

TOWN OF LIBERTY, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2023*

**TOWN OF LIBERTY, MAINE
 FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
Kellie M. Bowden, C.P.A.
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, 2023, 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, 2023, 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
December 19, 2023

TOWN OF LIBERTY, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023 by \$4,103,296 (presented as “net position”). Of this amount, \$817,041 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 \$156,759 (a 4% increase) for the year ended June 30, 2023.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2023; the Town's governmental funds reported a combined ending fund balance of \$915,217 with \$313,369 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 \$35,630 (10%) 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

76% 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>	
	<u>Total 2023</u>	<u>Total 2022</u>
Current Assets	1,046,499	1,229,933
Capital Assets	3,416,578	3,097,053
Total Assets	<u>4,463,077</u>	<u>4,326,986</u>
Current Liabilities	60,648	53,927
Other Liabilities	280,500	310,073
Total Liabilities	<u>341,148</u>	<u>364,000</u>
Property Taxes Collected in Advance	18,633	16,449
Total Deferred Inflows of Resources	<u>18,633</u>	<u>16,449</u>
Net Position:		
Net Investment in Capital Assets	3,106,505	2,751,350
Restricted	179,750	283,146
Unrestricted	817,041	912,041
Total Net Position	<u>4,103,296</u>	<u>3,946,537</u>
Total Liabilities and Net Position	<u>4,463,077</u>	<u>4,326,986</u>

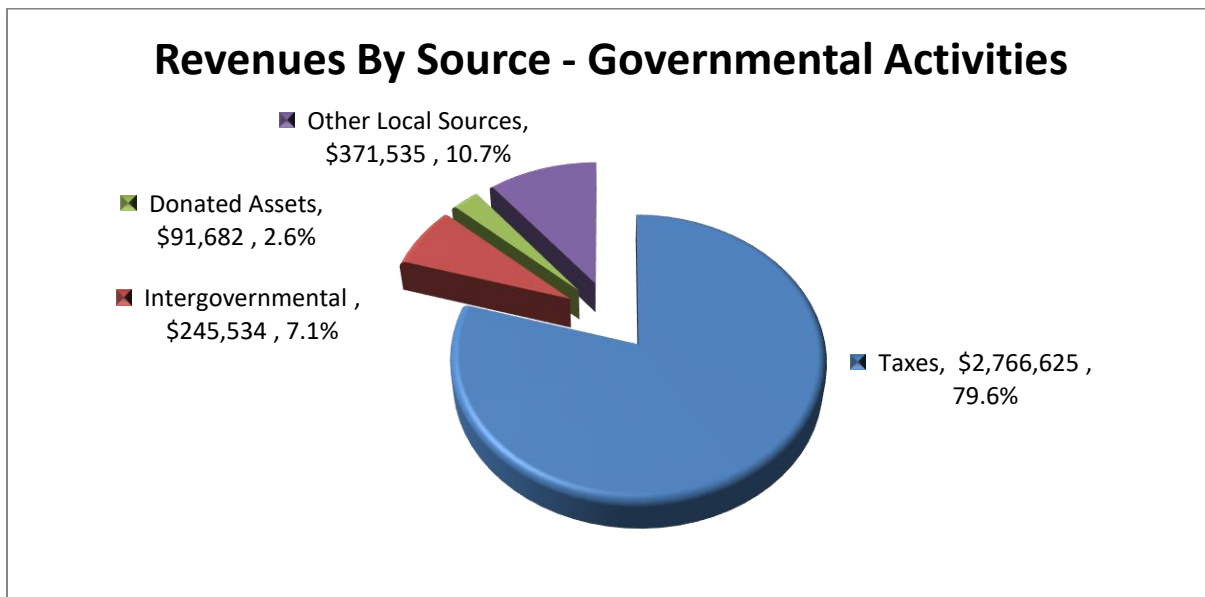
Changes in Net Position

Approximately 80 percent of the Town's total revenue came from property and excise taxes, approximately 7 percent came from State subsidies and grants, and approximately 13 percent came from services, investment

