

Federal Compliance Audit

# Town of Lisbon, Maine

June 30, 2021



*Proven Expertise & Integrity*

TOWN OF LISBON, MAINE

JUNE 30, 2021

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 15
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	16 - 17
STATEMENT B - STATEMENT OF ACTIVITIES	18 - 19
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	20
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	21
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	22
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	23
STATEMENT G - STATEMENT OF NET POSITION - PROPRIETARY FUNDS	24 - 25
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS	26
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	27 - 28
STATEMENT J - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	29
STATEMENT K - STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS	30
NOTES TO FINANCIAL STATEMENTS	31 - 94

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	95
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	96
SCHEDULE 1A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - EDUCATION FUND	97
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	98
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSIONS	99
SCHEDULE 4 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN - TOWN AND WATER DEPARTMENT	100 - 101
SCHEDULE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MMEHT PLAN - TOWN AND WATER DEPARTMENT	102 - 103
SCHEDULE 6 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN	104
SCHEDULE 7 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MEABT PLAN	105
SCHEDULE 8 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SET PLAN	106
SCHEDULE 9 - SCHEDULE OF CONTRIBUTIONS - OPEB - HEALTH PLANS	107
SCHEDULE 10 - SCHEDULE OF CONTRIBUTIONS - OPEB - SET PLAN	108
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	109

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	110
SCHEDULE A - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES	111
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	112 - 113

SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	114
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	115
SPECIAL REVENUE FUNDS DESCRIPTION	116
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	117 - 124
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	125 - 132
CAPITAL PROJECTS FUNDS DESCRIPTION	133
SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	134
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	135
PERMANENT FUNDS DESCRIPTION	136
SCHEDULE I - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	137
FIDUCIARY FUNDS DESCRIPTION	138
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUSTS	139
<u>FEDERAL COMPLIANCE</u>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	140 - 141
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	142
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	143 - 144

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 145 - 147

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 148

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS 149

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM 150



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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Lisbon, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Town of Lisbon, Maine's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Town of Lisbon Water Department are presented as of December 31, 2020 and for the year then ended. This represents the year end for the Town of Lisbon Water Department. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 15 and 96 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR)

Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of the Town of Lisbon, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lisbon, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
January 20, 2022



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Lisbon, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

In accordance with generally accepted accounting principles, the Town presents two kinds of statements, each with a different snapshot of the Town's finances. The government-wide financial statements present financial information on the Town as a whole. The focus of the fund statements is on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad view of the Town's finances, in a manner similar to private-sector businesses. The Statement of Net Position presents information on all of the Town's assets, deferred outflow of resources, liabilities and deferred inflows of resources with the aggregate difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type) activities. The governmental activities of the Town include general governmental, public safety, public works, public services, general assistance, education, TIF and unclassified. The business-type activities of the Town include the Lisbon Water Department. The government-wide financial statements can be found on pages 16 through 19 of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lisbon, like other local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Lisbon can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

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

The Town of Lisbon presents six columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, education fund, loan program fund, treatment plant fund and Pinewood Road fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

The Town adopts an annual budget for its General Fund and Education Fund. Budgetary comparison schedules have been provided for the General Fund and Education Fund to demonstrate compliance with these budgets. The Town did not adopt any significant budget amendments for the fiscal year ended June 30, 2021.

*Proprietary Funds:* The Town of Lisbon maintains one proprietary fund, the water fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide

financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 24 through 28 of this report.

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town of Lisbon. These 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. The Town maintains one fiduciary fund: a private purpose trust fund, which accounts for scholarships. The fiduciary fund financial statements can be found on pages 29 and 30 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 Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds on pages 31 through 94 of this report.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Changes in Net OPEB Liability - MMEHT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, Schedule of Changes in Net OPEB Liability - MEABT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, Schedule of Proportionate Share of the Net OPEB Liability - SET Plan, Schedule of Contributions - OPEB - Health Plans, Schedule of Contributions - OPEB SET Plan and Notes to Required Supplementary Information. Required supplementary information can be found on pages 96 through 109 of this report.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds and other detailed budgetary information for the general fund. The combining and other schedules can be found on pages 111 through 139 of this report.

## Financial Analysis of the Town as a Whole

The Town is presenting current and prior year comparative information in the Management's Discussion and Analysis to provide a means of analyzing its' financial condition and position as of June 30, 2021.

### Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities and business-type activities.

**Table 1**  
**Town of Lisbon, Maine**  
**Net Position**  
**June 30,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>6/30/21</u>	<u>6/30/20 (Restated)</u>	<u>12/31/20</u>	<u>12/31/19</u>
<b>Assets:</b>				
Current Assets	\$ 13,176,691	\$ 12,131,192	\$ 1,064,853	\$ 878,391
Noncurrent Assets - Capital Assets	27,922,505	26,366,938	6,129,335	5,952,143
Other Assets			1,545,221	378,687
Total Assets	<u>41,099,196</u>	<u>38,498,130</u>	<u>8,739,409</u>	<u>7,209,221</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	1,128,589	1,116,927	41,839	44,400
Deferred Outflows Related to OPEB	793,092	381,200	10,869	5,329
Total Deferred Outflows of Resources	<u>1,921,681</u>	<u>1,498,127</u>	<u>52,708</u>	<u>49,729</u>
<b>Liabilities:</b>				
Current Liabilities	3,400,114	3,088,427	438,792	305,634
Noncurrent Liabilities	19,233,533	20,307,253	3,075,973	1,974,484
Total Liabilities	<u>22,633,647</u>	<u>23,395,680</u>	<u>3,514,765</u>	<u>2,280,118</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	42,868	80,826	-	-
Regulatory Reserves	-	-	379,235	382,608
Deferred Inflows Related to Pensions	123,823	574,286	20,296	47,912
Deferred Inflows Related to OPEB	803,240	350,015	24,638	3,914
Total Deferred Inflows of Resources	<u>969,931</u>	<u>1,005,127</u>	<u>424,169</u>	<u>434,434</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	14,132,726	12,543,979	4,433,087	3,953,715
Restricted	3,518,645	1,901,731	-	-
Unrestricted	1,765,928	1,149,740	420,096	590,683
Total Net Position	<u>\$ 19,417,299</u>	<u>\$ 15,595,450</u>	<u>\$ 4,853,183</u>	<u>\$ 4,544,398</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Lisbon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,939,753 at June 30, 2021 for the governmental activities.

The largest portion of the Town's net position (72.78%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town of Lisbon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in 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.

Restricted net position (18.12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,765,925 and 9.09% of total net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town is able to report positive balances in net position for the government as a whole, as well as for its separate governmental activities for the fiscal year ended June 30, 2021.

The Town's governmental net position increased \$3,821,849 during the fiscal year ended June 30, 2021. Governmental current assets increased \$1,045,499 which reflects includes increases in cash and cash equivalents balances. Noncurrent assets increased \$1,555,567 reflecting purchases of \$3,339,073 and depreciation expense of \$1,783,506. Noncurrent liabilities decreased by \$1,018,892. Restricted net position increased by \$1,616,914 and unrestricted net position increased \$616,188.

The Town's total business-type net position increased by \$308,785 from \$4,544,398 to \$4,853,183. Unrestricted net position for business-type activities decreased to a balance of \$420,096.

For more detailed information, see the Statement of Net Position on page 16 and 17.

