

Town of St. Albans, Maine
ANNUAL FINANCIAL STATEMENTS
(with required and other supplementary information)
For the Year Ended December 31, 2020

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In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the remaining fund information of the Town of St. Albans, Maine, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinions

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

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.

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

Auditor's Responsibility

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

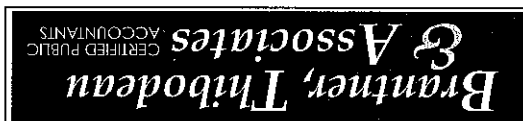
Management's Responsibility for the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of the Town of St. Albans, Maine as of and for the year ended December 31, 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.

Board of Selectmen
Town of St. Albans, Maine

Independent Auditor's Report

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Email: bta@btacpa.com



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and OPEB information on pages 5 through 10 and pages 33 through 34 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the Town of St. Albans, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of St. Albans, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of St. Albans, Maine's internal control over financial reporting and compliance.

Burns & McDonnell Associates

March 29, 2021

TOWN OF ST. ALBANS, ME
Management's Discussion and Analysis
Year ending December 31, 2020

As management of the Town St. Albans, Maine we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented in conjunction with the basic financial statements and the accompanying notes to those financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the Town of St. Albans, Maine using the integrated approach prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

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

The Fund Financial Statements include statements for each of the two categories of activities within the Town - governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

We can report to you that the Town has received the opinions from our auditor. While the Town of St. Albans' financial statements are fairly presented in all material respects, changes are necessary in how we record our financial transactions. We need to tighten our processes and we also need to streamline our reporting of our fund balances.

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities report information about the Town as a whole and its activities. The statements include all assets and liabilities of the Town using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Under accrual accounting, revenues are recognized when earned and expenses are recorded when incurred, irrespective of the timing of the receipt and disbursement of cash.

The Statement of Net Position reports the Town's net position. Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources and is one way to measure the Town's financial health or financial position. Viewed another way, it is what is left over after assets are used to satisfy liabilities. Over time, increases and decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the Town's property tax base and the condition of the Town's infrastructure.

The Statement of Activities illustrates what it costs to provide public services such as administrative services, public works, fire, planning and code enforcement, assessing, town clerk, social services, education, debt and capital expenses. It also identifies the resources necessary to finance those services such as property taxes, other taxes and user fees, license and permit fees, intergovernmental revenue, investments and other miscellaneous revenues.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

The fund financial statements provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by law and by bond covenants. However, other funds are established to help control and manage funds for particular purposes, or to demonstrate that the Town is in compliance with legal requirements regarding the use of certain taxes, grants, or other monies. The Town's basic

activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances that remain at year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a short-term view (approximately one year) of the Town's most readily available assets and current liabilities, along with the resources that flow in and out during the year or shortly thereafter. These statements help to assess the Town's ability to meet its financial obligations over the next twelve months. The difference between the governmental funds financial statement and the government-wide financial statement of activities is reconciled in Statement 4A.

THE TOWN AS A WHOLE

The Town is providing condensed financial information for the year 2020 and comparative information for 2019.

	2020	2019
Assets:		
Current and other assets	\$ 2,407,128	\$2,245,244
Capital assets (net)	\$ 1,574,503	\$1,774,220
Total assets	\$ 3,981,631	\$4,019,664
Liabilities:		
Deferred outflows - OPFB plan	\$ 34,529	1,022
Accrs. Payable	\$ 9,215	\$ 15,167
Accrued Payroll & Expenses	\$ 6,718	\$ 6,604
Due to Fiduciary Funds	\$ 539	\$ 0
Due to Other Agencies	\$ 2,266	\$ 7,838
Prepaid property taxes	\$ 8,037	\$ 3,703
Long-term debt outstanding (< 1 yr)	\$ 108,896	\$ 108,666
Long-term debt outstanding (> 1 yr)	\$ 553,694	\$ 625,375
Capital Leases	\$ 133,085	\$ 175,136
Total liabilities	\$ 822,450	\$ 942,489
Net Position:		
Deferred inflows - OPFB plan	\$ 12,703	16,836
Net investment in capital assets	\$ 833,005	\$ 882,005
Unrestricted	\$ 2,348,002	\$ 2,179,356
Total net position:	\$ 3,181,007	\$ 3,061,361

The cost of all governmental fund activities for 2020 was \$3,466,235. Of that amount, \$2,259,054 was paid as "pass through" assessments to RSU 19, Somerset County and First Park. As shown in the statement of Revenues, Expenditures and Changes in Fund Balances, the amount paid by taxpayers through local property taxes for all governmental activities was \$2,679,193.

The Town paid for the remaining portion of governmental activities with non-property taxes and other revenues, such as interest earnings, state revenue sharing, excise taxes, homestead exemption reimbursement, grants, reserve accounts and other miscellaneous revenues.

The Town's governmental activities include administrative services (including insurance, employee benefits, and other organization-wide expenses), public works, fire, planning and code enforcement, assessing, social services, education, debt and capital expenses.

The net expense represents that portion of governmental activities expenses that was offset by other general revenues or supported by local property taxes.

