPENSATION PLAN

The Town of Kingfield offers all its employees not participating in Maine Public Employees Retirement a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The Plan permits participating employees to defer a portion of their salary until future years. The Town contributed \$6,623 for the fiscal year ended June 30, 2020 and \$6,250 for the fiscal year ended June 30, 2019. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liabilities for the compensation deferred by the plan participants, including earnings on plan assets, are not included in the Town’s financial statements.

### B. OTHER POST EMPLOYMENT BENEFITS

#### HEALTH INSURANCE

The Town is a member of the Maine Municipal Employees Health Trust (the “Health Trust”). The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town’s OPEB liability under GASB Statement 45 whereby an OPEB liability actuarial valuation was determined to be \$33,308 as of January 1, 2020.

**Plan Description** - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

**Funding Policy and Annual OPEB Cost** - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (“ARC”), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed 30 years.

The Town recognized an OPEB expense of \$209 for the fiscal year ended June 30, 2020.

### **CORONAVIRUS (COVID-19) DISCLOSURE**

On March 15, 2020, the Governor of the State of Maine declared a Civil State of Emergency due to the outbreak of COVID-19. The Governor subsequently issued a number of executive orders imposing rules and regulations in response to the health and safety risks of the virus.

On March 25<sup>th</sup>, 2020, the Town operated with supervisory staff only. This included the Road Commissioner, Waste Water Superintendent, Residents were still able to use town government services through doors and other safety protocol. Following the Governor’s executive orders and guidance for re-opening businesses, the Town staff returned from layoff on June 1, 2020 with many restrictions.

The Town ended fiscal year 2020 with an Unassigned Fund Balance in the General Fund of nearly \$1.1 million. The Town has over 2 million in reserve funds for various projects and repairs.

The COVID-19 outbreak has affected and is expected to continue to affect the overall economy of the nation as well as the State and its various governmental units, including the Town. Although the ultimate impact and cost to the State and local economies cannot be fully determined at this time, the outbreak is anticipated to have an adverse impact on a governmental unit’s financial condition.

### **ENVIRONMENTAL MATTERS**

The Town is subject to a wide variety of federal and State laws and regulations relating to land use, water resources, sewage disposal, the use, storage, discharge, emission and disposal of wastes and other environmental matters. While the Town believes that its properties and operations are presently in material compliance with all land use and environmental laws, failure to comply with such laws could result in the imposition of severe penalties on operations by government agencies or courts that could adversely affect the Town. The Town is not aware of any environmental conditions or non-compliance, the remediation or correction of which the Town believes would have a material adverse impact on the financial condition of the Town. The Town is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the Town’s financial condition or ability to pay debt service on the Bonds as and when due.

### **LITIGATION**

In the opinion of Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town’s financial position or its ability to meet its debt service obligations.

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# **APPENDIX A**

**TOWN OF KINGFIELD, MAINE  
ANNUAL AUDITED FINANCIAL REPORT  
FOR THE  
YEAR ENDED JUNE 30, 2020**

**(With Report of Independent Auditors' Thereon)**

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

**JUNE 30, 2020**

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# Maine Municipal Audit Services, PA

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Mindy J. Cyr, CPA

## Independent Auditors' Report

To the Board of Selectmen  
Town of Kingfield  
Kingfield, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Kingfield, Maine, as of and for the year ended June 30, 2020, 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 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 from 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kingfield, Maine, as of June 30, 2020, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

## OTHER MATTERS

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in net OPEB liability and related ratios, and budgetary comparison schedule, on pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kingfield, Maine's basic financial statements. The combining and individual non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of property valuation, and schedule of taxes receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maine Municipal Audit Services, PA*