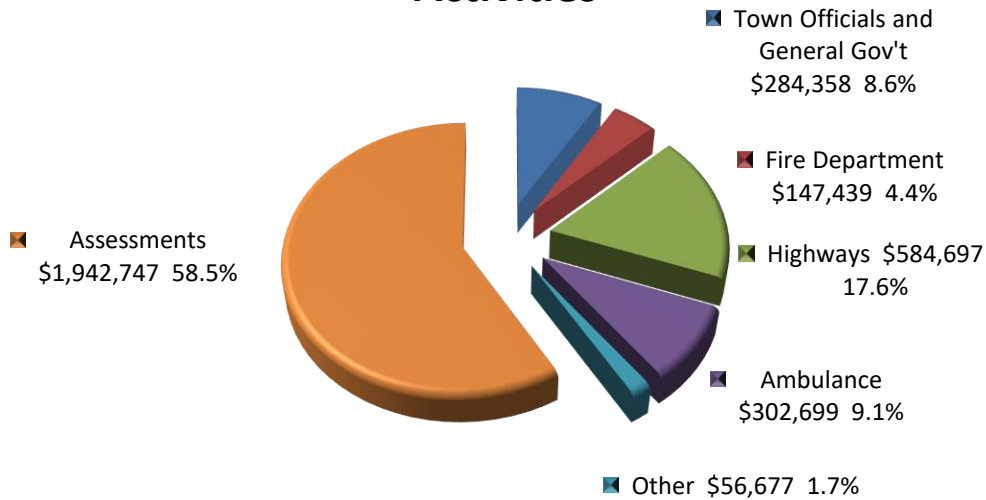
earnings and other sources. Depreciation expense on the Town's governmental activity assets represents \$271,467 of the total expenses for the year.

**Governmental
Activities**

	Total 2023	Total 2022
Revenues:		
Taxes	2,766,625	2,545,404
Intergovernmental Revenues	245,534	336,728
Departmental Revenues	91,682	51,036
Other Local Sources	371,535	560,577
Donated Assets	-	334,609
Loss on Disposal of Assets	-	(56,524)
Total	3,475,376	3,771,830
Expenses:		
Town Officials	110,579	115,057
General Government	173,779	181,010
Highways	584,697	479,934
Dam Maintenance	5,801	5,300
Fire Department	147,439	124,895
Recreation	9,454	15,153
Ambulance	302,699	155,887
Other	25,860	21,467
Capital Outlay	11,000	9,449
Debt	4,562	37,421
Assessments	1,942,747	1,776,993
Total	3,318,617	2,922,566
Changes in Net Position	156,759	849,264



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 \$915,217, a decrease of \$183,167 in comparison with the prior year. Approximately 34 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:

- \$11,198 negative variance in property taxes. The variance is due to unfavorable property tax collections this year.
- \$15,594 positive variance in deputy clerk. The variance is due to an open position that was not filled for the full year.
- \$6,104 negative variance in administration. The variance is due to unexpected building damage and fixing a window at the library.
- \$6,428 positive variance in trio software/upgrade. The variance is due to overestimating trio software costs.
- \$6,367 negative variance in FEMA. The variance is due to town share of damage from storms.
- \$21,698 negative variance in salt and sand. The variance is due to filling new salt sand shed.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$7,627,637, net of accumulated depreciation of \$4,211,059, leaving a net book value of 3,416,578. Current year additions included \$513,882 for the salt sand shed, \$55,000 for a fire mini pump, and \$242,664 in paving. . Additional information on the Town's capital assets can be found in Note 3D of the notes to the financial statements on page 23 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, 2023

Exhibit A

<i>Assets</i>	<i>Governmental Activities</i>
Cash and Equivalents	617,214
Receivables	
Taxes	178,170
Tax Liens	47,809
Accounts	193,752
Prepaid Expenditures	9,554
Capital Assets:	
Land	48,000
Other Capital Assets, Net of Depreciation	3,368,578
<i>Total Assets</i>	<u>4,463,077</u>
 <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
 <i>Liabilities</i>	
Accounts Payable	31,075
Long-term Liabilities:	
Due Within One Year	29,573
Due in More Than One Year	280,500
<i>Total Liabilities</i>	<u>341,148</u>
 <i>Deferred Inflows of Resources:</i>	
Property Taxes Collected in Advance	18,633
<i>Total Deferred Inflows of Resources</i>	<u>18,633</u>
 <i>Net Position</i>	
Net Investment in Capital Assets	3,106,505
Restricted	179,750
Unrestricted	817,041
<i>Total Net Position</i>	<u>4,103,296</u>
 <i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	 <u>4,463,077</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, 2023

