

Financial Statements

Town of Alfred, Maine

June 30, 2022

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Town of Alfred, Maine

June 30, 2022

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Independent Auditors' Report

**To the Selectboard
Town of Alfred
Alfred, Maine**

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Alfred, Maine, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Alfred, Maine, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Alfred, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Alfred, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the Town's Total MMEHT Plan OPEB Liability and Related Ratios, the Notes to the Schedule, the Schedule of the Town's Proportionate Share of the Net Pension Liability, the Schedule of Town Contributions and the Notes to these Schedules, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Alfred, Maine's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Purdy Powers & Company

Professional Association

Portland, Maine
November 17, 2022



Town of Alfred
Office of The Selectmen
P.O. Box 850
16 Saco Road
Alfred, ME 04002
324-5872 x202



As management of the Town of Alfred, Maine, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2022. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The Town's assets exceed liabilities by \$4,001,299 as of June 30, 2022, compared to \$3,603,943 as of June 30, 2021.

The Town's governmental funds General Fund Balance on a budgetary basis was \$1,007,577 as of June 30, 2022, compared to \$586,533 as of June 30, 2021.

Overview of the Financial Statements

The Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report supplemental information to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements provide information about the activities of the Town as a whole and present both a long-term and short-term view of the Town's finances. Financial reporting at this level is similar to the accounting used by most private-sector companies.

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. Evaluation of the overall economic health requires other non-financial factors, such as changes in the Town's property tax base and the condition of the Town's roads, as well as many others.

The Statement of Activities reports the year change in net position. This statement includes all of the year's revenues and expenses regardless of when cash is received or paid.

Management's Discussion and Analysis - Continued

Town of Alfred, Maine

The Statement of Net Position and the Statement of Activities consist of:

- Governmental activities: Most of the Town's basic services are reported here, including the general administration, public safety, public works, health and sanitation, community services, library, and recreation. Property and excise taxes, rescue service revenue, and intergovernmental funds finance most of these activities.

Fund Financial Statements

For governmental activities, these statements focus on how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Financial Analysis of the Town as a Whole - Government-wide Financial Statements

The following schedule is a summary of net position as of June 30, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Governmental Activities			
Current and other assets	\$ 1,994,624	\$ 1,468,794	\$ 525,830
Capital assets	2,413,627	2,543,318	(129,691)
Total Assets	<u>4,408,251</u>	<u>4,012,112</u>	<u>396,139</u>
Deferred outflows related to OPEB	10,097	10,801	(704)
Deferred outflows related to pensions	122,881	125,233	(2,352)
Total Deferred Outflows	<u>132,978</u>	<u>136,034</u>	<u>(3,056)</u>
Other liabilities	153,361	125,103	28,258
Long-term liabilities	165,004	366,685	(201,681)
Total Liabilities	<u>318,365</u>	<u>491,788</u>	<u>(173,423)</u>
Deferred inflows related to OPEB	39,511	50,651	(11,140)
Deferred inflows related to pensions	182,054	1,764	180,290
Total Deferred Inflows	<u>221,565</u>	<u>52,415</u>	<u>169,150</u>
Net investment in capital assets	2,288,281	2,428,692	(140,411)
Restricted, expendable	363,950	343,751	20,199
Restricted, nonspendable	22,500	22,500	-
Unrestricted	1,326,568	809,000	517,568
Net Position	<u>\$ 4,001,299</u>	<u>\$ 3,603,943</u>	<u>\$ 397,356</u>

Total assets increased as a result of the Town's ARPA allocation being received during the year and none of it expended. Although total liabilities decreased this was offset by an increase in the deferred inflows related to future pension liabilities. The overall increase gives the Town more available funding for future use.

The following schedule is a summary of the statement of activities for the years ended June 30, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Governmental Activities			
Revenues:			
Program revenues:			
Charges for services	\$ 263,373	\$ 276,611	\$ (13,238)
Operating grants and contributions	384,449	66,814	317,635
General revenues:			
Property taxes	4,806,955	4,466,452	340,503
Excise taxes	788,807	788,031	776
Intergovernmental	676,169	560,753	115,416
Other	150,789	118,110	32,679
Total Revenues	<u>7,070,542</u>	<u>6,276,771</u>	<u>793,771</u>
Expenses:			
General			
General government	809,769	810,952	(1,183)
Public safety	767,804	722,571	45,233
Public works	1,176,202	679,764	496,438
Health and sanitation	299,176	282,855	16,321
Community services	5,106	5,065	41
Recreation	20,935	21,333	(398)
Cemeteries	6,180	6,180	-
Welfare	2,580	5,120	(2,540)
Library	101,240	102,142	(902)
County tax	169,660	163,480	6,180
Education	3,290,856	3,103,123	187,733
Unclassified	23,678	5,275	18,403
Interest on long-term debt	-	413	(413)
Total Expenses	<u>6,673,186</u>	<u>5,908,273</u>	<u>764,913</u>
Change in Net Position	<u>\$ 397,356</u>	<u>\$ 368,498</u>	<u>\$ 28,858</u>

Revenues increased due to receiving the one-time ARPA funds and more property taxes collected from an increase in the mil rate. Expenses increased as the Town re-established its road paving program that had been halted last year due to economic concerns related to the COVID pandemic. The RSU #57 assessment once again continues to increase, this year by 6%.

