

TOWN OF LIBERTY, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2021*

**TOWN OF LIBERTY
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

December 17, 2021

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, 2021, 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, 2021, 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, 2021

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, 2021. 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, 2021 by \$3,097,273 (presented as “net position”). Of this amount, \$699,551 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 increased by \$148,958 (a 5% increase) for the year ended June 30, 2021.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the year ended June 30, 2021; the Town's governmental funds reported a combined ending fund balance of \$713,644 with \$406,238 being general unassigned fund balance. This unassigned fund balance represents approximately 15% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$6,700 (34%) 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

73% 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>	
	<i>Total 2021</i>	<i>Total 2020</i>
Current Assets	882,876	875,636
Capital Assets	2,621,617	2,620,381
Total Assets	3,504,493	3,496,017
Current Liabilities	50,058	164,152
Other Liabilities	335,814	366,393
Total Liabilities	385,872	530,545
Property Taxes Collected in Advance	21,348	17,157
Total Deferred Inflows of Resources	21,348	17,157
Net Position:		
Net Investment in Capital Assets	2,255,224	2,224,270
Restricted	142,498	124,133
Unrestricted	699,551	599,912
Total Net Position	3,097,273	2,948,315
Total Liabilities and Net Position	3,504,493	3,496,017

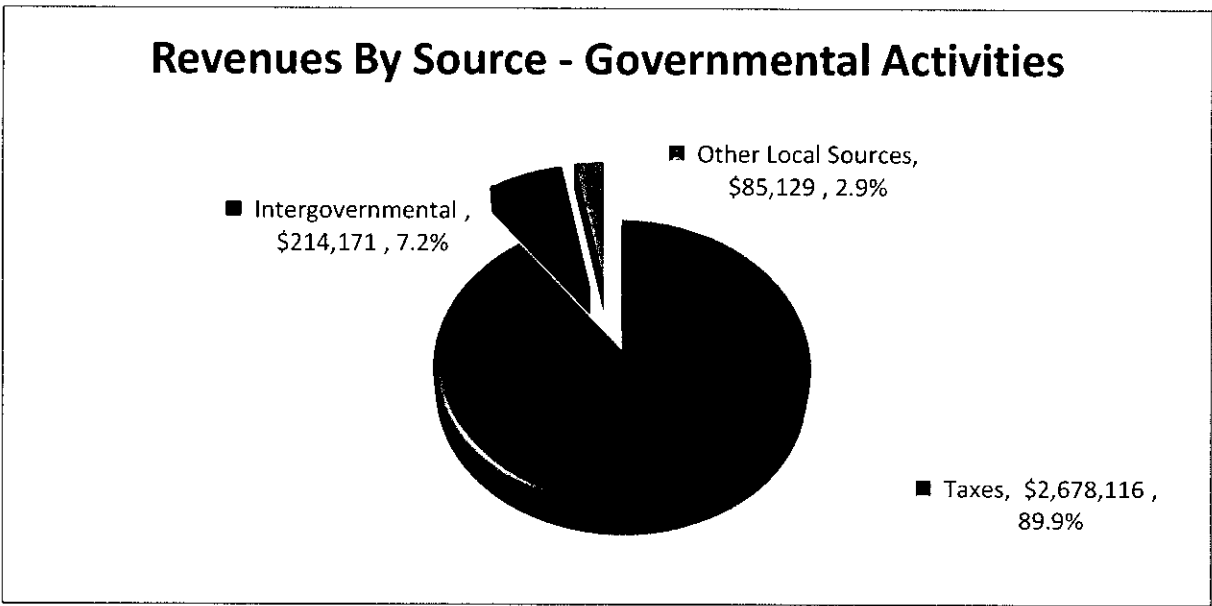
Changes in Net Position

Approximately 90 percent of the Town's total revenue came from property and excise taxes, approximately 7 percent came from State subsidies and grants, and approximately 3 percent came from services, investment

