

Audited Financial Statements
and Other Financial Information

Town of Sabattus, Maine

June 30, 2024



Proven Expertise & Integrity

TOWN OF SABATTUS, MAINE

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JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Sabattus
Sabattus, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Sabattus, Maine, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Sabattus, Maine's basic financial statements as listed in the table of contents.

In our opinion, accompanying 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 Sabattus, Maine as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Sabattus, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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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 Sabattus, 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.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 11 pages 55 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sabattus, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the Town of Sabattus, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Sabattus, 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 Sabattus, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 17, 2025

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

(UNAUDITED)

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

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the above-mentioned financial statements have one column for the Town's one type of activity. The type of activity presented for the Town of Sabattus is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, sanitation, general assistance, recreation, education, overlay and unclassified.

Fund Financial Statements

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

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

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

The Town of Sabattus presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position increased by \$33,617 from \$8,141,649 to \$8,175,266.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased to a balance of \$4,958,649 at the end of this year.

Table 1
Town of Sabattus, Maine
Net Position
June 30,

	2024	2023 (Restated)
Assets		
Current Assets	\$ 5,226,726	\$ 4,957,383
Noncurrent Assets - Note Receivable	427,400	854,800
Noncurrent Assets - Capital Assets	4,207,693	4,380,404
Total Assets	9,861,819	10,192,587
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	261,629	172,437
Deferred Outflows Related to OPEB	81,529	56,431
Total Deferred Outflows of Resources	343,158	228,868
Liabilities		
Current Liabilities	912,218	717,322
Noncurrent Liabilities	943,918	1,398,172
Total Liabilities	1,856,136	2,115,494
Deferred Inflows of Resources		
Prepaid Taxes	12,464	18,342
Deferred Revenue	38,324	-
Deferred Inflows Related to Pensions	67,149	111,309
Deferred Inflows Related to OPEB	55,638	34,661
Total Deferred Inflows of Resources	173,575	164,312
Net Position		
Net Investment in Capital Assets	3,216,617	2,770,246
Unrestricted	4,958,649	5,371,403
Total Net Position	\$ 8,175,266	\$ 8,141,649

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1307%, while total expenses increased by 16.52%. The increase in revenues was mostly due to all categories except charges for services. The increases in expenses was primarily due to increases in all categories except public safety, recreation and capital outlay.

Table 2
Town of Sabattus, Maine
Changes in Net Position
For the Years Ended June 30,

	<u>2024</u>	<u>2023</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 200,112	\$ 230,777
Operating grants and contributions	49,724	45,148
<i>General Revenues:</i>		
Taxes	7,468,875	6,725,732
Grants and contributions not restricted to specific programs	1,856,634	1,527,077
Investment income	114,323	28,787
Other income	128,630	125,918
Total Revenues	<u>9,818,298</u>	<u>8,683,439</u>
Expenses		
General government	1,581,729	1,368,883
Public safety	1,557,322	1,564,280
Public works	1,371,072	637,274
Sanitation	307,688	295,382
General assistance	4,703	4,037
Recreation	-	4,500
Education	4,157,493	3,883,435
County tax	501,030	428,703
Capital outlay	-	153,030
Overlay	5,004	639
Unclassified	236,765	-
Interest on long-term debt	13,118	8,851
Unallocated depreciation (Note 6)	48,757	48,757
Total Expenses	<u>9,784,681</u>	<u>8,397,771</u>
Change in Net Position	<u>33,617</u>	<u>285,668</u>
Net Position - July 1, As Previously Reported	8,148,222	7,862,554
Net Position Corrections	<u>(6,573)</u>	<u>-</u>
Net Position - July 1, As Restated	<u>8,141,649</u>	<u>7,862,554</u>
Net Position - June 30	<u>\$ 8,175,266</u>	<u>\$ 8,148,222</u>

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Sabattus, Maine
Fund Balances - Governmental Funds
June 30,

	2024	2023 (Restated)	Increase (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 56,989	\$ 68,175	\$ (11,186)
Assigned	223,500	15,416	208,084
Unassigned	3,720,873	3,658,914	61,959
Total Major Funds	\$ 4,001,362	\$ 3,742,505	\$ 258,857
Nonmajor Funds:			
Special Revenue Funds:			
Committed	\$ 503,247	\$ 370,349	\$ 132,898
Unassigned	(359,282)	(255,185)	(104,097)
Capital Projects Funds:			
Assigned	716,239	883,760	(167,521)
Unassigned	(65,406)	(5,293)	(60,113)
Total Nonmajor Funds	\$ 794,798	\$ 993,631	\$ (198,833)

The changes to total fund balances for the general fund and the nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

The difference between the original budget and final budget for the general fund was use of assigned fund balance.

The general fund actual revenues exceeded the budget by \$406,519. This was a result of all revenue categories being receipted in excess of the budgeted amounts.

The general fund actual expenditures exceeded budget by \$120,854. Most expenditure categories were within or under budget with the exception of general government, public safety and general assistance.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024 decreased \$172,711 from the prior year. This decrease was due to capital additions of \$192,193 less current year depreciation expense of \$364,904. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Table 4
Town of Sabattus, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2024</u>	<u>2023</u>
Land and construction in progress	\$ 123,054	\$ 117,491
Buildings, building improvements and land improvements	768,734	1,335,850
Machinery, equipment and vehicles	1,422,643	1,437,525
Infrastructure	<u>1,893,262</u>	<u>1,489,538</u>
Total	<u>\$ 4,207,693</u>	<u>\$ 4,380,404</u>

Debt

At June 30, 2024, the Town had \$991,076 in bonds payable and notes from direct borrowings payable outstanding versus \$1,610,158 last year. Refer to Note 7 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The Town has noted a subsequent event in the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer's Office at 190 Middle Road, Sabattus, Maine 04280.

