

TOWN OF LIBERTY, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2022*

**TOWN OF LIBERTY, MAINE
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
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Wanese L. Lynch, C.P.A.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 for Town of Liberty, Maine as of June 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, on pages 4-8, and 26-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual 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
Ellsworth, Maine
January 13, 2023

TOWN OF LIBERTY, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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 fiscal year ended June 30, 2022. 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 fiscal year ending June 30, 2022 by \$3,946,537 (presented as “net position”). Of this amount, \$912,041 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 \$849,264 (a 27% increase) for the year ended June 30, 2022.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2022; the Town's governmental funds reported a combined ending fund balance of \$1,098,384 with \$301,925 being general unassigned fund balance. This unassigned fund balance represents approximately 9% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$20,690 (6%) 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 23-24 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 9-10 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 11-13 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 14-25 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 26-27 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

70% 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 2022</i>	<i>Total 2021</i>
Current Assets	1,229,933	882,876
Capital Assets	3,097,053	2,621,617
<i>Total Assets</i>	4,326,986	3,504,493
Current Liabilities	53,927	50,058
Other Liabilities	310,073	335,814
<i>Total Liabilities</i>	364,000	385,872
Property Taxes Collected in Advance	16,449	21,348
<i>Total Deferred Inflows of Resources</i>	16,449	21,348
<i>Net Position:</i>		
Net Investment in Capital Assets	2,751,350	2,255,224
Restricted	283,146	142,498
Unrestricted	912,041	699,551
<i>Total Net Position</i>	3,946,537	3,097,273
<i>Total Liabilities and Net Position</i>	4,326,986	3,504,493

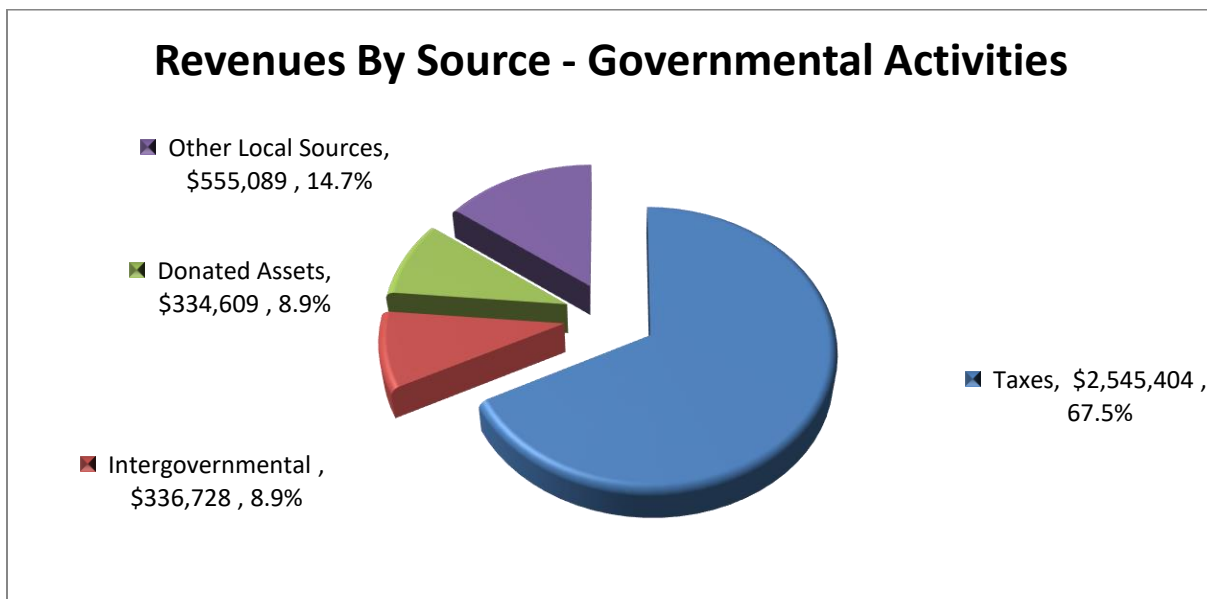
Changes in Net Position

Approximately 67 percent of the Town's total revenue came from property and excise taxes, approximately 9 percent came from State subsidies and grants, and approximately 24 percent came from services, investment