In May of 2019 the Town invested in 9-month Certificates of Deposit that expired in February of 2020. They were rolled over into 5-month CD's with a higher rate of interest at 1.65% and additional funds were added from the citizens 2019 approved transfers of \$100,000 into the Fire Hall Reserve and \$35,000 into the Capital Equipment Reserve fund. On May 9, 2019 \$304,064.00 of Capital Reserves was transferred into 9 month CD's and earned \$3,976.34 in interest through December 31, 2019. On May 9, 2019, \$189,667 of Trust Funds was transferred into CD's and earned \$2,480.06 in interest through December 31, 2019.

Statement of Activities

Total governmental activities expenses were \$3,462,507. Net position increased by \$123,354 from \$3,061,361 or 3.5%. Total governmental activities expenses increased by \$158,484 or 4.57% from 2019 to 2020.

	2020	2019
Revenues:		
Program Revenues:		
Charges for service	\$ 17,976	\$ 21,261
Operating grants and contributions	40,103	26,288
General Revenues:		
Property taxes	\$ 2,679,193	\$ 2,692,460
Excise tax	383,182	383,276
Grants & contributions	368,079	274,260
Intergovernmental		
Gain on sale of asset (Special Item)	0	131,785
Liens & Interest charges on taxes	29,971	23,294
Interest income	60,835	27,138
Miscellaneous revenues	6,542	11,709
Total Revenues	\$ 3,585,881	\$ 3,591,471
Expenses:		
Program Expenses:		
General Government	\$ 281,816	\$ 261,835
Protection	212,750	163,718
Health and welfare	29,818	13,883
Public Works	642,374	647,115
Public Service	21,415	21,718
County tax	410,414	393,629
Education	1,826,132	1,771,223
First Park	22,508	15,075
Interest expense	19,008	4,288
Capital Outlay	0	2,113
Total Expenses	\$ 3,466,235	\$ 3,304,043
Net position – beginning	\$ 3,061,361	\$ 2,807,496
Restatement for OPEB	\$ 0	\$ (33,563)
Net position – beginning restated	\$ 3,061,361	\$ 2,773,933
Change in net position	123,354	287,428
Net position – ending	\$ 3,181,007	\$ 3,061,361

The following is an analysis of account balances in the Town's general fund for 2020. Comparative information is also presented for the fiscal year 2019.

THE TOWN'S FUNDS

The town has completed their lease purchase through Gorham Leasing for our 2016 Case loader backhoe at an interest rate of 3.250% for five years. The lease was paid in full in July 2020 and we took ownership of the equipment in full.

We also have a lease to own purchase agreement with Santander Leasing Corp at an interest rate of 2.74% for ten years, which will be paid in full in 2025 for our 2018 International E-1 fire truck which we took possession of in September 2017.

LEASE PURCHASES

In 2019 the Town borrowed \$600,000 at 2.003% net from Skowhegan Savings Bank for a road paving project in 2019. The principal payment in 2020 is \$85,714.29 was paid on November 1, 2020. The first interest payment of \$5,871.43 was paid on May 1, 2020 in the amount of \$5,871.43 and a second payment was paid on November 1, 2020 in the amount of \$5,871.34 for a total of \$97,457.15 paid in 2020. In 2021, the amount due in principal and interest will be \$95,897.00.

In 2017, the town borrowed \$184,583 from the Maine Municipal Bond Bank at a rate of 1%, plus fees, for eight years to pay its portion of the 60' x 108' sand salt shed building located off the Hartland Road at the site of the old landfill. The total cost of the project was \$376,757 of which \$294,826 was determined to be eligible for reimbursement at the rate of 61.55% from the State of Maine Department of Transportation. The town received reimbursement in the amount of \$181,478.95. This loan will be paid in full October 2024. The remaining balance as of December 31, 2020 was \$5.

DEBT ADMINISTRATION

Governmental activities:	2020	2020 Program	2020 Net	2019 Net
General Government	\$ 281,816	\$ 18,805	\$ (263,011)	\$ (240,204)
Protection	212,750	21,244	(191,506)	(163,106)
Health and Welfare	11,584	2,024	(9,349)	(10,497)
Public Service	21,415	--	(21,415)	(21,718)
Public works	642,374	6,432	(635,942)	(639,393)
County tax	410,414	--	(410,414)	(403,075)
Education	1,826,132	--	(1,826,132)	(1,771,223)
First Park	22,508	8,644	(13,864)	(6,161)
Interest long-term debt	19,008	--	(19,008)	(4,288)
Capital Outlay	--	930	930	3,326
Cemeteries	18,234	--	(18,234)	--
Total governmental activities	\$3,466,235	\$ 58,079	\$ (3,408,156)	\$ (3,218,021)

The Town's governmental activities include administrative services (including insurance, employee benefits, and other organization-wide expenses), public works, fire, planning and code enforcement, assessing, social services, education, debt and capital expenses. Each program's net cost (total cost less revenues generated by the activities) is presented as follows for 2020 with a 2019 comparison.