Levant, Maine

November 18, 2020

Town of Kingfield, Maine  
Statement of Net Position  
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 1,767,188	\$ 138,630	\$ 1,905,817
Investments	2,052,516	50,786	2,103,301
Accounts receivable, net of allowance	252	9,640	9,892
Taxes receivable	153,342	-	153,342
Tax liens receivable	24,676	-	24,676
<i>Total current assets</i>	<u>3,997,973</u>	<u>199,055</u>	<u>4,197,028</u>
<i>Non-current assets:</i>			
Capital assets, net of accumulated depreciation	672,629	3,064,059	3,736,687
Non-depreciable capital assets	612,534	-	612,534
<i>Total non-current assets</i>	<u>1,285,163</u>	<u>3,064,059</u>	<u>4,349,221</u>
<i>Deferred outflows of resources:</i>			
OPEB related outflows	7,494	-	7,494
<i>Total deferred outflows of resources</i>	<u>7,494</u>	<u>-</u>	<u>7,494</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,290,630</u></b>	<b><u>\$ 3,263,114</u></b>	<b><u>\$ 8,553,744</u></b>
<b>LIABILITIES:</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ -	\$ 252	\$ 252
Current portion of long-term debt	75,155	-	75,155
<i>Total current liabilities</i>	<u>75,155</u>	<u>252</u>	<u>75,407</u>
<i>Non-current liabilities:</i>			
<i>Non-current portion of long-term debt:</i>			
Bonds payable	331,175	-	331,175
Note payable	-	87,911	87,911
Accrued compensated absences - long-term	25,904	-	25,904
OPEB liabilities	33,308	-	33,308
<i>Total non-current liabilities</i>	<u>390,386</u>	<u>87,911</u>	<u>478,297</u>
<b>TOTAL LIABILITIES</b>	<b>465,541</b>	<b>88,163</b>	<b>553,704</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Prepaid property taxes	8,517	-	8,517
OPEB related inflows	2,702	-	2,702
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>11,219</b>	<b>-</b>	<b>11,219</b>
<b>NET POSITION:</b>			
Net investment in capital assets	878,834	2,976,148	3,854,981
Restricted ( <i>see footnotes</i> )	40,215	36,324	76,539
Unrestricted	3,894,821	162,479	4,057,300
<b>TOTAL NET POSITION</b>	<b><u>4,813,870</u></b>	<b><u>3,174,950</u></b>	<b><u>7,988,821</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 5,290,630</u></b>	<b><u>\$ 3,263,114</u></b>	<b><u>\$ 8,553,744</u></b>

Town of Kingfield, Maine  
Statement of Activities  
For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<i>Governmental activities:</i>							
General government	\$ 315,421	\$ 14,759	\$ -	\$ -	(300,662)	\$ -	\$ (300,662)
Public safety	155,186	10,068	-	-	(145,118)	-	(145,118)
Public works	231,138	-	-	14,928	(216,210)	-	(216,210)
Transfer station	200,042	204,882	-	-	4,840	-	4,840
Education	1,636,905	-	-	-	(1,636,905)	-	(1,636,905)
County tax	154,865	-	-	-	(154,865)	-	(154,865)
Social services	19,955	-	-	-	(19,955)	-	(19,955)
Unclassified	264,610	-	40,817	-	(223,794)	-	(223,794)
Interest on long-term debt	12,330	-	-	-	(12,330)	-	(12,330)
Depreciation	110,762	-	-	-	(110,762)	-	(110,762)
<b>Total governmental activities</b>	<b>3,101,213</b>	<b>229,709</b>	<b>40,817</b>	<b>14,928</b>	<b>(2,815,760)</b>	<b>-</b>	<b>(2,815,760)</b>
<i>Business-type activities:</i>							
Kingfield waste water department	126,645	107,372	-	-	-	(19,273)	(19,273)
<b>Total business-type activities</b>	<b>126,645</b>	<b>107,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,273)</b>	<b>(19,273)</b>
<b>Total primary government</b>	<b>\$ 3,227,858</b>	<b>\$ 337,081</b>	<b>\$ 40,817</b>	<b>\$ 14,928</b>	<b>(2,815,760)</b>	<b>(19,273)</b>	<b>(2,835,032)</b>
<i>General revenues:</i>							
Property taxes, levied for general purposes					2,332,518	-	2,332,518
Motor vehicle excise taxes					229,675	-	229,675
Interest and lien fees					15,199	2,058	17,257
<i>Grants and contributions not restricted to specific programs:</i>							
State revenue sharing					70,400	-	70,400
Other					765,846	54,251	820,098
Unrestricted investment earnings					63,571	-	63,571
Interfund transfers					(50,500)	50,500	-
Miscellaneous revenues					22,355	-	22,355
<b>Total general revenues and transfers</b>					<b>3,449,062</b>	<b>106,810</b>	<b>3,555,872</b>
<b>Changes in net position</b>					<b>633,303</b>	<b>87,537</b>	<b>720,840</b>
<b>NET POSITION - BEGINNING</b>					<b>4,180,567</b>	<b>3,046,089</b>	<b>7,226,656</b>
<b>NET POSITION - ENDING</b>					<b>\$ 4,813,870</b>	<b>\$ 3,133,626</b>	<b>\$ 7,947,496</b>