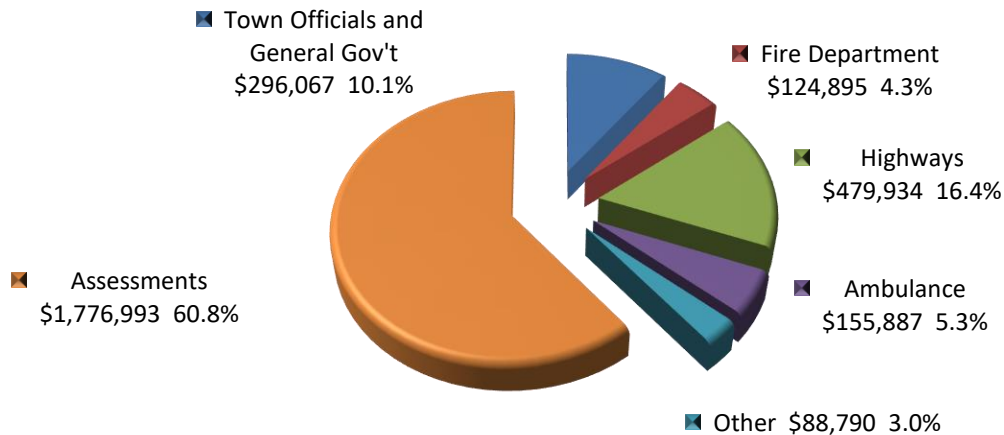
earnings and other sources. Depreciation expense on the Town's governmental activity assets represents \$239,050 of the total expenses for the year.

**Governmental
Activities**

	Total 2022	Total 2021
Revenues:		
Taxes	2,545,404	2,678,116
Intergovernmental Revenues	336,728	214,171
Departmental Revenues	51,036	41,412
Other Local Sources	560,577	43,717
Donated Assets	334,609	
Loss on Disposal of Assets	(56,524)	
Total	3,771,830	2,977,416
Expenses:		
Town Officials	115,057	107,526
General Government	181,010	160,505
Highways	479,934	471,536
Dam Maintenance	5,300	57,384
Fire Department	124,895	119,020
Recreation	15,153	12,461
Ambulance	155,887	74,649
Other	21,467	26,253
Capital Outlay	9,449	8,015
Debt	37,421	14,964
Assessments	1,776,993	1,776,145
Total	2,922,566	2,828,458
Changes in Net Position	849,264	148,958



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 \$1,098,384, an increase of \$384,740 in comparison with the prior year. Approximately 27 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:

- \$37,491 positive variance in property taxes. The variance is due to favorable property tax collections this year and property sales.
- \$11,594 negative variance in auto and boat excise taxes. The variance is due to Covid – fewer new cars purchased.
- \$29,714 negative variance in wood lot revenue. The variance is due to budgeting same as prior year. The wood lot was also sold during the year.
- \$14,249 negative variance in administration. The variance is due to software costs.
- \$17,500 positive variance in snowplowing. The variance is due to a new plow contract and timing of the contract. The amount will be carried over.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$7,036,645, net of accumulated depreciation of \$3,939,592, leaving a net book value of 3,097,053. Current year additions included \$65,813 for a fire rescue boat, \$334,609 for donated ambulance equipment, and \$150,034 in paving and road work. Additional information on the Town's capital assets can be found in Note 3D of the notes to the financial statements on page 22 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, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2022

Exhibit A

<i>Assets</i>	<i>Governmental Activities</i>
Cash and Equivalents	864,718
Receivables	
Taxes	224,990
Tax Liens	37,822
Accounts	95,748
Prepaid Expenditures	6,655
Capital Assets:	
Land	48,000
Construction Work in Progress	220,554
Other Capital Assets, Net of Depreciation	2,828,499
<i>Total Assets</i>	<u>4,326,986</u>
 <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
 <i>Liabilities</i>	
Accounts Payable	18,297
Long-term Liabilities:	
Due Within One Year	35,630
Due in More Than One Year	310,073
<i>Total Liabilities</i>	<u>364,000</u>
 <i>Deferred Inflows of Resources:</i>	
Property Taxes Collected in Advance	16,449
<i>Total Deferred Inflows of Resources</i>	<u>16,449</u>
 <i>Net Position</i>	
Net Investment in Capital Assets	2,751,350
Restricted	283,146
Unrestricted	912,041
<i>Total Net Position</i>	<u>3,946,537</u>
 <i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	 <u>4,326,986</u>