Management’s Discussion and Analysis - Continued

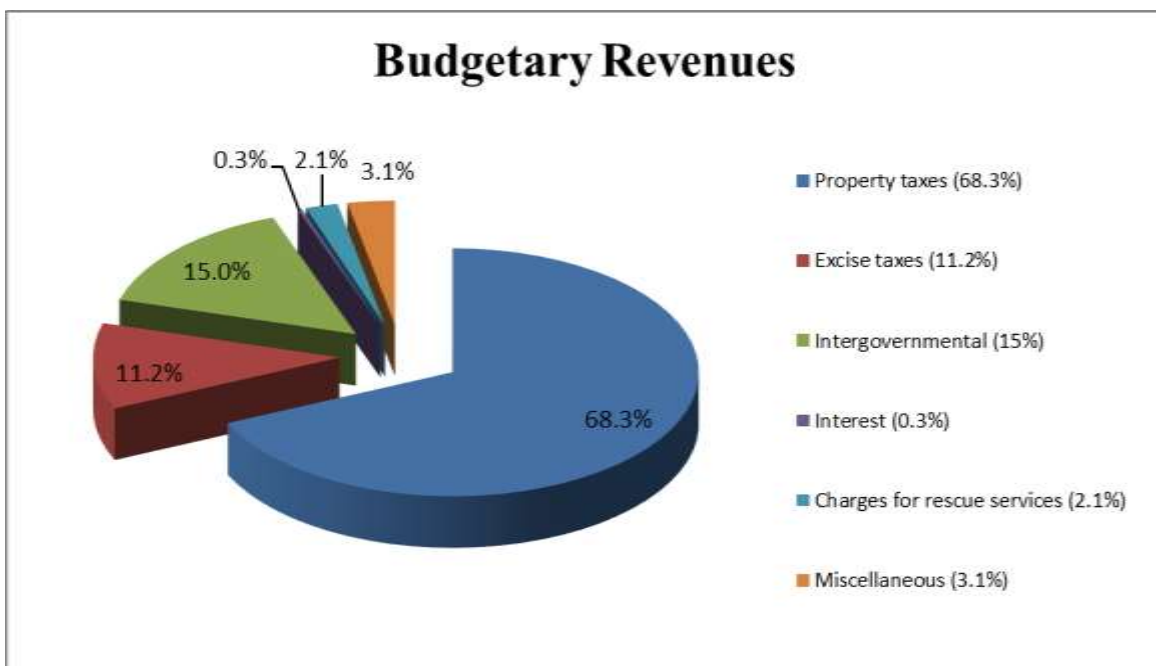
Town of Alfred, Maine

Financial Analysis of the Town's Funds - Fund Financial Statements

Our analysis of the Town’s major funds begins with the fund financial statements and provides detailed information about the most significant funds-not the Town as a whole. Some funds are required to be established by State law. However, many other funds are established to help control and manage money for particular purposes or to show the Town is meeting legal responsibilities for using certain taxes, grants, and other money. The Town reports governmental funds.

- Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship, or differences, between governmental activities, reported in the Statement of Net Position and the Statement of Activities, and governmental funds in reconciliations on pages 8 and 10 of the financial statements.

Current year budgetary revenues in the general fund were made up of the following:

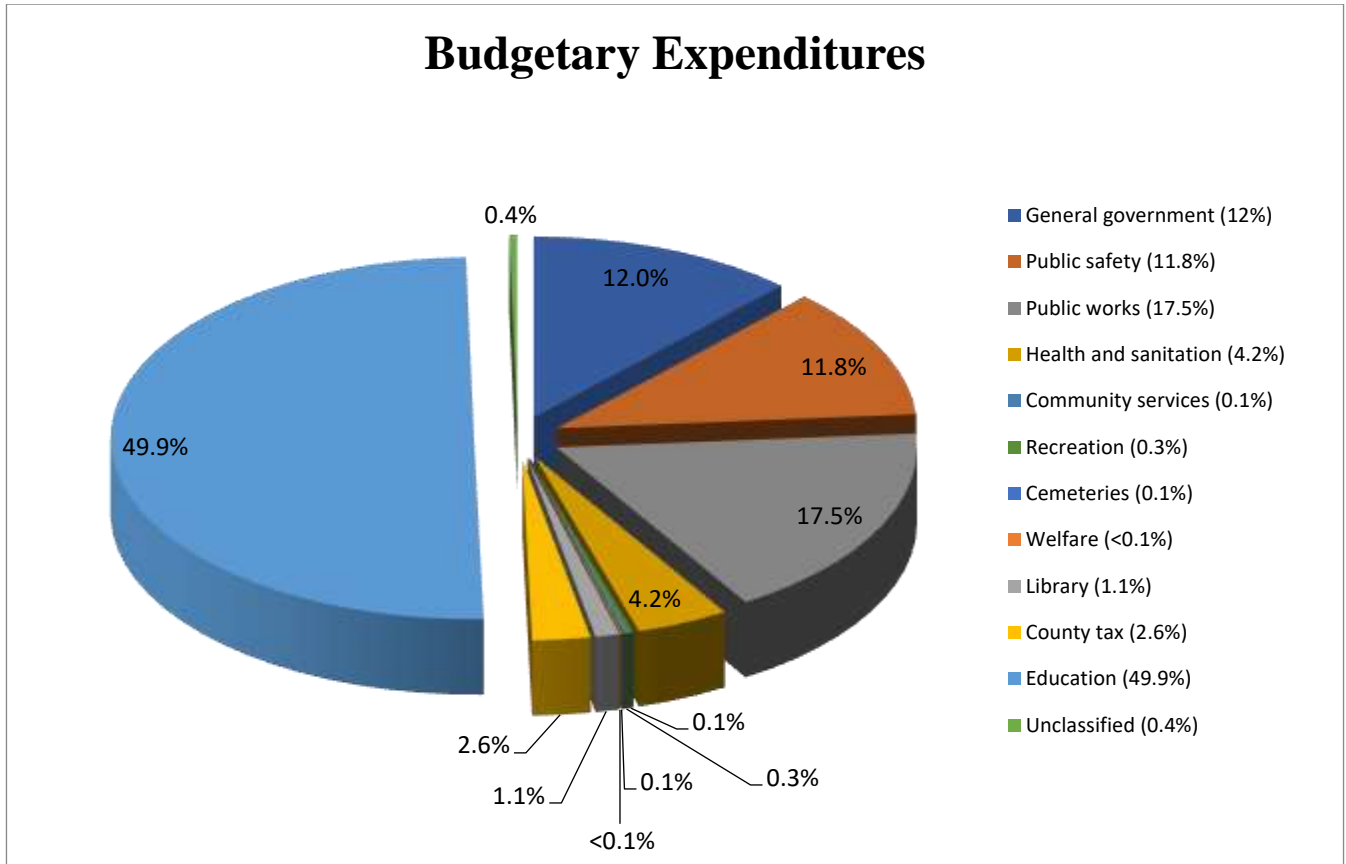


As a percentage, the Town’s reliance on property and excise taxes decreased from the prior year, but when taking the COVID allocation of ARPA funding received into consideration the amount **collected** through property and excise tax continues to show that the individual taxpayers are directly responsible for the vast majority of operational revenue for the Town.

Management's Discussion and Analysis - Continued

Town of Alfred, Maine

Current year expenditures in the general fund were made up of the following:



Even with the inclusion of the road paving program this year into the Public Works expenditures, RSU #57 and York County continue to account for well over 50% of total expenses, which are completely outside of the control of the Town.

Capital Assets

At the year end, the Town had \$2,413,627 in capital assets, net of accumulated depreciation, compared to \$2,543,318, last year.

In 2021 the only addition to our Capital Assets was a small boat and trailer acquired through a grant for the Fire/EMS department. We continue to depreciate our assets, this year by \$118,000.

Management's Discussion and Analysis - Continued

Town of Alfred, Maine

Long Term Liabilities

At year-end, the Town had \$91,612 in leases payable compared to \$141,757, last year.