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
Balance Sheet  
Governmental Funds  
June 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,767,188	\$ -	\$ 1,767,188
Investments	2,041,401	11,115	2,052,516
Interfund receivable	-	8,215	8,215
Accounts receivable	252	-	252
Taxes receivable	153,342	-	153,342
Tax liens receivable	24,676	-	24,676
<b>TOTAL ASSETS</b>	<b>\$ 3,986,858</b>	<b>\$ 19,330</b>	<b>\$ 4,006,188</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Interfund payable	\$ 8,215	\$ -	\$ 8,215
<i>Total liabilities</i>	8,215	-	8,215
<i>Deferred inflows of resources:</i>			
Prepaid property taxes	8,517	-	8,517
Deferred property taxes	142,765	-	142,765
<i>Total deferred inflows of resources</i>	151,282	-	151,282
<i>Fund balances: (see footnotes for breakdown)</i>			
Non-spendable	-	8,215	8,215
Restricted	20,885	11,115	32,000
Assigned	1,744,928	-	1,744,928
Unassigned	2,061,548	-	2,061,548
<i>Total fund balances</i>	3,827,361	19,330	3,846,691
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,986,858</b>	<b>\$ 19,330</b>	
<i>Amounts reported for governmental activities in the statement of net position (Stmnt. 1) are different because:</i>			
Depreciable capital assets as reported on Statement 1			1,285,163
Long-term debt as reported on Statement 1			(432,233)
Deferred property taxes not reported on Statement 1			142,765
Deferred outflows of resources - OPEB related expenditures			7,494
Deferred inflows of resources - OPEB related inflows			(2,702)
OPEB liabilities			(33,308)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>			<b>\$ 4,813,870</b>

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES;</b>			
Property taxes	\$ 2,333,643	\$ -	\$ 2,333,643
Excise taxes	229,675	-	229,675
Intergovernmental revenue	891,990	-	891,990
Interest income	63,388	183	63,571
Interest on taxes and liens	15,199	-	15,199
Charges for services	229,709	-	229,709
Other revenue	22,355	-	22,355
<i>Total revenues</i>	<u>3,785,958</u>	<u>183</u>	<u>3,786,141</u>
<b>EXPENDITURES:</b>			
General government	306,196	-	306,196
Public safety	155,186	-	155,186
Public works	309,999	-	309,999
Transfer station	216,742	-	216,742
Education	1,636,905	-	1,636,905
County tax	154,865	-	154,865
Social services	19,955	-	19,955
Debt service	87,901	-	87,901
Unclassified	264,610	-	264,610
<i>Total expenditures</i>	<u>3,152,359</u>	<u>-</u>	<u>3,152,359</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>633,599</u>	<u>183</u>	<u>633,782</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	183	-	183
Operating transfers (out)	(50,500)	(183)	(50,683)
<i>Total other financing sources (uses)</i>	<u>(50,317)</u>	<u>(183)</u>	<u>(50,500)</u>
<i>Net change in fund balances</i>	<u>583,282</u>	<u>-</u>	<u>583,282</u>
<b>FUND BALANCES - BEGINNING</b>	<u>3,244,079</u>	<u>19,330</u>	<u>3,263,409</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,827,361</u>	<u>\$ 19,330</u>	<u>\$ 3,846,691</u>

(Continued)

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds (Statement 4 )	\$	583,282
<i>Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:</i>		
Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on governmental funds		(110,762)
Revenues in the Statement of Activities (Stmt 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes.		(1,125)
Capital outlays expensed on the Governmental Funds report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)		95,561
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. More specifically, this represents the net amount of principal reduction in debt service made during the fiscal year.		75,571
Change in accrued compensated absences		(3,305)
OPEB expenses under GASB #75 are not reported in the governmental fund statements		(5,919)
<hr/>		
<b>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (SEE STMT. 2)</b>	<b>\$</b>	<b>633,303</b>
<hr/>		

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-type activities Enterprise Funds
	Sewer
<b>ASSETS:</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 138,630
Investments	50,786
Accounts receivable, net of allowance for doubtful accounts	9,640
<i>Total current assets</i>	199,055
 <i>Non-current assets:</i>	
<i>Capital assets:</i>	
Property, plant, and equipment	4,445,777
Less accumulated depreciation	(1,381,719)
<i>Total non-current assets</i>	3,064,059
<b>TOTAL ASSETS</b>	<b>\$ 3,263,114</b>
<b>LIABILITIES:</b>	
<i>Current liabilities:</i>	
Accounts payable	\$ 252
<i>Total current liabilities</i>	252
<i>Lang-term liabilities:</i>	
Note payable	87,911
<i>Total lang-term liabilities</i>	87,911
<b>TOTAL LIABILITIES</b>	<b>88,163</b>
<b>NET POSITION:</b>	
Net investment in capital assets	2,976,148
Restricted - <i>grant funds</i>	36,324
Unrestricted	162,479
<b>TOTAL NET POSITION</b>	<b>3,174,950</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 3,263,114</b>

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2020

		Business-type activities Enterprise Funds
		Sewer
<i>Operating revenues:</i>		
Charges for services	\$	80,739
Interest on user fees		2,058
Pumping fees		7,980
Miscellaneous revenue		18,653
<i>Total operating revenues</i>		109,431
<i>Operating expenses:</i>		
Operations		6,980
Administrative operating costs		53,675
Utilities		9,226
Depreciation		56,313
Other expenses		450
<i>Total operating expenses</i>		126,645
<i>Operating income (loss)</i>		(17,214)
<i>Non-operating revenues (expenses):</i>		
Transfers (out)		50,500
Grants received		54,251
<i>Total non-operating revenues (expenses)</i>		104,751
<i>Net income (loss)</i>		87,537
<b>NET ASSETS - BEGINNING</b>		<b>3,046,089</b>
<b>NET ASSETS - ENDING</b>	<b>\$</b>	<b>3,133,626</b>

The accompanying notes are an integral part of this statement.