Exhibit B

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Position</u>
				<u>Total</u>
<u>Primary Government</u>				<u>Governmental</u>
<u>Governmental Activities</u>				<u>Activities</u>
Town Officials	110,579			(110,579)
General Government	173,779			(173,779)
Highways	584,697		82,507	(502,190)
Dam Maintenance	5,801			(5,801)
Fire Department	147,439			(147,439)
Recreation	9,454			(9,454)
Ambulance	302,699			(302,699)
Other	25,860			(25,860)
Capital Outlay	11,000			(11,000)
Debt	4,562			(4,562)
Assessments	1,942,747			(1,942,747)
<u>Total Governmental Activities</u>	<u>3,318,617</u>	<u>-</u>	<u>82,507</u>	<u>(3,236,110)</u>
<u>Total Primary Government</u>	<u>3,318,617</u>	<u>-</u>	<u>82,507</u>	<u>(3,236,110)</u>
<u>General Revenues:</u>				
Taxes				
Property				2,574,492
Auto Excise				192,133
Intergovernmental Revenues				245,534
Other Local Sources				380,710
<u>Total Revenues, Special Items and Transfers</u>				<u>3,392,869</u>
<u>Changes in Net Position</u>				156,759
<u>Net Position - Beginning</u>				<u>3,946,537</u>
<u>Net Position - Ending</u>				<u>4,103,296</u>

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

TOWN OF LIBERTY, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

Exhibit C

<i>Assets</i>	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Cash and Equivalents	436,031	181,183	617,214
Receivables			
Taxes	178,170		178,170
Tax Liens	47,809		47,809
Accounts	193,752		193,752
Prepaid Expenditures	9,554		9,554
Due from Other Funds	21,823	-	21,823
<i>Total Assets</i>	887,139	181,183	1,068,322
<i>Liabilities, Deferred Inflows of Resources, and Fund Balances</i>			
<i>Liabilities</i>			
Accounts Payable	31,075		31,075
Due to Other Funds	-	21,823	21,823
<i>Total Liabilities</i>	31,075	21,823	52,898
<i>Deferred Inflows of Resources:</i>			
Property Taxes Collected in Advance	18,633		18,633
Unavailable Property Tax Revenue	81,574		81,574
<i>Total Deferred Inflows of Resources</i>	100,207	-	100,207
<i>Fund Balances</i>			
Restricted	93,476	86,274	179,750
Committed	284,251		284,251
Assigned	64,761	73,086	137,847
Unassigned	313,369		313,369
<i>Total Fund Balances</i>	755,857	159,360	915,217
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	887,139	181,183	1,068,322
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total Fund Balance			915,217
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of 4,211,059			3,416,578
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:			
Unavailable Taxes			81,574
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:			
Bonds Payable			(310,073)
Net Position of Governmental Activities			4,103,296

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, 2023

Exhibit D
Page 1 of 2

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	2,781,854		2,781,854
Intergovernmental Revenues	245,534		245,534
Departmental Revenues	91,682		91,682
Other Local Sources	369,614	1,921	371,535
	<u>3,488,684</u>	<u>1,921</u>	<u>3,490,605</u>
Total Revenues			
Expenditures			
Town Officials	110,579		110,579
General Government	162,715	4,130	166,845
Highways	849,447		849,447
Dam Maintenance	1,001		1,001
Fire Department	140,483		140,483
Recreation	2,850		2,850
Ambulance	280,862		280,862
Other	21,980	3,880	25,860
Capital Outlay		112,906	112,906
Debt	40,192		40,192
Assessments	1,942,747		1,942,747
	<u>3,552,856</u>	<u>120,916</u>	<u>3,673,772</u>
Total Expenditures			
Excess of Revenues Over (Under)			
Expenditures	(64,172)	(118,995)	(183,167)
Other Financing Sources (Uses)			
Transfers from Other Funds	-	1,500	1,500
Transfers to Other Funds	(1,500)	-	(1,500)
	<u>(1,500)</u>	<u>1,500</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(65,672)	(117,495)	(183,167)
Fund Balance - July 1	821,529	276,855	1,098,384
	<u>821,529</u>	<u>276,855</u>	<u>1,098,384</u>
Fund Balance - June 30	<u>755,857</u>	<u>159,360</u>	<u>915,217</u>

(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, 2023

Net change in fund balances - total governmental funds	(183,167)
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	590,992
Depreciation expense	(271,467)
	<u>319,525</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable Taxes	(15,229)
	<u>(15,229)</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:	
General obligation bond principal payments	35,630
	<u>35,630</u>
Change in net position of governmental activities	<u>156,759</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, 2023

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, 2023**

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, 2023

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, \$81,574 has been so classified and reported on the general fund balance sheet.