2019
 Expense
 2018 Net

The annual budget seeks the efficient, effective and economical use of the Town's resources. The budget, through its adoption at Town Meeting, establishes the direction of the Town, allocates its resources, and establishes its priorities. The annual budget is first drafted by the Town Manager, Road Commissioner and Fire Chief. The Selectmen then meet several times to review, offer recommendations and then take their vote on the proposed budget. Typically the Budget Committee begins their review and acceptance once the Selectmen have completed theirs. The final proposed budget is what is presented at town meeting each year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town expended \$23,702 on Pond Road road improvements to prepare the road for paving in 2021. By contrast there was \$49,500 spent for year ending December 31, 2018; \$48,469 in 2017 and \$45,000 in 2016. This work was funded through the Capital Reserve DOT account from monies received by the Department of Transportation for the town's plowing of state aid roads. The year ending balance in the MaineDOT Reserve is \$109,574.

Many of the Town's dirt roads were improved through laying and grading of gravel. Pond Road was improved as part of a two-year project to prepare the surface in 2020 for road paving in 2021. Roads must be improved on a continual basis due to deterioration attributed to the negative impacts. The Town does its best to keep up with repairs by doing gravel work each year on specific roads and paving and repaving when financially able to do so.

The capital assets of the Town are those assets used in the performance of the Town's functions, including infrastructure assets. On December 31, 2020 net capital assets of governmental activities totaled \$1,574,503 which represents a decrease of \$ 199,717 over the previous year of 12.6%. The net Capital assets was \$1,774,220 for the year ending December 31, 2019.

Capital Assets and Certain Infrastructure Assets

Expenditures by function:		Totals	
General Government	\$ 278,583	\$ 267,158	\$ 151,838
Protection	\$ 183,543	\$ 151,838	\$ 151,838
Community Services	\$ 14,261	\$ 13,883	\$ 13,883
General Assistance	\$ 7,154	\$ -	\$ -
Public Works	\$ 477,260	\$ 523,461	\$ 523,461
Public Service (Cemeteries)	\$ 18,234	\$ 19,980	\$ 19,980
Somerset County	\$ 410,414	\$ 403,075	\$ 403,075
RSU 19	\$1,826,132	\$ 1,771,223	\$ 1,771,223
Oakland First Park	\$ 22,508	\$ 15075	\$ 15075
Principal retirement	\$ 150,717	\$ 95,583	\$ 95,583
Interest Expense	\$ 19,008	\$ 4,288	\$ 4,288
Capital Outlay	---	\$ 790,574	\$ 790,574
Totals	\$ 3,417,660	\$ 4,056,138	\$ 4,056,138

2020		2019	
Property Taxes	\$ 2,728,498	\$ 2,649,526	\$ 2,649,526
Excise Taxes	\$ 383,182	\$ 383,276	\$ 383,276
Intergovernmental	\$ 409,041	\$ 319,502	\$ 319,502
Investment earnings	\$ -	\$ -	\$ -
Liens & Interest charges	\$ 38,617	\$ 24,761	\$ 24,761
Licenses & Permits	\$ 17,976	\$ 21,261	\$ 21,261
Interest Earnings	\$ 17,907	\$ 18,898	\$ 18,898
Miscellaneous Other Revenue	\$ 27,863	\$ 40,372	\$ 40,372
Donations	\$ 20,747	\$ -	\$ -
Totals	\$ 3,643,831	\$ 3,457,596	\$ 3,457,596

Trends

The largest source of non-property tax revenues is excise taxes. For the last three years, the Town has enjoyed steady growth in excise tax collections, due to increases in car and truck sales as people replace aging vehicles and also due to the increased cost of vehicles. Excise tax collections in 2020 were \$383,182 and in 2019 that number was \$383,276 and in 2018 \$374,861, which was a 2.2% over 2018 collections. This further confirms slower, more conservative increase than the 10-year average increase of 3.9%.

State revenue sharing is another significant source of revenue. In 2018 we received \$95,553. In 2019 we received \$131,768. In 2020 we received \$180,940, an increase of \$49,172 or 37.4%. Overall, the fund does generally move upward, with an average increase over the past ten years of 0.54%. Town officials continue to be concerned about the future of this revenue source and we reduced our budget for 2021 by 25%. Future budgets will need to address the Town's exposure to such a sizable revenue loss.

Budget Overview-5-Year Plan for Truck Replacement

The Board of Selectmen and Budget Committee continue into the 2021 budget year with concerns of St. Albans future needs. In 2021, they are proposing an appropriation of \$15,000 into the Fire Hall Reserve account to prepare for the future construction of a new fire station. The funds will be used as seed money when applying for grant funds.

In 2020, our citizens approved the first year of a five year plan to replace our aging fleet of trucks. At their annual meeting they approved \$65,000 to be appropriated to the Public Works Equipment account for the 2021 purchase of a single axle truck. The Five Year Plan calls for \$85,000 per year to be transferred into the Public Works Equipment account for the 2021 purchase of the equipment (Plow, Wing, and Body) for the truck ordered in 2020 to be delivered in 2021 and to purchase a 1-ton dump truck with plow. In 2023, a second single-axle or wheeler (Duplex) will be purchased and in 2025-2026 the final single axle or wheeler will be replaced. The Plan will be re-evaluated each year by the Road Commissioner, Town Manager, Selectmen, Budget Committee, and citizens.