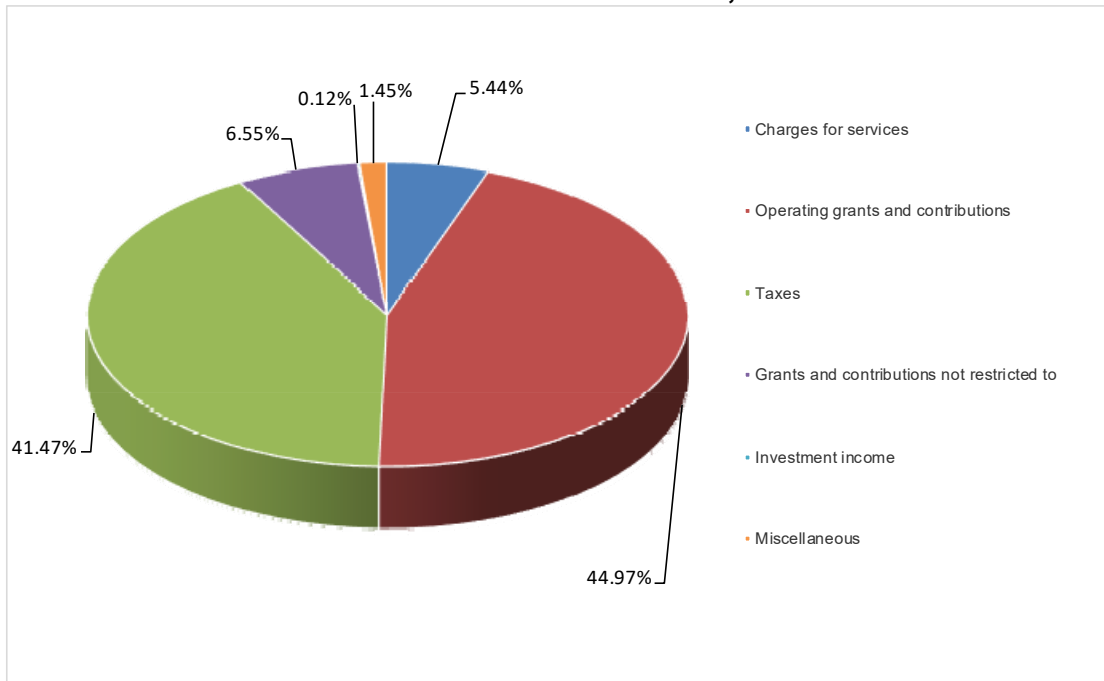
## Revenues and Expenses

The following table summarizes the revenues and expenses of the Town's activities:

**Table 2**  
**Town of Lisbon, Maine**  
**Changes in Net Position**  
**For the Years Ended**

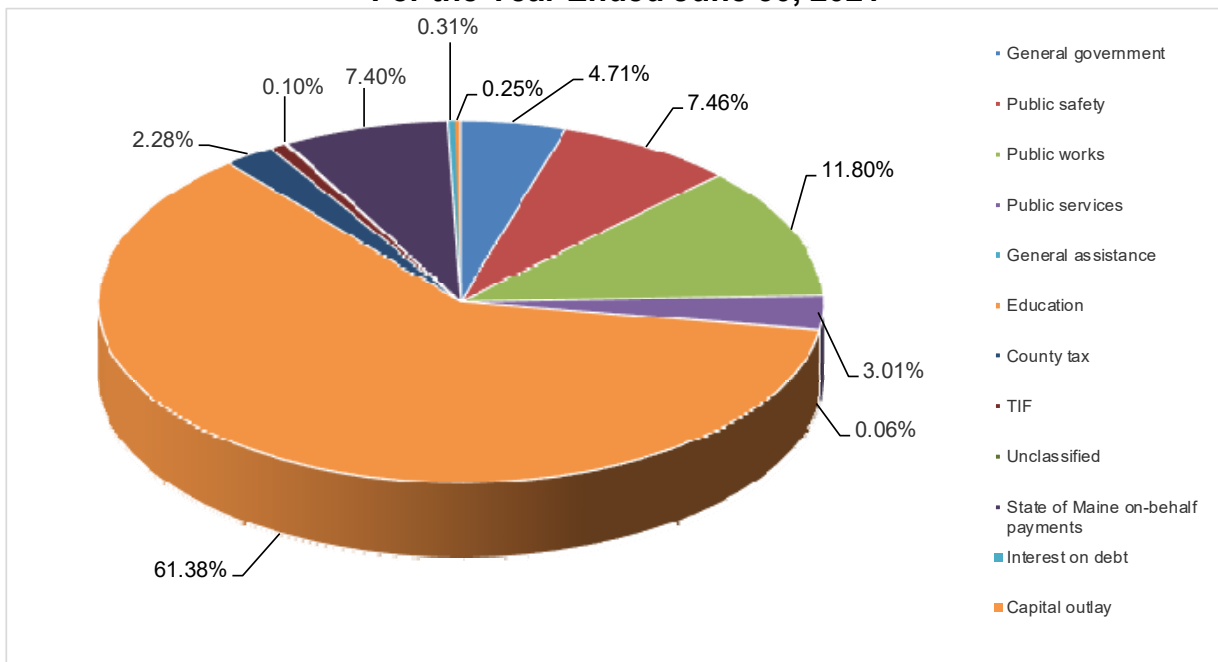
	Governmental Activities		Business-type Activities	
	6/30/21	6/30/20	12/31/20	12/31/19
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 2,039,399	\$ 2,174,729	\$ 1,424,885	\$ 1,308,262
Operating grants and contributions	16,859,413	11,650,094	-	-
<i>General Revenues:</i>				
Taxes	15,545,914	15,268,174	-	-
Grants and contributions not restricted to specific programs	2,455,814	2,102,342	-	-
Investment income	44,779	122,463	-	-
Miscellaneous	544,623	551,529	93,828	92,404
<b>Total Revenues</b>	<b>37,489,942</b>	<b>31,869,331</b>	<b>1,518,713</b>	<b>1,400,666</b>
<b>Expenses</b>				
General government	1,584,258	1,725,868	-	-
Public safety	2,677,076	2,631,403	-	-
Public works	3,973,559	4,394,383	-	-
Public services	1,012,397	1,448,057	-	-
General assistance	21,233	28,657	-	-
Education	20,666,316	16,487,955	-	-
County tax	768,250	741,256	-	-
TIF	250,980	277,510	-	-
Unclassified	35,333	120,795	-	-
Water department	-	-	1,209,928	1,206,603
State of Maine on-behalf payments	2,491,699	1,469,224	-	-
Interest on debt	103,692	-	-	-
Capital outlay	83,300	-	-	-
<b>Total Expenses</b>	<b>33,668,093</b>	<b>29,325,108</b>	<b>1,209,928</b>	<b>1,206,603</b>
<b>Change in Net Position</b>	<b>3,821,849</b>	<b>2,544,223</b>	<b>308,785</b>	<b>194,063</b>
<b>Net Position - July 1, Restated</b>	<b>15,595,450</b>	<b>13,051,227</b>	<b>4,544,398</b>	<b>4,350,335</b>
<b>Net Position - June 30</b>	<b>\$ 19,417,299</b>	<b>\$ 15,595,450</b>	<b>\$ 4,853,183</b>	<b>\$ 4,544,398</b>

**Town of Lisbon, Maine  
Revenues Pie Chart  
For the Year Ended June 30, 2021**



Charges for services are primarily comprised of police and dispatch, animal control and solid waste services. Taxes of \$15,545,914 increased \$277,740 during fiscal year 2021. Operating grants and contributions are primarily comprised of school subsidies, which are the second largest revenue source in the Education Fund.