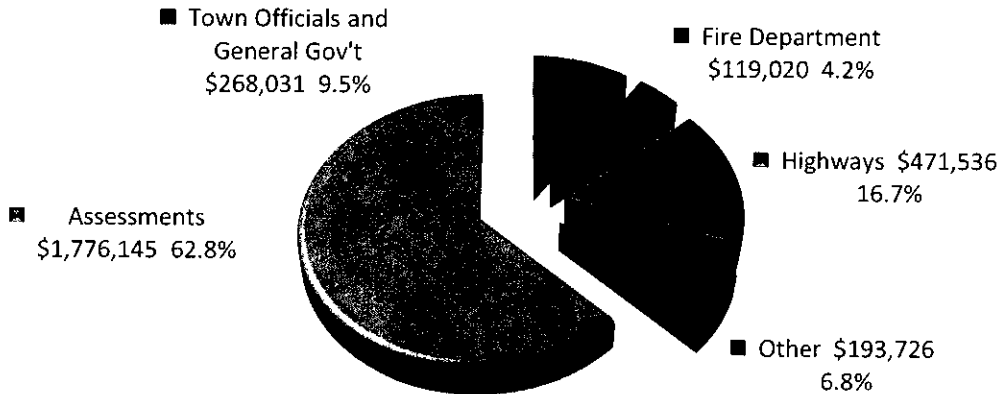
earnings and other sources. Depreciation expense on the Town's governmental activity assets represents \$200,964 of the total expenses for the year.

**Governmental
Activities**

	Total 2021	Total 2020
Revenues:		
Taxes	2,678,116	2,347,580
Intergovernmental Revenues	214,171	116,930
Departmental Revenues	41,412	32,191
Other Local Sources	43,717	61,451
Total	2,977,416	2,558,152
Expenses:		
Town Officials	107,526	95,892
General Government	160,505	249,055
Highways	471,536	411,015
Dam Maintenance	57,384	8,959
Fire Department	119,020	116,081
Recreation	12,461	14,064
Ambulance	74,649	70,204
Other	26,253	31,846
Capital Outlay	8,015	
Debt	14,964	16,094
Assessments	1,776,145	1,693,808
Total	2,828,458	2,707,018
Changes in Net Position	148,958	(148,866)



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 \$713,644, an increase of \$176,931 in comparison with the prior year. Approximately 56 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:

- \$198,132 positive variance in property taxes. The variance is due to favorable property tax collections this year and property sales.
- \$17,502 positive variance in auto and boat excise taxes. The variance is due to more cars purchased during the year.
- \$23,328 positive variance in wood lot revenue. The variance is due to harvesting more wood lots than anticipated.
- \$14,037 negative variance in salt and sand. The variance is due to an icy winter and needing more.
- \$17,500 negative variance in snowplowing. The variance is due to a new plow contract and timing of the contract.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$6,391,348, net of accumulated depreciation of \$3,769,731, leaving a net book value of 2,621,617. Current year additions included \$50,516 in town office repairs, \$6,841 for fire department generator, and \$144,843 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, 2021

Exhibit A

<i>Assets</i>	<i>Governmental Activities</i>
Cash and Equivalents	575,961
Receivables	
Taxes	196,910
Tax Liens	49,791
Accounts	23,114
Prepaid Expenditures	37,100
Capital Assets:	
Land	48,000
Other Capital Assets, Net of Depreciation	2,573,617
Total Assets	3,504,493
 <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
<i>Liabilities</i>	
Accounts Payable	19,479
Long-term Liabilities:	
Due Within One Year	30,579
Due in More Than One Year	335,814
Total Liabilities	385,872
 <i>Deferred Inflows of Resources:</i>	
Property Taxes Collected in Advance	21,348
Total Deferred Inflows of Resources	21,348
 <i>Net Position</i>	
Net Investment in Capital Assets	2,255,224
Restricted	142,498
Unrestricted	699,551
Total Net Position	3,097,273
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 3,504,493