Fund Balance

Unassigned fund balance has grown each year since FY'10. As of December 31, 2020, the balance was \$1,390,417 As of December 31, 2019 it was \$1,311,279. Bond rating agencies consider a growing fund balance to be a positive sign, speaking to the credit strength of a municipality. This fund balance has grown and can be utilized to offset future projects. The Town's Fund Balance Policy states that it maintain an *unrestricted* fund balance of no less than 12% of the previous year's operating budget less debt service. As of December 31, 2020, unrestricted fund balance exceeds the requirement in order to have a "safety margin" guarding against revenues failing to meet estimates.

The Future

The Town maintains its strong financial position due to the practice of conservative budgeting. As noted above, unrestricted fund balance allows us to have nearly four months of funds available in the event of a liquidity crunch. We fully expect to maintain this strong financial position in future years. There is less to decide upon in 2021. We propose to continue to grow the fire hall reserve, but at a lower amount of \$15,000 while we focus on replacing our aging fleet of trucks and wait for the Fire Committee to make recommendations for the future buildings. The balance of the Fire Hall Reserve on December 31, 2020 was \$353,076 with an additional \$56,418 available through the Fasse Fire Hall Reserve account. The Public Works Equipment Reserve Fund balance on December 31, 2020 was \$146,380. In 2021 we are proposing a transfer of \$85,000 which will bring our balance up to \$231,380 unless the truck is delivered first, which is likely. The proposed 2021 municipal budget, including surplus appropriations of \$85,000, is \$1,285,798.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report intends to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to demonstrate its accountability for the funds entrusted to it. If you have any questions about this report or need any financial information, do not hesitate to contact Town Manager, Richard Fisher

**Town of St. Albans, Maine
Statement of Net Position
December 31, 2020**

Governmental	Activities
	\$ 2,113,131
	292,526
	1,471
	34,582
	1,539,921
	3,981,631
	34,529
LIABILITIES	
Accounts payable	9,215
Prepaid taxes	8,037
Accrued payroll and expenses	6,718
Due to fiduciary funds	539
Due to other governmental agencies	2,266
Long-term liabilities	
Due within one year	
Capital lease payable	25,198
Bonds payable	108,896
Due in more than one year	
Net OPEB liability	54,177
Capital lease payable	107,887
Bonds payable	499,517
Total liabilities	822,450
Deferred outflows related to OPEB	12,703
NET POSITION	
Net investment in capital assets	833,005
Unrestricted	2,348,002
Total net position	\$ 3,181,007

See accompanying notes to basic financial statements.

Town of St. Albans, Maine
 Balance Sheet
 Governmental Funds
 December 31, 2020

ASSETS	
Cash and cash equivalents	\$ 2,113,131
Taxes receivable	292,526
Other receivables	1,471
Total assets	\$ 2,407,128
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 9,215
Payable to other governments	2,266
Due to other funds	539
Other accrued salaries and expenses	6,718
Total liabilities	18,738
Deferred inflows of resources	
Prepaid taxes	8,037
Property taxes	240,138
Total deferred inflows of resources	248,175
Fund balances	
Committed fund balances	717,419
Assigned fund balances	32,379
Unassigned	1,390,417
Total fund balances	2,140,215
Total liabilities, deferred inflows of resources and fund balances	\$ 2,407,128

See accompanying notes to basic financial statements.

**Town of St. Albans, Maine
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2020**

	Total fund balance, governmental funds
	\$ 2,140,215
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	1,574,503
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds. This amount represents deferred inflows - property taxes.	240,138
Certain deferred outflows of resources, deferred inflows of resources, and internal balances related to pensions are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	
Deferred outflows related to pensions and OPEB	34,529
Deferred inflows related to pensions	(12,703)
Some liabilities, (such as Notes and Bonds Payable, Capital Lease Payable and Net OPEB liability), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Bonds payable	(608,413)
Capital lease payable	(133,085)
Net OPEB liability	(54,177)
	<u>\$ 3,181,007</u>

See accompanying notes to basic financial statements.

Town of St. Albans, Maine
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

REVENUES				
Property taxes	2,728,498			
Excise taxes	383,182			
Liens and interest charges	38,617			
Licenses, fees and permits	17,976			
Intergovernmental	409,041			
Interest earnings	17,907			
Donations	20,747			
Miscellaneous	27,864			
Total revenues	3,643,832			
EXPENDITURES				
Current				
General government	278,583			
Protection	183,543			
Public works	477,260			
Town properties and donations	9,846			
General assistance	7,154			
Community services	14,261			
Education	1,826,132			
County tax	410,414			
Cemeteries	18,234			
Firstpark	22,508			
Debt service	150,717			
Principal	19,008			
Interest and other charges	3,417,660			
Total expenditures	3,417,660			
Excess of revenues over expenditures	226,172			
FUND BALANCES - BEGINNING	1,914,043			
FUND BALANCES - ENDING	\$ 2,140,215			

See accompanying notes to basic financial statements.