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

TOWN OF LIBERTY, MAINE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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>Total</u> <u>Governmental</u> <u>Activities</u>
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Town Officials	115,057			(115,057)
General Government	181,010			(181,010)
Highways	479,934		42,143	(437,791)
Dam Maintenance	5,300			(5,300)
Fire Department	124,895			(124,895)
Recreation	15,153			(15,153)
Ambulance	155,887			(155,887)
Other	21,467			(21,467)
Capital Outlay	9,449			(9,449)
Debt	37,421			(37,421)
Assessments	1,776,993			(1,776,993)
<u>Total Governmental Activities</u>	<u>2,922,566</u>	<u>-</u>	<u>42,143</u>	<u>(2,880,423)</u>
<u>Total Primary Government</u>	<u>2,922,566</u>	<u>-</u>	<u>42,143</u>	<u>(2,880,423)</u>
<u>General Revenues:</u>				
Taxes				
Property				2,350,601
Auto Excise				194,803
Intergovernmental Revenues				336,728
Donated Assets				334,609
Loss on Disposal of Assets				(56,524)
Other Local Sources				569,470
<u>Total Revenues, Special Items and Transfers</u>				<u>3,729,687</u>
<u>Changes in Net Position</u>				849,264
<u>Net Position - Beginning</u>				<u>3,097,273</u>
<u>Net Position - Ending</u>				<u>3,946,537</u>

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

TOWN OF LIBERTY, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

Exhibit C

<i>Assets</i>	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	685,456	179,262	864,718
Receivables			
Taxes	224,990		224,990
Tax Liens	37,822		37,822
Accounts	95,748		95,748
Prepaid Expenditures	6,655		6,655
Due from Other Funds	15,313	112,906	128,219
<i>Total Assets</i>	<u>1,065,984</u>	<u>292,168</u>	<u>1,358,152</u>
<i>Liabilities, Deferred Inflows of Resources, and Fund Balances</i>			
<i>Liabilities</i>			
Accounts Payable	18,297		18,297
Due to Other Funds	112,906	15,313	128,219
<i>Total Liabilities</i>	<u>131,203</u>	<u>15,313</u>	<u>146,516</u>
<i>Deferred Inflows of Resources:</i>			
Property Taxes Collected in Advance	16,449		16,449
Unavailable Property Tax Revenue	96,803		96,803
<i>Total Deferred Inflows of Resources</i>	<u>113,252</u>	<u>-</u>	<u>113,252</u>
<i>Fund Balances</i>			
Restricted	80,066	203,080	283,146
Committed	173,313		173,313
Assigned	266,225	73,775	340,000
Unassigned	301,925		301,925
<i>Total Fund Balances</i>	<u>821,529</u>	<u>276,855</u>	<u>1,098,384</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>1,065,984</u>	<u>292,168</u>	<u>1,358,152</u>

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

Total Fund Balance	1,098,384
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of 3,939,592	3,097,053
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Unavailable Taxes	96,803
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Bonds Payable	<u>(345,703)</u>
Net Position of Governmental Activities	<u>3,946,537</u>

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

TOWN OF LIBERTY, MAINE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit D
Page 1 of 2