TOWN OF SABATTUS, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,525,357
Investments	1,201,605
Accounts receivable (net of allowance for uncollectibles):	
Taxes/liens	247,158
Other	195,617
Prepaid items	12,750
Inventory	13,333
Tax acquired property	30,906
Total current assets	<u>5,226,726</u>
Noncurrent assets:	
Receivable for long-term debt obligations from RSU No. 4	427,400
Capital assets:	
Land and other assets not being depreciated	123,054
Depreciable assets, net of accumulated depreciation	<u>4,084,639</u>
Total noncurrent assets	<u>4,635,093</u>
TOTAL ASSETS	<u>9,861,819</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	261,629
Deferred outflows related to OPEB	<u>81,529</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>343,158</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,204,977</u>

STATEMENT A (CONTINUED)

TOWN OF SABATTUS, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 218,220
Accrued expenses	1,402
Current portion of long-term obligations	692,596
Total current liabilities	912,218
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	130,900
Note from direct borrowings payable	173,170
Accrued compensated absences	106,203
Net pension liability	347,418
Net OPEB liability	186,227
Total noncurrent liabilities	943,918
TOTAL LIABILITIES	1,856,136
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	12,464
Deferred revenue	38,324
Deferred inflows related to pensions	67,149
Deferred inflows related to OPEB	55,638
TOTAL DEFERRED INFLOWS OF RESOURCES	173,575
NET POSITION	
Net investment in capital assets	3,216,617
Unrestricted	4,958,649
TOTAL NET POSITION	8,175,266
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 10,204,977

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

TOWN OF SABATTUS, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
General government	\$ 1,581,729	\$ 77,745	\$ -	\$ -	\$ (1,503,984)
Public safety	1,557,322	29,513	-	-	(1,527,809)
Public works	1,371,072	33,519	49,724	-	(1,287,829)
Sanitation	307,688	59,335	-	-	(248,353)
General assistance	4,703	-	-	-	(4,703)
Education	4,157,493	-	-	-	(4,157,493)
County tax	501,030	-	-	-	(501,030)
Overlay	5,004	-	-	-	(5,004)
Unclassified	236,765	-	-	-	(236,765)
Unallocated depreciation (Note 6)*	48,757	-	-	-	(48,757)
Total government	\$ 9,784,681	\$ 200,112	\$ 49,724	\$ -	(9,534,845)

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

STATEMENT B (CONTINUED)

TOWN OF SABATTUS, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(9,534,845)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	6,337,735
Excise taxes	1,131,140
Grants and contributions not restricted to specific programs	1,856,634
Investment income	114,323
Other income	<u>128,630</u>
Total general revenues	<u>9,568,462</u>
Change in Net Position	<u>33,617</u>
Net Position - July 1, As Previously Presented	8,148,222
Net Position Correction	<u>(6,573)</u>
Net Position - July 1, As Restated	<u>8,141,649</u>
Net Position - June 30	<u><u>\$ 8,175,266</u></u>

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

TOWN OF SABATTUS, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,525,357	\$ -	\$ 3,525,357
Investments	1,201,605	-	1,201,605
Accounts receivable (net of allowance for uncollectibles):			
Taxes	184,172	-	184,172
Liens	62,986	-	62,986
Other	195,617	-	195,617
Prepaid items	12,750	-	12,750
Inventory	13,333	-	13,333
Tax acquired property	30,906	-	30,906
Due from other funds	424,688	1,257,810	1,682,498
TOTAL ASSETS	\$ 5,651,414	\$ 1,257,810	\$ 6,909,224
LIABILITIES			
Accounts payable	\$ 218,220	\$ -	\$ 218,220
Accrued expenses	1,402	-	1,402
Due to other funds	1,257,810	424,688	1,682,498
TOTAL LIABILITIES	1,477,432	424,688	1,902,120
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	12,464	-	12,464
Deferred revenue	-	38,324	38,324
Deferred tax revenue	160,156	-	160,156
TOTAL DEFERRED INFLOWS OF RESOURCES	172,620	38,324	210,944
FUND BALANCES			
Nonspendable	56,989	-	56,989
Restricted	-	-	-
Committed	-	503,247	503,247
Assigned	223,500	716,239	939,739
Unassigned (deficits)	3,720,873	(424,688)	3,296,185
TOTAL FUND BALANCES	4,001,362	794,798	4,796,160
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,651,414	\$ 1,257,810	\$ 6,909,224

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

TOWN OF SABATTUS, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 4,796,160
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	4,207,693
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	261,629
OPEB	81,529
Long-term assets are not available in the current period and therefore are not reported as assets in the funds:	
Receivable for long-term debt obligations from RSU No. 4	427,400
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	160,156
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(672,400)
Note from direct borrowings payable	(318,676)
Accrued compensated absences	(111,793)
Net pension liability	(347,418)
Net OPEB liability	(186,227)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(67,149)
OPEB	(55,638)
	\$ 8,175,266
Net position of governmental activities	

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

TOWN OF SABATTUS, MAINE

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

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 6,357,076	\$ -	\$ 6,357,076
Excise taxes	1,131,140	-	1,131,140
Intergovernmental revenues:			
State revenue sharing	743,998	-	743,998
Homestead exemption	416,865	-	416,865
Grants/other	154,154	591,341	745,495
Charges for services	200,112	-	200,112
Investment income	114,323	-	114,323
Other revenue	81,166	47,464	128,630
TOTAL REVENUES	9,198,834	638,805	9,837,639
EXPENDITURES			
Current:			
General government	1,555,692	-	1,555,692
Public safety	1,123,146	323,515	1,446,661
Public works	838,081	-	838,081
Sanitation	295,016	-	295,016
General assistance	4,703	-	4,703
Recreation	-	-	-
County tax	501,030	-	501,030
Education	4,157,493	-	4,157,493
Unclassified	-	236,765	236,765
Overlay	5,004	-	5,004
Capital outlay	-	531,967	531,967
TOTAL EXPENDITURES	8,480,165	1,297,450	9,777,615
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	718,669	(658,645)	60,024
OTHER FINANCING SOURCES (USES)			
Transfers in	-	459,812	459,812
Transfers (out)	(459,812)	-	(459,812)
TOTAL OTHER FINANCING SOURCES (USES)	(459,812)	459,812	-
NET CHANGE IN FUND BALANCES	258,857	(198,833)	60,024
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	3,640,593	1,102,116	4,742,709
FUND BALANCE CORRECTIONS	101,912	(108,485)	(6,573)
FUND BALANCES - JULY 1, AS RESTATED	3,742,505	993,631	4,736,136
FUND BALANCES - JUNE 30	\$ 4,001,362	\$ 794,798	\$ 4,796,160

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

TOWN OF SABATTUS, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 60,024</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset acquisitions	192,193
Depreciation expense	<u>(364,904)</u>
	<u>(172,711)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	89,192
OPEB	<u>25,098</u>
	<u>114,290</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(19,341)</u>
Payment of receivable for long-term debt obligations from RSU No. 4	<u>(427,400)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>619,082</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	44,160
OPEB	<u>(20,977)</u>
	<u>23,183</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	26,372
Net pension liability	(162,519)
Net OPEB liability	<u>(27,363)</u>
	<u>(163,510)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 33,617</u></u>

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Sabattus was incorporated under the laws of the State of Maine. The Town operates under the Selectboard-town manager form of government and provides the following services: general government services, public safety, public works, sanitation, general assistance, recreation, education and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

Implementation of New Accounting Standards

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

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

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

1. Governmental Funds:

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Fund

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

Nonmajor Funds

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

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

Basis of Accounting

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

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

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

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

Deposits and Investments

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

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

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$195,617 for the year ended June 30, 2024.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). In the general fund, inventory consists of diesel fuel and gasoline.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