Town of St. Albans, Maine
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

	\$ 226,172
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	17,915
Capital outlay	(217,633)
Depreciation	(57,951)
Revenues in the statement of activities that do not provide available current financial resources are not reported as revenues in the funds. Change in deferred inflows - property taxes.	33,507
Some deferred outflows of resources and deferred inflows of resources related to pensions reported in the statement of activities do not require the use of current financial resources and these are not reported in governmental funds:	4,133
Deferred outflows related to OPEB	
Deferred inflows related to OPEB	150,717
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.	
Principal repaid	(37,214)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Net change in OPEB liability expense	\$ 119,646
Change in net position of governmental activities	\$ 119,646

See accompanying notes to basic financial statements.

Town of St. Albans, Maine
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

Private-Purpose Trusts	
\$ 252,091	Cash and cash equivalents
539	Due from other funds
252,630	Total assets
\$ 252,630	NET POSITION
	Restricted for:
	Individuals and other purposes

Town of St. Albans, Maine
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2020

<u>Private-Purpose Trust Funds</u>	
Interest earnings	\$ 2,272
Contributions	539
Total additions	<u>2,811</u>
Net position - beginning	249,819
Net position - ending	<u>\$ 252,630</u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of St. Albans, Maine, was incorporated in 1813 under the laws of the State of Maine. The Town operates under a Selectmen/Manager form of government and provides the following services: general government, public safety, public works, health and sanitation.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America application to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and the Financial Accounting Standards Board, when applicable. The more significant policies of the Town are described below.

A. FINANCIAL REPORTING ENTITY

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. In accordance with GASB Statement No. 61, the Town is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the Town. Additionally, the Town is required to consider other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no entities that should be included as part of these financial statements.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements report information of all the activities of the Town, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program; and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The Town segregates transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (CONTINUED)

1. Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major fund:

General Fund

The general fund is the primary operating fund of the Town and always classified as a major fund. This fund is used to account for all financial resources not accounted for in other funds.

2. Fiduciary Funds (not included in the government-wide statements)

The Town has presented the following fiduciary funds:

Private Purpose Trust Funds

Private purpose funds are funds held by the Town in a trustee capacity and are accounted for in essentially the same manner as a proprietary fund. Private purpose trusts for the Town account for cemetery and various scholarship accounts. Capital maintenance of private purpose funds is critical.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and the fund financial statement for fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities, whether current or non-current, are included on the statement of net position and the operating statements present increases, revenues, and decreases, expenses, in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, intergovernmental revenues and charges for services. All other governmental fund revenues are recognized when received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING

The Town adopts an annual budget for the Town's general fund in account form at town meeting. Generally, appropriations for the general fund lapse at year end, except for balances approved to be carried forward by Town Selectmen. The Town utilizes a formal budgetary accounting system to control revenues accounted for in the general fund. These budgets are established in accordance with the various laws which govern the Town's operations.

F. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents

For purposes of the statement of net position, the Town considers all highly liquid investments, except for money market mutual funds, with a maturity of three months or less to be cash equivalents. Additional information is presented in Note 2.

2. Intertund Receivables and Payables

Intertund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements.

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	7-40 years
Machinery and equipment	5-20 years
Vehicles	5-15 years
Infrastructure	40 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

4. Long-term Liabilities

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

All long-term liabilities to be repaid from governmental resources are reported as liabilities in government-wide statements. Long-term liabilities consist of bonds and capital leases payable and net OPEB liability.

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

5. Compensated Absences

Vacation and sick pay benefits, which are substantially non-vesting, are not material and are not reported.

6. Use of Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

7. Government-wide Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other amounts included in net position are reported as unrestricted. For expenditures that qualify for either classification, amounts will be first spent from restricted net position then from unrestricted net position.

8. Governmental Fund Balances

The Governmental Accounting Standards Board (GASB) has issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance to be properly reported within one of the five fund balance categories listed below:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

8. Governmental Fund Balances (Continued)

Nonspendable such as fund balances associated with inventories or prepaid expenses. The nonspendable fund balance may also include amounts that are required to be maintained intact, such as the corpus of an endowment fund.

Restricted fund balance classification includes amounts that can be used only for the specific purposes stipulated by constitution, grantors or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, which is voter approval in the selectmen form of government.

Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Selectmen is authorized to assign amounts for a particular purpose under authority granted by voter approval.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Town's policy on unassigned fund balance is to maintain an unassigned fund balance no less than 12% of the previous year's budget less debt service.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

9. Revenue Recognition - Property Taxes

Property taxes were levied on assessed values of April 1, 2020, and were due September 30, 2020. Interest was charged at 8.00% on amounts not paid by the due date. Upon the expiration of eight months, and within one year from the date of the original commitment, a tax lien is recorded for all delinquent taxes on real estate. Liens are filed eight to twelve months after the committed date. Property taxes assessed and collected during 2020 and during the first sixty days of 2021 are recognized as revenue in 2020. Receivables estimated to be collectible after the sixty-day period are recorded as deferred inflow of resources in the general fund.