Town of Kingfield, Maine  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type activities Enterprise Funds Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 93,994
Payments to suppliers	(77,342)
<i>Net cash provided (used) by operating activities</i>	16,651
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Transfers to/from general fund - net	50,500
<i>Net cash provided (used) in non-capital financing activities</i>	50,500
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Grant money received	54,251
Purchase of certificates of deposit	(10,000)
Purchase of capital assets	(77,558)
<i>Net cash provided (used) by investing activities</i>	(33,307)
<i>Net increase (decrease) in cash and cash equivalents</i>	33,844
<b>CASH BALANCE - BEGINNING OF YEAR</b>	<b>104,785</b>
<b>CASH BALANCE - END OF YEAR</b>	<b>\$ 138,630</b>
 <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ (17,214)
<i>Adjustments to reconcile operating income to net cash provided (used) in operating activities:</i>	
Depreciation expense	56,313
<i>Change in net assets and liabilities:</i>	
Increase/(decrease) in accounts payable	81
(Increase)/decrease in accounts receivable	7,377
Increase/(decrease) in accrued liabilities	(29,906)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 16,651</b>

The accompanying notes are an integral part of this statement.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below. For enterprise funds, GASB statement Nos. 20 and 34 provide the Town the option of electing to apply FASB pronouncements issued after November 30, 1989. The Town has elected not to apply those pronouncements. The more significant of the government’s accounting policies are described below.

In evaluating how to define the Town for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statement No. 14 *The Financial Reporting Entity* as amended by GASB Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. Based on the criteria, it was determined that no other entities should be included in the Town’s financial statements.

**B. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

The Statement of Net Position reports all financial and capital resources of the Town and reports the difference between assets and liabilities as “net position” not fund balance or equity. The Statement of Activities shows the degree to which the direct expenses of a given function or segment are offset by program revenue and reflects the “net (expense) revenue” of the Town’s individual functions before applying general revenues. The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund Financial Statements

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

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

**C. Measurement Focus and Basis of Accounting**

Governmental Fund Types

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

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

Proprietary Fund Type

*Enterprise Funds* – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Kingfield Waste Water Department is accounted for as an enterprise fund operation.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurements made.

The Government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, in accordance with GASB #34. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

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

**D. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at the annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectmen level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses**

**Cash and Cash Equivalents**

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

**Interfund Receivables and Payables**

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

**Capital Assets and Depreciation**

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

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Infrastructure	50-100
Machinery and equipment	3-50
Vehicles	3-25

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the Town's total assets and total liabilities represents net position. Net position is displayed as three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net assets available for future operations.

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

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

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

*Assigned* – Funds intended to be used for specific purposes set by the Board of Selectmen.

*Unassigned* – Funds available for any purpose.

Deferred Revenue

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

Compensated Absences

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property Taxes

Property taxes for the current year were committed on August 20, 2019, on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Payment of taxes was due August 20, 2019 and January 3, 2020, with interest at 8% on all tax bills unpaid as of the due dates.

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 \$27,683 for the year ended June 30, 2020.

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

Risk Management

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

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the Fund for its workers compensation coverage. The Town’s agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Towns’ claims in excess of \$400,000, with an excess limit of \$2,000,000.

Use of Estimates

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

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**2. DEPOSITS AND INVESTMENTS**

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

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2020, cash deposits had a carrying value of \$1,905,817, all of which was covered by FDIC or collateralized.

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

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

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

At June 30, 2020, the Town's investment balances were as follows:

Certificates of Deposit at Skowhegan Savings Bank	\$ 2,103,301
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The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments held by the Town are Level 1 inputs.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**3. CAPITAL ASSETS**

Governmental activities:	Balance 7/1/19	Additions	Deletions	Balance 6/30/20
<i>Non-depreciated assets:</i>				
Land	\$ 612,534	\$ -	\$ -	\$ 612,534
	<u>612,534</u>	<u>-</u>	<u>-</u>	<u>612,534</u>
<i>Depreciated assets:</i>				
Buildings	992,738	-	-	992,738
Infrastructure	445,563	78,861	-	524,424
Equipment and vehicles	905,245	16,700	-	921,945
	<u>2,343,546</u>	<u>95,561</u>	<u>-</u>	<u>2,439,107</u>
Less accumulated depreciation	(1,655,716)	(110,762)	-	(1,766,478)
Net capital assets	<u>687,830</u>	<u>(15,201)</u>	<u>-</u>	<u>672,629</u>
<b>Governmental activities Capital assets, net</b>	<b><u>\$ 1,300,364</u></b>	<b><u>\$ (15,201)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,285,163</u></b>