**Town of Lisbon, Maine  
Expenses Pie Chart  
For the Year Ended June 30, 2021**



The Town's expenses totaled \$33,668,098 for fiscal year ended June 30, 2021 as compared to \$29,325,108 for the year ended June 30, 2020. Education accounts for the majority of expenses representing 61.38% of the total for fiscal year 2021. Public safety expenses related to the operations of the Police Department and Fire Department accounted for 7.95% of the total and Public Works expenses accounted for 11.80% of the total.

Revenues for the Department's water activities increased by \$118,047, while total expenses increased by \$3,325. The increase in revenues was primarily due to an increase in charges for services. Expenses remained consistent with prior year overall.

### **Financial Analysis of the Town's Fund Statements**

For the fiscal year ended June 30, 2021, the governmental funds had a combined fund balance of \$11,185,018. This reflects an increase from the prior year fund balance of \$899,383. The General Fund, which is the main operating fund of the Town of Lisbon, reported a current year increase of \$1,488,191 in fund balance. The other major fund balances decreased by \$660,133. The nonmajor fund balances increased by \$172,980. General fund revenues of \$18,864,595 were \$732,796 higher than budgeted amounts. Property taxes of \$13,656,318 were \$178,767 higher than budgeted amounts. Excise tax revenues of \$1,967,005 were \$462,005 higher than budgeted amounts.

The Town's operating expenditures of \$9,050,072 were \$653,740 less than budgeted amounts. The Town has continued its efforts to reduce expenditures wherever possible throughout the year. General government expenditures of \$1,739,424 were \$37,318 higher than budgeted amounts. Public safety expenditures of \$2,480,672 were under budget by \$136,342. Public works expenditures of \$2,719,601 were under budget by \$164,790.

*Proprietary funds:* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund had an operating income for the current year of \$313,637.



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

	<u>2021</u>	<u>2020 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 30,138	\$ 32,138	\$ (2,000)
Committed	1,179,750	-	1,179,750
Assigned	64,362	60,877	3,485
Unassigned	<u>3,463,099</u>	<u>3,156,143</u>	<u>306,956</u>
Total General Fund	<u>4,737,349</u>	<u>3,249,158</u>	<u>1,488,191</u>
Education Fund:			
Restricted	<u>1,382,168</u>	<u>1,047,988</u>	<u>334,180</u>
Loan Program:			
Nonspendable	141,714	135,174	6,540
Committed	<u>686,831</u>	<u>833,331</u>	<u>(146,500)</u>
Total Loan Program	<u>828,545</u>	<u>968,505</u>	<u>(139,960)</u>
Treatment Plant Fund:			
Committed	<u>2,112,170</u>	<u>1,805,731</u>	<u>306,439</u>
Pinewood Road Fund:			
Restricted	<u>265,392</u>	<u>1,426,184</u>	<u>(1,160,792)</u>
Total Major Funds	<u>\$ 9,325,624</u>	<u>\$ 8,497,566</u>	<u>\$ 828,058</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 21,029	\$ 13,241	\$ 7,788
Restricted	1,420,472	1,039,769	380,703
Committed	508,831	308,113	200,718
Assigned	294,678	325,086	(30,408)
Unassigned	(207,982)	(23,807)	(184,175)
Capital Projects Funds:			
Committed	200,587	97,201	103,386
Unassigned	(407,395)	(165)	(407,230)
Permanent Funds:			
Nonspendable	1,118	1,118	-
Restricted	<u>28,056</u>	<u>27,513</u>	<u>543</u>
Total Nonmajor Funds	<u>\$ 1,859,394</u>	<u>\$ 1,788,069</u>	<u>\$ 71,325</u>

## Capital Asset and Long-term Obligations Administration

### Capital Assets

As of June 30, 2021, the net book value of governmental-type capital assets recorded by the Town increased by \$1,555,567. This increase was a result of capital additions of \$3,339,073 less current year depreciation expense of \$1,783,506. The net book value of business-type capital assets as of December 30, 2020 increased by \$177,192. This increase was a result of capital additions of \$404,213 less net disposals of \$4,967 and current year depreciation expense of \$222,054.

**Table 4**  
**Town of Lisbon, Maine**  
**Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>6/30/21</b>	<b>6/30/20</b>
Land and improvements	\$ 1,423,597	\$ 1,429,479
Construction in progress	3,997,163	1,626,426
Buildings and improvements	12,405,412	12,918,502
Equipment and vehicles	3,106,237	3,368,342
Infrastructure	6,990,096	7,024,189
Total	<u>\$ 27,922,505</u>	<u>\$ 26,366,938</u>
	<b>Business-type Activities</b>	
	<b>12/31/20</b>	<b>12/31/19</b>
Water fund	\$ 6,129,335	\$ 5,952,143
Total	<u>\$ 6,129,335</u>	<u>\$ 5,952,143</u>

### Long-term Obligations

As of June 30, 2021, the Town had a total of \$20,946,462 of long-term obligations outstanding. Of this amount, \$12,188,964 is in the form of general obligation bonds that are backed by the full faith and credit of the Town government. Normally, the debt service on the general obligation bonds is paid with a component of the property tax levy. Typically, the School Department enjoys a shared cost of debt service with the State of Maine for any project that the State of Maine deems to be necessary as approved by the State Board of Education and the Commissioner of the Department of Education.

Included in the notes from direct borrowings payable outstanding at the end of 2021 are two Qualified Energy Conservation Bond leases for Municipal Government operations and School Department operations amounting to \$610,160 and \$1,185,651,

respectively. The proceeds of these tax favored bond issues were used to pay for capital costs related to energy savings improvements in Town and School Buildings.

**Table 5**  
**Town of Lisbon, Maine**  
**Bonded and Similar Indebtedness**

	Governmental Activities		Business-type Activities	
	6/30/21	6/30/20	12/31/20	12/31/19
General obligation bonds	\$ 10,092,903	\$ 11,591,519	\$ 3,241,469	\$ 1,998,428
Bond anticipation note payable	2,096,061	1,626,261	-	-
Notes from direct borrowings payable	1,866,207	2,031,363	-	-
Total	\$ 14,055,171	\$ 15,249,143	\$ 3,241,469	\$ 1,998,428

In Maine, a municipality may not incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7 1/2% of its last full state valuation or any lower percentage or amount that the citizens of the Town may set by Charter or Ordinance. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation or any lower percentage or amount that a municipality may set, for storm or sanitary sewer purposes to an amount outstanding at any time not exceeding 7 1/2% of its last full state valuation or any lower percentage or amount that the citizens of the Town may set by Charter or Municipal Ordinance. Municipalities may set for municipal airport and special district purposes an amount outstanding at any time not exceeding 3% of its last full state valuation or any lower percentage or amount that a municipality may set. However, in no case may a municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation or any lower percentage or amount that a municipality self-imposes.

However, the Town has a self-imposed debt limit of 5% of the assessed value of taxable property in the Town (\$583,010,850). Per the Town's revenue policy, long term debt will only be used to finance long-lived capital and operating assets.