Assessed value	
Real estate	\$ 158,604,700
Personal property	2,676,100
	<u>\$ 161,280,800</u>
Tax rate (per \$1,000)	16.75
Commitment	\$ 2,701,453
Less collections and abatements	<u>(2,477,624)</u>
Receivable at December 31, 2020	\$ 223,829
Collection rate	92%

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

10. Recent Accounting Pronouncements

During the year ended December 31, 2020, the Town implemented Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities*. This statement improves financial reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

NOTE 2. DEPOSITS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2020, the Town reported deposits of \$2,365,222 with bank balances of \$2,403,507. Of the Town's total bank balance of \$2,403,507, \$500,000 is insured by FDIC, \$1,903,507 was collateralized by underlying securities held by the related bank, and \$0 was uncollateralized. Deposits of \$2,113,131 have been recorded in the Town's governmental funds and \$252,091 in the fiduciary funds.

Town of St. Albans, Maine
Notes to Basic Financial Statements
December 31, 2020

NOTE 3. CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2020, is as follows:

	Balance 12/31/19	Additions	Retire- ments	Balance 12/31/20
Capital assets not being depreciated	\$ 34,582	-	-	\$ 34,582
Land	-	-	-	-
Capital assets being depreciated	485,845	-	-	485,845
Buildings and improvements	-	-	-	-
Vehicles	1,023,683	-	-	1,023,683
Equipment	68,791	17,915	-	86,706
Infrastructure	2,414,222	-	-	2,414,222
Total capital assets being depreciated	3,992,541	17,915	-	4,010,456
Less accumulated depreciation	(89,740)	(19,301)	-	(109,041)
Vehicles	(794,382)	(54,812)	-	(849,194)
Equipment	(52,661)	(3,169)	-	(55,830)
Infrastructure	(1,316,120)	(140,350)	-	(1,456,470)
Total accumulated depreciation	(2,252,903)	(217,632)	-	(2,470,535)
Total capital assets, being depreciated, net	1,739,638	(199,717)	-	1,539,921
Capital assets, net	\$ 1,774,220	\$ (199,717)	-	\$ 1,574,503

Depreciation expense was charged to governmental activities as follows:

General government	\$ 3,658
Protection	29,207
Public works	183,030
Public service	1,737
Total depreciation expense	\$ 217,632

Town of St. Albans, Maine
Notes to Basic Financial Statements
December 31, 2020

NOTE 4. LONG-TERM LIABILITIES

The following is a summary of the Town of St. Albans's long-term liabilities transactions for the year ended December 31, 2020.

Principal Portion Due Within One Year	Principal Balance 12/31/20	Increases	Decreases	12/31/19

General Obligation Bonds Payable

Maine Municipal Bond Bank

General obligation bond dated 2017, due 2024 with annual principal and interest payments. Interest at 1.00 %.

General obligation bond dated 2019, due 2026 with annual principal and interest payments interest varies 1.72 % to 2.12 %.

\$ 117,079	\$ (2,952)	\$ 94,127	\$ 23,182	85,714
600,000	(85,714)	514,286		
717,079	(108,666)	608,413	108,896	
175,136	(42,051)	133,085	25,198	
\$16,962	(164)	\$ 54,177	N/A	
\$ 909,177	\$ (150,881)	\$ 795,675	\$ 134,094	

Net OPEB Liability

Capital Leases Payable

Total Long-term bonds payable

Future maturities of general obligation bonds payable are as follows:

Period Ended December 31	Principal	Interest	Total
2021	\$ 108,896	\$ 11,124	120,020
2022	109,127	9,307	118,434
2023	109,362	7,452	116,814
2024	109,600	5,544	115,144
2025	85,714	3,574	89,288
2026	85,714	1,817	87,531
	\$ 608,413	\$ 38,818	\$ 647,231

**Town of St. Albans, Maine
Notes to Basic Financial Statements
December 31, 2020**

NOTE 4. LONG-TERM LIABILITIES (CONTINUED)

Capital leases payable

The Town is the lessee of a Santander Fire Truck expiring in 2025. The liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset acquired.

As of December 31, 2020, the Town had recorded \$256,776 equipment related to outstanding capital leases. Amortization of this asset is included with depreciation expense. Accumulated depreciation for these assets at December 31, 2020 is \$145,166.

Minimum future lease payments under capital leases as of December 31, 2020 are:

	2021	\$ 28,844		
	2022	28,844		
	2023	28,844		
	2024	28,844		
	2025	28,844		
		144,220		
		(11,135)		
		\$133,085		
			Less amount representing interest	
			Present value of minimum lease payments	

In accordance with Maine law, no municipality shall incur debt for specific purposes in excess of certain percentages of State valuation of such municipality. At December 31, 2020, the Town was in compliance with these limitations.

Overlapping Debt

The Town is contingently responsible for a proportionate share of the overlapping debt of Regional School Unit No. 19. At June 30, 2020, the Unit had debt outstanding of \$653,018 of which the Town's share was \$104,511.

In addition, the Town is contingently liable for a proportionate share of the overlapping debt of Somerset County. At December 31, 2020, the County had debt outstanding of \$11,505,000, of which the Town share was approximately 3.00% for a total of \$363,857.