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	2,577,006		2,577,006
Intergovernmental Revenues	214,373	122,355	336,728
Departmental Revenues	51,036		51,036
Other Local Sources	559,465	1,112	560,577
	<hr/>	<hr/>	<hr/>
Total Revenues	3,401,880	123,467	3,525,347
	<hr/>	<hr/>	<hr/>
Expenditures			
Town Officials	115,057		115,057
General Government	172,576	1,500	174,076
Highways	710,970		710,970
Dam Maintenance	500		500
Fire Department	131,385		131,385
Recreation	8,549		8,549
Ambulance	134,050		134,050
Other	17,590	3,877	21,467
Capital Outlay		9,449	9,449
Debt	397,614		397,614
Assessments	1,776,993		1,776,993
	<hr/>	<hr/>	<hr/>
Total Expenditures	3,465,284	14,826	3,480,110
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(63,404)	108,641	45,237
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Bond Proceeds	339,503		339,503
Transfers from Other Funds	-	1,500	1,500
Transfers to Other Funds	(1,500)	-	(1,500)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	338,003	1,500	339,503
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	274,599	110,141	384,740
	<hr/>	<hr/>	<hr/>
Fund Balance - July 1	546,930	166,714	713,644
	<hr/>	<hr/>	<hr/>
Fund Balance - June 30	821,529	276,855	1,098,384
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Continued)

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

TOWN OF LIBERTY, MAINE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	384,740
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	771,010
Capital Asset disposals	(56,524)
Depreciation expense	(239,050)
	<u>475,436</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Taxes	(31,602)
	<u>(31,602)</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:	
Bond Proceeds	(339,503)
Capital lease principal payments	353,493
General obligation bond principal payments	6,700
	<u>20,690</u>
Change in net position of governmental activities	<u>849,264</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, 2022

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, 2022**

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, 2022

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, \$96,803 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on September 14, 2021 on property values assessed on April 1. Taxes were due on October 14, 2021 and May 5, 2022, with interest at 5% beginning October 15, 2021 and May 6, 2022.

Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2021 taxes on August 23, 2021.

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, 2022**

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, 2022**

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, 2022

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, 2022 fund balances on the balance sheet as follows:

	<i>General</i>	<i>Other Governmental</i>	
	<i>Fund</i>	<i>Funds</i>	<i>Total</i>
<u>Restricted</u>			
Municipal Revenue Sharing	80,066		80,066
Hoit Fund		90,174	90,174
ARPA Grant		112,906	112,906
<u>Committed</u>			
Fire Department Reserve	72,365		72,365
Ambulance Fund	96,442		96,442
Capital Equipment Reserve	101		101
Paving Reserve	4,405		4,405
<u>Assigned</u>			
Assessors Agent	7,769		7,769
Digital Tax Maps	2,267		2,267
Legal Fees	8,564		8,564
General Assistance	3,365		3,365
Emergency Fund	14,030		14,030
Paving - DOT	9,124		9,124
Sand Shed Repair	197,446		197,446
Snowplowing	17,500		17,500
Fire Department Wages	6,160		6,160
Willard Overlock Scholarship		69,175	69,175
Cemetery Fund		4,600	4,600
<u>Unassigned</u>			
General Fund	302,745		302,745
Community Hall	(820)		(820)
<u>Total Fund Balance</u>	<u>821,529</u>	<u>276,855</u>	<u>1,098,384</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.

**TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.”

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 2022, \$125,000 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.

TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits (continued)

At year-end, the carrying value of the Town's deposits was \$864,718 and the bank balance was \$886,807. Of the bank balances, \$886,807 was collateralized by Federal Deposit Insurance Town insurance.

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		164,645,152
Tax Rate (per \$1,000)		<u>14.20</u>
Commitment		<u>2,337,961</u>
Appropriations		2,753,001
Less:		
State Municipal Revenue Sharing	104,470	
Estimated Revenues	243,792	
BETE Reimbursement	83	
Homestead Reimbursement	<u>66,695</u>	
		<u>415,040</u>
Net Assessment for Commitment		<u>2,337,961</u>

Uncollected taxes at June 30 for the current year commitment totaled \$216,583. Unpaid liens at June 30 totaled \$37,822.

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at for the year ended June 30, 2022 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	15,313	112,906
ARPA Grant	112,906	
Willard Overlock Scholarship		9,868
Hoit Fund		3,100
Cemetery Fund		<u>2,345</u>
Totals	<u>128,219</u>	<u>128,219</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, 2022

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, 2022, were as follows:

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

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, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities;				
<i>Capital assets not being depreciated</i>				
Land	48,000			48,000
Construction Work in Progress		220,554		220,554
<i>Capital assets being depreciated</i>				
Buildings	1,054,835		(125,712)	929,123
Equipment	940,411	400,422		1,340,833
Infrastructure	4,348,102	150,034		4,498,136
Total capital assets being depreciated	6,343,348	550,456	(125,712)	6,768,092
<i>Less accumulated depreciation for</i>				
Buildings	442,920	25,535	(69,188)	399,267
Equipment	458,980	74,147		533,127
Infrastructure	2,867,831	139,368		3,007,199
Total accumulated depreciation	3,769,731	239,050	(69,188)	3,939,593
Net capital assets being depreciated	2,573,617	311,406	(56,524)	2,828,499
Governmental Activities				
Capital Assets, net	2,621,617	531,960	(56,524)	3,097,053

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

<u>Governmental Activities</u>	
General Government	6,934
Fire Department	59,323
Ambulance	21,837
Highways	139,552
Dam Maintenance	4,800
Recreation	6,604
Total Depreciation Expense - Governmental Activities	239,050

TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022:

	<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	12,900		(6,700)	6,200
<i>Bonds payable:</i>				
Fire Truck refinance		339,503		339,503
<i>Other Governmental long-term activities:</i>				
Fire truck capital lease	353,493		(353,493)	-
Governmental activities long-term obligations	366,393	339,503	(360,193)	345,703
				35,630

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, 2022 was \$6,200.

In 2022, the Town issued a bond for the refinance of the fire truck with Maine Bond Bank. The bond was issued for \$339,503, with variable annual principal payments. Interest is paid annually at a rate of .610-2.171%. The balance at June 30, 2022 was \$339,503.

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, 2022 was \$0.

Debt service requirements (principal and interest) for all long-term obligations at June 30, 2022 are summarized in the table following:

<i>Year</i>	<i>Governmental Activities</i>		
<i>Ended</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>June 30</i>			
2023	35,630	4,562	40,192
2024	29,573	4,091	33,664
2025	29,771	3,879	33,650
2026	29,997	3,630	33,627
2027	30,271	3,332	33,603
2028	30,594	2,972	33,566
2029	30,989	2,553	33,542
2030	31,432	2,082	33,514
2031	31,932	1,564	33,496
2032	32,468	1,007	33,475
2033	33,046	359	33,405
Total	345,703	30,031	40,192

**TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022</i>	<i>Percentage applicable to the Town</i>	<i>Town's proportionate share of debt</i>
RSU No. 3	2,587,423	17.23%	445,813
Waldo County	-	5.60%	-
Totals	<u>2,587,423</u>		<u>445,813</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, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit E
Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	2,544,358	2,544,358	2,577,006	32,648
Intergovernmental Revenues	176,313	176,313	185,521	9,208
Other Local Sources	421,441	421,441	395,978	(25,463)
Total Revenues	<u>3,142,112</u>	<u>3,142,112</u>	<u>3,158,505</u>	<u>16,393</u>
Expenditures (Net of Departmental Revenues)				
Town Officials	121,661	121,661	115,057	6,604
General Government	154,435	154,435	163,256	(8,821)
Highways	765,200	765,200	765,226	(26)
Dam Maintenance	1,500	1,500	(1,441)	2,941
Fire Department	139,528	139,528	137,545	1,983
Recreation	11,300	11,300	7,674	3,626
Ambulance	56,250	56,250	56,305	(55)
Other	17,521	17,521	16,890	631
Debt	395,487	395,487	397,614	(2,127)
Assessments	1,781,483	1,781,483	1,776,993	4,490
Total Expenditures	<u>3,444,365</u>	<u>3,444,365</u>	<u>3,435,119</u>	<u>9,246</u>
Excess Revenues Over Expenditures	(302,253)	(302,253)	(276,614)	25,639
Other Financing Sources				
Transfers In	339,503	339,503	339,503	-
Transfers Out	(162,250)	(162,250)	(167,951)	(5,701)
Total Other Financing Sources	<u>177,253</u>	<u>177,253</u>	<u>171,552</u>	<u>(5,701)</u>
Net Change in Fund Balance	<u>(125,000)</u>	<u>(125,000)</u>	(105,062)	<u>19,938</u>
Reconciliation of Fund Balances to Exhibit D:				
Beginning Fund Balances			407,807	
Municipal Revenue Sharing			80,066	
Ambulance Fund			96,442	
Community Hall			(820)	
Fire Department Reserve			72,365	
Capital Equipment Reserve			101	
Paving Reserve			4,405	
Encumbrances			266,225	
Ending Fund Balances			<u>821,529</u>	

