

*TOWN OF LIBERTY, MAINE*

*FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020*

**TOWN OF LIBERTY  
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2020**

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# James W. Wadman

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**CERTIFIED PUBLIC ACCOUNTANT**

James W. Wadman, C.P.A.  
Ronald C. Bean, C.P.A.  
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Amy E. Atherton, C.P.A.

## *INDEPENDENT AUDITOR'S REPORT*

October 9, 2020

Members of the Board of Selectmen  
Town of Liberty  
P.O. Box 116  
Liberty, ME 04949

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Liberty, Maine (the Town) as of and for the fiscal year ended June 30, 2020, and related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Liberty, Maine as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 25, 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 Liberty, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual fund nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully Submitted,

*James W. Wadman, CPA*

James W. Wadman, CPA

**TOWN OF LIBERTY, MAINE**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2020**

Management of the Town of Liberty, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the year ended June 30, 2020. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

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

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Position* – The assets of the Town exceeded its liabilities at year ending June 30, 2020 by \$2,948,315 (presented as “net position”). Of this amount, \$599,912 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

*Changes in Net Position* – The Town's total net position decreased by \$148,866 (a 4.8% decrease) for the year ended June 30, 2020.

**Fund Highlights:**

*Governmental Funds* – Fund Balances – As of the close of the year ended June 30, 2020; the Town's governmental funds reported a combined ending fund balance of \$536,713 with \$231,593 being general unassigned fund balance. This unassigned fund balance represents approximately 8% of the total general fund expenditures for the year.

**Long-term Debt:**

The Town's total long-term debt obligations decreased by \$6,700 (25%) during the current fiscal year. No new debt obligations were issued. Existing debt obligations were retired according to schedule.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary (if applicable). The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not

available to support the Town's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements. The notes to the financial statements can be found on pages 13-24 of this report.

**Required Supplementary Information**

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). Required supplementary information can be found on page 25 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

75% of the Town's net position reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

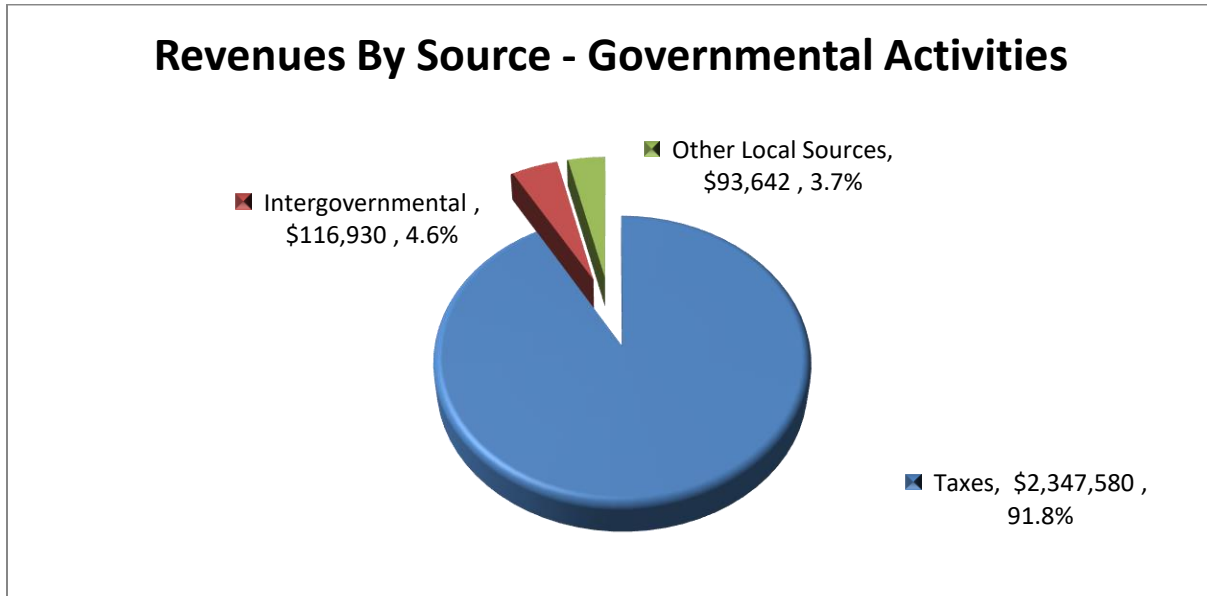
	<i>Governmental Activities</i>	
	<b><i>Total 2020</i></b>	<b><i>Total 2019</i></b>
Current Assets	875,636	997,092
Capital Assets	2,620,381	2,562,542
<b><i>Total Assets</i></b>	<b>3,496,017</b>	<b>3,559,634</b>
Current Liabilities	164,152	52,331
Other Liabilities	366,393	396,111
<b><i>Total Liabilities</i></b>	<b>530,545</b>	<b>448,442</b>
Property Taxes Collected in Advance	17,157	14,011
<b><i>Total Deferred Inflows of Resources</i></b>	<b>17,157</b>	<b>14,011</b>
<b><i>Net Position:</i></b>		
Net Investment in Capital Assets	2,224,270	2,137,543
Restricted	124,133	116,928
Unrestricted	599,912	842,710
<b><i>Total Net Position</i></b>	<b>2,948,315</b>	<b>3,097,181</b>
<b><i>Total Liabilities and Net Position</i></b>	<b>3,496,017</b>	<b>3,559,634</b>