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

Long-term Obligations

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

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, a note from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town has long-term debt in its name that was incurred for school purposes. Although the assets were transferred to the new RSU, the Town still maintains this debt in its name. According to the new RSU agreement, the RSU will take over the payment of this debt. Hence, an offsetting receivable has been recorded in the amount of debt outstanding.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated 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.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

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

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

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualifies for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and deferred inflows related to OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied October 10, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due on November 14, 2023 and March 5, 2024. Interest on unpaid taxes commenced on November 15, 2023 and March 6, 2024, at 4% 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 revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$11,319 for the year ended June 30, 2024.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Deposits:

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2024, the Town's cash balance amounting to \$3,445,406 was comprised of bank deposits of \$3,681,625. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. All of these deposits were fully covered by federal depository insurance and not exposed to custodial credit risk or were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 125,000
Insured sweep account	<u>3,556,625</u>
	<u>\$ 3,681,625</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions of \$1,201,605 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2024, the Town's investments of \$1,201,605 of certificated of deposit were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - LONG-TERM RECEIVABLE

As of July 1, 2010, the Sabattus School Department became a member of Regional School Unit (RSU) No. 4. The RSU Plan requires that the RSU be responsible for payment of all school-related long-term debt on behalf of the Town. As of June 30, 2024, a long-term receivable has been recorded for \$427,400, which represents school-related general obligation bonds. The State of Maine Department of Education is responsible for paying approximately 100 percent of the debt service on general obligation bonds directly to the Maine Municipal Bond Bank.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 424,688	\$1,257,810
Nonmajor special revenue funds	541,571	359,282
Nonmajor capital projects funds	<u>716,239</u>	<u>65,406</u>
	<u>\$1,682,498</u>	<u>\$1,682,498</u>

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

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 459,812
Nonmajor capital projects funds	<u>459,812</u>	<u>-</u>
	<u>\$ 459,812</u>	<u>\$ 459,812</u>

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 - CAPITAL ASSETS

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

	Balance <u>7/1/23</u>	Additions	Disposals	Balance <u>6/30/24</u>
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 117,491	\$ -	\$ -	\$ 117,491
Construction in progress	-	5,563	-	5,563
	<u>117,491</u>	<u>5,563</u>	<u>-</u>	<u>123,054</u>
Depreciated assets:				
Land improvements	191,683	-	-	191,683
Buildings and improvements	1,791,751	10,891	-	1,802,642
Machinery, equipment and vehicles	4,793,524	175,739	(52,565)	4,916,698
Infrastructure	2,578,617	-	-	2,578,617
	<u>9,355,575</u>	<u>186,630</u>	<u>(52,565)</u>	<u>9,489,640</u>
Less: accumulated depreciation:				
Land improvements	(188,308)	(225)	-	(188,533)
Buildings and improvements	(983,282)	(53,776)	-	(1,037,058)
Machinery, equipment and vehicles	(3,351,522)	(195,098)	52,565	(3,494,055)
Infrastructure	(569,550)	(115,805)	-	(685,355)
	<u>(5,092,662)</u>	<u>(364,904)</u>	<u>52,565</u>	<u>(5,405,001)</u>
Net depreciated assets	<u>4,262,913</u>	<u>(178,274)</u>	<u>-</u>	<u>4,084,639</u>
Net capital assets	<u>\$ 4,380,404</u>	<u>\$ (172,711)</u>	<u>\$ -</u>	<u>\$ 4,207,693</u>
<u>Current year depreciation:</u>				
Fire				\$ 67,544
Police				43,117
Public works				192,814
Transfer station				12,672
Town-wide				48,757
Total depreciation expense				<u>\$ 364,904</u>

TOWN OF SABATTUS, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - LONG-TERM DEBT

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

	Balance 7/1/23	Additions	Reductions	Balance 6/30/24	Current Portion
Bonds payable	\$ 1,134,800	\$ -	\$ (462,400)	\$ 672,400	\$ 541,500
Notes from direct borrowings payable	475,358	-	(156,682)	318,676	145,506
	<u>\$ 1,610,158</u>	<u>\$ -</u>	<u>\$ (619,082)</u>	<u>\$ 991,076</u>	<u>\$ 687,006</u>

The following is a summary of the outstanding bonds and note from direct borrowings payable:

Bonds payable:

\$5,128,800, 2005 Series B Elementary School Bond Payable. Interest at a fixed rate ranging from 3% to 7% per annum with annual principal payments of \$427,400. Matures in October of 2024.	\$ 427,400
\$360,000, 2021 Series General Obligation Bond Payable with Key Government Financing, Inc. Interest at a fixed rate of 1.90% per annum with an initial annual principal payment of \$45,000, then \$35,000 until August of 2030.	<u>245,000</u>
Total bonds payable	<u>\$ 672,400</u>

Note from direct borrowings payable:

Note payable for GPM Pumper. The note is for five years with annual payments of \$55,793. The effective interest rate is fixed at 1.43% per annum. Maturity in November of 2029.	<u>\$ 318,676</u>
Total note from direct borrowings payable	<u>\$ 318,676</u>

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and note from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

	Bonds Payable		Note from Direct Borrowings Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
2025	\$ 462,400	\$ 10,918	\$ 51,252	\$ 4,541	\$ 529,111
2026	35,000	3,996	51,982	3,811	94,789
2027	35,000	3,330	52,723	3,070	94,123
2028	35,000	2,664	53,474	2,319	93,457
2029	35,000	1,998	54,236	1,557	92,791
2030-2034	70,000	1,998	55,009	783	127,790
	<u>\$ 672,400</u>	<u>\$ 24,904</u>	<u>\$ 318,676</u>	<u>\$ 16,081</u>	<u>\$ 1,032,061</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

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

	Balance 7/1/23	Additions	Reductions	Balance 6/30/24	Current Portion
Accrued compensated absences	\$ 138,165	\$ -	\$ (26,372)	\$ 111,793	\$ 5,590
Net pension liability	184,899	287,808	(125,289)	347,418	-
Net OPEB liability	158,864	48,340	(20,977)	186,227	-
Total	<u>\$ 481,928</u>	<u>\$ 336,148</u>	<u>\$ (172,638)</u>	<u>\$ 645,438</u>	<u>\$ 5,590</u>

Please see Notes 9, 15 and 16 for more detailed information on each of these other long-term obligations.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2024, the Town's liability for compensated absences is \$111,793.