Property taxes were levied on September 15, 2022 on property values assessed on April 1. Taxes were due on October 17, 2022 and May 4, 2023, with interest at 4% beginning October 18, 2022 and May 5, 2023.

Tax liens are placed on real property within 12 months following the tax commitment date if taxes remain delinquent. Liens were placed on the 2022 taxes on July 22, 2022.

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, 2023

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, 2023**

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, 2023

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, 2023 fund balances on the balance sheet as follows:

	General	Other Governmental	
	Fund	Funds	Total
<u>Restricted</u>			
Municipal Revenue Sharing	93,476		93,476
Hoit Fund		86,274	86,274
<u>Committed</u>			
Fire Department Reserve	27,980		27,980
Ambulance Fund	245,326		245,326
Community Hall	738		738
Capital Equipment Reserve	101		101
Paving Reserve	10,106		10,106
<u>Assigned</u>			
Assessors Agent	6,737		6,737
Digital Tax Maps	1,767		1,767
Legal Fees	14,428		14,428
General Assistance	4,035		4,035
Emergency Fund	14,030		14,030
Paving - DOT	13,137		13,137
Fire Length of Service Award	10,602		10,602
Social Requests	25		25
Willard Overlock Scholarship		68,379	68,379
Cemetery Fund		4,707	4,707
<u>Unassigned</u>			
General Fund	313,369		313,369
<u>Total Fund Balance</u>	<u>755,857</u>	<u>159,360</u>	<u>915,217</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, 2023**

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 2023, \$2,149 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. For all accounts, the Town’s cash deposits, including certificates of deposits, are insured up to \$250,000 per custodian by the FDIC. At year-end, the carrying value of the Town’s deposits was \$617,214 and the bank balance was \$633,036. Of the bank balances, \$633,036 was collateralized by Federal Deposit Insurance Town insurance.

**TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

Property taxes were levied for the fiscal year as follows:

Assessed Value		165,937,961	
Tax Rate (per \$1,000)		15.45	
Commitment		<u>2,563,742</u>	
Appropriations		2,986,884	
Less:			
State Municipal Revenue Sharing	146,028		
Estimated Revenues	203,135		
BETE Reimbursement	105		
Homestead Reimbursement	<u>73,874</u>		
			<u>423,142</u>
Net Assessment for Commitment			<u>2,563,742</u>

Uncollected taxes at June 30 for the current year commitment totaled \$168,810. Unpaid liens at June 30 totaled \$47,809.

C. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at for the year ended June 30, 2023 were as follows:

	<u><i>Interfund Receivable</i></u>	<u><i>Interfund Payable</i></u>
General Fund	21,823	
Willard Overlock Scholarship		6,087
Hoit Fund		7,230
Cemetery Fund		8,506
Totals	<u>21,823</u>	<u>21,823</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, 2023

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, 2023, 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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for year ended June 30, 2023 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	293,328	(513,882)	-
<i>Capital assets being depreciated</i>				
Buildings	929,123	513,882		1,443,005
Equipment	1,340,833	55,000		1,395,833
Infrastructure	4,498,136	242,664		4,740,800
Total capital assets being depreciated	6,768,092	811,546	-	7,579,638
<i>Less accumulated depreciation for</i>				
Buildings	399,267	38,381		437,648
Equipment	533,127	76,780		609,907
Infrastructure	3,007,199	156,306		3,163,505
Total accumulated depreciation	3,939,593	271,467	-	4,211,060
Net capital assets being depreciated	2,828,499	540,079	-	3,368,578
Governmental Activities				
Capital Assets, net	3,097,053	833,407	(513,882)	3,416,578

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

<u>Governmental Activities</u>	
General Government	6,934
Fire Department	61,956
Ambulance	21,837
Highways	169,336
Dam Maintenance	4,800
Recreation	6,604
Total Depreciation Expense - Governmental Activities	271,467

**TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

	<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	6,200		(6,200)	-	
<i>Bonds payable:</i>					
Fire Truck refinance	339,503		(29,430)	310,073	29,573
Governmental activities long-term obligations	345,703	-	(35,630)	310,073	29,573

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, 2023 was \$0.