**Changes in Net Position**

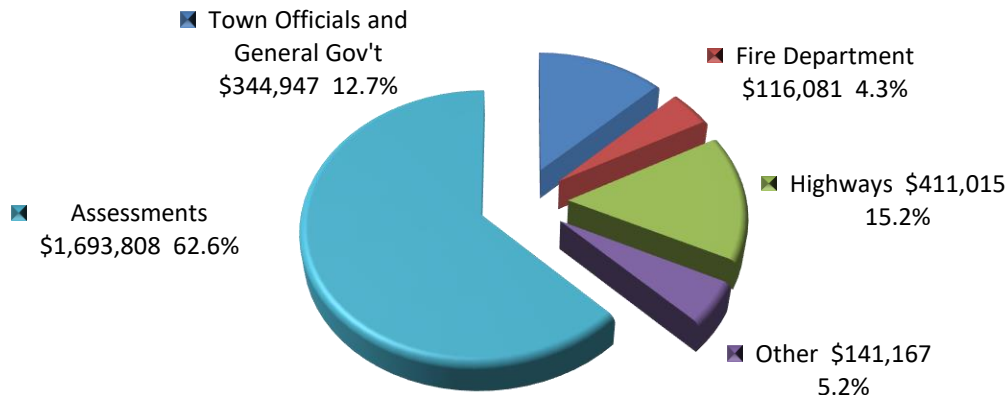
Approximately 91 percent of the Town's total revenue came from property and excise taxes, approximately 5 percent came from State subsidies and grants, and approximately 4 percent came from services, investment

earnings and other sources. Depreciation expense on the Town's governmental activity assets represents \$184,532 of the total expenses for the year.

	<i>Total 2020</i>	<i>Total 2019</i>
<b>Revenues:</b>		
Taxes	2,347,580	2,303,747
Intergovernmental Revenues	116,930	112,595
Departmental Revenues	32,191	38,782
Other Local Sources	61,451	34,460
<b>Total</b>	<b>2,558,152</b>	<b>2,489,584</b>
<b>Expenses:</b>		
Town Officials	95,892	103,305
General Government	249,055	203,574
Highways	411,015	366,606
Dam Maintenance	8,959	3,668
Fire Department	116,081	126,411
Recreation	14,064	14,251
Ambulance	70,204	42,128
Other	31,846	17,462
Debt	16,094	16,932
Assessments	1,693,808	1,609,281
<b>Total</b>	<b>2,707,018</b>	<b>2,503,618</b>
<b>Changes in Net Position</b>	<b>(148,866)</b>	<b>(14,034)</b>



## Expenditures By Source - Governmental Activities



### **FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS**

#### **Governmental Funds**

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

At the end of the year, the Town's governmental funds reported ending fund balances of \$536,713, a decrease of \$303,500 in comparison with the prior year. Approximately 43 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior year or for a variety of other purposes.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$67,384 negative variance in property taxes. The variance is due to unfavorable property tax collections this year.
- \$10,649 negative variance in wood lot revenue. The variance is due to budgeting too high for this line.
- \$8,408 positive variance in deputy clerk. The variance is due to two months not worked.
- \$40,956 negative variance in emergency fund. The variance is due to road repairs due to storm damage.
- \$8,423 positive variance in roads/bridge/dam maintenance. The variance is due to work not completed at year end. The variance is being carried over into the reserve fund.
- \$11,039 negative variance in COVID-19. The variance is due to additional expenditures needed for COVID-19 compliance and reopening of town office.



## **CAPITAL ASSET ADMINISTRATION**

### **Capital Assets**

The Town's investment in capital assets for its governmental activities amounts to \$6,189,148, net of accumulated depreciation of \$3,568,767, leaving a net book value of 2,620,381. Current year additions included \$119,999 in dam repairs, \$5,600 for fire department ram, and \$116,772 for paving.

Additional information on the Town's capital assets can be found in Note 3D of the notes to the financial statements on page 21 of this report.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Liberty, P.O. Box 116 Liberty, Maine 04949.