During 2021 no new leases agreements were entered into. We continue to make our annual lease payments on our service truck and SCBA tanks.

Budgetary Highlights

The budget to actual statement appears on page 11.

When adopting the budget at our annual Town Meeting the Town expected the expenses to exceed revenues by approximately \$495,000 but through careful departmental oversight and higher than expected revenues, our revenue exceeded expenses by approximately \$460,000 overall.

Economic Factors and Next Year's Budgets and Rates

The Town has not currently begun the budget process to formulate next year's budget but we are constantly monitoring the changing economic climate and will be conscientious of these factors when in the planning process.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 324-5872. Citizens are welcomed to visit with the appropriate staff on any financial matters.

Statement of Net Position

Town of Alfred, Maine

As of June 30, 2022

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,454,081
Investments	223,326
Accounts receivable, net of allowance	90,816
Taxes receivable	140,058
Tax liens	33,448
Tax acquired property	6,290
Prepaid expenses	33,315
Capital assets, net of accumulated depreciation	2,413,627
Net pension asset	<u>13,290</u>
Total Assets	4,408,251
Deferred Outflows	
Deferred outflows related to OPEB	10,097
Deferred outflows related to pension	<u>122,881</u>
Total Deferred Outflows	132,978
Liabilities	
Accounts payable	82,303
Accrued payroll	47,805
Accrued interest payable	3,100
Taxes paid in advance	20,153
Long-term liabilities:	
Portion due or payable within one year:	
Leases payable	51,954
Portion due or payable after one year:	
Leases payable	39,658
Net OPEB liability	<u>73,392</u>
Total Liabilities	318,365
Deferred Inflows	
Deferred inflows related to pension	182,054
Deferred inflows related to OPEB	<u>39,511</u>
Total Deferred Inflows	221,565
Net Position	
Net investment in capital assets	2,322,015
Restricted, expendable	363,950
Restricted, nonspendable	22,500
Unrestricted	<u>1,292,834</u>
Net Position	<u>\$ 4,001,299</u>

See accompanying independent auditors' report and notes to financial statements.

Statement of Activities

Town of Alfred, Maine

For the Year Ended June 30, 2022

Function/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities:				
General government	\$ 809,769	\$ 90,924	\$ 334,451	\$ (384,394)
Public safety	767,804	158,430	2,170	(607,204)
Public works	1,176,202	-	45,937	(1,130,265)
Health and sanitation	299,176	14,019	-	(285,157)
Community services	5,106	-	-	(5,106)
Recreation	20,935	-	-	(20,935)
Cemeteries	6,180	-	-	(6,180)
Welfare	2,580	-	1,891	(689)
Library	101,240	-	-	(101,240)
County tax	169,660	-	-	(169,660)
Education	3,290,856	-	-	(3,290,856)
Unclassified	23,678	-	-	(23,678)
Total Governmental Activities	\$ 6,673,186	\$ 263,373	\$ 384,449	(6,025,364)
General revenues:				
				4,806,955
				788,807
				676,169
				27,025
				120,773
				2,991
			Total General Revenues	6,422,720
			Change in Net Position	397,356
			Net position at beginning of year	3,603,943
			Net Position at End of Year	\$ 4,001,299

See accompanying independent auditors' report and notes to financial statements.

Balance Sheet - Governmental Funds

Town of Alfred, Maine

As of June 30, 2022

	<u>General</u>	<u>Parson's Library Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 1,066,629	\$ 354,643	\$ 32,809	\$ 1,454,081
Investments	223,326	-	-	223,326
Accounts receivable, net of allowance	90,816	-	-	90,816
Taxes receivable	140,058	-	-	140,058
Tax liens	33,448	-	-	33,448
Tax acquired property	6,290	-	-	6,290
Prepaid expenses	33,315	-	-	33,315
Due from other funds	-	-	100	100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Total Assets	<u>\$ 1,593,882</u>	<u>\$ 354,643</u>	<u>\$ 32,909</u>	<u>\$ 1,981,434</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 81,201	\$ 1,102	\$ -	\$ 82,303
Accrued payroll	47,805	-	-	47,805
Taxes paid in advance	20,153	-	-	20,153
Due to other funds	100	-	-	100
	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total Liabilities	149,259	1,102	-	150,361
Deferred Inflows of Resources				
Unavailable revenue - property taxes	87,812	-	-	87,812
Unavailable revenue - rescue revenue	3,762	-	-	3,762
	<u>3,762</u>	<u>-</u>	<u>-</u>	<u>3,762</u>
Total Deferred Inflows of Resources	91,574	-	-	91,574
Fund Balances				
Nonspendable:				
Permanent Fund	-	22,500	-	22,500
General Fund	33,315	-	-	33,315
Restricted:				
Permanent Fund	-	331,041	32,909	363,950
General Fund	334,451	-	-	334,451
Assigned:				
General Fund	533,183	-	-	533,183
Unassigned:				
General Fund	452,100	-	-	452,100
	<u>452,100</u>	<u>-</u>	<u>-</u>	<u>452,100</u>
Total Fund Balances	<u>1,353,049</u>	<u>353,541</u>	<u>32,909</u>	<u>1,739,499</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,593,882</u>	<u>\$ 354,643</u>	<u>\$ 32,909</u>	<u>\$ 1,981,434</u>

See accompanying independent auditors' report and notes to financial statements.

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

Town of Alfred, Maine

As of June 30, 2022

Total Fund Balances - Governmental Funds \$ 1,739,499

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds. The cost
of capital assets, net of accumulated depreciation and amortization is: 2,413,627

Long-term assets are not available in the current period and therefore are not
reported as such in the funds. Long-term assets at year-end consist of:
Net pension asset 13,290

Property tax revenues and rescue revenues are presented on the
modified accrual basis of accounting in the governmental funds
but in the Statement of Activities, property tax revenue and rescue
revenue is reported under the accrual method. The balances in
unavailable revenue in the governmental funds as deferred inflows are:

Property taxes	\$ 87,812	
Rescue revenue	<u>3,762</u>	
		91,574

The following deferred outflows below are not current assets or
financial resources and the following deferred inflows are not current
liabilities due and payable in the current period and therefore are not
reported in the Balance Sheet:

Deferred outflows related to OPEB	10,097	
Deferred inflows related to OPEB	(39,511)	
Deferred outflows related to pension	122,881	
Deferred inflows related to pension	<u>(182,054)</u>	
		(88,587)

Long-term liabilities are not due and payable in the current period
and therefore are not reported as liabilities in the funds. Long-term
and related liabilities at year-end consist of:

Capital lease obligations	(91,612)	
Accrued interest payable	(3,100)	
Net OPEB liability	<u>(73,392)</u>	
		<u>(168,104)</u>