NOTE 10 - NET INVESTMENTS IN CAPITAL ASSETS

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

Invested in capital assets	\$ 9,612,694
Accumulated depreciation	(5,405,001)
Outstanding capital related debt	<u>(991,076)</u>
	<u>\$ 3,216,617</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

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

General fund:	
Prepaid items	\$ 12,750
Inventory	13,333
Tax acquired property	<u>30,906</u>
	<u>\$ 56,989</u>

NOTE 12 - COMMITTED FUND BALANCES

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

Nonmajor special revenue funds (Schedule E)	<u>\$ 503,247</u>
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TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - ASSIGNED FUND BALANCES

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

General fund:	
Sabattus Pond Dam	\$ 38,500
Reserved for FY 2025 budget	185,000
Nonmajor capital projects funds (Schedule G)	716,239
	<u>\$ 939,739</u>

NOTE 14 - DEFICIT FUND BALANCES

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

Nonmajor special revenue funds (Schedule E)	
MMA safety grant	\$ 2,905
Highway safety	23,875
Fire grant	121,447
Police grants	45,739
SSD generator	162,404
Webster Mill	2,912
Nonmajor capital projects funds (Schedule G)	
Municipal office equipment	5,293
Road construction paving	60,113
	<u>\$ 424,688</u>

NOTE 15 - DEFERRED COMPENSATION PLAN

MissionSquare Retirement

Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all Town employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 - DEFERRED COMPENSATION PLAN (CONTINUED)

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Selectboard. The Town will contribute 10% of normal compensation for the plan year, exclusive of overtime compensation for employees that participate in the Town's defined benefit plan. The employee's and the Town's matching contribution vests 100% with the employee when contributed. The Town's contributions to the plan including employee contributions for 2024, 2023 and 2022 were \$63,007, \$54,696 and \$51,851, respectively.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Accordingly, the assets and related earnings on plan assets are not included in the financial statements of the Town.

NOTE 16 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with other PLD employers under applicable statutory provisions. As of June 30, 2023, there were 327 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's AC plan members are required to contribute 7.7% and 3C plan members are required to contribute 9.3% of their annual covered salary. The Town is required to contribute at an actuarially determined rate. The current rate for the AC plan is 10.2% and the 3C plan is 12.8% of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2024 was \$125,289.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2024, the Town reported a liability of \$347,418 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2022, the Town's proportion was 0.10888%, which was an increase of 0.03932% from its proportion measured as of June 30, 2022.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2024, the Town recognized total pension expense of \$29,167. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,499	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	58,955
Changes in proportion and differences between contributions and proportionate share of contributions	71,841	8,194
Contributions subsequent to the measurement date	125,289	-
Total	<u>\$ 261,629</u>	<u>\$ 67,149</u>

\$125,289 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Year ended June 30:	
2024	\$ 23,451
2025	(16,798)
2026	59,796
2027	2,741
2028	-
Thereafter	-

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

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

Actuarial Cost Method

The Entry Age Normal cost funding method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age of their expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

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

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary Increases, Merit and Inflation - 2.75% to 11.48% per year

Mortality Rates - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - 1.91%

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

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.6%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.0%

Discount Rate

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following table shows how the collective net pension liability as of June 30, 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability/(asset)	\$ 951,950	\$ 347,418	\$ (151,272)

Changes in Net Pension Liability

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

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2023 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

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

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

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

Employees Covered by Benefit Terms

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

Active members	13
Retirees and spouses	<u>1</u>
Total	<u><u>14</u></u>

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
PPO 500	\$1,144.18	\$2,566.55
<u>Medicare</u> Medicare-Eligible Retirees	\$659.34	\$1,318.68

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

At June 30, 2024, the Town reported a liability of \$186,227 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2024, the Town recognized OPEB expense of \$23,242. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,414	\$ 37,218
Changes of assumptions	64,071	18,420
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	(1,956)	-
Total	<u>\$ 81,529</u>	<u>\$ 55,638</u>

(\$1,956) were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2025	\$ 4,829
2026	4,506
2027	5,619
2028	5,619
2029	5,502
Thereafter	1,772

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2024. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.26% per annum for June 30, 2024 was based upon a measurement date of December 28, 2023. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.26%	3.26%	4.26%
Total OPEB liability	\$ 230,430	\$ 186,227	\$ 151,750
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 230,430</u>	<u>\$ 186,227</u>	<u>\$ 151,750</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	<u>1% Decrease</u>	<u>Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 150,311	\$ 186,227	\$ 232,235
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 150,311</u>	<u>\$ 186,227</u>	<u>\$ 232,235</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2024, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

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

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

Trend Assumptions:

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

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

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

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

Administrative and claims expense: 3% per annum

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

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

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

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

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

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

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

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

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 with the following exceptions:

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2024 was (\$17,804).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 190 Middle Road, Sabattus, Maine 04280.

NOTE 18 - EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2024, the Town had an overdraft in the following line item:

General government	\$ 36,750
Public safety	57,322
General assistance	2,703
	<u>\$ 96,775</u>

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 19 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

The Town has its liability insurance through the Kyes Agency Inc. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the policy, coverage is provided after the \$1,000 deductible is met, to \$4,377,412. Under the general liability portion of the policy, coverage is provided after the deductible is met, to \$1,000,000 per occurrence and \$3,000,000 in total. For the law enforcement liability, the coverage is \$1,000,000 per occurrence and in total with a \$2,500 deductible. For the public official liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible. Under the employment practices liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible.

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

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF SABATTUS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 21 - RELATED PARTY

One of the Town's board members, currently it's chairperson, owns a business that the Town has used for maintenance issues. The total paid to this business for the year ended June 30, 2024 was \$5,847.

NOTE 22 - RESTATEMENTS

In 2024, the Town determined that certain transactions were recorded or omitted. Therefore, a restatement to the governmental activities net position and governmental fund balances was required. The general fund was restated to correct accounts payable and accounts receivable balances. The nonmajor special revenues fund was restated to record deferred revenue for the ARPA fund.

	6/30/23 As Previously Reported	Fund Balance Correction	6/30/23 As Restated
Government-Wide Activities	<u>\$ 8,148,222</u>	<u>\$ (6,573)</u>	<u>\$ 8,141,649</u>
Governmental Funds:			
Major Fund:			
General Fund	\$ 3,640,593	\$ 101,912	\$ 3,742,505
Other Governmental Funds	<u>1,102,116</u>	<u>(108,485)</u>	<u>993,631</u>
	<u>\$ 4,742,709</u>	<u>\$ (6,573)</u>	<u>\$ 4,736,136</u>

NOTE 23 - SUBSEQUENT EVENT

On July 9, 2024, the Town entered into a lease agreement with Androscoggin Bank for an excavator. The lease amount of \$109,000 is at a fixed rate of 6.09% with annual payments of \$24,450 for five years.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