**TOWN OF LIBERTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

*Exhibit A*

<i>Assets</i>	<i>Governmental Activities</i>
Cash and Equivalents	554,496
Receivables	
Taxes	209,246
Tax Liens	66,820
Accounts	4,260
Prepaid Expenditures	38,199
Due from Other Governments	2,615
Capital Assets:	
Land	48,000
Other Capital Assets, Net of Depreciation	2,572,381
<b><i>Total Assets</i></b>	<b><u>3,496,017</u></b>
 <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
 <i>Liabilities</i>	
Accounts Payable	134,434
Long-term Liabilities:	
Due Within One Year	29,718
Due in More Than One Year	366,393
<b><i>Total Liabilities</i></b>	<b><u>530,545</u></b>
 <i>Deferred Inflows of Resources:</i>	
Property Taxes Collected in Advance	17,157
<b><i>Total Deferred Inflows of Resources</i></b>	<b><u>17,157</u></b>
 <i>Net Position</i>	
Net Investment in Capital Assets	2,224,270
Restricted	124,133
Unrestricted	599,912
<b><i>Total Net Position</i></b>	<b><u>2,948,315</u></b>
 <b><i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i></b>	 <b><u>3,496,017</u></b>

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

**TOWN OF LIBERTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Exhibit B*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Fees, Fines, and</u> <u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	<u>Revenue and</u> <u>Changes in Net Position</u>
<u>Primary Government</u>				<u>Total</u>
<u>Governmental Activities</u>				<u>Governmental</u> <u>Activities</u>
Town Officials	95,892			(95,892)
General Government	249,055			(249,055)
Highways	411,015		23,364	(387,651)
Dam Maintenance	8,959			(8,959)
Fire Department	116,081			(116,081)
Recreation	14,064			(14,064)
Ambulance	70,204	500		(69,704)
Other	31,846			(31,846)
Debt	16,094			(16,094)
Assessments	1,693,808			(1,693,808)
<u>Total Governmental Activities</u>	<u>2,707,018</u>	<u>500</u>	<u>23,364</u>	<u>(2,683,154)</u>
<u>Total Primary Government</u>	<u>2,707,018</u>	<u>500</u>	<u>23,364</u>	<u>(2,683,154)</u>
<u>General Revenues:</u>				
Taxes				
Property				2,165,163
Auto Excise				182,417
Intergovernmental Revenues				116,930
Other Local Sources				69,778
<u>Total Revenues, Special Items and Transfers</u>				<u>2,534,288</u>
<u>Changes in Net Position</u>				<u>(148,866)</u>
<u>Net Position - Beginning</u>				<u>3,097,181</u>
<u>Net Position - Ending</u>				<u>2,948,315</u>

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

**TOWN OF LIBERTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

*Exhibit C*

<i>Assets</i>	<i>General Fund</i>	<i>Hoit Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	378,841	90,728	84,927	554,496
Receivables				
Taxes	209,246			209,246
Tax Liens	66,820			66,820
Accounts	4,260			4,260
Prepaid Expenditures	38,199			38,199
Due from Other Governments	2,615			2,615
Due from Other Funds	9,336			9,336
<b>Total Assets</b>	<b>709,317</b>	<b>90,728</b>	<b>84,927</b>	<b>884,972</b>
 <i>Liabilities, Deferred Inflows of Resources, and Fund Balances</i>				
<i>Liabilities</i>				
Accounts Payable	134,434			134,434
Due to Other Funds	-	1,500	7,836	9,336
<b>Total Liabilities</b>	<b>134,434</b>	<b>1,500</b>	<b>7,836</b>	<b>143,770</b>
 <i>Deferred Inflows of Resources:</i>				
Property Taxes Collected in Advance	17,157			17,157
Unavailable Property Tax Revenue	187,332			187,332
<b>Total Deferred Inflows of Resources</b>	<b>204,489</b>	<b>-</b>	<b>-</b>	<b>204,489</b>
 <i>Fund Balances</i>				
Restricted	34,905	89,228		124,133
Committed	54,369			54,369
Assigned	49,527		77,091	126,618
Unassigned	231,593			231,593
<b>Total Fund Balances</b>	<b>370,394</b>	<b>89,228</b>	<b>77,091</b>	<b>536,713</b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	 <b>709,317</b>	 <b>90,728</b>	 <b>84,927</b>	 <b>884,972</b>

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

Total Fund Balance	536,713
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of 3,568,767	2,620,381
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Taxes	187,332
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Capital Lease Payable	(376,511)
Bonds Payable	(19,600)
<b>Net Position of Governmental Activities</b>	<b>2,948,315</b>