Depreciation expense can be broken down by department as follows:

Administration	\$ 8,049
Public safety	18,945
Public works	77,066
Transfer station	<u>6,702</u>
	<b><u>\$110,762</u></b>

Business-type activities:	Balance 7/1/19	Additions	Deletions	Balance 6/30/20
<i>Capital assets being depreciated:</i>				
Buildings	\$ 226,189	\$ 77,558	\$ -	\$ 303,747
Equipment and vehicles	251,656	-	-	251,656
Infrastructure	3,890,374	-	-	3,890,374
	<u>4,368,219</u>	<u>77,558</u>	<u>-</u>	<u>4,445,777</u>
Less accumulated depreciation	(1,325,406)	(56,313)	-	(1,381,719)
<b>Business-type activities Capital assets, net</b>	<b><u>\$ 3,042,813</u></b>	<b><u>\$ 21,245</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,064,058</u></b>

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**4. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2020, was as follows:

Description	Balance 7/1/19	Additions	(Reductions)	Balance 6/30/20
<b>Governmental activities:</b>				
General obligation bond payable:				
MMBB, 2009 Bond due in annual Installments through 2028. 1.26%	\$ 275,334	\$ -	\$ (30,997)	\$ 244,337
<i>General obligation note payables:</i>				
2018 note Skowhegan Savings, 2.75% Annually through 2022	103,586	-	(33,584)	70,002
2004 Bond due in annual installments through 2034. 3.67%	102,980	-	(10,991)	91,989
<b>Total</b>	<b><u>\$ 481,900</u></b>	<b><u>\$ -</u></b>	<b><u>\$(75,572)</u></b>	<b><u>\$ 406,328</u></b>

The annual future principal payment requirement for bonds payable outstanding as of June 30, 2020, is as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 75,155	\$ 9,002	\$ 84,157
2022	76,952	7,297	84,249
2023	42,410	5,549	47,959
2024	43,353	4,754	48,107
2025	44,319	3,078	47,397
2026-2029	124,139	7,785	131,924
<b>Total</b>	<b><u>\$ 406,328</u></b>	<b><u>\$ 37,465</u></b>	<b><u>\$ 443,793</u></b>

The sewer fund has a credit line with Skowhegan Savings Bank with interest due annually. The full amount of the line of credit has a maturity date of March 1, 2023, with an interest rate of 4.08%. The outstanding balance as of June 30, 2020 was \$87,911.

**5. PENDING LITIGATION**

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**6. FUND BALANCES**

*ASSIGNED BALANCES*

The Board of Selectmen has the authority to assign amounts specific for future purposes. Approved assigned balances at June 30, 2020, consisted of:

Transfer station	\$ 58,424
Highway equipment reserve	199,498
Fire truck replacement	115,077
Planning funds	13,277
Computer reserve	13,474
Webster Hall	57,588
Comprehensive plan	69,571
Cemetery lots sales	10,823
Sunnyside trust interest	8,035
Playground equipment	1,010
Riverside interest	2,468
Village enhancement	294,928
Village enhancement sidewalks	26,355
Recreation	11,102
Tar account	98,333
Planters	3,412
Simmon's fund	1,000
Simmon's emergency fund	473
Bicentennial	4,000
Legal funds	2,850
PW engineering	13,634
Selectmen's contingency	7,960
Road construction	192,939
Waste water beds	41,753
Safe route to school	63,264
Road project reserve	251,679
Map updates	4,896
Village parking fund	83,934
Sunnyside cemetery trust	61,675
Sidewalk equipment – PW	30,437
Wyman scholarship interest	493
Flag interest	566
Total	<u>\$ 1,744,928</u>

**6. FUND BALANCES (CONTINUED)**

*RESTRICTED BALANCES – General Fund*

Restricted amounts are funds that have been restricted to being used for a specific purpose by an external party, constitutional provision, or enabling legislation. Restricted balances at June 30, 2020, are:

TIF	\$ 13,895
TIF – legal	3,000
TIF – grant funds	2,500
TIF – wireless internet access	1,490
Total	<u>\$ 20,885</u>

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**7. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

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

**8. SUBSEQUENT EVENTS**

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

**9. DEFERRED COMPENSATION PLAN**

The Town offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. As of June 30, 2019, five employees were enrolled in the plan. The deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

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

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

The Town's policy states the Town shall match 3%. Total Town contributions for the year ended June 30, 2020 was \$6,623.