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

**TOWN OF LIBERTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Town Officials	107,526			(107,526)
General Government	160,505			(160,505)
Highways	471,536		21,832	(449,704)
Dam Maintenance	57,384			(57,384)
Fire Department	119,020			(119,020)
Recreation	12,461			(12,461)
Ambulance	74,649	6,859		(67,790)
Other	26,253			(26,253)
Capital Outlay	8,015			(8,015)
Debt	14,964			(14,964)
Assessments	1,776,145			(1,776,145)
<u>Total Governmental Activities</u>	<u>2,828,458</u>	<u>6,859</u>	<u>21,832</u>	<u>(2,799,767)</u>
<u>Total Primary Government</u>	<u>2,828,458</u>	<u>6,859</u>	<u>21,832</u>	<u>(2,799,767)</u>
<u>General Revenues:</u>				
<u>Taxes</u>				
Property				2,478,197
Auto Excise				199,919
Intergovernmental Revenues				214,171
Other Local Sources				56,438
<u>Total Revenues, Special Items and Transfers</u>				<u>2,948,725</u>
<u>Changes in Net Position</u>				<u>148,958</u>
<u>Net Position - Beginning</u>				<u>2,948,315</u>
<u>Net Position - Ending</u>				<u>3,097,273</u>

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

TOWN OF LIBERTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

Exhibit C

<i>Assets</i>	<i>General Fund</i>	<i>Hoit Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	397,815	92,884	85,262	575,961
Receivables				
Taxes	196,910			196,910
Tax Liens	49,791			49,791
Accounts	23,114			23,114
Prepaid Expenditures	37,100			37,100
Due from Other Funds	12,794		1,362	14,156
Total Assets	717,524	92,884	86,624	897,032
 <i>Liabilities, Deferred Inflows of Resources, and Fund Balances</i>				
<i>Liabilities</i>				
Accounts Payable	19,479			19,479
Due to Other Funds	1,362	1,600	11,194	14,156
Total Liabilities	20,841	1,600	11,194	33,635
 <i>Deferred Inflows of Resources:</i>				
Property Taxes Collected in Advance	21,348			21,348
Unavailable Property Tax Revenue	128,405			128,405
Total Deferred Inflows of Resources	149,753	-	-	149,753
 <i>Fund Balances</i>				
Restricted	51,214	91,284		142,498
Committed	47,382			47,382
Assigned	42,096		75,430	117,526
Unassigned	406,238			406,238
Total Fund Balances	546,930	91,284	75,430	713,644
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 717,524	 92,884	 86,624	 897,032

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

Total Fund Balance	713,644
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of 3,769,731	2,621,617
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds: Unavailable Taxes	128,405
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds: Capital Lease Payable Bonds Payable	(353,493) (12,900)
Net Position of Governmental Activities	3,097,273

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, 2021

Exhibit D
Page 1 of 2

	<u>General Fund</u>	<u>Holt Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	2,737,043			2,737,043
Intergovernmental Revenues	155,640		58,531	214,171
Departmental Revenues	41,412			41,412
Other Local Sources	41,022	2,356	339	43,717
Total Revenues	<u>2,975,117</u>	<u>2,356</u>	<u>58,870</u>	<u>3,036,343</u>
Expenditures				
Town Officials	107,526			107,526
General Government	153,272	300		153,572
Highways	488,687			488,687
Dam Maintenance	52,584			52,584
Fire Department	70,926			70,926
Recreation	5,857			5,857
Ambulance	74,649			74,649
Other	22,753		3,500	26,253
Capital Outlay			58,531	58,531
Debt	44,682			44,682
Assessments	1,776,145			1,776,145
Total Expenditures	<u>2,797,081</u>	<u>300</u>	<u>62,031</u>	<u>2,859,412</u>
Excess of Revenues Over (Under) Expenditures	<u>178,036</u>	<u>2,056</u>	<u>(3,161)</u>	<u>176,931</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	-		1,500	1,500
Transfers to Other Funds	(1,500)		-	(1,500)
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	176,536	2,056	(1,661)	176,931
Fund Balance - July 1	370,394	89,228	77,091	536,713
Fund Balance - June 30	<u><u>546,930</u></u>	<u><u>91,284</u></u>	<u><u>75,430</u></u>	<u><u>713,644</u></u>

(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, 2021

Net change in fund balances - total governmental funds	176,931
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	202,200
Depreciation expense	(200,964)
	<u>1,236</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Taxes	(58,927)
	<u>(58,927)</u>
Bond proceeds proved 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	23,018
General obligation bond principal payments	6,700
	<u>29,718</u>
Change in net position of governmental activities	<u><u>148,958</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, 2021

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, 2021**

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, 2021**

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, \$128,405 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on September 16, 2020 on property values assessed on April 1. Taxes were due on October 16, 2020 and May 4, 2021, with interest at 5% beginning October 17, 2020 and May 5, 2021.

Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2020 taxes on September 14, 2020.

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, 2021

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, 2021**

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, 2021

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, 2021 fund balances on the balance sheet as follows:

	General Fund	Hoit Fund	Other Governmental Funds	Total
<u>Restricted</u>				
Municipal Revenue Sharing	51,214			51,214
Hoit Fund		91,284		91,284
<u>Committed</u>				
Fire Department Reserve	47,382			47,382
<u>Assigned</u>				
Assessor	12,644			12,644
Parking Enforcement	1,195			1,195
Digital Tax Maps	1,720			1,720
Legal Fees	8,273			8,273
Emergency Management	250			250
Emergency Fund	7,015			7,015
Paving - DOT	8,358			8,358
Dam Maintenance	1,941			1,941
Paint Town Office	700			700
Willard Overlock Scholarship			70,834	70,834
Cemetery Fund			4,596	4,596
<u>Unassigned</u>				
General Fund	407,807			407,807
Community Hall	(1,569)			(1,569)
<u>Total Fund Balance</u>	<u>546,930</u>	<u>91,284</u>	<u>75,430</u>	<u>713,644</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, 2021**

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 2021, \$69,500 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 \$575,961 and the bank balance was \$596,487. Of the bank balances, \$596,487 was collateralized by Federal Deposit Insurance Town insurance.

TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		164,261,766
Tax Rate (per \$1,000)		<u>14.20</u>
Commitment		<u><u>2,332,517</u></u>
Appropriations		2,673,135
Less:		
State Municipal Revenue Sharing	72,459	
Estimated Revenues	202,329	
BETE Reimbursement	129	
Homestead Reimbursement	<u>65,701</u>	
		<u>340,618</u>
Net Assessment for Commitment		<u><u>2,332,517</u></u>

Uncollected taxes at June 30 for the current year commitment totaled \$184,766. Unpaid liens at June 30 totaled \$49,731.

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at for the year ended June 30, 2021 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	12,794	1,362
Willard Overlock Scholarship		11,194
Hoit Fund		1,600
Cemetery Fund	<u>1,362</u>	
Totals	<u><u>14,156</u></u>	<u><u>14,156</u></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, 2021**

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, 2021, 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, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for year ended June 30, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Governmental Activities;				
<i>Capital assets not being depreciated</i>				
Land	48,000			48,000
<i>Capital assets being depreciated</i>				
Buildings	1,004,319	50,516		1,054,835
Equipment	933,570	6,841		940,411
Infrastructure	4,203,259	144,843		4,348,102
<i>Total capital assets being depreciated</i>	6,141,148	202,200	-	6,343,348
<i>Less accumulated depreciation for</i>				
Buildings	414,243	28,677		442,920
Equipment	411,058	47,922		458,980
Infrastructure	2,743,466	124,365		2,867,831
<i>Total accumulated depreciation</i>	3,568,767	200,964	-	3,769,731
<i>Net capital assets being depreciated</i>	2,572,381	1,236	-	2,573,617
Governmental Activities				
Capital Assets, net	2,620,381	1,236	-	2,621,617

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

<u>Governmental Activities</u>	
General Government	6,933
Fire Department	54,935
Highways	127,692
Dam Maintenance	4,800
Recreation	6,604
	<hr/>
Total Depreciation Expense - Governmental Activities	200,964
	<hr/>

TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Governmental activities:</i>					
<i>Loans payable:</i>					
Valley Bridge	19,600		(6,700)	12,900	6,700
<i>Other Governmental long-term activities:</i>					
Fire truck capital lease	376,511		(23,018)	353,493	23,879
Governmental activities long-term obligations	396,111	-	(29,718)	366,393	30,579

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, 2021 was \$12,900.