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

**TOWN OF LIBERTY**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Exhibit D*  
*Page 1 of 2*

	<i>General Fund</i>	<i>Hoit Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	2,279,673			2,279,673
Intergovernmental Revenues	116,930			116,930
Departmental Revenues	32,191			32,191
Other Local Sources	58,081	2,111	1,259	61,451
<b>Total Revenues</b>	<b>2,486,875</b>	<b>2,111</b>	<b>1,259</b>	<b>2,490,245</b>
Expenditures				
Town Officials	95,892			95,892
General Government	236,497	2,563	4,325	243,385
Highways	414,579			414,579
Dam Maintenance	122,733		1,426	124,159
Fire Department	67,430			67,430
Recreation	7,460			7,460
Ambulance	70,204			70,204
Other	31,846			31,846
Debt	44,982			44,982
Assessments	1,693,808			1,693,808
<b>Total Expenditures</b>	<b>2,785,431</b>	<b>2,563</b>	<b>5,751</b>	<b>2,793,745</b>
Excess of Revenues Over (Under) Expenditures	(298,556)	(452)	(4,492)	(303,500)
Other Financing Sources (Uses)				
Transfers from Other Funds	-		1,500	1,500
Transfers to Other Funds	(1,500)		-	(1,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,500)</b>	<b>-</b>	<b>1,500</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(300,056)	(452)	(2,992)	(303,500)
Fund Balance - July 1	670,450	89,680	80,083	840,213
<b>Fund Balance - June 30</b>	<b>370,394</b>	<b>89,228</b>	<b>77,091</b>	<b>536,713</b>

(Continued)

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

**TOWN OF LIBERTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds	(303,500)
Amounts reported for governmental activities in the Statement of Activities 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 additions	242,371
Depreciation expense	(184,532)
	<u>57,839</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Taxes	67,907
	<u>67,907</u>
Bond proceeds provided current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Capital lease principal payments	22,188
General obligation bond principal payments	6,700
	<u>28,888</u>
Change in net position of governmental activities	<u><u>(148,866)</u></u>

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The Town of Liberty operates under an elected Board of Selectmen form of government. The Town's major operations include public works, public safety, and general administrative services.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and various intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The Town reports the following major governmental funds:

The General Fund is used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

Additionally, the Town reports the following fund types:

Nonexpendable trust funds account for monies held in trust by the Town, the investment earnings from which may only be used for the operation of the program.

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Town's own programs.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities and Net Position or Fund Equity**

**1. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.



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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Investments in the Pension Trust Fund are carried at fair value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

**2. Receivables and Payables**

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

Property taxes receivable not expected to be collected within 60 days from year's end are classified as unavailable property tax revenue. At June 30, \$187,332 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on September 9, 2019 on property values assessed on April 1. Taxes were due on October 10, 2019 and May 4, 2020, with interest at 5% beginning October 11, 2019 and May 5, 2020.

Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2019 taxes on August 21, 2019.

The Town has the authority to foreclose on property eighteen months after the filing of the liens if the lien amount and associated costs remain unpaid.

**3. Capital Assets**

Capital assets, which property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. Capital Assets (continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-40
Infrastructure	10-75
Equipment	10-15

**4. Compensated Absences**

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees.

**5. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the bonds-outstanding method. For current and advance refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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

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

At June 30, the Town of Liberty is in compliance with the above requirements.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**6. Fund Balances/Net Position**

Fund Balances

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

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

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

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

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

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

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Town has identified for the year ended June 30, 2020 fund balances on the balance sheet as follows:

	<i>General</i>	<i>Hoit</i>	<i>Other</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Governmental</i>	<i>Total</i>
	<hr/>			
<u>Restricted</u>				
Municipal Revenue Sharing	34,905			34,905
Hoit Fund		89,228		89,228
<u>Committed</u>				
Fire Department Reserve	26,449			26,449
Community Hall	3,542			3,542
Paving Reserve	24,378			24,378
<u>Assigned</u>				
Assessor	5,000			5,000
Digital Tax Maps	5,300			5,300
Legal Fees	12,779			12,779
Paving - DOT	24,923			24,923
Dam Maintenance	1,525			1,525
Willard Overlock Scholarship			72,538	72,538
Cemetery Fund			4,553	4,553
<u>Unassigned</u>				
General Fund	231,593			231,593
<u>Total Fund Balance</u>	<u>370,394</u>	<u>89,228</u>	<u>77,091</u>	<u>536,713</u>

Net Position

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

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

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

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

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the government's general fund and school department operating fund except the Town does not budget for the revenues and expenditures associated with the employer's teacher retirement contribution made by the State of Maine on behalf of the town to the Maine State Retirement System; and encumbrances which are considered to be expenditures for budgetary purposes.

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

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 2020, \$154,750 of the beginning General Fund fund balance was applied for this purpose.

Reserve funds, once established by the Town Meeting, may be expended with approval of management for the purpose for which the reserve was established.

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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions of state law.

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

One or more of the financial institutions holding the Town's cash accounts are participating in the FDIC Transaction Account Guarantee Program. All time and savings deposits owned by the Town's official custodian are insured up to \$250,000 by the FDIC. Separately, all demand deposits owned by the Town's official custodian are insured up to \$250,000 by the FDIC.