Town of St. Albans, Maine
Notes to Basic Financial Statements
December 31, 2020

NOTE 5. FUND BALANCE – COMMITTED

Fund balance - committed consists of the following as of December 31, 2020:

Highway Reserve	\$ 109,586
225 th Celebration Reserve	8,456
Salt & Sand Storage Reserve	7,147
Fire Department Capital Reserve	7,772
Fire Department Donation Reserve	15,715
Public Works Capital Reserve	146,380
Dams Reserve	308
Bridges Reserve	53
Community Park Reserve	1,896
Ball Field Reserve	5,398
Town Hall Reserve	5,214
Fire Hall Reserve	353,076
Fasse Fire Department Reserve	56,418
	<u>\$ 717,419</u>

NOTE 6. FUND BALANCE – ASSIGNED

Fund balance - assigned consists of the following as of December 31, 2020:

Flags Account	\$ 698
CDBG Grant Account	4,017
Animal Control	15,115
Celebration and summerfest	53
Cats Meow	1,681
Fireworks Account	105
Fire equipment	3,967
Fire department donations	37
Donation Dam Site Account	603
Playground donation	930
GA Community Donation	250
Roads	4,923
	<u>\$ 32,379</u>

NOTE 7. DEFERRED COMPENSATION PLAN

The Town provides a 401(a) and a 457(b) deferred compensation plan administered through Valic. The plan permits salary deferral to future years. Participation in the plan is optional and can be modified by the Town Selectmen at any time. The Town is required to contribute 4% of the employee's compensation into the 401(a) plan. Employer contributions are vested 20% per year and are fully vested upon 5 years of service. During 2020, the Town contributed \$10,176. Employees may contribute up to 15% of their compensation into the 457(d) plan. Employees elected to defer a total of \$15,332.

NOTE 8. OTHER POST RETIREMENT BENEFIT (OPB) PLAN

Plan Description

The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements.

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Changes in the discount rate affect the measurement of the Total OPB Liability (TOL). Lower discount rates produce higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the TOL to the discount rate.

Benefits Provided

Under the Health Plan, MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms – At December 31, 2020, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employee entitled to but not yet receiving benefits	1
Active employees	4
Total	<u>5</u>

OPB Liabilities, OPB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPB

The Town's total Health Plan OPB liability of \$54,177 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

Town of St. Albans, Maine
Notes to Basic Financial Statements
December 31, 2020

NOTE 8. OTHER POST RETIREMENT BENEFIT PLAN (CONTINUED)

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
	<u>\$ 16,962</u>
Balance at December 31, 2019	\$ 16,962
Changes for the year:	
Service Cost	2,415
Interest	791
Changes of benefit terms	(1,134)
Differences between expected and actual experience	26,532
Changes in assumptions or other inputs	8,782
Benefit payments	(171)
Net changes	<u>37,215</u>
Balance at December 31, 2020	<u>\$ 54,177</u>

Change in assumptions reflects a change in the discount rate from 4.10% to 2.74% and also a change in valuation method from Projected Unit Credit funding to the Entry Age Normal funding method.

For the year ended December 31, 2020, The Town recognized OPEB expense of \$4,039 related to the Health Plan. At December 31, 2020, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

Deferred Outflows of Resources	\$22,110	Differences between expected and actual experience	\$11,488
Deferred Inflows of Resources	7,962	Changes in assumptions or other inputs	1,215
	<u>4,457</u>	Employer contributions after the measurement date	<u>\$12,703</u>
	<u>\$34,529</u>	Total	<u>\$12,703</u>

\$4,457 reported as deferred outflows related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred inflows and outflows will be recognized as pension expense as follows:

Year ended December 31:	Thereafter
2021	—
2022	1,967
2023	1,968
2024	5,583
2025	5,584
	<u>\$17,369</u>

NOTE 8. OTHER POST RETIREMENT BENEFIT (OPRB) PLAN (CONTINUED)

Actuarial Assumptions - Health Plan - The total OPRB liability in the January 1, 2019 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Inflation 3.00% per annum
- Salary increases 2.75% per annum
- Discount rate 2.74% per annum
- Healthcare cost trend rates 8.27% for 2018, decreasing to 4.00% for 2032
- Retirees' share of the benefit related costs 100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate - Health Plan - The rate used to measure the total OPRB liability for the Health Plan was 4.10% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The 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.

Sensitivity of the Total Health Plan OPRB Liability to Changes in the Discount Rate - The following presents the Town's total OPRB liability related to the Health Plan calculated using the discount rate of 4.10%, as well as what the Town's total OPRB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Total OPRB Liability	\$ 62,033	\$ 54,177	\$ 47,768
Plan Fiduciary Net Position	\$ 62,033	\$ 54,177	\$ 47,768
Net OPRB Liability	\$ 62,033	\$ 15,177	\$ 47,768
Plan Fiduciary Net Position as a Percentage of the Total OPRB Liability	0.00%	0.00%	0.00%

A one percent decrease in the discount rate increases the Net OPRB Liability (NOL) by approximately 14.5%. A one percent increase in the discount rate decreases the NOL by approximately 11.8%.

Sensitivity of Net OPRB Liability to Changes in Healthcare Cost Trend Rates - The table below presents the Town's total OPRB liability related to the Health Plan calculated using the healthcare cost trend rates of 8.27%, as well as what the Town's total OPRB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (7.27%) or 1 percentage-point higher (9.27%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare	1% Increase
Total OPRB Liability	\$ 47,879	\$ 54,177	\$ 61,853
Trend	\$ 47,879	\$ 54,177	\$ 61,853

A one percent decrease in the healthcare trend rate decreases the NOL by approximately 11.6%. A one percent increase in the healthcare trend rate increases the NOL by approximately 14.2%.