TOWN OF SABATTUS, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 3,742,505	\$ 3,742,505	\$ 3,742,505	\$ -
Resources (Inflows):				
Property taxes	6,338,005	6,338,005	6,357,076	19,071
Excise taxes	954,750	954,750	1,131,140	176,390
Intergovernmental:				
State revenue sharing	695,000	695,000	743,998	48,998
Homestead exemption	416,162	416,162	416,865	703
Other intergovernmental	177,504	177,504	154,154	(23,350)
Charges for services	128,444	128,444	200,112	71,668
Investment income	12,500	12,500	114,323	101,823
Other revenue	69,950	69,950	81,166	11,216
Amounts Available for Appropriation	12,534,820	12,534,820	12,941,339	406,519
Charges to Appropriations (Outflows):				
General government	1,526,170	1,526,170	1,555,692	(29,522)
Public safety	1,108,806	1,108,806	1,123,146	(14,340)
Public works	864,446	864,446	838,081	26,365
Sanitation	325,671	325,671	295,016	30,655
General assistance	2,000	2,000	4,703	(2,703)
County tax	501,030	501,030	501,030	-
Education	4,157,493	4,157,493	4,157,493	-
Capital outlay	104,084	104,084	-	104,084
Overlay	11,319	11,319	5,004	6,315
Transfers to other funds	459,812	459,812	459,812	-
Total Charges to Appropriations	9,060,831	9,060,831	8,939,977	120,854
Budgetary Fund Balance, June 30	\$ 3,473,989	\$ 3,473,989	\$ 4,001,362	\$ 527,373
Utilization of assigned fund balance	\$ 268,516	\$ 268,516	\$ -	\$ (268,516)

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

TOWN OF SABATTUS, MAINE

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>										
Proportion of the net pension liability (asset)	0.11%	0.07%	0.08%	0.09%	0.11%	0.10%	0.07%	0.08%	0.09%	0.09%
Proportionate share of the net pension liability (asset)	\$ 347,418	\$ 184,899	\$ (25,180)	\$ 369,950	\$ 327,201	\$ 277,610	\$ 302,357	\$ 434,852	\$ 278,636	\$ 132,670
Covered payroll	\$ 859,367	\$ 483,349	\$ 473,399	\$ 519,774	\$ 556,587	\$ 516,452	\$ 419,734	\$ 457,679	\$ 459,815	\$ 420,588
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.43%	38.25%	-5.32%	71.18%	58.79%	53.75%	72.04%	95.01%	60.60%	31.54%
Plan fiduciary net position as a percentage of the total pension liability	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.27%	94.10%

* The amounts presented for each fiscal year are as of June 30.

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

TOWN OF SABATTUS, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>										
Contractually required contribution	125,289	100,546	\$ 54,748	\$ 53,607	\$ 60,146	\$ 56,310	\$ 55,034	\$ 37,743	\$ 37,356	\$ 35,699
Contributions in relation to the contractually required contribution	<u>(125,289)</u>	<u>(100,546)</u>	<u>(54,748)</u>	<u>(53,607)</u>	<u>(60,146)</u>	<u>(56,310)</u>	<u>(55,034)</u>	<u>(37,743)</u>	<u>(37,356)</u>	<u>(35,699)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,008,675	\$ 859,367	\$ 483,349	\$ 473,399	\$ 519,774	\$ 556,587	\$ 516,452	\$ 419,734	\$ 457,679	\$ 459,815
Contributions as a percentage of covered payroll	12.42%	11.70%	11.33%	11.32%	11.57%	10.12%	10.66%	8.99%	8.16%	7.76%

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

TOWN OF SABATTUS, MAINE

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

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/23 (Reporting December 31, 2023)	\$ 158,864	\$ -	\$ 84,375
Changes for the year:			
Service cost	10,217	-	10,217
Interest	6,244	-	6,244
Changes of benefits	-	-	-
Differences between expected and actual experience	(31,451)	-	(31,451)
Changes of assumptions	44,841	-	44,841
Contributions - employer	-	2,488	(2,488)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(2,488)	(2,488)	-
Administrative expense	-	-	-
Net changes	<u>27,363</u>	<u>-</u>	<u>27,363</u>
Balances at 1/1/24 (Reporting December 31, 2024)	<u>\$ 186,227</u>	<u>\$ -</u>	<u>\$ 186,227</u>

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

TOWN OF SABATTUS, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>							
Service cost (BOY)	\$ 10,217	\$ 11,713	\$ 12,442	\$ 10,870	\$ 8,202	\$ 9,065	\$ 7,272
Interest (includes interest on service cost)	6,244	3,660	2,481	2,606	3,351	2,748	2,496
Changes of benefit terms	-	-	-	-	(1,627)	-	-
Differences between expected and actual experience	(31,451)	-	31,063	-	(18,293)	-	(9,079)
Changes of assumptions	44,841	(21,596)	16,359	7,117	19,310	(8,890)	11,619
Benefit payments, including refunds of member contributions	(2,488)	(1,683)	(277)	(266)	(206)	(198)	(281)
Net change in total OPEB liability	\$ 27,363	\$ (7,906)	\$ 62,068	\$ 20,327	\$ 10,737	\$ 2,725	\$ 12,027
Total OPEB liability - beginning	\$ 158,864	\$ 166,770	\$ 104,702	\$ 84,375	\$ 73,638	\$ 70,913	\$ 58,886
Total OPEB liability - ending	\$ 186,227	\$ 158,864	\$ 166,770	\$ 104,702	\$ 84,375	\$ 73,638	\$ 70,913
<u>Plan fiduciary net position</u>							
Contributions - employer	2,488	1,683	277	266	206	198	281
Contributions - member	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(2,488)	(1,683)	(277)	(266)	(206)	(198)	(281)
Administrative expense	-	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 186,227	\$ 158,864	\$ 166,770	\$ 104,702	\$ 84,375	\$ 73,638	\$ 70,913
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-	-
Covered payroll	\$ 686,322	\$ 841,140	\$ 841,140	\$ 755,055	\$ 755,055	\$ 734,129	\$ 734,129
Net OPEB liability as a percentage of covered payroll	27.1%	18.9%	19.8%	13.9%	11.2%	10.0%	9.7%

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

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

TOWN OF SABATTUS, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>							
Employer contributions	\$ 2,488	\$ 1,683	\$ 277	\$ 266	\$ 206	\$ 198	\$ 281
Benefit payments	<u>(2,488)</u>	<u>(1,683)</u>	<u>(277)</u>	<u>(266)</u>	<u>(206)</u>	<u>(198)</u>	<u>(281)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 686,322	\$ 841,140	\$ 841,140	\$ 755,055	\$ 755,055	\$ 734,129	\$ 734,129
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

TOWN OF SABATTUS, MAINE

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

Changes of Assumptions

MEPERS PLD Plan:

There were changes of assumptions.