At year-end, the carrying value of the Town's deposits was \$554,496 and the bank balance was \$587,809. Of the bank balances, \$587,809 was collateralized by Federal Deposit Insurance Town insurance.

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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Property Taxes**

Property taxes were levied for the fiscal year as follows:

Assessed Value		165,057,787
Tax Rate (per \$1,000)		13.05
Commitment		<u>2,154,004</u>
Appropriations		2,445,229
Less:		
State Municipal Revenue Sharing	58,560	
Estimated Revenues	191,351	
BETE Reimbursement	-	
Homestead Reimbursement	<u>41,314</u>	
		<u>291,225</u>
Net Assessment for Commitment		<u>2,154,004</u>

Uncollected taxes at June 30 for the current year commitment totaled \$204,785. Unpaid liens at June 30 totaled \$66,820.

**C. Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at for the year ended June 30, 2020 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	9,336	
Willard Overlock Scholarship		3,500
Hoit Fund		1,500
Cemetery Fund		<u>4,336</u>
Totals	<u>9,336</u>	<u>9,336</u>

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. All balances are expected to be repaid during the current year.

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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Interfund Receivables and Payables (continued)**

Transfers To/From Other Funds at for the year ended June 30, 2020, were as follows:

	<i>Transfers From</i>	<i>Transfers To</i>
General Fund		1,500
Willard Overlock Scholarship Fund	1,500	
Totals	<u>1,500</u>	<u>1,500</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer funds to general fund to cover expenditures voted on per Selectmen.

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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for year ended June 30, 2020 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities;</b>				
<i>Capital assets not being depreciated</i>				
Land	48,000			48,000
<i>Capital assets being depreciated</i>				
Buildings	884,320	119,999		1,004,319
Equipment	927,970	5,600		933,570
Infrastructure	4,086,487	116,772		4,203,259
<i>Total capital assets being depreciated</i>	<u>5,898,777</u>	<u>242,371</u>	<u>-</u>	<u>6,141,148</u>
<i>Less accumulated depreciation for</i>				
Buildings	386,829	27,414		414,243
Equipment	363,820	47,238		411,058
Infrastructure	2,633,586	109,880		2,743,466
<i>Total accumulated depreciation</i>	<u>3,384,235</u>	<u>184,532</u>	<u>-</u>	<u>3,568,767</u>
<i>Net capital assets being depreciated</i>	<u>2,514,542</u>	<u>57,839</u>	<u>-</u>	<u>2,572,381</u>
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<u>2,562,542</u>	<u>57,839</u>	<u>-</u>	<u>2,620,381</u>

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

Governmental Activities

General Government	5,670
Fire Department	54,251
Highways	113,207
Dam Maintenance	4,800
Recreation	<u>6,604</u>
 Total Depreciation Expense - Governmental Activities	 <u>184,532</u>



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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt**

The following is a summary of long-term debt transactions of the Town of Liberty for the year ended June 30, 2020:

	<i>Beginning</i>			<i>Ending</i>	<i>Due Within</i>
	<i>Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i>	<i>One Year</i>
<i>Governmental activities:</i>					
<i>Loans payable:</i>					
Valley Bridge	26,300		(6,700)	19,600	6,700
<i>Other Governmental long-term activities:</i>					
Fire truck capital lease	398,699		(22,188)	376,511	23,018
Governmental activities long-term obligations	424,999	-	(28,888)	396,111	29,718

The general fund liquidates the fire truck capital lease obligation.

In 2007, the Town issued a loan for the Valley Bridge work with Camden National Bank. The loan was issued for \$100,000, with annual principal payments of \$6,700. Interest is paid annually at a rate of 4.44%. The balance at June 30, 2020 was \$19,600.

In 2017, the Town entered into a capital lease for the purchase of a fire truck with Tax Exempt Leasing Corp. The lease was issued for \$420,000 with annual principal and interest payments of \$37,099. Interest is paid annually at a rate of 3.74%. The balance at June 30, 2020 was \$376,511.

Debt service requirements (principal and interest) for all long-term obligations at June 30, 2020 are summarized in the table following:

<i>Year</i> <i>Ended</i> <i>June 30</i>	<i>Governmental Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	29,718	14,953	44,671
2022	30,579	13,798	44,377
2023	30,972	12,610	43,582
2024	25,698	11,401	37,099
2025	26,659	10,440	37,099
2026	27,657	9,443	37,100
2027	28,691	8,409	37,100
2028	29,764	7,335	37,099
2029	30,877	6,222	37,099
2030	32,032	5,068	37,100
2031	33,230	3,870	37,100
2032	34,473	2,627	37,100
2033	35,761	1,337	37,098
Total	396,111	107,513	132,630

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

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt (continued)**

**Overlapping Debt**

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

<i>Units</i>	<i>Net debt outstanding June 30, 2020</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
RSU No. 3	6,877,424	16.21%	1,114,696
Waldo County	-	5.60%	-
Totals	<u>6,877,424</u>		<u>1,114,696</u>

The Town’s proportionate share of the above debt is paid through annual assessments by the receptive units.