Net Position - Governmental Activities \$ 4,001,299

See accompanying independent auditors' report and notes to financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

Town of Alfred, Maine

For the Year Ended June 30, 2022

	General	Parson's Library Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 4,801,290	\$ -	\$ -	\$ 4,801,290
Excise taxes	788,807	-	-	788,807
Intergovernmental	1,058,448	-	-	1,058,448
Interest income	20,507	6,454	64	27,025
Charges for rescue services	148,131	-	-	148,131
Miscellaneous	217,555	30,481	-	248,036
Total Revenues	<u>7,034,738</u>	<u>36,935</u>	<u>64</u>	<u>7,071,737</u>
Expenditures				
Current				
General government	789,779	-	-	789,779
Public safety	772,475	-	-	772,475
Public works	1,149,050	-	-	1,149,050
Health and sanitation	272,929	-	-	272,929
Community services	5,106	-	-	5,106
Recreation	19,842	-	-	19,842
Cemeteries	6,180	-	-	6,180
Welfare	2,580	-	-	2,580
Library	70,495	16,339	-	86,834
County tax	169,660	-	-	169,660
Education	3,290,856	-	-	3,290,856
Unclassified	23,138	-	540	23,678
Total Expenditures	<u>6,572,090</u>	<u>16,339</u>	<u>540</u>	<u>6,588,969</u>
Revenues Over (Under) Expenditures	462,648	20,596	(476)	482,768
Other Financing Sources (Uses)				
Operating transfers in	21	-	100	121
Operating transfers out	(100)	-	(21)	(121)
Total Other Financing Sources (Uses)	<u>(79)</u>	<u>-</u>	<u>79</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	462,569	20,596	(397)	482,768
Fund balances at beginning of year	<u>890,480</u>	<u>332,945</u>	<u>33,306</u>	<u>1,256,731</u>
Fund Balances at End of Year	<u>\$ 1,353,049</u>	<u>\$ 353,541</u>	<u>\$ 32,909</u>	<u>\$ 1,739,499</u>

See accompanying independent auditors' report and notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Town of Alfred, Maine

As of June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 482,768

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization expense differed from capital asset additions in the current period:

Additions to capital assets	\$ 5,000	
Depreciation and amortization expense	<u>(133,682)</u>	(128,682)

Governmental funds report the sale of capital assets as revenues. However, in the Statement of Activities, the sale of those assets is recognized as a gain or loss, depending on the sale and accumulated depreciation amounts.

Proceeds from sale of capital assets	(4,000)	
Gain on disposition of capital assets	<u>2,991</u>	(1,009)

Property tax revenue and rescue revenue are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue and rescue revenue are reported under the accrual method. The current period change in unavailable revenue - property tax revenue and rescue revenue reported in the governmental funds and not in the Statement of Activities is:

Property tax revenue	5,665	
Rescue revenue	<u>(5,851)</u>	(186)

Bond proceeds, issuance of long-term debt and entering into capital lease obligations provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt and capital lease obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The following is the amount of long-term debt and capital lease obligation repayments net of proceeds of long-term liabilities in the current period:

Principal portion of capital lease obligations	<u>50,145</u>	50,145
--	---------------	--------

Some expenses reported in the Statement of Activities do not require the use of current financial and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable	1,700	
Adjustment to OPEB	1,525	
Adjustment to pension expense	<u>(8,905)</u>	<u>(5,680)</u>

Change in Net Position of Governmental Activities \$ 397,356

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)**

Town of Alfred, Maine

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 4,799,724	\$ 4,799,724	\$ 4,801,290	\$ 1,566
Excise taxes	765,000	765,000	788,807	23,807
Intergovernmental	561,169	563,060	1,058,448	495,388
Interest	-	-	18,982	18,982
Charges for rescue services	-	-	148,131	148,131
Miscellaneous	35,500	442,124	217,555	(224,569)
Total Revenues	<u>6,161,393</u>	<u>6,569,908</u>	<u>7,033,213</u>	<u>463,305</u>
Expenditures				
Current				
General government	881,115	1,292,578	789,779	502,799
Public safety	771,545	778,725	772,475	6,250
Public works	1,168,162	1,169,779	1,149,050	20,729
Health and sanitation	259,899	267,493	272,929	(5,436)
Community services	10,256	10,506	5,106	5,400
Recreation	18,316	21,955	19,842	2,113
Cemeteries	6,180	6,180	6,180	-
Welfare	6,000	7,891	2,580	5,311
Library	74,533	74,533	70,495	4,038
County tax	169,660	169,660	169,660	-
Education	3,290,856	3,290,856	3,290,856	-
Unclassified	-	-	23,138	(23,138)
Total Expenditures	<u>6,656,522</u>	<u>7,090,156</u>	<u>6,572,090</u>	<u>518,066</u>
Revenues Over (Under) Expenditures	(495,129)	(520,248)	461,123	981,371
Other Financing Sources (Uses)				
Operating transfers in	21	21	21	-
Operating transfers out	(40,100)	(40,100)	(40,100)	-
Utilization of assigned fund balance	90,534	106,641	-	(106,641)
Utilization of unassigned fund balance	538,146	547,158	-	(547,158)
Total Other Financing Sources (Uses)	<u>588,601</u>	<u>613,720</u>	<u>(40,079)</u>	<u>(653,799)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 93,472	\$ 93,472	421,044	\$ 327,572
Budgetary fund balance at beginning of year			<u>586,533</u>	
Budgetary Fund Balance at End of Year			<u>\$ 1,007,577</u>	

See accompanying independent auditors' report and notes to financial statements.

Notes to Financial Statements

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies

The Town of Alfred, Maine (Town) was incorporated in 1794 under the laws of the State of Maine and operates under a Selectboard - Town Meeting form of government. The accounting policies of the Town of Alfred conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Alfred has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity 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 services for support. Currently, the Town has no business-type activities.

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

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Government-wide Financial Statements - Continued

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

Basis of Accounting

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

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Investments

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Fair value for investments are determined by quoted market values, except that fair value for the real estate investment trust investment is determined by reference to the current offer price for a new share from the issuer. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase, except that the Town's policy is to carry forward the balance of sand/salt as an asset until used. The amount of supplies held at year-end is estimated by management and reported at cost.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Accounts Receivable

Accounts receivable are stated at the amount the Town expects to collect from outstanding balances. Town management closely monitors outstanding balances and records an allowance for doubtful accounts as necessary based upon historical trends of bad debts as well as a detailed review of current year receivables and their aging.