**10. OPEB OBLIGATIONS**

*Plan Description*

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

*Accounting Policies*

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 6 years.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**10. OPEB OBLIGATIONS (CONTINUED)**

The table below shows changes in the change in Net OPEB Liability during the 2020 measurement year:

	Net OPEB Liability (a)	<i>Increase (Decrease)</i> Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Balances 1/1/2019 (Reporting 12/31/2019)</b>	\$ 23,006	\$ -	\$ 23,006
<b>Changes for the year:</b>			
Service cost	3,993	-	3,993
Interest	1,106	-	1,106
Changes of benefits	(660)	-	(660)
Differences between expected and actual experience	(988)		(988)
Changes of assumptions	6,906		6,906
Contributions – employer	-	55	(55)
Benefit payments	(55)	(55)	-
<b>Net changes</b>	<b>10,302</b>	<b>-</b>	<b>10,302</b>
<b>Balances 1/1/2020 (Reporting 12/31/2020)</b>	<b>\$ 33,308</b>	<b>\$ -</b>	<b>\$ 33,308</b>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 564	\$ 823
Changes in assumptions	6,930	8,502
Net difference between projected & actual earnings on OPEB plan investments	-	-
<b>Total</b>	<b>\$ 7,494</b>	<b>\$ 9,325</b>

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

**Year ended June 30:**

2021	1,195
2022	1,195
2023	1,191
2024	615
2025	988
Thereafter	0

As of January 1, 2020, the plan membership data is comprised of 4 active members with only an implicit benefit.

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**10. OPEB OBLIGATIONS (CONTINUED)**

**Key Economic Assumptions:**

*Measurement date:* January 1, 2020

*Discount rates:* 2.74% per annum for year end 2020 reporting  
4.10% per annum for year end 2019 reporting

*Trend assumptions:* *Pre-Medicare Medical* – Initial trend of 8.50% applied in FYE 2020 grading over 20 years to 3.53% per annum.

*Pre-Medicare Drug* – Initial trend of 8.75% applied in FYE 2020 grading over 20 years to 3.53% per annum.

*Medicare Medical* – Initial trend of 5.00% applied in FYE 2020 grading over 20 years to 3.53% per annum.

*Medicare Drug* – Initial trend of 8.75% applied in FYE 2020 grading over 20 years to 3.53% per annum.

*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.

**Demographic Assumptions:**

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

*Rate of mortality:* Based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC\_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020.

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

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

*Salary increases:* 2.75% per year

**TOWN OF KINGFIELD, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**10. OPEB OBLIGATIONS (CONTINUED)**

**Discount Rate**

The discount rate used to measure the TOL was 2.74% based on a measurement date of January 1, 2020. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability as of June 30, 2020 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 2.74%.

1% Decrease 1.74%	Current Rate 2.74%	1% Increase 3.74%
\$ 38,334	\$ 33,308	\$ 29,159

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

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 28,764	\$ 33,308	\$ 38,857

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 13.6%. A 1% increase in the healthcare trend rate increases the NOL by approximately 16.7%.

**TOWN OF KINGFIELD, MAINE**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

	FYE 2020	FYE 2019	FYE 2018
<b>Total OPEB Liability</b>			
Service cost (BOY)	\$ 3,993	\$ 4,333	\$ 3,572
Interest (includes interest on service cost)	1,106	840	606
Changes of benefit terms	(660)	0	0
Differences between expected and actual experience	(988)	0	1,131
Changes of assumptions	6,906	(2,231)	2,351
Benefit payments, including refunds of member contributions	(55)	(53)	(5)
<b>Net change in total OPEB liability</b>	<b>\$ 10,302</b>	<b>\$ 2,889</b>	<b>\$ 7,655</b>
<b>Total OPEB liability – beginning</b>	<b>\$ 23,006</b>	<b>\$ 20,117</b>	<b>\$ 12,462</b>
<b>Total OPEB liability – ending</b>	<b>\$ 33,308</b>	<b>\$ 23,006</b>	<b>\$ 20,117</b>
<b><u>Plan fiduciary net position</u></b>			
Contributions – employer	55	53	5
Contributions – member	0	0	0
Net investment income	0	0	0
Benefit payments, including refunds of member contributions	(55)	(53)	(5)
Administrative expenses	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – beginning</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – ending</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net OPEB liability – endings</b>	<b>\$ 33,308</b>	<b>\$ 23,006</b>	<b>\$ 20,117</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered employee payroll	\$ 141,800	\$ 144,480	\$ 144,480
Net OPEB liability as a percentage of covered employee payroll	23.5%	15.9%	13.9%