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, 2023 was \$310,073.

Debt service requirements (principal and interest) for all long-term obligations at June 30, 2023 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>
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	310,073	25,469	335,542

TOWN OF LIBERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

Exhibit E
Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	2,789,507	2,789,507	2,781,854	(7,653)
Intergovernmental Revenues	225,061	225,061	232,124	7,063
Other Local Sources	3,279	3,279	6,768	3,489
Total Revenues	<u>3,017,847</u>	<u>3,017,847</u>	<u>3,020,746</u>	<u>2,899</u>
Expenditures (Net of Departmental Revenues)				
Town Officials	126,876	126,876	110,579	16,297
General Government	158,244	158,244	154,000	4,244
Highways	300,500	300,500	319,939	(19,439)
Dam Maintenance	1,500	1,500	1,001	499
Fire Department	88,033	88,033	88,033	-
Recreation	2,400	2,400	1,850	550
Ambulance	-	-	-	-
Other	22,005	22,005	22,005	-
Debt	42,335	42,335	40,192	2,143
Assessments	1,950,096	1,950,096	1,942,747	7,349
Total Expenditures	<u>2,691,989</u>	<u>2,691,989</u>	<u>2,680,346</u>	<u>11,643</u>
Excess Revenues Over Expenditures	325,858	325,858	340,400	14,542
Other Financing Sources				
Transfers In	2,493	2,493	2,493	-
Transfers Out	(330,500)	(330,500)	(332,269)	(1,769)
Total Other Financing Sources	<u>(328,007)</u>	<u>(328,007)</u>	<u>(329,776)</u>	<u>(1,769)</u>
Net Change in Fund Balance	<u>(2,149)</u>	<u>(2,149)</u>	10,624	<u>12,773</u>
Reconciliation of Fund Balances to Exhibit D:				
Beginning Fund Balances			302,745	
Municipal Revenue Sharing			93,476	
Ambulance Fund			245,326	
Community Hall			738	
Fire Department Reserve			27,980	
Capital Equipment Reserve			101	
Paving Reserve			10,106	
Encumbrances			64,761	
Ending Fund Balances			<u>755,857</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, 2023

Reconciliation to Exhibit D:

Total Revenues per above	3,020,746
Municipal Revenue Sharing	13,410
Ambulance Fund	361,746
Community Hall	1,100
Fire Department Reserve	-
Departmental Revenues	91,682
Total Revenues per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds	<u><u>\$3,488,684</u></u>
Total Expenditures per above	2,680,346
Ambulance Fund	280,862
Community Hall	5,542
Fire Department Reserve	56,892
Paving Reserve	236,068
Departmental Revenues	91,682
Encumbrances	201,464
Total Expenditures per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds	<u><u>\$3,552,856</u></u>

TOWN OF LIBERTY, MAINE
GENERAL FUND
STATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit A-1

<i>Revenues</i>	<i>Estimated</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Taxes			
Property	2,594,705	2,583,507	(11,198)
Auto and Boat Excise	194,802	192,133	(2,669)
Interest on Taxes		6,214	6,214
	<u>2,789,507</u>	<u>2,781,854</u>	<u>(7,653)</u>
Intergovernmental			
Tree Growth Refund		4,574	4,574
Veterans Reimbursement		617	617
Municipal Revenue Sharing	146,028	146,028	-
BETE Reimbursement	105	109	4
Renewable Energy Reimbursement	116	473	357
State Park Fee	4,938	6,449	1,511
Homestead Reimbursement	73,874	73,874	-
	<u>225,061</u>	<u>232,124</u>	<u>7,063</u>
Local Sources			
Payment in Lieu of Taxes	211	311	100
Planning Board Fees	410	810	400
Clerk, Agent Fees, and Miscellaneous	2,658	5,647	2,989
	<u>3,279</u>	<u>6,768</u>	<u>3,489</u>
Transfers and Other Sources			
Fire Department Reserve	2,493	2,493	-
	<u>2,493</u>	<u>2,493</u>	<u>-</u>
Total Revenues and Transfers	3,020,340	<u>3,023,239</u>	<u>2,899</u>
Fund Balance Used To Reduce Taxes	<u>2,149</u>		
Total	<u>3,022,489</u>		