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Capital assets include land, buildings and improvements, infrastructure, equipment, library books, vehicles, and intangibles. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: buildings and improvements, 5 to 40 years; infrastructure, 5 to 40 years; equipment, 5 to 20 years; library books, 10 years; and vehicles, 15 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

The Town is reporting intangible right-to-use assets related to leased equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Right-to-Use Assets

The Town is the lessee for noncancellable leases of equipment. The Town has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Right-to-Use Assets - Continued

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the Town is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until that time. The Town has two items that meets this criterion: 1) the deferred other postemployment benefits (OPEB) related to the Town and 2) deferred pensions. Both items are reported in the statement of net position.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Deferred Outflows and Inflows of Resources - Continued

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items: 1) unavailable revenue, which results from both property taxes and rescue revenue, which arises under the modified accrual basis of accounting that qualifies for reporting in this category and is reported in the governmental funds balance sheet and 2) deferred inflows related to both the OPEB liability and pension liability which are reported in the statement of net position.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Town's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Municipal Employees Health Trust, an agent single-employer defined benefit postretirement healthcare plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note J), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Maine Public Employees Retirement System (MainePERS). The net pension liability is measured as of the Town's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Pensions - Continued

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidation Plan and additions to/deductions from PLD Consolidation Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidation Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Accrued Compensated Absences

Under the terms of the personnel policies, compensated absences are granted in varying amounts. Employees may be entitled to payment for two-thirds of the unused compensated absences time upon termination or retirement.

Government-wide Fund Net Position

Government-wide net position is divided into three components:

Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position - consist of net asset position that is restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - All other net asset positions are reported in this category.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned - resources neither restricted nor committed for which a government has a stated intended use as established by the Selectboard or a body or official to which the Selectboard has designated the authority to assign amounts for specific purposes.

Unassigned - resources which cannot be properly classified in one of the other four categories.

Use of Restricted Resources

The Town has a formal fund balance policy. Unassigned General Fund Balance should be maintained at a minimum of three months (25%) of annual general fund operating expenditures. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

Budget

The Town of Alfred's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

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

- Early in the second half of the prior fiscal year, the Town prepared a budget for this fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- A vote of the inhabitants of the Town was then taken for the purpose of adopting the proposed budget after public notice of the vote was given.
- The budget was adopted subsequent to passage by the inhabitants of the Town.

Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied August 4, 2021, on the assessed value listed as of April 1, 2021, for all real and personal property located in the Town. Taxes were due October 1, 2021 and April 1, 2022. Interest on unpaid taxes commenced on October 2, 2021 and April 2, 2022 at 6% per annum.

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

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 \$93,472 for the year ended June 30, 2022.

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.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note A - Summary of Significant Accounting Policies - Continued

New Accounting Pronouncement

During the year ended June 30, 2022, the Town implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. The implementation of this accounting standard did not have an effect on the beginning net position or fund balance of the Town as previously reported.

Note B - Cash and Investments

The Town conducts all its banking transactions with its depository banks.

Custodial Credit Risk - Deposits

At June 30, 2022, the carrying amount of the Town's deposits was \$1,454,081 and the bank balance was \$1,520,882. The difference between these balances relates to deposits in transit, outstanding checks, and cash on hand at period-end. 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 on custodial credit risk. As of June 30, 2022, \$885,534 of the Town's bank balance of \$1,520,882 was exposed to credit risk as follows:

Collateralized with securities held by the pledging
financial institution in the Town's name

\$ 885,534

Certificates of Deposit

Certificates of deposit totaling \$322,909 as of June 30, 2022 are included in cash in the accompanying financial statements. The certificates bear interest at varying rates and have maturities ranging from one month to sixty months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks and bonds and mutual funds.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note B - Cash and Investments - Continued

Interest Rate Risk

In accordance with the Town's investment policy, to the extent possible, investment maturities will be matched with anticipated cash requirements. At June 30, 2022 the Town had the following investment and maturity:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Maturity</u>		
			<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Repurchase agreement with bank	\$ 223,326	\$ -	\$ 223,326	\$ -	\$ -

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the 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. At June 30, 2022, the underlying securities held as collateral for the Town's repurchase agreement by the investment's counterparty, was not in the name of the Town.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the Town's investment policy, credit risk is minimized by diversifying investments held. At June 30, 2022, the Town had no investments subject to credit risk.

Note C - Accounts Receivable

The Town's accounts receivable consisted of the following at June 30, 2022:

General Fund

Rescue Department service receivables	\$ 33,019
Less: Allowance for doubtful accounts	(15,398)
Net Rescue Department service receivable	17,621
Intergovernmental receivables	69,716
Other receivables	3,479
	<u>\$ 90,816</u>

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note D - Capital Assets

A summary of capital asset transactions for the year ended June 30, 2022, follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 628,520	\$ -	\$ 1,009	\$ 627,511
Works of art	10,320	-	-	10,320
Depreciable Assets:				
Buildings and improvements	1,388,700	-	-	1,388,700
Land improvements	529,269	-	-	529,269
Equipment	642,371	5,000	-	647,371
Vehicles	867,455	-	-	867,455
Paved road network	1,034,347	-	-	1,034,347
Library books	<u>298,000</u>	<u>-</u>	<u>-</u>	<u>298,000</u>
Totals at historical cost	5,398,982	5,000	1,009	5,402,973
Less Accumulated Depreciation:				
Buildings and improvements	795,607	36,809	-	832,416
Land improvements	312,956	11,865	-	324,821
Equipment	554,480	20,766	-	575,246
Vehicles	684,634	23,348	-	707,982
Paved road network	330,275	25,858	-	356,133
Library books	<u>298,000</u>	<u>-</u>	<u>-</u>	<u>298,000</u>
Total accumulated depreciation	<u>2,975,952</u>	<u>118,646</u>	<u>-</u>	<u>3,094,598</u>
Land and depreciable capital assets, net	2,423,030	(113,646)	1,009	2,308,375
Intangible Right-to-Use Assets:				
Leased equipment	<u>150,360</u>	<u>-</u>	<u>-</u>	<u>150,360</u>
Less Accumulated Amortization:	<u>30,072</u>	<u>15,036</u>	<u>-</u>	<u>45,108</u>
Intangible right-to-use assets, net	<u>120,288</u>	<u>(15,036)</u>	<u>-</u>	<u>105,252</u>
Capital assets, net	<u>\$ 2,543,318</u>	<u>\$ (128,682)</u>	<u>\$ 1,009</u>	<u>\$ 2,413,627</u>

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note D - Capital Assets - Continued

Depreciation and amortization expense was charged to the following functions:

General government	\$ 14,907
Public safety	50,810
Health and sanitation	25,437
Public works	27,152
Parks and recreation	1,093
Library	<u>14,283</u>
Total governmental activities depreciation and amortization expense	<u>\$ 133,682</u>