TOWN OF LIBERTY, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Reconciliation to Exhibit D:

Total Revenues per above	3,158,505
Municipal Revenue Sharing	28,852
Ambulance Fund	155,437
Community Hall	50
Fire Department Reserve	8,000
Departmental Revenues	51,036
Total Revenues per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds	<u>\$3,401,880</u>
Total Expenditures per above	3,435,119
Ambulance Fund	77,745
Community Hall	5,301
Capital Equipment Reserve	899
Paving Reserve	119,313
Departmental Revenues	51,036
Encumbrances	(224,129)
Total Expenditures per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds	<u>\$3,465,284</u>

TOWN OF LIBERTY, MAINE
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit A-1

<i>Revenues</i>	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	2,337,961	2,375,452	37,491
Auto and Boat Excise	206,397	194,803	(11,594)
Interest on Taxes		6,751	6,751
	<u>2,544,358</u>	<u>2,577,006</u>	<u>32,648</u>
Intergovernmental			
Tree Growth Refund		7,950	7,950
Veterans Reimbursement		610	610
Municipal Revenue Sharing	104,470	104,470	-
BETE Reimbursement	82	82	-
Misc. State Fees	136	136	-
Renewable Energy Reimbursement		639	639
State Park Fee	4,930	4,939	9
Homestead Reimbursement	66,695	66,695	-
	<u>176,313</u>	<u>185,521</u>	<u>9,208</u>
Local Sources			
Wood Lot Revenue	44,831	15,117	(29,714)
Tax Acquired Property Sales	374,113	376,096	1,983
Payment in Lieu of Taxes		211	211
Planning Board Fees	600	660	60
Clerk, Agent Fees, and Miscellaneous	1,897	3,894	1,997
	<u>421,441</u>	<u>395,978</u>	<u>(25,463)</u>
Transfers and Other Sources			
Bond Proceeds	339,503	339,503	-
	<u>339,503</u>	<u>339,503</u>	<u>-</u>
Total Revenues and Transfers	3,481,615	<u>3,498,008</u>	<u>16,393</u>
Fund Balance Used To Reduce Taxes	<u>125,000</u>		
Total	<u>3,606,615</u>		

	<i>Encumbered from 2021</i>	<i>Appropriation</i>	<i>Receipts and Reimbursements</i>	<i>Expenditures</i>	<i>Balances (Over) Under</i>	
					<i>Lapsed</i>	<i>Encumbered</i>
Town Officials						
Town Clerk		24,426		21,998	2,428	
Deputy Clerk		22,185		22,386	(201)	
Selectmen		15,000		15,000	-	
Town Administrator		18,200		15,204	2,996	
Treasurer		8,000		8,000	-	
Deputy Treasurer		1,500		369	1,131	
Code Enforcement		5,250		5,250	-	
Fire Chief		9,500		9,500	-	
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	-	
	-	121,661	-	115,057	6,604	-
General Government						
Administration		42,500		56,749	(14,249)	
TRIO Software/Upgrade		3,445		4,430	(985)	
Assessors Agent	12,644	9,750		14,625	-	7,769
Parking Management	1,195	2,800	15	3,155	855	
Snow Shoveling		600		425	175	
Digital Tax Maps	1,720	3,200		2,653	-	2,267
Legal Fees	8,273	7,221		6,930	-	8,564
Planning Board / Board of Appeals		3,000		1,756	1,244	
Tri County Solid Waste		28,000		26,790	1,210	
Animal Control		1,900		1,181	719	
Emergency Management	250	250		473	27	
Cemeteries		10,300		9,225	1,075	
General Assistance		4,000		635	-	3,365
Street Lights		3,300		3,108	192	
Insurance		18,000		18,820	(820)	
Payroll Expenses		9,154		10,691	(1,537)	
Emergency Fund	7,015	7,015			-	14,030
Lien Fees			8,003	4,730	3,273	
	31,097	154,435	8,018	166,376	(8,821)	35,995