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, 2021 was \$353,493.

Debt service requirements (principal and interest) for all long-term obligations at June 30, 2021 are summarized in the table following:

<i>Year Ended June 30</i>	<i>Governmental Activities</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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	366,393	92,560	87,959

**TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
RSU No. 3	6,023,414	16.43%	989,647
Waldo County	-	5.60%	-
	<hr/>		<hr/>
Totals	<u>6,023,414</u>		<u>989,647</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
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit E

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	2,515,184	2,515,184	2,737,043	221,859
Intergovernmental Revenues	143,019	143,019	139,331	(3,688)
Other Local Sources	15,181	15,181	41,022	25,841
Total Revenues	<u>2,673,384</u>	<u>2,673,384</u>	<u>2,917,396</u>	<u>244,012</u>
Expenditures (Net of Departmental Revenues)				
Town Officials	113,350	113,350	107,526	5,824
General Government	144,042	144,042	138,458	5,584
Highways	294,200	294,200	325,912	(31,712)
Dam Maintenance	53,000	53,000	53,000	-
Fire Department	70,000	70,000	64,067	5,933
Recreation	9,350	9,350	4,857	4,493
Ambulance	74,649	74,649	74,649	-
Other	23,453	23,453	23,453	-
Debt	44,669	44,669	44,682	(13)
Assessments	1,776,171	1,776,171	1,776,145	26
Total Expenditures	<u>2,602,884</u>	<u>2,602,884</u>	<u>2,612,749</u>	<u>(9,865)</u>
Excess Revenues Over Expenditures	70,500	70,500	304,647	234,147
Other Financing Sources				
Transfers In	52,000	52,000	52,000	-
Transfers Out	(174,500)	(174,500)	(180,433)	(5,933)
Total Other Financing Sources	<u>(122,500)</u>	<u>(122,500)</u>	<u>(128,433)</u>	<u>(5,933)</u>
Net Change in Fund Balance	<u>(52,000)</u>	<u>(52,000)</u>	176,214	<u>228,214</u>
Beginning Fund Balances			231,593	
Municipal Revenue Sharing			51,214	
Community Hall			(1,569)	
Fire Department Reserve			47,382	
Encumbrances			42,096	
Ending Fund Balances			<u>546,930</u>	
Reconciliation to Exhibit D:				
Total Revenues per above			2,917,396	
Municipal Revenue Sharing			16,309	
Departmental Revenues			41,412	
Total Revenues per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			<u>\$2,975,117</u>	
Total Expenditures per above			2,612,749	
Community Hall			11,111	
Paving Reserve			124,378	
Departmental Revenues			41,412	
Encumbrances			7,431	
Total Expenditures per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			<u>\$2,797,081</u>	

TOWN OF LIBERTY
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-1

<i>Revenues</i>	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	2,332,767	2,530,899	198,132
Auto and Boat Excise	182,417	199,919	17,502
Interest on Taxes		6,225	6,225
	<u>2,515,184</u>	<u>2,737,043</u>	<u>221,859</u>
Intergovernmental			
Tree Growth Refund		1,384	1,384
Veterans Reimbursement		593	593
Municipal Revenue Sharing	72,458	72,458	-
BETE Reimbursement	129	6	(123)
Snowmobile Refund		(2,865)	(2,865)
State Misc. Fees		265	265
State Park Fee	4,731	4,930	199
Homestead Reimbursement	65,701	62,560	(3,141)
	<u>143,019</u>	<u>139,331</u>	<u>(3,688)</u>
Local Sources			
Wood Lot Revenue	6,503	29,831	23,328
MMA Refund		1,159	1,159
Payment in Lieu of Taxes	211		(211)
Planning Board Fees	1,375	600	(775)
Clerk, Agent Fees, and Miscellaneous	7,092	9,432	2,340
	<u>15,181</u>	<u>41,022</u>	<u>25,841</u>
Operating Transfers In			
Transfer from Paving Reserve	52,000	52,000	-
	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Total Revenues and Transfers	2,725,384	<u>2,969,396</u>	<u>244,012</u>
Fund Balance Used To Reduce Taxes	<u>52,000</u>		
Total	<u><u>2,777,384</u></u>		