Note E - Interfund Receivables and Payables

Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables:

Governmental Activities	<u>Receivables</u> <u>Due from</u>	<u>Payables</u> <u>Due to</u>	<u>Net Internal</u> <u>Balances</u>
General Fund:			
Trust Funds:			
Veteran's Memorial Fund	\$ -	\$ (100)	\$ (100)
Trust Funds:			
General Fund:			
Veteran's Memorial Fund	<u>100</u>	<u>-</u>	<u>100</u>
Net Governmental Activities			<u>\$ -</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system and (3) payments between funds are made.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note F - Interfund Transfers

Transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2022 consisted of the following amounts:

Governmental Activities	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
General Fund:			
Trust Funds:			
Cemetery Trust	\$ 21	\$ -	
Veteran's Memorial Trust	<u>-</u>	<u>(100)</u>	
	21	-	\$ (79)
Trust Funds:			
General Fund:			
Cemetery Trust	-	(21)	
Veteran's Memorial Trust	<u>100</u>	<u>-</u>	
	-	(21)	<u>79</u>
Net Governmental Activities			<u>\$ -</u>

Note G - Leases Payable

The Town has acquired a truck and SCBA tanks and compressor through financing lease obligations, with interest at 3.38% and 3.69%, respectively. The annual requirements to amortize capital lease obligations are as follows:

Year ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2023	\$ 51,954	\$ 3,338	\$ 55,292
2024	<u>39,658</u>	<u>1,463</u>	<u>41,121</u>
	<u>\$ 91,612</u>	<u>\$ 4,801</u>	<u>\$ 96,413</u>

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note H - Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due within <u>One Year</u>
Governmental Activities:					
Leases payable	\$ 141,757	\$ -	\$ 50,145	\$ 91,612	\$ 51,954
Net pension (asset)/liability	160,447	-	173,737	(13,290)	-
Net OPEB liability	<u>64,481</u>	<u>8,911</u>	<u>-</u>	<u>73,392</u>	<u>-</u>
	<u>\$ 366,685</u>	<u>\$ 8,911</u>	<u>\$ 223,882</u>	<u>\$ 151,714</u>	<u>\$ 51,954</u>

Note I - Postemployment Benefits Other than Pensions (OPEB)

Group Health Insurance Plan - Maine Municipal Employees Health Trust (MMEHT Plan)

Plan Description

Eligible Town employees are provided with health and life insurance through Maine Municipal Employees Health Trust (MMEHT Plan). The MMEHT Plan is a single-employer defined benefit OPEB plan. The Town's Board of Selectmen has authority to establish and amend the benefit terms. Employees are eligible if over the age of 55 with at least five years of service at retirement.

Benefits Provided

The MMEHT Plan provides healthcare and life insurance benefits for retirees and their dependents through payment of 100% of insurance premiums for single and family coverage. For employees eligible for Medicare, Medicare Parts A and B are primary coverage and the MMEHT Plan will determine a family member's benefit allowance based on applicable Medicare statutes and regulations.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the MMEHT Plan benefit terms:

Inactive employees (or beneficiaries) currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>8</u>
	<u>9</u>

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note I - Postemployment Benefits Other than Pensions (OPEB) - Continued

Group Health Insurance Plan - Maine Municipal Employees Health Trust (MMEHT Plan) - Continued

Contributions

The Town's contributions are determined by a rate set out by MMEHT. Contributions from the Town for the MMEHT Plan year ended December 31, 2022 were \$2,336.

The Town contributes 90% of the Single rate for medical and dental. For health and dental plans, employees contribute 10% of the Single Plan. Employees contribute 10% to the Family Plan as well as 25% of the difference between the Single and Family Plan. Employees contribute 100% to the vision and Income Protection Plans.

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

At June 30, 2022, the Town reported an OPEB liability of \$73,392. The OPEB liability was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Changes in Total MMEHT OPEB liability during the year are as follows:

	Total MMEHT Plan OPEB Liability
Balance at June 30, 2021	\$ 64,481
Changes for the year:	
Service costs	6,277
Interest	1,483
Changes of benefits	-
Differences between expected and actual experience	58
Changes of assumptions	2,743
Benefit payments	(1,650)
Net changes	8,911
Balance at June 30, 2022	<u>\$ 73,392</u>

The change in assumptions reflects a change in the discount rate from 2.12% in 2021 to 2.06% in 2022.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note I - Postemployment Benefits Other than Pensions (OPEB) - Continued

Group Health Insurance Plan - Maine Municipal Employees Health Trust (MMEHT Plan) - Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

For the year ended June 30, 2022, the Town recognized OPEB expense of \$125 related to the MMEHT Plan. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 50	\$ 37,828
Changes in assumptions	<u>10,047</u>	<u>1,683</u>
Total	<u>\$ 10,097</u>	<u>\$ 39,511</u>

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

For the Year Ended June 30,		
2023		\$ (8,941)
2024		(7,258)
2025		(7,258)
2026		(7,260)
2027		902
Thereafter		<u>401</u>
Total		<u>\$ (29,414)</u>

Actuarial Assumptions

The total OPEB liability in the January 1, 2022 actuarial valuation for the MMEHT Plan was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.06%
Salary increases	2.75%, average, including inflation
Healthcare cost trend rates (applied with a grading over 14 years to 4.00% per annum)	
Pre-Medicare Medical	6.25%
Pre-Medicare Drug	13.10%
Medicare Medical	5.00%
Medicare Drug	9.90%
Administrative and claims expense	3.00%

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note I - Postemployment Benefits Other than Pensions (OPEB) - Continued

Group Health Insurance Plan - Maine Municipal Employees Health Trust (MMEHT Plan) – Continued

Actuarial Assumptions - Continued

Mortality rates for the MMEHT Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table for males and females.

The actuarial assumptions used in the January 1, 2022 valuation for the MMEHT Plan were based on the results of an actuarial experience study covering the period June 30, 2016 through June 30, 2020.