### **Currently Known Facts, Decisions or Conditions**

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town of Lisbon, Maine. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town of Lisbon, Maine.

## **Economic Factors and Next Year's Budgets and Rates**

The financial results for the year ended June 30, 2021 as outlined in the above discussion and analysis, continue to show slight improvement from prior years, which is indicative of the economic stabilization and spotty growth occurring in the local and state economy. Economic improvement is expected to continue as retail, housing and public revenue sectors show signs of growth. Stability in real estate and personal property tax and excise taxes are expected to continue. State aid for education is expected to increase. The Town Council continues to emphasize a disciplined and strategic allocation of resources and fiscal prudence to ensure Lisbon's long-term financial sustainability. The Town's ongoing management of its finances has enabled the Town to meet its financial obligations while adding to the Town's Fund Balance. The Town's general credit ratings have remained stable. Although general government's expenditure budget has remained austere, the employees continue to strive to provide Lisbon's citizens with above average services.

Significant factors considered in preparing the Town's budget for the next fiscal year include the following:

- The primary revenue, real estate and personal property taxes are expected to remain flat. Requested increases in the general government budget and school department budget will continue to be constrained by nearly flat resources.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 300 Lisbon Street, Lisbon, Maine 04250.

## TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 11,486,763	\$ 683,292	\$ 12,170,055
Investments	20,082	-	20,082
Note receivable	141,714	-	141,714
Accounts receivable (net of allowance for uncollectibles):			
Taxes	16,308	-	16,308
Liens	285,296	-	285,296
Other	541,842	114,164	656,006
Accrued revenue	-	200,014	200,014
Prepaid items	30,138	5,373	35,511
Due from other governments	633,519	-	633,519
Inventory	21,029	62,010	83,039
Total current assets	<u>13,176,691</u>	<u>1,064,853</u>	<u>14,241,544</u>
Noncurrent assets:			
Capital assets			
Land and other assets not being depreciated	5,045,738	-	5,045,738
Buildings, equipment, vehicles and infrastructure, net of accumulated depreciation	<u>22,876,767</u>	<u>6,129,335</u>	<u>29,006,102</u>
Total noncurrent assets	<u>27,922,505</u>	<u>6,129,335</u>	<u>34,051,840</u>
Other assets:			
Restricted cash	-	1,545,221	1,545,221
Total other assets	<u>-</u>	<u>1,545,221</u>	<u>1,545,221</u>
<b>TOTAL ASSETS</b>	<u>41,099,196</u>	<u>8,739,409</u>	<u>49,838,605</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,128,589	41,839	1,170,428
Deferred outflows related to OPEB	793,092	10,869	803,961
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,921,681</u>	<u>52,708</u>	<u>1,974,389</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 43,020,877</u>	<u>\$ 8,792,117</u>	<u>\$ 51,812,994</u>

## TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 435,657	\$ 16,071	\$ 451,728
Customer deposits	-	644	644
Payroll related liabilities	1,236,043	7,626	1,243,669
Accrued interest	-	8,670	8,670
Due to other governments	15,485	-	15,485
Current portion of long-term obligations	1,712,929	405,781	2,118,710
Total current liabilities	<u>3,400,114</u>	<u>438,792</u>	<u>3,838,906</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,654,131	2,840,345	11,494,476
Bond anticipation note payable	2,096,061	-	2,096,061
Notes from direct borrowings payable	1,696,689	-	1,696,689
Accrued compensated absences	313,916	13,971	327,887
Net pension liability	2,701,735	194,294	2,896,029
Net OPEB liability	3,771,001	27,363	3,798,364
Total noncurrent liabilities	<u>19,233,533</u>	<u>3,075,973</u>	<u>22,309,506</u>
<b>TOTAL LIABILITIES</b>	<u>22,633,647</u>	<u>3,514,765</u>	<u>26,148,412</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	42,868	-	42,868
Regulatory reserves	-	379,235	379,235
Deferred inflows related to pensions	123,823	20,296	144,119
Deferred inflows related to OPEB	803,240	24,638	827,878
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>969,931</u>	<u>424,169</u>	<u>1,394,100</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,132,726	4,433,087	18,565,813
Restricted	3,518,645	-	3,518,645
Unrestricted	1,765,928	420,096	2,186,024
<b>TOTAL NET POSITION</b>	<u>19,417,299</u>	<u>4,853,183</u>	<u>24,270,482</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 43,020,877</u>	<u>\$ 8,792,117</u>	<u>\$ 51,812,994</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business - type Activities	Total
Governmental activities:							
General government	\$ 1,584,258	\$ 82,540	\$ -	\$ -	\$ (1,501,718)	\$ -	\$ (1,501,718)
Public safety	2,677,076	153,090	-	-	(2,523,986)	-	(2,523,986)
Public works	3,973,559	1,575,425	93,816	-	(2,304,318)	-	(2,304,318)
Public services	1,012,397	125,594	19,757	-	(867,046)	-	(867,046)
General assistance	21,233	-	15,001	-	(6,232)	-	(6,232)
Education	20,666,316	102,750	14,239,140	-	(6,324,426)	-	(6,324,426)
County tax	768,250	-	-	-	(768,250)	-	(768,250)
TIF	250,980	-	-	-	(250,980)	-	(250,980)
Unclassified	35,333	-	-	-	(35,333)	-	(35,333)
State of Maine on-behalf payments	2,491,699	-	2,491,699	-	-	-	-
Interest on debt	103,692	-	-	-	(103,692)	-	(103,692)
Capital outlay	83,300	-	-	-	(83,300)	-	(83,300)
Total governmental activities	<u>33,668,093</u>	<u>2,039,399</u>	<u>16,859,413</u>	<u>-</u>	<u>(14,769,281)</u>	<u>-</u>	<u>(14,769,281)</u>
Business-type activities:							
Water fund	<u>1,209,928</u>	<u>1,424,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,957</u>	<u>214,957</u>
Total business-type activities	<u>1,209,928</u>	<u>1,424,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,957</u>	<u>214,957</u>
Total government	<u>\$ 34,878,021</u>	<u>\$ 3,464,284</u>	<u>\$ 16,859,413</u>	<u>\$ -</u>	<u>(14,769,281)</u>	<u>214,957</u>	<u>(14,554,324)</u>

## TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(14,769,281)</u>	<u>214,957</u>	<u>(14,554,324)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,578,909	-	13,578,909
Excise taxes	1,967,005	-	1,967,005
Grants and contributions not restricted to specific programs	2,455,814	-	2,455,814
Interest income	44,779	7,452	52,231
Miscellaneous	544,623	86,376	630,999
Total general revenues	<u>18,591,130</u>	<u>93,828</u>	<u>18,684,958</u>
Change in net position	3,821,849	308,785	4,130,634
NET POSITION - JULY 1, RESTATED	<u>15,595,450</u>	<u>4,544,398</u>	<u>20,139,848</u>
NET POSITION - JUNE 30	<u>\$ 19,417,299</u>	<u>\$ 4,853,183</u>	<u>\$ 24,270,482</u>

See accompanying independent auditors' report and notes to financial statements.