	<u>Encumbered from 2022</u>	<u>Appropriation</u>	<u>Receipts and Reimbursements</u>	<u>Expenditures</u>	<u>Balances (Over) Under</u>	
					<u>Lapsed</u>	<u>Encumbered</u>
Town Officials						
Town Clerk		24,426		26,128	(1,702)	
Deputy Clerk		25,000		9,406	15,594	
Selectmen		15,000		15,000	-	
Town Administrator		18,200		15,845	2,355	
Treasurer		10,000		10,000	-	
Deputy Treasurer		1,500		1,443	57	
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		1,000		1,000	-	
Plumbing Inspector		500		500	-	
E-911 Addressing Officer		1,000		1,000	-	
Emergency Management Director		1,500		1,507	(7)	
	-	126,876	-	110,579	16,297	-
General Government						
Administration		30,000	1,500	37,604	(6,104)	
TRIO Software/Upgrade		20,294		13,866	6,428	
Assessors Agent	7,769	11,250		12,282	-	6,737
Parking Management		3,995	10	3,178	827	
Snow Shoveling		600		188	412	
Digital Tax Maps	2,267	3,500		4,000	-	1,767
Legal Fees	8,564	8,855		2,991	-	14,428
Planning Board / Board of Appeals		3,000		2,355	645	
Tri County Solid Waste		28,000		27,418	582	
Animal Control		1,900		3,101	(1,201)	
Emergency Management		250			250	
Cemeteries		9,800		9,310	490	
General Assistance	3,365	2,000		1,330	-	4,035
Street Lights		3,300		3,747	(447)	
Insurance		20,000		21,366	(1,366)	
Payroll Expenses		11,500		10,421	1,079	
Emergency Fund	14,030				-	14,030
Lien Fees			6,665	4,016	2,649	
	35,995	158,244	8,175	157,173	4,244	40,997

TOWN OF LIBERTY, MAINE

GENERAL FUND

STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit A-2

Page 2 of 3

	<i>Encumbered from 2022</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		60,000		58,231	1,769	
911 Signs		2,000		768	1,232	
Paving - DOT	9,124		23,228	19,215	-	13,137
FEMA			59,279	65,646	(6,367)	
Parks		1,500		1,700	(200)	
Salt and Sand		48,000		69,698	(21,698)	
Sand Shed Repair	197,446			191,421	6,025	
Snowplowing	17,500	189,000		206,700	(200)	
	<u>224,070</u>	<u>300,500</u>	<u>82,507</u>	<u>613,379</u>	<u>(19,439)</u>	<u>13,137</u>
Dam Maintenance						
Lake St. George Dam Maintenance		1,000		1,000	-	
Steven's Pond Dam Maintenance		500		1	499	
	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,001</u>	<u>499</u>	<u>-</u>
Fire Department						
Fire Department Expenditures		63,033		63,033	-	
Fire Department Wages	6,160	25,000	(10,602)	20,558	-	
Fire Length of Service Award			10,602		-	10,602
	<u>6,160</u>	<u>88,033</u>	<u>-</u>	<u>83,591</u>	<u>-</u>	<u>10,602</u>
Recreation						
Recreation			1,000	1,650	(650)	
Recreation Requests		2,400		1,200	1,200	
	<u>-</u>	<u>2,400</u>	<u>1,000</u>	<u>2,850</u>	<u>550</u>	<u>-</u>

GENERAL FUND

STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<i>Encumbered from 2022</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		7,000		7,000	-	
Paint town office					-	
Social Requests		15,005		14,980	-	25
	-	22,005	-	21,980	-	25
Debt						
Bridge Loan		6,476		6,482	(6)	
Fire Truck Loan		35,859		33,710	2,149	
		42,335		40,192	2,143	
Assessments						
RSU #3		1,626,216		1,626,216	-	
County Taxes		300,767		300,767	-	
Overlay		23,113		15,764	7,349	
		1,950,096		1,942,747	7,349	
Transfers to Other Funds						
Fire Department Reserve		15,000		15,000	-	
Paving Reserve Fund		240,000		241,769	(1,769)	
Capital Equipment					-	
Ambulance Fund		68,000		68,000	-	
Community Hall		6,000		6,000	-	
Overlock Scholarship		1,500		1,500	-	
		330,500		332,269	(1,769)	
	266,225	3,022,489	91,682	3,305,761	9,874	64,761