NOTE 9. INSURANCES AND PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of losses related to torts, theft, damage, and destruction of assets, injuries to employees, and natural disasters. The Town maintains various commercial insurance policies to mitigate these risks to an acceptable level and to limit the Town's exposure to losses.

The Town is a member of the Maine Municipal Association - Property and Casualty Pool ("Pool"). The Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. There were no deductible claims for the fiscal year.

The Town is also a member of the Maine Municipal Association - Workers Compensation 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 workers compensation coverage and develop a comprehensive loss control program.

NOTE 10. EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 29, 2021, the date on which the financial statements were available to be issued.

Town of St. Albans, Maine
 Budget and Actual (with Variances)
 General Fund
 For the Year Ended December 31, 2020

REVENUES	Budgeted Amounts		Actual	
	Original	Changes *	Final	Amounts
Property taxes	\$ 2,701,453	\$ -	\$ 2,701,453	\$ 2,728,498
Excise taxes	383,600	-	383,600	383,182
Lens and interest charges	18,500	-	18,500	38,617
Licenses and permits	15,700	-	15,700	17,976
Intergovernmental	363,430	-	363,430	409,041
Investment earnings	5,000	-	5,000	17,907
Donations	-	20,710	20,710	20,747
Miscellaneous	16,400	8,644	25,044	27,864
Total revenues	3,504,083	29,354	3,533,437	3,643,832
Current				
General government	298,901	-	298,901	278,583
Protection	156,981	20,710	177,691	183,543
Public works	489,736	-	489,736	477,260
Town properties and donations	11,375	-	11,375	9,846
General assistance	10,000	-	10,000	7,154
Community services	15,668	-	15,668	14,261
Education	1,826,132	-	1,826,132	1,826,132
County tax	410,414	-	410,414	410,414
Cemeteries	24,375	-	24,375	18,234
Overlay	-	-	-	-
Firstpark TIF	14,975	8,644	23,619	22,508
Debt service	150,717	-	150,717	150,717
Principal	19,423	-	19,423	19,008
Interest and other charges	85,000	(85,000)	-	-
Capital outlay	3,513,697	(55,646)	3,458,051	3,417,660
Total expenditures				
Excess (deficiency) of revenues over expenditures	(9,614)	85,000	75,386	226,172
OTHER FINANCING SOURCES (USES)				
Use of carryover fund balances	10,000	-	10,000	-
Contributions to and use of committed carryover fund balances	40,000	(85,000)	(45,000)	-
Overlay	(41,386)	-	(41,386)	-
Total other financing sources and uses	8,614	(85,000)	(76,386)	-
SPECIAL ITEM				
Proceeds from sale capital assets	1,000	-	1,000	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ 226,172
FUND BALANCES - BEGINNING				
	\$ -	\$ -	\$ -	\$ 1,914,043
FUND BALANCES - ENDING				
				\$ 2,140,215

* - Use of additional revenues and special meeting approvals

Variance with Final Budget - Positive (Negative)

**Town of St. Albans, Maine
Postretirement Employee Healthcare Plan -
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2020**

Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Actual Valuation Date January 1, 2020	Actual Valuation Date January 1, 2019	Actual Valuation Date January 1, 2018
\$ 2,415	\$ 2,645	\$ 1,592
791	627	1,364
(1,134)	-	-
26,532	-	(22,975)
8,782	(1,823)	1,286
(171)	(164)	(188)
\$ 37,215	\$ 1,285	\$ (18,921)
\$ 16,962	\$ 15,677	\$ 34,598
\$ 54,177	\$ 16,962	\$ 15,677
Total OPEB liability - ending		
Plan fiduciary net position		
Contributions - employer	164	188
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(171)	(188)
Administrative expense	-	-
Net change in plan fiduciary net position		
-	-	-
Plan fiduciary net position - beginning		
-	-	-
Plan fiduciary net position - ending		
\$ 54,177	\$ 16,962	\$ 15,677
Net OPEB liability - ending		
Covered employee payroll		
\$ 170,440	\$ 152,978	\$ 152,978
31.8%	11.1%	10.2%
Net OPEB liability as a percentage of covered employee payroll		

Notes to schedule:

Changes in Benefit Terms - None
 Changes of Assumptions - Under the Health Plan, changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2020	2.74%
2019	3.87%
2018	3.58%

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

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

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

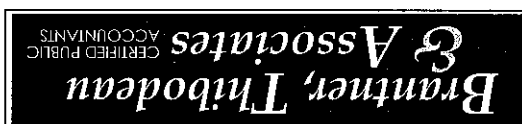
Internal Control over Financial Reporting

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of the Town of St. Albans, Maine as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of St. Albans, Maine's basic financial statements and have issued our report thereon dated March 29, 2021.

Board of Selectmen
Town of St. Albans, Maine

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of St. Albans, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Town of St. Albans, Maine, in a separate letter to management dated March 29, 2021.

Purpose of this Report

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

Maine Chartered Accountants

March 29, 2021