## TOWN OF LISBON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,015,709	\$ 1,263,717	\$ 995,857	\$ -	\$ -	\$ 211,480	\$ 11,486,763
Investments	-	-	-	-	-	20,082	20,082
Accounts receivable (net of allowance for uncollectibles):							
Taxes	16,308	-	-	-	-	-	16,308
Liens	285,296	-	-	-	-	-	285,296
Other	71	140,017	-	401,754	-	-	541,842
Notes, net of allowance	-	-	141,714	-	-	-	141,714
Due from other governments	270,415	-	-	-	-	363,104	633,519
Prepaid items	30,138	-	-	-	-	-	30,138
Inventory	-	-	-	-	-	21,029	21,029
Due from other funds	1,417,255	1,544,140	-	1,710,457	265,392	2,229,241	7,166,485
<b>TOTAL ASSETS</b>	<b>\$ 11,035,192</b>	<b>\$ 2,947,874</b>	<b>\$ 1,137,571</b>	<b>\$ 2,112,211</b>	<b>\$ 265,392</b>	<b>\$ 2,844,936</b>	<b>\$ 20,343,176</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 13,507	\$ 314,339	\$ -	\$ 41	\$ -	\$ 107,770	\$ 435,657
Accrued payroll and related items	215,133	968,903	-	-	-	52,007	1,236,043
Due to other governments	15,485	-	-	-	-	-	15,485
Due to other funds	5,749,230	282,464	309,026	-	-	825,765	7,166,485
<b>TOTAL LIABILITIES</b>	<b>5,993,355</b>	<b>1,565,706</b>	<b>309,026</b>	<b>41</b>	<b>-</b>	<b>985,542</b>	<b>8,853,670</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Prepaid taxes	42,868	-	-	-	-	-	42,868
Deferred revenue - property taxes	261,620	-	-	-	-	-	261,620
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>304,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,488</b>
<b>FUND BALANCES</b>							
Nonspendable	30,138	-	141,714	-	-	22,147	193,999
Restricted	-	1,382,168	686,831	-	265,392	1,448,528	3,782,919
Committed	1,179,750	-	-	2,112,170	-	709,418	4,001,338
Assigned	64,362	-	-	-	-	294,678	359,040
Unassigned	3,463,099	-	-	-	-	(615,377)	2,847,722
<b>TOTAL FUND BALANCES</b>	<b>4,737,349</b>	<b>1,382,168</b>	<b>828,545</b>	<b>2,112,170</b>	<b>265,392</b>	<b>1,859,394</b>	<b>11,185,018</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,035,192</b>	<b>\$ 2,947,874</b>	<b>\$ 1,137,571</b>	<b>\$ 2,112,211</b>	<b>\$ 265,392</b>	<b>\$ 2,844,936</b>	<b>\$ 20,343,176</b>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 11,185,018
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	27,922,505
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	261,620
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	1,128,589
OPEB	793,092
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(10,092,903)
Bond anticipation note payable	(2,096,061)
Notes from direct borrowings payable	(1,866,207)
Accrued compensated absences	(418,555)
Net pension liability	(2,701,735)
Net OPEB liability	(3,771,001)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(123,823)
OPEB	<u>(803,240)</u>
Net position of governmental activities	<u><u>\$ 19,417,299</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

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

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 13,656,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,656,318
Excise	1,967,005	-	-	-	-	-	1,967,005
Charges for services	544,408	102,750	-	1,392,241	-	-	2,039,399
Intergovernmental	2,503,740	11,128,006	-	-	-	4,370,983	18,002,729
Interest income	31,653	4,799	4,251	-	3,539	537	44,779
Other income	161,471	40,731	20,834	24,914	-	296,673	544,623
<b>TOTAL REVENUES</b>	<b>18,864,595</b>	<b>11,276,286</b>	<b>25,085</b>	<b>1,417,155</b>	<b>3,539</b>	<b>4,668,193</b>	<b>36,254,853</b>
EXPENDITURES							
Current:							
General government	1,739,424	-	-	-	-	16,014	1,755,438
Public safety	2,480,672	-	-	-	-	-	2,480,672
Public works	2,719,601	-	-	1,052,307	-	48,265	3,820,173
Public services	888,287	-	-	-	-	124,110	1,012,397
General assistance	21,233	-	-	-	-	-	21,233
Education	-	16,811,396	-	-	-	4,650,338	21,461,734
County tax	768,250	-	-	-	-	-	768,250
TIF	-	-	-	-	-	250,980	250,980
Unclassified	12,739	-	22,594	-	-	-	35,333
State of Maine on-behalf payments	-	1,179,201	-	-	-	-	1,179,201
Capital outlay	-	-	-	-	1,164,331	1,254,802	2,419,133
Debt service - Town	419,866	-	142,451	58,409	-	-	620,726
<b>TOTAL EXPENDITURES</b>	<b>9,050,072</b>	<b>17,990,597</b>	<b>165,045</b>	<b>1,110,716</b>	<b>1,164,331</b>	<b>6,344,509</b>	<b>35,825,270</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,814,523	(6,714,311)	(139,960)	306,439	(1,160,792)	(1,676,316)	429,583
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	469,800	469,800
Transfers in	101,655	7,579,550	-	-	-	1,401,096	9,082,301
Transfers (out)	(8,427,987)	(531,059)	-	-	-	(123,255)	(9,082,301)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,326,332)</b>	<b>7,048,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,747,641</b>	<b>469,800</b>
NET CHANGE IN FUND BALANCES	1,488,191	334,180	(139,960)	306,439	(1,160,792)	71,325	899,383
FUND BALANCES - JULY 1, RESTATED	3,249,158	1,047,988	968,505	1,805,731	1,426,184	1,788,069	10,285,635
FUND BALANCES - JUNE 30	\$ 4,737,349	\$ 1,382,168	\$ 828,545	\$ 2,112,170	\$ 265,392	\$ 1,859,394	\$ 11,185,018

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 899,383</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset acquisitions	3,339,073
Depreciation expense	<u>(1,783,506)</u>
	<u>1,555,567</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(77,409)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	11,662
OPEB	<u>411,892</u>
	<u>423,554</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Position.	
	<u>(469,800)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>1,663,772</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	450,463
OPEB	<u>(453,225)</u>
	<u>(2,762)</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	73,104
Net pension liability	(482,059)
Net OPEB liability	<u>238,499</u>
	<u>(170,456)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 3,821,849</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2020

	Enterprise Fund
	<u>Water Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 683,292
Accounts receivable (net of allowance for uncollectibles)	114,164
Accrued revenue	200,014
Inventory	62,010
Prepaid items	5,373
Total current assets	<u>1,064,853</u>
Noncurrent assets:	
Capital assets:	
Property, plant and equipment	<u>9,675,322</u>
Total capital assets	9,675,322
Less: accumulated depreciation	<u>(3,545,987)</u>
Total noncurrent assets	<u>6,129,335</u>
Other assets:	
Restricted cash	<u>1,545,221</u>
Total other assets	<u>1,545,221</u>
<b>TOTAL ASSETS</b>	<u>8,739,409</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	41,839
Deferred outflows related to OPEB	10,869
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>52,708</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 8,792,117</u></u>

STATEMENT G (CONTINUED)  
TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2020