	<i>Encumbered from 2021</i>	<i>Appropriation</i>	<i>Receipts and Reimbursements</i>	<i>Expenditures</i>	<i>Balances (Over) Under</i>	
					<i>Lapsed</i>	<i>Encumbered</i>
Highways						
Roads/Bridge/Dam Maintenance		70,000		73,211	(3,211)	
911 Signs		2,000		1,452	548	
Paving - DOT	8,358		23,356	22,590	-	9,124
FEMA			18,787	19,776	(989)	
Parks		3,000		3,092	(92)	
Salt and Sand		48,000		44,282	3,718	
Sand Shed Repair		418,000		220,554	-	197,446
Snowplowing		224,200		206,700	-	17,500
	<u>8,358</u>	<u>765,200</u>	<u>42,143</u>	<u>591,657</u>	<u>(26)</u>	<u>224,070</u>
Dam Maintenance						
Lake St. George Dam Maintenance	725	1,000		500	1,225	
Steven's Pond Dam Maintenance	1,216	500			1,716	
	<u>1,941</u>	<u>1,500</u>	<u>-</u>	<u>500</u>	<u>2,941</u>	<u>-</u>
Fire Department						
Fire Department Expenditures		50,000		48,017	1,983	
Fire Department Wages		25,000		18,840	-	6,160
Fire Department Boats		64,528		64,528	-	
	<u>-</u>	<u>139,528</u>	<u>-</u>	<u>131,385</u>	<u>1,983</u>	<u>6,160</u>
Recreation						
Recreation		9,000	875	7,449	2,426	
Recreation Requests		2,300		1,100	1,200	
	<u>-</u>	<u>11,300</u>	<u>875</u>	<u>8,549</u>	<u>3,626</u>	<u>-</u>
Ambulance						
Operations		56,250		56,305	(55)	
	<u>-</u>	<u>56,250</u>	<u>-</u>	<u>56,305</u>	<u>(55)</u>	<u>-</u>

	<i>Encumbered from 2021</i>	<i>Appropriation</i>	<i>Receipts and Reimbursements</i>	<i>Expenditures</i>	<i>Balances (Over) Under</i>	
					<i>Lapsed</i>	<i>Encumbered</i>
Other						
Library		5,000		5,000	-	
Paint town office	700			69	631	
Social Requests		12,521		12,521	-	
	<u>700</u>	<u>17,521</u>	<u>-</u>	<u>17,590</u>	<u>631</u>	<u>-</u>
Debt						
Bridge Loan		7,300		7,278	22	
Fire Truck Loan		388,187		390,336	(2,149)	
		<u>395,487</u>		<u>397,614</u>	<u>(2,127)</u>	
Assessments						
RSU #3		1,479,578		1,479,578	-	
County Taxes		279,920		279,920	-	
Overlay		21,985		17,495	4,490	
		<u>1,781,483</u>		<u>1,776,993</u>	<u>4,490</u>	
Transfers to Other Funds						
Fire Department Reserve		15,000		16,983	(1,983)	
Paving Reserve Fund		120,000		123,718	(3,718)	
Capital Equipment		1,000		1,000	-	
Ambulance Fund		18,750		18,750	-	
Community Hall		6,000		6,000	-	
Overlock Scholarship		1,500		1,500	-	
		<u>162,250</u>		<u>167,951</u>	<u>(5,701)</u>	
	<u>42,096</u>	<u>3,606,615</u>	<u>51,036</u>	<u>3,429,977</u>	<u>3,545</u>	<u>266,225</u>

TOWN OF LIBERTY, MAINE
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit A-3

Unassigned Fund Balance -July 1		407,807
Budget Summary		
Revenue Surplus (Deficit) - Exhibit A-1	16,393	
Unexpended Balance (Overdraft) of		
Appropriations - Exhibit A-2	<u>3,545</u>	
Budget Surplus (Deficit)		<u>19,938</u>
Deductions		
Beginning Fund Balance Used		
to Reduce Tax Rate		<u>(125,000)</u>
Unassigned Fund Balance - June 30		<u><u>302,745</u></u>

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

General Fund Unassigned Fund Balance - Exhibit A-3	302,745	
Community Hall	<u>(820)</u>	
Total Unassigned Fund Balance Exhibit C		<u><u>301,925</u></u>