TOWN OF LIBERTY
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Encumbered from 2020	Appropriation	Receipts and Reimbursements	Expenditures	Lapsed	Encumbered
						(Over) Under
Town Officials						
Town Clerk		23,200		20,934	2,266	
Deputy Clerk		21,800		19,358	2,442	
Selectmen		13,000		13,000	-	
Town Administrator		17,000		17,000	-	
Treasurer		6,500		6,500	-	
Deputy Treasurer		1,500		384	1,116	
Code Enforcement		5,250		5,250	-	
Fire Chief		7,500		7,500	-	
Road Commissioner		10,000		10,000	-	
Animal Control Officer		4,000		4,000	-	
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	-	
	-	113,350	-	107,526	5,824	-
General Government						
Administration		42,500	4,960	45,398	2,062	
TRIO Software		2,445		4,125	(1,680)	
Assessor	5,000	10,000		2,356	-	12,644
Parking Enforcement		2,800	10	1,615	-	1,195
Snow Shoveling		600		200	400	
Digital Tax Maps				3,580	-	1,720
Legal Fees	5,300			4,506	-	8,273
Planning Board / Board of Appeals		3,000		2,413	587	
Tri County Solid Waste		26,012		26,486	(474)	
Animal Control		1,900		1,254	646	
Emergency Management		250		-	-	250
Cemeteries		10,300		8,424	1,876	
General Assistance		4,000		818	3,182	
Street Lighting		3,300		2,953	347	
Insurance		18,000		21,022	(3,022)	
Payroll Taxes		8,935		10,945	(2,010)	
Emergency Fund		10,000		2,985	-	7,015
Lien Fees			6,751	3,081	3,670	
	23,079	144,042	11,721	142,161	5,584	31,097
Highways						
Roads/Bridge/Dam Maintenance		60,000		60,175	(175)	
Paving - DOT	24,923		21,832	38,397	-	8,358
Salt and Sand		45,000		59,037	(14,037)	
Snowplowing		189,200		206,700	(17,500)	
	24,923	294,200	21,832	364,309	(31,712)	8,358

TOWN OF LIBERTY
GENERAL FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Encumbered from 2020	Appropriation	Receipts and Reimbursements	Expenditures	Lapsed	Balances (Over) Under Encumbered
Dam Maintenance						
Lake St. George Dam Maintenance	125	1,000		400		725
Steven's Pond Dam Maintenance	1,400	52,000		52,184		1,216
	1,525	53,000		52,584		1,941
Fire Department						
Fire Department Expenditures		50,000	6,859	50,846	6,013	
Fire Department Wages		20,000		20,080	(80)	
	-	70,000	6,859	70,926	5,933	-
Recreation						
Recreation		8,500	1,000	5,257	4,243	
Recreation Requests		850		600	250	
	-	9,350	1,000	5,857	4,493	-
Ambulance						
Operations		74,649		74,649		
	-	74,649		74,649		-
Other						
Library		5,000		5,000		
Paint town office		700				700
Demolish town owned property		5,000		5,000		
Office Equipment Reserve		500		500		
Social Requests		12,253		12,253		
	-	23,453		22,753		700
Debt						
Bridge Loan		7,570		7,583	(13)	
Fire Truck Loan		37,099		37,099		
		44,669		44,682	(13)	
Assessments						
RSU #3		1,468,087		1,468,087		
County Taxes		292,765		292,765		
Overlay		15,319		15,293	26	
		1,776,171		1,776,145	26	
Transfers to Other Funds						
Fire Department Reserve		15,000		20,933	(5,933)	
Paving Reserve Fund		152,000		152,000		
Community Hall		6,000		6,000		
Overlock Scholarship		1,500		1,500		
		174,500		180,433	(5,933)	
	49,527	2,777,384	41,412	2,842,025	(15,798)	42,096