	Enterprise Fund
	Water Fund
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 16,071
Customer deposits	644
Accrued interest	8,670
Accrued expenses	1,541
Accrued payroll	6,085
Current portion of long-term obligations	405,781
Total current liabilities	438,792
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	2,840,345
Accrued compensated absences	13,971
Net pension liability	194,294
Net OPEB liability	27,363
Total noncurrent liabilities	3,075,973
<b>TOTAL LIABILITIES</b>	<b>3,514,765</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Regulatory reserves	379,235
Deferred inflows related to pensions	20,296
Deferred inflows related to OPEB	24,638
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>424,169</b>
<b>NET POSITION</b>	
Net investment in capital assets	4,433,087
Unrestricted	420,096
<b>TOTAL NET POSITION</b>	<b>4,853,183</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 8,792,117</b>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Enterprise Fund
	<u>Water Fund</u>
OPERATING REVENUES	
Residential	\$ 827,984
Commercial	102,333
Industrial	1,289
Public Authorities	37,018
Public Fire Protection	424,500
Private Fire Protection	31,761
Miscellaneous income	30,084
TOTAL OPERATING REVENUES	<u>1,454,969</u>
OPERATING EXPENSES	
Salaries and benefits	550,674
Power	45,181
Materials and supplies	94,488
Contractual services	171,606
Transportation	15,645
Insurance	24,362
Dues and fees	10,154
Depreciation	222,054
Miscellaneous expenses	7,168
TOTAL OPERATING EXPENSES	<u>1,141,332</u>
OPERATING INCOME (LOSS)	<u>313,637</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	7,452
Rental income	56,292
Interest expense	(68,596)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(4,852)</u>
CHANGE IN NET POSITION	308,785
NET POSITION - JANUARY 1	<u>4,544,398</u>
NET POSITION - DECEMBER 31	<u><u>\$ 4,853,183</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Enterprise Fund <hr/> Water Fund <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,343,704
Other receipts	30,084
Payments to employees	(570,970)
Payments to suppliers	(367,376)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> 435,442 <hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(399,246)
Bond proceeds	1,500,000
Principal paid on capital debt	(256,959)
Interest paid on capital debt	(69,670)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<hr/> 774,125 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	7,452
Rental income	56,292
(Increase) decrease in restricted cash	(1,166,534)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> (1,102,790) <hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,777
CASH AND CASH EQUIVALENTS - JANUARY 1	<hr/> 576,515 <hr/>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<hr/> <u>\$ 683,292</u> <hr/>



STATEMENT I (CONTINUED)

TOWN OF LISBON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 313,637
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	222,054
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(28,591)
(Increase) decrease in accrued revenue	(52,300)
(Increase) decrease in inventory	(3,373)
(Increase) decrease in prepaid items	4,579
(Increase) decrease in deferred outflows related to pensions	2,561
Increase (decrease) in accounts payable	3,395
Increase (decrease) in customer deposits	(1,831)
Increase (decrease) in advanced billing and payments	1,541
Increase (decrease) in accrued payroll	(13,694)
Increase (decrease) in net pension liability	19,797
Increase (decrease) in accrued compensated absences	2,624
Increase (decrease) in regulatory reserves	(3,373)
Increase (decrease) in deferred inflows related to pensions	(27,616)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 435,442</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2021

	<u>Private- Purpose Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 69,633
Investments	<u>69,397</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 139,030</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Restricted	<u>139,030</u>
<b>TOTAL NET POSITION</b>	<u><u>139,030</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 139,030</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Investment earnings	\$ 1,959
TOTAL ADDITIONS	<u>1,959</u>
DEDUCTIONS	
Scholarships	<u>6,872</u>
TOTAL DEDUCTIONS	<u>6,872</u>
CHANGE IN NET POSITION	(4,913)
NET POSITION - JULY 1	<u>143,943</u>
NET POSITION - JUNE 30	<u><u>\$ 139,030</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

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

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

All funds of the Town, with the exception of the Town of Lisbon Water Department, are reported as of and for the fiscal year ended June 30, 2021. December 31<sup>st</sup> is the year-end of the Water Department and the last separate financial statements were as of and for the year ended December 31, 2020. The amounts included in the Town's 2020 financial statements for the Water Department are as of and for the year ended December 31, 2020.

**COVID-19 Outbreak**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a “stay at home” directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

*Impact on and Results of Operations*

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. In accordance with Executive Order 8, issued by the Governor of Maine on August 26, 2020, the Town took required measures to further reduce the risk of exposure to general public and Town employees by having budget workshops via Zoom. Regular Council meetings resumed in person in February of 2021 and had appropriate social distance guidelines that were followed. The Town worked in accordance with CDC guidelines.

The School Department chose to use Google Classroom, Seesaw and other remote learning applications. The School Department also continued to provide meals to students by on site delivery or pick up of meals. This application of this LD in coordination with other Executive Orders necessitated that these methods remained in force for the remainder of the scheduled school year..

*Impact on Finances*

The Town and School Department do not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act, American Rescue Plan Act (“ARPA”) funding and applicable Federal and /or State programs.

*Expected Federal/State Support*

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Conclusion*

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

**Implementation of New Accounting Standards**

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Restatements to the governmental activities and special revenue funds total fund balance were required due to the impact of this Statement.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Statement No 93 "Replacement of Interbank Offered Rates (paragraphs 4-11a)." The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Water Department is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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

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

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

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

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

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

1. Governmental Funds:

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



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Education Fund is used to account for financial resources to be used for education by the School Department. Major sources of revenues are property taxes and intergovernmental revenues.
- c. The Loan Program Fund is used to account for financial resources to be used for various community loan programs. Major revenue sources are loan payments.
- d. The Treatment Plant Fund is used to account for financial resources to be used for sewer operations. Major sources of revenue are charges for services from sewer fees.
- e. The Pinewood Road Fund is used to account for financial resources to be used for the construction of major capital road improvements. Major sources of revenues are bond proceeds.

Nonmajor Funds:

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 10,097,085
Add: On-behalf payments	<u>1,179,201</u>
Total GAAP basis	<u>\$ 11,276,286</u>
Expenditures per budgetary basis	\$ 16,811,396
Add: On-behalf payments	<u>1,179,201</u>
Total GAAP basis	<u>\$ 17,990,597</u>

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

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

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables**

Receivables include amounts due from governmental agencies, local businesses and an intermediary relending program. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$201,416 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$1,431,239 for the year ended June 30, 2021.

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The school lunch fund inventory consists of school nutrition supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

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

Inventory of the Lisbon Water Department consists of various water materials and supplies.

**Prepaid Items**

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Interfund Receivables and Payables**

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of governmental and business-type activities.

**Capital Assets**

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

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

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

Estimated useful lives are as follows:

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

**Restricted Cash**

As a condition of the 2010 and 2014 bond issues from the Maine Municipal Bond Bank, the proceeds must be spent on approved capital projects or be used to pay annual principal payments on the bond. As of December 31, 2020, cash received from the bond issues by the Lisbon Water Department totaling \$1,545,221 was unspent and restricted.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

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

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Participating Local District (PLD) Consolidated Plan and State Employee and Teacher (SET) Plan and additions to/deductions from the PLD Consolidated and SET Plans' fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated and SET Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**OPEB**

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position**

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

**Fund Balances**

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



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

**Deferred Outflows and Inflows of Resources**

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

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

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied July 22, 2020 on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. Taxes were due in two installments on September 15, 2020 and March 15, 2021. Interest on unpaid taxes commenced on September 16, 2020 and March 16, 2021, at 8% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$194,486 for the year ended June 30, 2021.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Program Revenues**

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

**Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Deposits:**

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

At June 30, 2021, the Town's cash balances amounting to \$13,784,909 were comprised of bank deposits and cash equivalents of \$13,294,547. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, all were fully insured by federal depository insurance or were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 203,923
Savings accounts	69,127
ICS accounts	9,838,682
Cash equivalents	3,182,815
	<u>\$ 13,294,547</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments, but the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. The Town's certificates of deposit held with local financial institutions for \$89,479 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$89,479 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2021, the Town had \$89,479 in investments.