*TOWN OF LIBERTY, MAINE
GENERAL RESERVE
BALANCE SHEET
JUNE 30, 2022*

Exhibit A-4

<i>Assets</i>	<i>Municipal Revenue Sharing</i>	<i>Ambulance Fund</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Capital Equipment Reserve</i>	<i>Paving Reserve</i>	<i>Total</i>
Cash		49,078					49,078
Accounts Receivable		57,978					57,978
Due from Other Funds	80,066			72,365	101	4,405	156,937
Total Assets	80,066	107,056	-	72,365	101	4,405	263,993
<i>Liabilities and Fund Balances</i>							
<i>Liabilities</i>							
Accounts Payable		332					332
Due to Other Funds		10,282	820				11,102
Total Liabilities	-	10,614	820	-	-	-	11,434
<i>Fund Balances</i>							
Restricted	80,066						80,066
Committed		96,442		72,365	101	4,405	173,313
Unassigned			(820)				(820)
Total Fund Balances	80,066	96,442	(820)	72,365	101	4,405	252,559
Total Liabilities and Fund Balances	80,066	107,056	-	72,365	101	4,405	263,993

GENERAL RESERVE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<i>Municipal Revenue Sharing</i>	<i>Ambulance Fund</i>	<i>Community Hall</i>	<i>Fire Department Reserve</i>	<i>Capital Equipment Reserve</i>	<i>Paving Reserve</i>	<i>Total</i>
Revenues							
Intergovernmental	133,322						133,322
Other Local Sources		155,437	50	8,000			163,487
Total Revenues	133,322	155,437	50	8,000		-	296,809
Expenditures							
General Government			5,301		899		6,200
Ambulance Department		77,745					77,745
Highway Department						119,313	119,313
Budgeted Appropriation	104,470						104,470
Total Expenditures	104,470	77,745	5,301	-	899	119,313	307,728
Excess of Revenues Over (Under) Expenditures	28,852	77,692	(5,251)	8,000	(899)	(119,313)	(10,919)
Other Financing Sources (Uses)							
Transfer In		18,750	6,000	16,983	1,000	123,718	166,451
Transfer Out							-
	-	18,750	6,000	16,983	1,000	123,718	166,451
Excess of Revenues and Other Sources Over (Under) Expenditures	28,852	96,442	749	24,983	101	4,405	155,532
Fund Balance - July 1	51,214		(1,569)	47,382		-	97,027
Fund Balance - June 30	80,066	96,442	(820)	72,365	101	4,405	252,559

TOWN OF LIBERTY, MAINE
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
JUNE 30, 2022

Exhibit B-1

<i>Assets</i>	<i>ARPA Grant</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Cash		79,043	93,274	6,945	179,262
Due from Other Funds	112,906				112,906
Total Assets	112,906	79,043	93,274	6,945	292,168
 <i>Liabilities and Fund Balances</i>					
Liabilities					
Due to Other Funds		9,868	3,100	2,345	15,313
Total Liabilities	-	9,868	3,100	2,345	15,313
Fund Balances					
Restricted	112,906		90,174		203,080
Assigned		69,175		4,600	73,775
Total Fund Balances	112,906	69,175	90,174	4,600	276,855
Total Liabilities and Fund Balances	112,906	79,043	93,274	6,945	292,168

TOWN OF LIBERTY, MAINE
ALL SPECIAL REVENUE FUNDS

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<i>ARPA Grant</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Revenues					
Intergovernmental Revenues	122,355				122,355
Donations					-
Interest Income		718	390	4	1,112
Total Revenues	122,355	718	390	4	123,467
Expenditures					
Scholarships		3,877			3,877
Capital Outlay					-
Miscellaneous	9,449		1,500		10,949
Total Expenditures	9,449	3,877	1,500	-	14,826
Excess of Revenues Over (Under) Expenditures	112,906	(3,159)	(1,110)	4	108,641
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	112,906	(1,659)	(1,110)	4	110,141
Fund Balance - July 1		70,834	91,284	4,596	166,714
Fund Balance - June 30	112,906	69,175	90,174	4,600	276,855