**NOTE 4 - OTHER INFORMATION**

**A. Contingent Liabilities**

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

There are various claims and suits pending against the Town that arise in the normal course of the Town’s activities. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the management that resolution of these matters will not have a material adverse effect on the financial condition of the government.

**TOWN OF LIBERTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - UNASSIGNED FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Exhibit E**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b>Revenues</b>				
Taxes	2,321,666	2,321,666	2,279,673	(41,993)
Intergovernmental Revenues	99,874	99,874	109,273	9,399
Other Local Sources	23,688	23,688	57,681	33,993
<b>Total Revenues</b>	<b>2,445,228</b>	<b>2,445,228</b>	<b>2,446,627</b>	<b>1,399</b>
<b>Expenditures (Net of Departmental Revenues)</b>				
Town Officials	109,327	109,327	93,776	15,551
General Government	147,312	147,312	184,321	(37,009)
Highways	289,200	289,200	281,076	8,124
Dam Maintenance	7,045	7,045	7,045	-
Fire Department	70,000	70,000	66,930	3,070
Recreation	10,250	10,250	6,460	3,790
Ambulance	51,585	51,585	51,585	-
Other	21,088	21,088	31,846	(10,758)
Debt	44,967	44,967	44,982	(15)
Assessments	1,694,249	1,694,249	1,693,808	441
<b>Total Expenditures</b>	<b>2,445,023</b>	<b>2,445,023</b>	<b>2,461,829</b>	<b>(16,806)</b>
<b>Excess Revenues Over Expenditures</b>	<b>205</b>	<b>205</b>	<b>(15,202)</b>	<b>(15,407)</b>
<b>Other Financing Sources</b>				
Transfers In				-
Transfers Out	(154,955)	(154,955)	(166,448)	(11,493)
<b>Total Other Financing Sources</b>	<b>(154,955)</b>	<b>(154,955)</b>	<b>(166,448)</b>	<b>(11,493)</b>
<b>Net Change in Fund Balance</b>	<b>(154,750)</b>	<b>(154,750)</b>	<b>(181,650)</b>	<b>(26,900)</b>
<b>Beginning Unassigned Fund Balances</b>			<b>413,243</b>	
<b>Ending Unassigned Fund Balances</b>			<b>231,593</b>	

**TOWN OF LIBERTY**  
**GENERAL FUND**  
**STATEMENT OF ESTIMATED AND ACTUAL REVENUES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Exhibit A-1*

<i>Revenues</i>	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	2,154,004	2,086,620	(67,384)
Auto and Boat Excise	167,662	182,417	14,755
Interest on Taxes		10,636	10,636
	<u>2,321,666</u>	<u>2,279,673</u>	<u>(41,993)</u>
Intergovernmental			
Tree Growth Refund		1,131	1,131
Veterans Reimbursement		586	586
Municipal Revenue Sharing	58,560	58,560	-
Snowmobile Refund		2,865	2,865
State Misc. Fees		86	86
State Park Fee		4,731	4,731
Homestead Reimbursement	41,314	41,314	-
	<u>99,874</u>	<u>109,273</u>	<u>9,399</u>
Local Sources			
Wood Lot Revenue	17,152	6,503	(10,649)
Tax Acquired Property Sales		33,693	33,693
Payment in Lieu of Taxes		211	211
Clerk, Agent Fees, and Miscellaneous	6,536	17,274	10,738
	<u>23,688</u>	<u>57,681</u>	<u>33,993</u>
Total Revenues	2,445,228	<u><b>2,446,627</b></u>	<u><b>1,399</b></u>
Fund Balance Used To Reduce Taxes	<u>154,750</u>		
<b>Total</b>	<u><b>2,599,978</b></u>		