Sensitivity of the Total MMEHT Plan OPEB Liability to Changes in the Discount Rate

The following presents the Town's total OPEB liability calculated using a discount rate of 2.06%, as well as what the Town's OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.06%) or 1% higher (3.06%) than the current rate:

	<u>1% Decrease</u> <u>(1.06%)</u>	<u>Current Discount</u> <u>Rate (2.06%)</u>	<u>1% Increase</u> <u>(3.06%)</u>
Total OPEB liability	\$ 83,854	\$ 73,392	\$ 64,793

Sensitivity of the Total MMEHT Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Town's total OPEB liability, as well as what the Town's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare</u> <u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 64,149	\$ 73,392	\$ 85,063

Note J - Pension Plan

Plan Description

The Town provides pension benefits to eligible employees through cost sharing multiple-employer defined benefit pension plans (pension plans) administered by the Maine Public Employees Retirement System (MainePERS) and is part of the Participating Local District (PLD) Consolidation Plan. Permanent Town employees working full time are included in the pension plan. MainePERS issues a publicly available financial report that can be obtained on the MainePERS website. There are currently seven active participants from the Town.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note J - Pension Plan - Continued

Benefits Provided

MainePERS provides retirement, disability, and death benefits to plan members. Retirement benefits are vested after five years of services. Employees who retire at or after age sixty or sixty-five (depending on their normal retirement age) with one year of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the average of their highest three years earnings per year of service. Cost of living increases are available for services rendered after July 1, 2008. The maximum annual increase is 3%.

Disability benefits may be available if an employee participating in the plan becomes mentally or physically disabled while in MainePERS-covered service and is permanently unable to perform the duties of his/her position. The amount of the disability benefit is either 66 2/3% or 59% of the average final compensation, depending on the date the employee was hired.

Ordinary death benefits are available if death occurs before retirement. Beneficiaries can receive either a lump-sum refund of the employee's contributions and interest or a monthly benefit. If death occurs as a result of an injury while working or while the employee is working, accidental death benefits are also available.

Contributions

Contribution requirements are set by the MainePERS Board of Trustees. Participants were required to contribute 7.8% of their annual gross salary to the plan and the Town is required to contribute 10.3% for the year ended June 30, 2022. Contributions to the pension plan from the Town were \$28,938 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Town reported an asset of \$13,290 for its proportionate share of the net pension asset. The net pension asset or liability was measured as of June 30, 2021, and the total pension asset or liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset or liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2021, the Town's proportion was 0.041355% which was an increase of 0.000972% from its proportion measured as of June 30, 2020.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note J - Pension Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended June 30, 2022, the Town recognized pension expense of \$37,844. Pension expense represents the change in the net pension asset or liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,597	\$ 903
Net difference between expected and actual investment earnings	-	181,151
Changes of assumptions	44,628	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	40,718	-
Town contributions subsequent to the measurement date	<u>28,938</u>	<u>-</u>
	<u>\$ 122,881</u>	<u>\$ 182,054</u>

Deferred outflows of resources and deferred inflows of resources on the previous page represents the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Of the amount reported as a deferred outflow of resources related to pensions resulting from Town contributions subsequent to the measurement date, \$28,938 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 19,431
2023	(15,967)
2024	(41,236)
2025	(50,339)

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note J - Pension Plan - Continued

Actuarial assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2021</u>
Inflation	2.75%
Salary increases	2.75% plus merit component based on employee's years of service
Investment rate of return	6.50%
COLA	1.91%

Mortality rates were based on the sex distinct 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study for the period June 30, 2015 through June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	30%	6.0%
Private equity	15%	7.6%
Traditional credit	7.5%	3.0%
Alternative credit	7.5%	7.2%
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Natural resources	5%	5.0%
U.S. Government	7.5%	2.3%
Risk Diversifiers	<u>7.5%</u>	5.9%
	<u>100%</u>	

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note J - Pension Plan - Continued

Discount rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from Towns will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate

The following presents the Town's proportionate share of the net pension asset or liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension asset or liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension (asset) or liability	\$ 189,128	\$ (13,290)	\$ (180,717)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial statements. The plan's fiduciary net position has been determined on the same basis as that used by the plan.

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note K - Budget to GAAP Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

Budgetary basis revenues and other sources over (under) expenditures and other uses	\$ 421,044
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Sources/inflows of resources - reconciling item

Transfers from other funds are inflows of budgetary resources but are not transfers for financial reporting purposes	40,000
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The Town budgets certain other revenues outside of its general fund that are recognized in the general fund under generally accepted accounting principles	<u>1,525</u>
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Generally accepted accounting principles basis revenues and other sources over (under) expenditures and other uses	<u>\$ 462,569</u>
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The difference between the general fund balance reported according to generally accepted accounting principles and the general fund balance reported according to the budgetary basis of accounting is accounted for by the ending assigned fund balance for the Capital Reserve.

Note L - Fund Balance

At June 30, 2022, the assigned general fund balance consisted of the following:

	Balance at <u>6/30/2021</u>	<u>Appropriated</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>6/30/2022</u>
Capital Reserve	\$ 303,947	\$ -	\$ 41,525	\$ -	\$ 345,472
Carryforwards:					
Capital Improvement	85,120	-	44,312	(41,132)	88,300
Museum	2,736	-	100	(29)	2,807
Schoolhouse	881	-	-	-	881
Animal Control	3,524	-	3,195	(3,524)	3,195
Heating Assistance	12,546	-	12,596	(15,021)	10,121
Fields and Facilities	388	-	3,409	(2,910)	887
Cable Franchise	<u>70,460</u>	<u>-</u>	<u>46,560</u>	<u>(35,500)</u>	<u>81,520</u>
	<u>\$ 479,602</u>	<u>\$ -</u>	<u>\$ 151,697</u>	<u>\$ (98,116)</u>	<u>\$ 533,183</u>

Notes to Financial Statements - Continued

Town of Alfred, Maine

Note L - Fund Balance - Continued

At June 30, 2022, the restricted general fund balance consisted of the following:

	Balance at <u>6/30/2021</u>	<u>Appropriated</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>6/30/2022</u>
American Rescue Plan Act	\$ -	\$ -	\$ 334,451	\$ -	\$ 334,451

Note M - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance, or is effectively self-insured. Currently, the Town carries commercial insurance for any risks of loss to which it may be exposed.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2022.

Note N - Related Party Transactions

The Town’s Road Commissioner, through his company, performs roadwork for the Town consisting of plowing and sanding of municipal areas, excluding Town owned roadways, as well as clearing brush and other road work. The amount paid for these services was approximately \$221,000 for the year ended June 30, 2022.

Note O - Commitments

The Town signed a three year waste removal contract for the period November 1, 2021 to October 31, 2024. Under the contract, the Town paid approximately \$168,000 during the year ended June 30, 2022. Future payments are unknown based on the terms of the contract.