TOWN OF LIBERTY, MAINE
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit A-3

Unassigned Fund Balance -July 1		302,745
Budget Summary		
Revenue Surplus (Deficit) - Exhibit A-1	2,899	
Unexpended Balance (Overdraft) of		
Appropriations - Exhibit A-2	<u>9,874</u>	
Budget Surplus (Deficit)		<u>12,773</u>
Deductions		
Beginning Fund Balance Used		
to Reduce Tax Rate		<u>(2,149)</u>
Unassigned Fund Balance - June 30		<u><u>313,369</u></u>

*TOWN OF LIBERTY, MAINE
GENERAL RESERVE
BALANCE SHEET
JUNE 30, 2023*

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		173,815					173,815
Accounts Receivable		106,672					106,672
Due from Other Funds	93,476		738	27,980	101	10,106	132,401
Total Assets	93,476	280,487	738	27,980	101	10,106	412,888
<i>Liabilities and Fund Balances</i>							
<i>Liabilities</i>							
Accounts Payable							-
Due to Other Funds		35,161					35,161
Total Liabilities	-	35,161	-	-	-	-	35,161
<i>Fund Balances</i>							
Restricted	93,476						93,476
Committed		245,326	738	27,980	101	10,106	284,251
Unassigned							-
Total Fund Balances	93,476	245,326	738	27,980	101	10,106	377,727
Total Liabilities and Fund Balances	93,476	280,487	738	27,980	101	10,106	412,888

GENERAL RESERVE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	159,438						159,438
Other Local Sources		361,746	1,100				362,846
Total Revenues	159,438	361,746	1,100	-	-	-	522,284
Expenditures							
General Government			5,542				5,542
Fire Department				56,892			56,892
Ambulance Department		280,862					280,862
Highway Department						236,068	236,068
Budgeted Appropriation	146,028						146,028
Total Expenditures	146,028	280,862	5,542	56,892	-	236,068	725,392
Excess of Revenues Over (Under) Expenditures	13,410	80,884	(4,442)	(56,892)	-	(236,068)	(203,108)
Other Financing Sources (Uses)							
Transfer In		68,000	6,000	15,000		241,769	330,769
Transfer Out				(2,493)			(2,493)
	-	68,000	6,000	12,507	-	241,769	328,276
Excess of Revenues and Other Sources Over (Under) Expenditures	13,410	148,884	1,558	(44,385)	-	5,701	125,168
Fund Balance -July 1	80,066	96,442	(820)	72,365	101	4,405	252,559
Fund Balance - June 30	93,476	245,326	738	27,980	101	10,106	377,727

TOWN OF LIBERTY, MAINE
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
JUNE 30, 2023

Exhibit B-1

<i>Assets</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Cash	74,466	93,504	13,213	181,183
Due from Other Funds				-
Total Assets	74,466	93,504	13,213	181,183
 <i>Liabilities and Fund Balances</i>				
Liabilities				
Due to Other Funds	6,087	7,230	8,506	21,823
Total Liabilities	6,087	7,230	8,506	21,823
Fund Balances				
Restricted		86,274		86,274
Assigned	68,379		4,707	73,086
Total Fund Balances	68,379	86,274	4,707	159,360
Total Liabilities and Fund Balances	74,466	93,504	13,213	181,183

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, 2023

	<i>ARPA Grant</i>	<i>Willard Overlock Scholarship</i>	<i>Hoit Fund</i>	<i>Cemetery Fund</i>	<i>Total</i>
Revenues					
Intergovernmental Revenues					-
Donations					-
Interest Income		1,584	230	107	1,921
Total Revenues	-	1,584	230	107	1,921
Expenditures					
Scholarships		3,880			3,880
Capital Outlay	101,906				101,906
Miscellaneous	11,000		4,130		15,130
Total Expenditures	112,906	3,880	4,130	-	120,916
Excess of Revenues Over (Under) Expenditures	(112,906)	(2,296)	(3,900)	107	(118,995)
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)	(796)	(3,900)	107	(117,495)
Fund Balance - July 1	112,906	69,175	90,174	4,600	276,855
Fund Balance - June 30	-	68,379	86,274	4,707	159,360