**TOWN OF LIBERTY**  
**GENERAL FUND**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Exhibit A-2*  
*Page 1 of 2*

	<u>Encumbered from 2019</u>	<u>Appropriation</u>	<u>Receipts and Reimbursements</u>	<u>Expenditures</u>	<u>Balances (Over) Under</u>	
					<u>Lapsed</u>	<u>Encumbered</u>
Town Officials						
Town Clerk	2,116	23,273		20,832	4,557	
Deputy Clerk		21,904		13,496	8,408	
Selectmen		9,000		9,000	-	
Town Administrator		17,000		15,250	1,750	
Treasurer		6,500		6,500	-	
Deputy Treasurer		1,500		664	836	
Code Enforcement		5,250		5,250	-	
Fire Chief		7,500		7,500	-	
Road Commissioner		10,000		10,000	-	
Animal Control Officer		3,800		3,800	-	
Registrar of Voters		850		850	-	
Plumbing Inspector		500		500	-	
E-911 Addressing Officer		500		500	-	
Health		250		250	-	
Emergency Management Director		1,500		1,500	-	
	<u>2,116</u>	<u>109,327</u>	<u>-</u>	<u>95,892</u>	<u>15,551</u>	<u>-</u>
General Government						
Administration		42,500		43,736	(1,236)	
TRIO Software		7,120		7,590	(470)	
Assessor	7,325	9,750		7,475	4,600	5,000
Revaluation	27,398			27,398	-	
Digital Tax Maps	5,000	12,200		11,900	-	5,300
Legal Fees	13,805			1,026	-	12,779
Planning Board / Board of Appeals		3,000		2,057	943	
Tri County Solid Waste		25,372		25,692	(320)	
Animal Control		1,900		1,514	386	
Emergency Management		250			250	
Cemeteries		10,000		10,000	-	
Poor Account		3,500		2,399	1,101	
Street Lighting		3,300		3,413	(113)	
Insurance		18,000		19,127	(1,127)	
Payroll Taxes		8,935		9,948	(1,013)	
Emergency Fund	8,515	1,485		50,956	(40,956)	
Lien Fees			5,901	4,955	946	
	<u>62,043</u>	<u>147,312</u>	<u>5,901</u>	<u>229,186</u>	<u>(37,009)</u>	<u>23,079</u>
Highways						
Roads/Bridge/Dam Maintenance		60,000		51,577	8,423	
Paving - DOT	16,562		23,364	15,003	-	24,923
Salt and Sand		40,000		40,299	(299)	
Snowplowing		189,200		189,200	-	
	<u>16,562</u>	<u>289,200</u>	<u>23,364</u>	<u>296,079</u>	<u>8,124</u>	<u>24,923</u>

**TOWN OF LIBERTY**  
**GENERAL FUND**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Exhibit A-2*  
*Page 2 of 2*

	<i>Encumbered from 2019</i>	<i>Appropriation</i>	<i>Receipts and Reimbursements</i>	<i>Expenditures</i>	<i>Balances (Over) Under</i>	
					<i>Lapsed</i>	<i>Encumbered</i>
Dam Maintenance						
Lake St. George Dam Maintenance	115,387	6,045	1,426	122,733	-	125
Steven's Pond Dam Maintenance	400	1,000			-	1,400
	<u>115,787</u>	<u>7,045</u>	<u>1,426</u>	<u>122,733</u>	<u>-</u>	<u>1,525</u>
Fire Department						
Fire Department Expenditures		50,000	500	47,736	2,764	
Fire Department Wages		<u>20,000</u>		<u>19,694</u>	<u>306</u>	
	<u>-</u>	<u>70,000</u>	<u>500</u>	<u>67,430</u>	<u>3,070</u>	<u>-</u>
Recreation						
Recreation		8,200	1,000	6,160	3,040	
Recreation Requests		<u>2,050</u>		<u>1,300</u>	<u>750</u>	
	<u>-</u>	<u>10,250</u>	<u>1,000</u>	<u>7,460</u>	<u>3,790</u>	<u>-</u>
Ambulance						
Operations	18,619	51,585		70,204	-	
	<u>18,619</u>	<u>51,585</u>		<u>70,204</u>	<u>-</u>	<u>-</u>
Other						
Library		4,800		4,800	-	
Parking Enforcement		1,600		1,819	(219)	
COVID - 19				11,039	(11,039)	
Social Requests		<u>14,688</u>		<u>14,188</u>	<u>500</u>	
	<u>-</u>	<u>21,088</u>	<u>-</u>	<u>31,846</u>	<u>(10,758)</u>	<u>-</u>
Debt						
Bridge Loan		7,868		7,883	(15)	
Fire Truck Loan		<u>37,099</u>		<u>37,099</u>	<u>-</u>	
		<u>44,967</u>		<u>44,982</u>	<u>(15)</u>	
Assessments						
RSU #3		1,424,286		1,424,286	-	
County Taxes		260,463		260,463	-	
Overlay		<u>9,500</u>		<u>9,059</u>	<u>441</u>	
		<u>1,694,249</u>		<u>1,693,808</u>	<u>441</u>	
Transfers to Other Funds						
Fire Department Reserve		15,000		18,070	(3,070)	
Paving Reserve Fund		134,455		142,878	(8,423)	
Community Hall		4,000		4,000	-	
Overlock Scholarship		<u>1,500</u>		<u>1,500</u>	<u>-</u>	
		<u>154,955</u>		<u>166,448</u>	<u>(11,493)</u>	
	<u>215,127</u>	<u>2,599,978</u>	<u>32,191</u>	<u>2,826,068</u>	<u>(28,299)</u>	<u>49,527</u>