The Town has entered into separate agreements with unrelated third parties for certain other services. Future required payments under the agreements are as follows:

	<u>2022</u>	<u>2023</u>	<u>Total</u>
Plowing and sanding	\$ 353,527	\$ 362,560	\$ 716,087
Public Safety Answering Point	<u>26,889</u>	<u>27,657</u>	<u>54,546</u>
	<u>\$ 380,416</u>	<u>\$ 390,217</u>	<u>\$ 770,633</u>

**Combining Balance Sheet
 Nonmajor Other Governmental Funds - Permanent Funds - Trust Funds**

Town of Alfred, Maine

As of June 30, 2022

	<u>Cemetery Fund</u>	<u>Veteran's Memorial Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 5,000	\$ 27,809	\$ 32,809
Due from other funds	<u>-</u>	<u>100</u>	<u>100</u>
Total Assets	<u>\$ 5,000</u>	<u>\$ 27,909</u>	<u>\$ 32,909</u>
 Liabilities and Fund Balances			
Liabilities			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances			
Restricted	<u>5,000</u>	<u>27,909</u>	<u>32,909</u>
Total Fund Balances	<u>5,000</u>	<u>27,909</u>	<u>32,909</u>
Total Liabilities and Fund Balances	<u>\$ 5,000</u>	<u>\$ 27,909</u>	<u>\$ 32,909</u>

See accompanying independent auditors' report.

**Combining Schedule of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Other Governmental Funds - Permanent Funds - Trust Funds**

Town of Alfred, Maine

For the Year Ended June 30, 2022

	Cemetery Fund	Veteran's Memorial Fund	Total
Revenues			
Contributions	\$ -	\$ -	\$ -
Interest	9	55	64
Net Revenues	<u>9</u>	<u>55</u>	<u>64</u>
Expenses			
Scholarships	-	540	540
Total Expenses	<u>-</u>	<u>540</u>	<u>540</u>
Revenues Over (Under) Expenses	9	(485)	(476)
Other Financing Uses			
Operating transfers in	-	100	100
Operating transfers out	(21)	-	(21)
Total Other Financing Uses	<u>(21)</u>	<u>100</u>	<u>79</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(12)	(385)	(397)
Fund balances at beginning of year	<u>5,012</u>	<u>28,294</u>	<u>33,306</u>
Fund Balances at End of Year	<u>\$ 5,000</u>	<u>\$ 27,909</u>	<u>\$ 32,909</u>

See accompanying independent auditors' report.

Schedule of Valuation, Assessment and Collection of Taxes

Town of Alfred, Maine

For the Year Ended June 30, 2022

Valuation

Real estate	\$	272,224,692
Personal property		<u>6,020,154</u>

Total Valuation \$ 278,244,846

Assessment

Valuation x Rate - \$278,244,846 x .017250	\$	4,799,724
Supplemental taxes		<u>7,229</u>

Total Assessment Charged to Tax Collector \$ 4,806,953

Collection and Credits

Cash collections	\$	4,658,723
Tax abatements		<u>23,138</u>

Total Collection and Credits 4,681,861

2022 Taxes Receivable - June 30, 2022 \$ 125,092

See accompanying independent auditors' report.

**Schedule of Changes in the Town's Total MMEHT Plan OPEB Liability
and Related Ratios**

Town of Alfred, Maine

Last ten fiscal years*

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB Liability:					
Service costs	\$ 6,277	\$ 5,509	\$ 5,182	\$ 5,693	\$ 5,815
Interest	1,483	1,648	4,532	3,874	3,732
Changes of benefits	-	-	(1,158)	-	-
Differences between expected and actual experience	58	-	(66,199)	-	3,399
Changes of assumptions or other inputs	2,743	3,502	9,091	(8,415)	3,139
Benefit payments	<u>(1,650)</u>	<u>(1,587)</u>	<u>(2,772)</u>	<u>(2,665)</u>	<u>(1,487)</u>
Net change in total OPEB liability	8,911	9,072	(51,324)	(1,513)	14,598
Total OPEB liability, beginning of year	<u>64,481</u>	<u>55,409</u>	<u>106,733</u>	<u>108,246</u>	<u>93,648</u>
Total OPEB liability, end of year	<u>\$ 73,392</u>	<u>\$ 64,481</u>	<u>\$ 55,409</u>	<u>\$ 106,733</u>	<u>\$ 108,246</u>
Covered employee payroll	\$ 335,435	\$ 307,651	\$ 307,651	\$ 363,060	\$ 363,060
Net OPEB liability as a percentage of covered employee payroll	21.88%	20.96%	18.01%	29.40%	29.81%

*The amounts presented for each fiscal year were determined as of January 1 of the current fiscal year. The first year of implementation was June 30, 2018. Therefore, only five years are shown. A full ten year schedule will be displayed as it becomes available.

See accompanying independent auditors' report.

Notes to Required Supplemental Information

Town of Alfred, Maine

Notes to the Schedule of Changes in the Town's Total MMEHT Plan OPEB Liability and Related Ratios

There were no changes to benefit terms aside from changes in claims costs and contributions which will reflect market changes in healthcare costs during the year ended June 30, 2022.

There were no changes in size of the population during the year ended June 30, 2022.

There was a change in the discount rate from 2.12% to 2.06% per GASB 75 discount rate selection. There were no other changes to data, assumptions, and methodology, since the last valuation on the MMEHT OPEB Plan.

See accompanying independent auditors' report.

Schedule of the Town's Proportionate Share of the Net Pension Liability

Town of Alfred, Maine

Last ten fiscal years*

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Town's proportion of the net pension (asset) liability	0.0414%	0.0404%	0.0170%
Town's proportionate share of the net pension (asset) liability	<u>\$ (13,290)</u>	<u>\$ 160,447</u>	<u>\$ 51,996</u>
Town's covered-employee payroll	<u>\$ 276,190</u>	<u>\$ 258,636</u>	<u>\$ 218,228</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered employee payroll	(4.812%)	62.036%	23.826%
Plan fiduciary net position as a percentage of the the total pension asset or liability	100.86%	88.35%	90.62%

*The amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year. The first year of implementation was June 30, 2020. Therefore, only three years are shown.

See accompanying independent auditors' report.

Schedule of Town Contributions

Town of Alfred, Maine

Last ten fiscal years*

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Contractually required contribution	\$ 28,294	\$ 26,085	\$ 10,406
Contributions in relation to the contractually required contribution	<u>28,294</u>	<u>26,085</u>	<u>10,406</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 276,190</u>	<u>\$ 258,636</u>	<u>\$ 218,228</u>
Contributions as a percentage of covered-employee payroll	10.244%	10.086%	4.768%

*The amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year. The first year of implementation was June 30, 2020. Therefore, only three years are shown.

See accompanying independent auditors' report.

Notes to Required Supplemental Information

Town of Alfred, Maine

Notes to the Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of Town Contributions

The information presented in the Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of Town Contributions was determined as part of the actuarial valuation at the dates indicated.

The information presented relates solely to the Town of Alfred and not to the System as a whole.

See accompanying independent auditors' report.