MMEHT OPEB Plan:

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

Other Supplementary Information

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

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

TOWN OF SABATTUS, MAINE

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

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 6,338,005	\$ 6,338,005	\$ 6,357,076	\$ 19,071
Motor vehicle excise	950,000	950,000	1,126,534	176,534
Boat excise	4,750	4,750	4,606	(144)
Intergovernmental revenues:				
State revenue sharing	695,000	695,000	743,998	48,998
Homestead exemption	416,162	416,162	416,865	703
Tree growth	4,000	4,000	4,239	239
Veterans' reimbursement	4,800	4,800	10,262	5,462
Other state/federal funds	168,704	168,704	139,653	(29,051)
Charges for services:				
Town clerk fees	2,450	2,450	5,389	2,939
Permits and fees	27,225	27,225	28,031	806
Code enforcement	19,250	19,250	42,635	23,385
Planning board	1,000	1,000	1,690	690
Transfer station	45,000	45,000	59,335	14,335
Public safety	-	-	29,513	29,513
Public works	33,519	33,519	33,519	-
Investment income:				
Regular investment income	12,500	12,500	114,323	101,823
Other revenues:				
Fees/interest on taxes	32,000	32,000	22,706	(9,294)
Gain sale of fuel	1,750	1,750	2,728	978
SSD administration	35,000	35,000	35,000	-
Miscellaneous	1,200	1,200	20,732	19,532
Amounts Available for Appropriation	<u>\$ 8,792,315</u>	<u>\$ 8,792,315</u>	<u>\$ 9,198,834</u>	<u>\$ 406,519</u>

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

TOWN OF SABATTUS, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Administration	\$ 438,905	\$ -	\$ 438,905	\$ 431,577	\$ 7,328
Payroll tax and retirement	289,568	-	289,568	292,902	(3,334)
Insurance	415,697	-	415,697	408,662	7,035
Boards and committees	19,750	-	19,750	18,264	1,486
Animal control officer	27,461	-	27,461	26,962	499
Code enforcement officer	50,000	-	50,000	25,234	24,766
Androscoggin Valley Council of Gov.	5,794	-	5,794	5,794	-
MMA dues	5,500	-	5,500	5,669	(169)
Non-profit	11,950	-	11,950	10,863	1,087
Professional services	83,650	-	83,650	117,437	(33,787)
Operational utilities	177,895	-	177,895	212,328	(34,433)
Total	1,526,170	-	1,526,170	1,555,692	(29,522)
PUBLIC SAFETY					
Police department	660,936	-	660,936	638,693	22,243
Fire department	359,730	-	359,730	399,457	(39,727)
EMS	17,250	-	17,250	16,837	413
Emergency management	1,950	-	1,950	1,700	250
Dispatch and E911/PSAP	68,940	-	68,940	66,459	2,481
Total	1,108,806	-	1,108,806	1,123,146	(14,340)
PUBLIC WORKS					
Public works	852,096	-	852,096	829,772	22,324
Stormwater management	12,350	-	12,350	8,309	4,041
Total	864,446	-	864,446	838,081	26,365

TOWN OF SABATTUS, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
SANITATION					
S.R.S.W.T.S.	325,671	-	325,671	295,016	30,655
Total	325,671	-	325,671	295,016	30,655
GENERAL ASSISTANCE					
	2,000	-	2,000	4,703	(2,703)
TRANSFERS TO OTHER FUNDS					
Nonmajor capital projects funds	459,812	-	459,812	459,812	-
Total	459,812	-	459,812	459,812	-
OTHER GOVERNMENTAL APPROPRIATIONS					
School appropriations	4,157,493	-	4,157,493	4,157,493	-
County tax	501,030	-	501,030	501,030	-
Total	4,658,523	-	4,658,523	4,658,523	-
CAPITAL OUTLAY					
	104,084	-	104,084	-	104,084
OVERLAY/ABATEMENTS					
	11,319	-	11,319	5,004	6,315
TOTAL DEPARTMENTAL OPERATIONS	\$ 9,060,831	\$ -	\$ 9,060,831	\$ 8,939,977	\$ 120,854

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

TOWN OF SABATTUS, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Due from other funds	\$ 541,571	\$ 716,239	\$ 1,257,810
TOTAL ASSETS	<u>\$ 541,571</u>	<u>\$ 716,239</u>	<u>\$ 1,257,810</u>
LIABILITIES			
Due to other funds	\$ 359,282	\$ 65,406	\$ 424,688
TOTAL LIABILITIES	<u>359,282</u>	<u>65,406</u>	<u>424,688</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	38,324	-	38,324
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>38,324</u>	<u>-</u>	<u>38,324</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	503,247	-	503,247
Assigned	-	716,239	716,239
Unassigned (deficits)	(359,282)	(65,406)	(424,688)
TOTAL FUND BALANCES	<u>143,965</u>	<u>650,833</u>	<u>794,798</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 541,571</u>	<u>\$ 716,239</u>	<u>\$ 1,257,810</u>

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

TOWN OF SABATTUS, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 541,617	\$ 49,724	\$ 591,341
Other income	47,464	-	47,464
TOTAL REVENUES	<u>589,081</u>	<u>49,724</u>	<u>638,805</u>
EXPENDITURES			
Public safety	323,515	-	323,515
Capital outlay	-	531,967	531,967
Other	236,765	-	236,765
TOTAL EXPENDITURES	<u>560,280</u>	<u>737,170</u>	<u>1,297,450</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>28,801</u>	<u>(687,446)</u>	<u>(658,645)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	459,812	459,812
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>459,812</u>	<u>459,812</u>
NET CHANGE IN FUND BALANCES	<u>28,801</u>	<u>(227,634)</u>	<u>(198,833)</u>
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	223,649	878,467	1,102,116
FUND BALANCE CORRECTION	<u>(108,485)</u>	<u>-</u>	<u>(108,485)</u>
FUND BALANCES - JULY 1, AS RESTATED	<u>115,164</u>	<u>878,467</u>	<u>993,631</u>
FUND BALANCES - JUNE 30	<u>\$ 143,965</u>	<u>\$ 650,833</u>	<u>\$ 794,798</u>

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

Special Revenue Funds

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

TOWN OF SABATTUS, MAINE

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

	MMA Safety Grant	Police Training Reimbursement	Highway Safety	Health/PTO Reimbursement Plan	Fire Grant	SRO Grants	Police Grants
ASSETS							
Due from other funds	\$ -	\$ 47,899	\$ -	\$ 7,025	\$ -	\$ 777	\$ -
TOTAL ASSETS	\$ -	\$ 47,899	\$ -	\$ 7,025	\$ -	\$ 777	\$ -
LIABILITIES							
Due to other funds	\$ 2,905	\$ -	\$ 23,875	\$ -	\$ 121,447	\$ -	\$ 45,739
TOTAL LIABILITIES	2,905	-	23,875	-	121,447	-	45,739
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	47,899	-	7,025	-	777	-
Assigned	-	-	-	-	-	-	-
Unassigned	(2,905)	-	(23,875)	-	(121,447)	-	(45,739)
TOTAL FUND BALANCES (DEFICITS)	(2,905)	47,899	(23,875)	7,025	(121,447)	777	(45,739)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 47,899	\$ -	\$ 7,025	\$ -	\$ 777	\$ -