Town of Kingfield, Maine  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,328,431	\$ 2,328,431	\$ 2,333,643	\$ 5,211
Excise taxes	-	-	229,675	229,675
Intergovernmental revenue	817,269	872,586	891,990	19,405
Interest income	-	-	63,388	63,388
Interest on taxes and liens	-	-	15,199	15,199
Charges for services	-	142,183	229,709	87,526
Other revenues	-	1,200	22,355	21,155
<i>Total revenues</i>	<u>3,145,701</u>	<u>3,344,400</u>	<u>3,785,958</u>	<u>441,558</u>
<b>EXPENDITURES:</b>				
General government	330,910	407,676	306,196	101,480
Public safety	173,232	270,183	155,186	114,997
Public works	638,128	1,573,454	309,999	1,263,456
Transfer station	72,597	267,469	216,742	50,727
Education	1,636,905	1,636,905	1,636,905	0
County tax	154,865	154,865	154,865	1
Social services	21,250	101,590	19,955	81,635
Debt service	87,901	87,901	87,901	-
Unclassified	206,730	379,209	264,610	114,599
<i>Total expenditures</i>	<u>3,322,518</u>	<u>4,879,253</u>	<u>3,152,359</u>	<u>1,726,894</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(176,817)</u>	<u>(1,534,852)</u>	<u>633,599</u>	<u>2,168,452</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	183	(183)
Operating transfers (out)	(45,500)	(45,500)	(50,500)	5,000
<i>Total other financing sources</i>	<u>(45,500)</u>	<u>(45,500)</u>	<u>(50,317)</u>	<u>4,817</u>
<i>Net changes in fund balances</i>			583,282	
<b>FUND BALANCES - BEGINNING</b>			<u>3,244,079</u>	
<b>FUND BALANCES - ENDING</b>			<u>\$ 3,827,361</u>	

Town of Kingfield, Maine  
 Combining Balance Sheet - All Other Non-Major Governmental Funds  
 June 30, 2020

	<i>Permonent Funds</i>		<i>Total Other Governmental Funds</i>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 11,115	\$	11,115
Interfund receivable	8,215		8,215
<b>TOTAL ASSETS</b>	<b>\$ 19,330</b>	<b>\$</b>	<b>19,330</b>
<b>LIABILITIES AND FUND BALANCE:</b>			
<i>Fund Balance:</i>			
Non-spendable - endowments	\$ 8,215	\$	8,215
Restricted - Wyman scholarship	11,115		11,115
<i>Total fund balance</i>	19,330		19,330
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,330</b>	<b>\$</b>	<b>19,330</b>

Town of Kingfield, Maine  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 All Other Non-Major Governmental Funds  
 For the Year Ended June 30, 2020

	<i>Permanent Funds</i>	<i>Total Other Governmental Funds</i>
<b>REVENUES:</b>		
Interest Income	\$ 183	\$ 183
<i>Total revenues</i>	<u>183</u>	<u>183</u>
 <i>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</i>	 <u>183</u>	 <u>183</u>
 <b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>		
Transfer (to) from General Fund	(183)	(183)
<i>Total other financing sources (uses)</i>	<u>(183)</u>	<u>(183)</u>
 <i>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	 -	 -
 <b>FUND BALANCE - BEGINNING OF YEAR</b>	 <u>19,330</u>	 <u>19,330</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u>\$ 19,330</u>	 <u>\$ 19,330</u>

**Town of Kingfield, Maine**  
**Schedule of Property Valuation, Assessment, and Appropriations**  
**General Fund**  
**For the Year Ended June 30, 2020**

<i>Assessed Valuation:</i>	
Real estate valuation	\$ 123,541,358
Personal property valuation	<u>2,319,800</u>
<i>Total valuation</i>	<u>125,861,158</u>
<i>Tax Commitment:</i>	
Tax assessment at \$18.50 per thousand	<u>2,328,431</u>
<i>Reconciliation of Commitment with Appropriation:</i>	
Current year tax commitment, as above	2,328,431
Estimated revenues	817,269
Appropriated from fund balance	250,000
Budgeted transfers out	<u>(45,500)</u>
<i>Appropriations per original budget</i>	<u>3,350,201</u>
<i>Overlay</i>	<u>(27,683)</u>
<b>TOTAL APPROPRIATIONS</b>	<b>\$ <u>3,322,518</u></b>

**Town of Kingfield, Maine**  
**Schedule of Taxes and Tax Liens Receivable**  
**General Fund**  
**June 30, 2020**

<i>Taxes receivable:</i>			
	Real property	\$	132,552
	Personal property		<u>20,789</u>
		\$	153,342
<i>Tax liens receivable:</i>			
	2019		23,137
	2018		<u>1,539</u>
			<u>24,676</u>
	<b>TOTAL TAXES AND TAX LIENS RECEIVABLE</b>	<b>\$</b>	<b><u>178,018</u></b>