**Fair Value Hierarchy**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certificates of deposit held with local financial institutions for \$89,479 are excluded from the fair value hierarchy as these investments are considered held to maturity and are therefore not measured at fair value. The Town has the following recurring fair value measurements as June 30, 2021:

	June 30, 2021
	<u>Total</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>	
Money market mutual funds	<u>\$ 3,182,815</u>
Total cash equivalents measured at the NAV	<u><u>\$ 3,182,815</u></u>

The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2021 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 1,417,255	\$ 5,749,230
Education Fund	1,544,140	282,464
Loan Program	-	309,026
Treatment Plant Fund	1,710,457	-
Pinewood Road Fund	265,392	-
Nonmajor Special Revenue Funds	1,945,354	418,370
Nonmajor Capital Projects Funds	283,887	407,395
	<u>\$ 7,166,485</u>	<u>\$ 7,166,485</u>

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

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2021, the Town had the following interfund transfers:

	Transfers From	Transfers To
General Fund	\$ 101,655	\$ 8,427,987
Education Fund	7,579,550	531,059
Nonmajor Special Revenue Funds	1,120,576	123,255
Nonmajor Capital Projects Funds	280,520	-
	<u>\$ 9,082,301</u>	<u>\$ 9,082,301</u>

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance 7/1/20	Additions	Disposals	Balance 6/30/21
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 1,048,575	\$ -	\$ -	\$ 1,048,575
Construction in progress	1,626,426	2,370,737	-	3,997,163
	<u>2,675,001</u>	<u>2,370,737</u>	<u>-</u>	<u>5,045,738</u>
Depreciated assets:				
Land improvements	500,203	19,950	-	520,153
Buildings and improvements	31,345,956	241,371	-	31,587,327
Equipment and vehicles	8,884,413	231,894	-	9,116,307
Infrastructure	22,417,614	475,121	-	22,892,735
	63,148,186	968,336	-	64,116,522
Less: accumulated depreciation	(39,456,249)	(1,783,506)	-	(41,239,755)
	<u>23,691,937</u>	<u>(815,170)</u>	<u>-</u>	<u>22,876,767</u>
Net capital assets	<u>\$ 26,366,938</u>	<u>\$ 1,555,567</u>	<u>\$ -</u>	<u>\$ 27,922,505</u>
<u>Current year depreciation:</u>				
General government				\$ 142,103
Education				728,877
Public safety				196,404
Public works including infrastructure				716,122
Total depreciation expenses				<u>\$ 1,783,506</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/20	Additions	Disposals	Balance, 12/31/20
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	\$ 94,002			\$ 94,002
Construction in progress	102,577	58,967	(4,967)	156,577
	<u>196,579</u>	<u>58,967</u>	<u>(4,967)</u>	<u>250,579</u>
Depreciated assets:				
Structures and improvements	1,571,385	1,395	(1,000)	1,571,780
Wells and springs	220,805			220,805
Pumping equipment	578,559	10,821	(6,000)	583,380
Water treatment equipment	891,566			891,566
Reservoir	159,421			159,421
Mains	4,208,499	25,279	(1,000)	4,232,778
Services	581,233	2,506	(1,000)	582,739
Meters	316,078	261,452	(118,000)	459,530
Hydrants	325,887	10,766	(1,000)	335,653
Office furniture and fixtures	13,952	1,450	(730)	14,672
Transportation	126,923			126,923
Tools and shop equipment	20,871	31,577	(10,659)	41,789
Laboratory	4,347			4,347
Power operated equipment	41,120			41,120
Communications equipment	143,500			143,500
Miscellaneous equipment	14,740			14,740
	<u>9,218,886</u>	<u>345,246</u>	<u>(139,389)</u>	<u>9,424,743</u>
Less: accumulated depreciation	<u>(3,463,322)</u>	<u>(222,054)</u>	<u>139,389</u>	<u>(3,545,987)</u>
Net capital assets	<u>5,755,564</u>	<u>123,192</u>	<u>-</u>	<u>5,878,756</u>
Total net capital assets	<u>\$ 5,952,143</u>	<u>\$ 182,159</u>	<u>\$ (4,967)</u>	<u>\$ 6,129,335</u>



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance 7/1/20	Additions	Reductions	Balance 6/30/21	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 11,591,519	\$ -	\$ (1,498,616)	\$ 10,092,903	\$ 1,438,772
Bond anticipation note payable	1,626,261	469,800	-	2,096,061	-
Notes from direct borrowings payable	2,031,363	-	(165,156)	1,866,207	169,518
Totals	<u>\$ 15,249,143</u>	<u>\$ 469,800</u>	<u>\$ (1,663,772)</u>	<u>\$ 14,055,171</u>	<u>\$ 1,608,290</u>

The following is a summary of changes in long-term debt for the water department for the year ended December 31, 2020:

	Balance, 1/1/20	Additions	Reductions	Balance, 12/31/20	Due within one year
<u>Business-type Activities:</u>					
Bonds payable	<u>\$ 1,998,428</u>	<u>\$ 1,500,000</u>	<u>\$ (256,959)</u>	<u>\$ 3,241,469</u>	<u>\$ 401,124</u>

The following is a summary of the outstanding bonds payable:

	<u>Governmental Activities</u>	
	<u>Town</u>	<u>School</u>
\$12,899,710, 2004B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 3.00% to 4.677% per annum. Annual principal installments are \$644,985.	-	2,579,943
\$350,000, 2004FR General Obligation Bond due in annual principal installments and semiannual interest installments through April 2024. Interest is charged at a fixed rate of 1.93% per annum. Annual principal installments are \$17,500.	52,500	-
\$500,000, 2005FR General Obligation Bond due in annual principal installments and semiannual interest installments through October 2025. Interest is charged at a fixed rate of 1.43% per annum. Annual principal installments are \$25,000.	125,000	-
\$540,000, 2006C General Obligation Bond due in annual principal installments and semiannual interest installments through November 2021. Interest is charged at a fixed rate varying from 1.80% to 6.25% per annum. Annual principal installments are \$36,000.	36,000	-

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Governmental Activities	
	Town	School
\$1,070,000, 2010R General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 3.36% to 5.75% per annum. Annual principal installments are \$102,000.	535,460	-
\$270,000, 2011E General Obligation Bond due in annual principal installments and semiannual interest installments through November 2021. Interest is charged at a fixed rate varying from 0.5% to 5.5% per annum. Annual principal installments are \$27,000.	27,000	-
\$5,695,714, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2034. Interest is charged at a fixed rate from 0.430% to 3.786% per annum. Annual principal installments are \$284,786.	-	3,987,000
\$500,000, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 0.43% to 2.65% per annum. Annual principal installments are \$50,000.	-	200,000
\$1,500,000, 2017B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2027. Interest is charged at a fixed rate varying from 1.263% to 2.710% per annum. Annual principal installments are \$150,000.	1,050,000	-
\$1,500,000, 2020A General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 1.19% to 1.74% per annum. Annual principal installments are \$150,000.	1,500,000	-
Total Bonds Payable - Governmental Activities	<u>\$ 3,325,960</u>	<u>\$ 6,766,943</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