**TOWN OF LIBERTY
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit A-3

Unassigned Fund Balance - July 1		231,593
 Budget Summary		
Revenue Surplus (Deficit) - Exhibit A-1	244,012	
Unexpended Balance (Overdraft) of Appropriations - Exhibit A-2	<u>(15,798)</u>	
Budget Surplus (Deficit)		<u>228,214</u>
 Deductions		
Beginning Fund Balance Used to Reduce Tax Rate		<u>(52,000)</u>
 Unassigned Fund Balance - June 30		<u><u>407,807</u></u>

***Reconciliation Between General Unassigned Fund Balance
and Exhibit C Unassigned Fund Balance:**

General Fund Unassigned Fund Balance - Exhibit A-3	407,807	
Community Hall	<u>(1,569)</u>	
 Total Unassigned Fund Balance Exhibit C		<u><u>406,238</u></u>

**TOWN OF LIBERTY
GENERAL RESERVE
BALANCE SHEET
JUNE 30, 2021**

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Total</i>
Due from Other Funds	51,214		47,382	98,596
Total Assets	51,214	-	47,382	98,596
 <i>Liabilities and Fund Balances</i>				
Liabilities				
Due to Other Funds		1,569		
Total Liabilities	-	1,569	-	1,569
Fund Balances				
Restricted	51,214			51,214
Committed			47,382	47,382
Unassigned		(1,569)		(1,569)
Total Fund Balances	51,214	(1,569)	47,382	97,027
Total Liabilities and Fund Balances	51,214	-	47,382	98,596

**TOWN OF LIBERTY
GENERAL RESERVE**

Exhibit A-5

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Municipal Revenue Sharing</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Paving Reserve</i>	<i>Total</i>
Revenues					
Intergovernmental	88,768				88,768
Other Local Sources					-
Total Revenues	88,768	-	-	-	88,768
Expenditures					
General Government		11,111			11,111
Fire Department					-
Highway Department				124,378	124,378
Budgeted Appropriation	72,459				72,459
Total Expenditures	72,459	11,111	-	124,378	207,948
Excess of Revenues Over (Under) Expenditures	16,309	(11,111)	-	(124,378)	(119,180)
Other Financing Sources (Uses)					
Transfer In		6,000	20,933	152,000	178,933
Transfer Out				(52,000)	(52,000)
	-	6,000	20,933	100,000	126,933
Excess of Revenues and Other Sources Over (Under) Expenditures	16,309	(5,111)	20,933	(24,378)	7,753
Fund Balance -July 1	34,905	3,542	26,449	24,378	89,274
Fund Balance - June 30	51,214	(1,569)	47,382	-	97,027

**TOWN OF LIBERTY
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
JUNE 30, 2021**

Exhibit B-1

	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Assets				
Cash and Equivalents	82,028	92,884	3,234	178,146
Due from Other Funds			1,362	1,362
Total Assets	82,028	92,884	4,596	179,508
Liabilities and Fund Balances				
Liabilities				
Due to Other Funds	11,194	1,600		12,794
Total Liabilities	11,194	1,600	-	12,794
Fund Balances				
Restricted		91,284		91,284
Assigned	70,834		4,596	75,430
Total Fund Balances	70,834	91,284	4,596	166,714
Total Liabilities and Fund Balances	82,028	92,884	4,596	179,508

**TOWN OF LIBERTY
 ALL SPECIAL REVENUE FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021**

	Keep Maine Healthy Grant	Willard Overlock Scholarship	Hoit Fund	Cemetery Fund	Total
Revenues					
Intergovernmental Revenues	58,531				58,531
Donations		200			200
Interest Income		296	2,156	43	2,495
Total Revenues	58,531	296	2,356	43	61,226
Expenditures					
Scholarships		3,500			3,500
Capital Outlay	52,120		300		52,120
Miscellaneous	6,411				6,711
Total Expenditures	58,531	3,500	300	-	62,331
Excess of Revenues Over (Under) Expenditures	-	(3,204)	2,056	43	(1,105)
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	-	(1,704)	2,056	43	395
Fund Balance - July 1		72,538	89,228	4,553	166,319
Fund Balance - June 30	-	70,834	91,284	4,596	166,714