TOWN OF SABATTUS, MAINE

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

	Police OUI Detail Grant	Comprehensive Plan	Surplus Bids	FF Grant	Veterans Memorial Park	Homeland Security 2016	Charter Commission
ASSETS							
Due from other funds	\$ 32,328	\$ 15,502	\$ 16,575	\$ 100,264	\$ 2,362	\$ 14,248	\$ 1,422
TOTAL ASSETS	\$ 32,328	\$ 15,502	\$ 16,575	\$ 100,264	\$ 2,362	\$ 14,248	\$ 1,422
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	32,328	15,502	16,575	100,264	2,362	14,248	1,422
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	32,328	15,502	16,575	100,264	2,362	14,248	1,422
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 32,328	\$ 15,502	\$ 16,575	\$ 100,264	\$ 2,362	\$ 14,248	\$ 1,422

TOWN OF SABATTUS, MAINE

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

	Police Emp-E Reimbursement	SSD Generator	Fire Donations	ARPA	Public Works	Police Donations
ASSETS						
Due from other funds	\$ 24,414	\$ -	\$ 31,140	\$ 38,324	\$ 132,200	\$ 1,300
TOTAL ASSETS	\$ 24,414	\$ -	\$ 31,140	\$ 38,324	\$ 132,200	\$ 1,300
LIABILITIES						
Due to other funds	\$ -	\$ 162,404	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	162,404	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	38,324	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	38,324	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	24,414	-	31,140	-	132,200	1,300
Assigned	-	-	-	-	-	-
Unassigned	-	(162,404)	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	24,414	(162,404)	31,140	-	132,200	1,300
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 24,414	\$ -	\$ 31,140	\$ 38,324	\$ 132,200	\$ 1,300

TOWN OF SABATTUS, MAINE

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

	Webster Mill	Riley Road	General Assistance	Sale of Assets	MePERS Reimbursement	Police Forfeiture	Total
ASSETS							
Due from other funds	\$ -	\$ 4,265	\$ 23,894	\$ 8,450	\$ 32,518	\$ 6,664	\$ 541,571
TOTAL ASSETS	\$ -	\$ 4,265	\$ 23,894	\$ 8,450	\$ 32,518	\$ 6,664	\$ 541,571
LIABILITIES							
Due to other funds	\$ 2,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,282
TOTAL LIABILITIES	2,912	-	-	-	-	-	359,282
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	-	38,324
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	38,324
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	4,265	23,894	8,450	32,518	6,664	503,247
Assigned	-	-	-	-	-	-	-
Unassigned	(2,912)	-	-	-	-	-	(359,282)
TOTAL FUND BALANCES (DEFICITS)	(2,912)	4,265	23,894	8,450	32,518	6,664	143,965
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 4,265	\$ 23,894	\$ 8,450	\$ 32,518	\$ 6,664	\$ 541,571

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

TOWN OF SABATTUS, MAINE

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

	MMA Safety Grant	Police Training Reimbursement	Highway Safety	Health/PTO Reimbursement Plan	Fire Grant	SRO Grants	Police Grants
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 58,064	\$ -	\$ 3,182
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	58,064	-	3,182
EXPENDITURES							
Public safety	-	-	-	-	818	-	2,121
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	818	-	2,121
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	57,246	-	1,061
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	(2,905)	47,899	(23,875)	7,025	(178,693)	777	(46,800)
FUND BALANCE CORRECTION	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	(2,905)	47,899	(23,875)	7,025	(178,693)	777	(46,800)
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (2,905)</u>	<u>\$ 47,899</u>	<u>\$ (23,875)</u>	<u>\$ 7,025</u>	<u>\$ (121,447)</u>	<u>\$ 777</u>	<u>\$ (45,739)</u>

TOWN OF SABATTUS, MAINE

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

	Police OUI Detail Grant	Comprehensive Plan	Surplus Bids	FF Grant	Veterans Memorial Park	Homeland Security 2016	Charter Commission
REVENUES							
Intergovernmental	\$ 1,759	\$ -	\$ -	\$ 402,105	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	<u>1,759</u>	<u>-</u>	<u>-</u>	<u>402,105</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Public safety	-	-	-	301,841	-	-	-
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,841</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>1,759</u>	<u>-</u>	<u>-</u>	<u>100,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	30,569	15,502	16,575	-	2,362	14,248	1,422
FUND BALANCE CORRECTION	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>30,569</u>	<u>15,502</u>	<u>16,575</u>	<u>-</u>	<u>2,362</u>	<u>14,248</u>	<u>1,422</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 32,328</u>	<u>\$ 15,502</u>	<u>\$ 16,575</u>	<u>\$ 100,264</u>	<u>\$ 2,362</u>	<u>\$ 14,248</u>	<u>\$ 1,422</u>

TOWN OF SABATTUS, MAINE

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

	Police Emp-E Reimbursement	SSD Generator	Fire Donations	ARPA	Public Works	Police Donations
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 74,361	\$ -	\$ -
Other income	-	-	40,300	-	-	500
TOTAL REVENUES	-	-	40,300	74,361	-	500
EXPENDITURES						
Public safety	8,239	-	10,496	-	-	-
Other	-	162,404	-	74,361	-	-
TOTAL EXPENDITURES	8,239	162,404	10,496	74,361	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(8,239)	(162,404)	29,804	-	-	500
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	32,653	-	1,336	108,485	132,200	800
FUND BALANCE CORRECTION	-	-	-	(108,485)	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	32,653	-	1,336	-	132,200	800
FUND BALANCES (DEFICITS) - JUNE 30	\$ 24,414	\$ (162,404)	\$ 31,140	\$ -	\$ 132,200	\$ 1,300

TOWN OF SABATTUS, MAINE

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

	Webster Mill	Riley Road	General Assistance	Sale of Assets	MePERS Reimbursement	Police Forfeiture	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 2,146	\$ -	\$ -	\$ -	\$ 541,617
Other income	-	-	-	-	-	6,664	47,464
TOTAL REVENUES	-	-	2,146	-	-	6,664	589,081
EXPENDITURES							
Public safety	-	-	-	-	-	-	323,515
Other	-	-	-	-	-	-	236,765
TOTAL EXPENDITURES	-	-	-	-	-	-	560,280
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	2,146	-	-	6,664	28,801
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	(2,912)	4,265	21,748	8,450	32,518	-	223,649
FUND BALANCE CORRECTION	-	-	-	-	-	-	(108,485)
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	(2,912)	4,265	21,748	8,450	32,518	-	115,164
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (2,912)</u>	<u>\$ 4,265</u>	<u>\$ 23,894</u>	<u>\$ 8,450</u>	<u>\$ 32,518</u>	<u>\$ 6,664</u>	<u>\$ 143,965</u>

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

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The projects also include significant purchases of vehicles and equipment, as well as the servicing of leases and bonds associated with those purchases. Projects are generally segregated by the related Town department managing the project.