**TOWN OF LIBERTY**  
**GENERAL FUND**  
**STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Exhibit A-3**

Unassigned Fund Balance -July 1		413,243
Budget Summary		
Revenue Surplus (Deficit) - Exhibit A-1	1,399	
Unexpended Balance (Overdraft) of		
Appropriations - Exhibit A-2	<u>(28,299)</u>	
Budget Surplus (Deficit)		<u>(26,900)</u>
Deductions		
Beginning Fund Balance Used		
to Reduce Tax Rate		<u>(154,750)</u>
<b>Unassigned Fund Balance - June 30</b>		<b><u><u>231,593</u></u></b>

**TOWN OF LIBERTY  
GENERAL RESERVE  
BALANCE SHEET  
JUNE 30, 2020**

*Exhibit A-4*

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Paving Reserve</i>	<i>Total</i>
Due from Other Funds	34,905	3,542	26,449	24,378	89,274
<b>Total Assets</b>	<b>34,905</b>	<b>3,542</b>	<b>26,449</b>	<b>24,378</b>	<b>89,274</b>
 <i>Liabilities and Fund Balances</i>					
Liabilities					
Due to Other Funds					
Total Liabilities	-	-	-	-	-
Fund Balances					
Restricted	34,905				34,905
Committed		3,542	26,449	24,378	54,369
Total Fund Balances	34,905	3,542	26,449	24,378	89,274
<b>Total Liabilities and Fund Balances</b>	<b>34,905</b>	<b>3,542</b>	<b>26,449</b>	<b>24,378</b>	<b>89,274</b>



**TOWN OF LIBERTY  
GENERAL RESERVE**

*Exhibit A-5*

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<i>Municipal Revenue Sharing</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Paving Reserve</i>	<i>Total</i>
Revenues					
Intergovernmental	66,217				66,217
Other Local Sources		400			400
<b>Total Revenues</b>	<b>66,217</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>66,617</b>
Expenditures					
General Government		7,311			7,311
Fire Department					-
Highway Department				118,500	118,500
Budgeted Appropriation	58,560				58,560
<b>Total Expenditures</b>	<b>58,560</b>	<b>7,311</b>	<b>-</b>	<b>118,500</b>	<b>184,371</b>
Excess of Revenues Over (Under) Expenditures	7,657	(6,911)	-	(118,500)	(117,754)
Other Financing Sources (Uses)					
Transfer In		4,000	18,070	142,878	164,948
Transfer Out					-
	-	4,000	18,070	142,878	164,948
Excess of Revenues and Other Sources Over (Under) Expenditures	7,657	(2,911)	18,070	24,378	47,194
Fund Balance -July 1	27,248	6,453	8,379		42,080
<b>Fund Balance - June 30</b>	<b>34,905</b>	<b>3,542</b>	<b>26,449</b>	<b>24,378</b>	<b>89,274</b>

**TOWN OF LIBERTY**  
**ALL SPECIAL REVENUE FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2020**

**Exhibit B-1**

<i>Assets</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Cash and Equivalents	76,038	90,728	8,889	175,655
Due from Other Funds				-
<b>Total Assets</b>	<b>76,038</b>	<b>90,728</b>	<b>8,889</b>	<b>175,655</b>
 <i>Liabilities and Fund Balances</i>				
Liabilities				
Due to Other Funds	3,500	1,500	4,336	9,336
Total Liabilities	3,500	1,500	4,336	9,336
Fund Balances				
Restricted		89,228		89,228
Assigned	72,538		4,553	77,091
Total Fund Balances	72,538	89,228	4,553	166,319
<b>Total Liabilities and Fund Balances</b>	<b>76,038</b>	<b>90,728</b>	<b>8,889</b>	<b>175,655</b>

**TOWN OF LIBERTY**  
**ALL SPECIAL REVENUE FUNDS**

*Exhibit B-2*

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<i>Environmental Fund</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Revenues					
Donations					-
Interest Income		1,142	2,111	117	3,370
Total Revenues	-	1,142	2,111	117	3,370
Expenditures					
Scholarships					-
Miscellaneous	1,426		2,563	4,325	8,314
Total Expenditures	1,426	-	2,563	4,325	8,314
Excess of Revenues Over (Under) Expenditures	(1,426)	1,142	(452)	(4,208)	(4,944)
Other Financing Sources (Uses)					
Transfers from Other Funds		1,500			1,500
Transfers to Other Funds					-
Total Other Sources (Uses)	-	1,500	-	-	1,500
Excess of Revenues Over (Under) Expenditures and Other Sources	(1,426)	2,642	(452)	(4,208)	(3,444)
Fund Balance - July 1	1,426	69,896	89,680	8,761	169,763
<b>Fund Balance - June 30</b>	<b>-</b>	<b>72,538</b>	<b>89,228</b>	<b>4,553</b>	<b>166,319</b>