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# **APPENDIX B**

## **PROPOSED FORM OF LEGAL OPINION**

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**Bernstein, Shur,  
Sawyer & Nelson, P.A.**  
146 Capitol Street  
PO Box 5057  
Augusta, ME 04332-5057

T (207) 623 - 1596  
F (207) 626 - 0200

November 30, 2021

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Re: Town of Kingfield, Maine  
2021 \$4,300,000 General Obligation Bonds**

Dear Sir/Madam:

We have examined the law and certified proceedings submitted in connection with the issuance and sale of the \$4,300,000 aggregate principal amount of the 2021 General Obligation Bonds (the "Bonds") of the Town of Kingfield, Maine (the "Town"), a public municipal corporation in the State of Maine organized and existing under and pursuant to the laws of the State of Maine and the Charter of the Town of Kingfield (the "Charter").

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued under and pursuant to the Charter and the provisions of Title 30-A, Section 5772 of the Maine Revised Statutes, as amended.

The Bonds are dated November 30, 2021. Principal of the Bonds will be payable on November 1 of the years in which the Bonds mature and in the principal amounts as set forth below. The Bonds will bear interest from their date, payable semi-annually on May 1 and November 1 in each year, commencing on May 1, 2022, at the respective rates per annum, as follows:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2022	\$430,000		
2023	430,000		
2024	430,000		
2025	430,000		
2026	430,000		
2027	430,000		
2028	430,000		
2029	430,000		
2030	430,000		
2031	430,000		

The Bonds are not subject to optional redemption prior to their stated dates of maturity.

The Bonds will be issued in fully registered form without coupons and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company (“DTC”), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. The Bonds are lettered R and shall be numbered from one (1) upwards.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Noncompliance with such requirements may cause interest on the Bonds to be included in the gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs. The City, in executing its Arbitrage and Use of Proceeds Certificate, Certificate of Treasurer and Certificate Regarding Bank Qualified and Designated Status (collectively, the “Tax Certificates”), has certified to the effect that the Town will comply with the provisions and procedures set forth therein and do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for purposes of federal income tax, be excluded from the gross income of the owners thereof. In rendering this opinion, we have assumed that the Town will comply with the provisions and procedures set forth in its Tax Certificates.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Town has been duly created and validly exists as a public municipal corporation under and pursuant to the laws of the State of Maine.

2. The Town is duly authorized to issue the Bonds which have been duly and validly authorized and issued in accordance with law and constitute valid general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied, subject to certain procedural limitations under Section 5721-A of the Maine Revised Statutes as amended and supplemented to date, without limit as to rate or amount upon all the property located within the territorial limits of the Town and taxable by it, except to any extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V, of the Maine Revised Statutes, as amended, to share any portion of its assessed valuation with another municipality and except to the extent that the Town may establish municipal development districts or affordable housing districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the tax increment revenues on retained captured assessed values of which may not be available for payment of debt service on the Bonds.

3. Under existing statutes and court decisions interest on the Bonds is Under existing statutes and court decisions (a) interest on the Bond is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (b) interest on the Bond is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Under existing statutes, interest on the Bond is exempt from the State of Maine income tax imposed on individuals. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bond in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bond. We express no opinion regarding other federal or state tax consequences arising with respect to the Bond.

4. The Bonds are exempt from taxation within the State of Maine under existing Maine law.

5. The Bonds will constitute “qualified tax-exempt obligations” under Section 265(b) of the Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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November 30, 2021  
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We have examined an executed Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

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Bernstein Shur Sawyer & Nelson

# **APPENDIX C**

## **PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

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STATE OF MAINE  
TOWN OF KINGFIELD

CONTINUING DISCLOSURE AGREEMENT

In connection with the issuance by the Town of Kingfield (the “Issuer”), of its \$4,300,000 2021 General Obligation Bonds, dated as of November 30, 2021 (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Paragraphs 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board established under the Securities and Exchange Act of 1934, as amended, or any successor thereto (the “MSRB”). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer reserves the right to incorporate by reference its Official Statement dated November \_\_\_\_, 2021 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, certain updated financial information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “TOWN FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A and such other financial information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix A or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) business days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in paragraph 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.); or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;
- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (7) Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Paragraph 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any beneficial owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the beneficial owners of the Bonds, (d) to modify the contents, presentation and format of the financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the beneficial owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of beneficial owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the beneficial owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any beneficial owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.

6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.
7. The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address, and telephone number of the initial contact person is: Raylene Tolman, Town of Kingfield, 38 School Street, Kingfield, ME 04947; Telephone: 207-265-4637.

Dated: November 30, 2021

TOWN OF KINGFIELD, MAINE

By: \_\_\_\_\_  
Its Treasurer