TOWN OF SABATTUS, MAINE

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

	Police Dept Equipment	Fire Dept Equipment	Public Works Equipment	Transfer Station Equipment	Municipal Office Equipment	Marsh Road	Downtown Project
ASSETS							
Due from other funds	\$ 49,266	\$ 117,209	\$ -	\$ 60,782	\$ -	\$ 67,267	\$ 523
TOTAL ASSETS	\$ 49,266	\$ 117,209	\$ -	\$ 60,782	\$ -	\$ 67,267	\$ 523
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 5,293	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	5,293	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	49,266	117,209	-	60,782	-	67,267	523
Unassigned	-	-	-	-	(5,293)	-	-
TOTAL FUND BALANCES (DEFICITS)	49,266	117,209	-	60,782	(5,293)	67,267	523
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 49,266	\$ 117,209	\$ -	\$ 60,782	\$ -	\$ 67,267	\$ 523

TOWN OF SABATTUS, MAINE

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

	Transfer Station Facilities	Municipal Building Facilities	Public Works Facilities	Fire Department Facilities	Road Reconstruction Paving	Pleasant Hill Rd.	Total
ASSETS							
Due from other funds	\$ 247,634	\$ 4,468	\$ 59,482	\$ 9,608	\$ -	\$ 100,000	\$ 716,239
TOTAL ASSETS	\$ 247,634	\$ 4,468	\$ 59,482	\$ 9,608	\$ -	\$ 100,000	\$ 716,239
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 60,113	\$ -	\$ 65,406
TOTAL LIABILITIES	-	-	-	-	60,113	-	65,406
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	247,634	4,468	59,482	9,608	-	100,000	716,239
Unassigned	-	-	-	-	(60,113)	-	(65,406)
TOTAL FUND BALANCES (DEFICITS)	247,634	4,468	59,482	9,608	(60,113)	100,000	650,833
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 247,634	\$ 4,468	\$ 59,482	\$ 9,608	\$ -	\$ 100,000	\$ 716,239

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

TOWN OF SABATTUS, MAINE

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

	Police Dept Equipment	Fire Dept Equipment	Public Works Equipment	Transfer Station Equipment	Municipal Office Equipment	Marsh Road	Downtown Project
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	50,309	-	70,000	59,364	-	-	-
Debt service:							
Principal	29,840	50,532	-	-	-	-	-
Interest	1,019	5,261	-	-	-	-	-
TOTAL EXPENDITURES	81,168	55,793	70,000	59,364	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(81,168)	(55,793)	(70,000)	(59,364)	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	130,434	55,793	70,000	65,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	130,434	55,793	70,000	65,000	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	49,266	-	-	5,636	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	-	117,209	-	55,146	(5,293)	67,267	523
FUND BALANCES (DEFICITS) - JUNE 30	\$ 49,266	\$ 117,209	\$ -	\$ 60,782	\$ (5,293)	\$ 67,267	\$ 523

TOWN OF SABATTUS, MAINE

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

	Transfer Station Facilities	Municipal Building Facilities	Public Works Facilities	Fire Department Facilities	Road Reconstruction Paving	Pleasant Hill Rd.	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 49,724	\$ -	\$ 49,724
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,724</u>	<u>-</u>	<u>49,724</u>
EXPENDITURES							
Capital outlay	18,769	825	-	-	332,700	-	531,967
Debt service:							
Principal	-	-	-	-	111,713	-	192,085
Interest	-	-	-	-	6,838	-	13,118
TOTAL EXPENDITURES	<u>18,769</u>	<u>825</u>	<u>-</u>	<u>-</u>	<u>451,251</u>	<u>-</u>	<u>737,170</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,769)</u>	<u>(825)</u>	<u>-</u>	<u>-</u>	<u>(401,527)</u>	<u>-</u>	<u>(687,446)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	138,585	-	459,812
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,585</u>	<u>-</u>	<u>459,812</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(18,769)</u>	<u>(825)</u>	<u>-</u>	<u>-</u>	<u>(262,942)</u>	<u>-</u>	<u>(227,634)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>266,403</u>	<u>5,293</u>	<u>59,482</u>	<u>9,608</u>	<u>202,829</u>	<u>100,000</u>	<u>878,467</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 247,634</u>	<u>\$ 4,468</u>	<u>\$ 59,482</u>	<u>\$ 9,608</u>	<u>\$ (60,113)</u>	<u>\$ 100,000</u>	<u>\$ 650,833</u>

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

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

TOWN OF SABATTUS, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
 JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General Government	\$ -	\$ -	\$ 19,570	\$ -	\$ 19,570
Fire	-	65,131	1,063,652	-	1,128,783
Police	-	4,500	413,745	-	418,245
Public Works	-	38,659	1,025,653	2,578,617	3,642,929
Transfer Station	5,563	-	193,569	-	199,132
Town-wide	117,491	1,886,035	2,200,509	-	4,204,035
Total General Capital Assets	123,054	1,994,325	4,916,698	2,578,617	9,612,694
Less: Accumulated Depreciation	-	(1,225,591)	(3,494,055)	(685,355)	(5,405,001)
Net General Capital Assets	\$ 123,054	\$ 768,734	\$ 1,422,643	\$ 1,893,262	\$ 4,207,693

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

TOWN OF SABATTUS, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23	Additions	Deletions	General Capital Assets 6/30/24
General Government	\$ 19,570	\$ -	\$ -	\$ 19,570
Fire	1,107,101	21,682	-	1,128,783
Police	377,827	92,983	(52,565)	418,245
Public Works	3,637,828	5,101	-	3,642,929
Transfer Station	126,705	72,427	-	199,132
Town-wide	4,204,035	-	-	4,204,035
Total General Capital Assets	9,473,066	192,193	(52,565)	9,612,694
Less: Accumulated Depreciation	(5,092,662)	(364,904)	52,565	(5,405,001)
Net General Capital Assets	<u>\$ 4,380,404</u>	<u>\$ (172,711)</u>	<u>\$ -</u>	<u>\$ 4,207,693</u>

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



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

Selectboard
Town of Sabattus
Sabattus, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Sabattus, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Sabattus, Maine's basic financial statements and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Sabattus, 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 Sabattus, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Sabattus, Maine's internal control.

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

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

Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Sabattus, Maine in a separate letter dated December 17, 2025.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
December 17, 2025