	<u>Business-type Activities</u>
Bonds payable:	
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$174,937. Interest is charged at an annual fixed rate of 2.05%. Maturity in 2024.	\$ 670,387
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of \$19,650. Interest is charged at a varying annual fixed rate from 3.0% to 5.0%. Maturity in 2025.	98,250
2010 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of \$48,500. Interest is charged at a varying annual fixed rate from 4.01% to 5.75%. Maturity in 2030.	485,000
2014 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$44,254. Interest is charged at a varying annual fixed rate from 0.43% to 3.79%. Maturity in 2034.	487,832
2020 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$141,014 to \$160,298. Interest is charged at a varying annual fixed rate from 1.19% to 1.74%. Maturity in 2030.	<u>1,500,000</u>
Total bonds payable	<u>\$ 3,241,469</u>

In 2010, the Town issued a Series 2010R Public Improvement Qualified School Construction Bond for \$350,000. This bond is eligible for federal interest subsidy payments equal to 92.9% of the true interest cost of the bond as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act.

Due to mandatory federal spending cuts that went into effect March 1, 2013 with sequestration, the federal interest subsidy payments are being adjusted downward. The current sequestration reduction rate is 5.7 percent and is subject to change at any time. The total financial impact to the Town is unknown.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

The following is a summary of the outstanding notes from direct borrowings payable:

On December 15, 2014, the Town entered into a governmental Qualified Zone Academy Bond (QZAB) lease for \$858,737. This is a lease financing agreement that is secured by all equipment associated with the upgrading of boilers, lighting, heat pumps, destratification fans, pellet handling and related energy improvements at school facilities including Lisbon High School, Middle School, Community School and Central Office. The Town is obligated to make annual debt service fund payments of \$50,514 through December 2031. The scheduled payments by the Town assume projected earnings at a fixed rate of 5.63 percent. If the trustee fails to earn projected amounts, the Town will pay, in addition to its scheduled payments, the amount such that total payments in the Debt Service Fund will equal \$858,737. Any additional financial impact to the Town is unknown. The outstanding amount as of June 30, 2021 is \$610,160.

On December 15, 2014, the Town entered into two governmental Qualified Energy Conservation Bond (QECB) leases totaling \$1,661,786. These are lease financing agreements that are secured by all equipment and controls associated with the heating system, lighting, ventilation, building envelop and relate energy upgrades at various Town facilities including the Lisbon High School, Middle School, Community School and Central Office. The Town is obligated to made annual debt service fund payments totaling \$154,586 through December 2031. As of June 30, 2021, the outstanding balance is \$1,185,651.

On October 9, 2014, the Internal Revenue Service announced that effective October 1, 2014, QECB subsidy payments processed in FY2015 would be reduced by 7.3% because of sequestration. QECB sequestration was originally set to expire at the end of FY2021 but has since been extended twice, first through FY2023 and then, under legislation passed in February 2014, through FY2024. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. The financial impact to the Town is unknown.

On December 3, 2013, the Town entered into a capital lease agreement with Androscoggin Bank for a 2013 Sewer truck totaling \$315,000. The annual lease payments of principal and interest are \$37,313, at a fixed interest rate of 3.98%. Maturity in December 2022. The balance outstanding as of June 30, 2021 is \$70,396.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds and notes from direct borrowings payable are as follows:

	Governmental Activities			
	Bonds payable		Notes from direct borrowings payable	
	Principal	Interest	Principal	Interest
2022	\$ 1,438,772	\$ 288,818	\$ 169,518	\$ 72,895
2023	1,375,772	246,585	175,662	66,751
2024	1,375,772	203,013	144,816	60,284
2025	1,358,272	157,980	150,140	54,960
2026	663,286	127,147	155,764	49,336
2027-2031	2,741,889	397,378	874,942	150,559
2032-2036	1,139,140	85,666	195,365	8,260
	<u>\$ 10,092,903</u>	<u>\$ 1,506,587</u>	<u>\$ 1,866,207</u>	<u>\$ 463,045</u>

	Business-type Activities		
	Principal	Interest	Total
2021	401,124	77,277	\$ 478,401
2022	406,228	69,905	476,133
2023	411,618	62,190	473,808
2024	417,267	53,110	470,377
2025	248,252	36,673	284,925
2026-2030	1,193,261	111,289	1,304,550
2031-2035	163,719	15,662	179,381
	<u>\$ 3,241,469</u>	<u>\$ 426,106</u>	<u>\$ 3,667,575</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2020 were \$68,596.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2021 is as follows

	Balance 7/1/20	Additions	Reductions	Balance 6/30/21	Current Portion
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 491,659	\$ 240,179	\$ (313,283)	\$ 418,555	\$ 104,639
Net pension liability	2,219,676	1,287,596	(805,537)	2,701,735	-
Net OPEB liability	4,009,500	778,390	(1,016,889)	3,771,001	-
Totals	<u>\$ 6,720,835</u>	<u>\$ 2,306,165</u>	<u>\$ (2,135,709)</u>	<u>\$ 6,891,291</u>	<u>\$ 104,639</u>

	Balance, 1/1/20	Additions	Reductions	Balance, 12/31/20	Due within one year
<u>Business-type Activities:</u>					
Accrued compensated absences	\$ 16,004	\$ 2,624	\$ -	\$ 18,628	\$ 4,657
Net pension liability	174,497	29,876	(10,079)	194,294	-
Net OPEB liability	46,515	12,695	(31,847)	27,363	-
	<u>\$ 237,016</u>	<u>\$ 45,195</u>	<u>\$ (41,926)</u>	<u>\$ 240,285</u>	<u>\$ 4,657</u>

Please see Notes 8, 17, 18 and 19 for detailed information on each of the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the Town's liability for compensated absences is \$437,183.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 9 - RESTRICTED NET POSITION

At June 30, 2021, the Town had the following restricted net position:

Education Fund	\$ 1,382,168
Loan Program Fund	686,831
Nonmajor Special Revenue Funds	1,420,472
Nonmajor Permanent Funds	29,174
	<u>\$ 3,518,645</u>

NOTE 10 - NONSPENDABLE FUND BALANCES

At June 30, 2021, the Town had the following nonspendable fund balances:

General Fund :	
Prepaid Items	\$ 30,138
Loan Program Fund:	
Notes Receivable	141,714
Nonmajor Special Revenue Funds	21,029
Nonmajor Permanent Funds	1,118
	<u>\$ 193,999</u>

NOTE 11 - RESTRICTED FUND BALANCES

At June 30, 2021, the Town had the following restricted fund balances:

Education Fund	\$ 1,382,168
Loan Program Fund	686,831
Pinewood Road Fund	265,392
Nonmajor Special Revenue Funds	1,420,472
Nonmajor Permanent Funds	28,056
	<u>\$ 3,782,919</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2021, the Town had the following committed fund balances:

General Fund:	
Transfer to Capital Projects Funds	\$ 1,179,750
Treatment Plant Fund	2,112,170
Nonmajor Special Revenue Funds	508,831
Nonmajor Capital Projects Funds	200,587
	<u>\$ 4,001,338</u>

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2021, the Town had the following assigned fund balances:

General Fund:	
Planning Board	\$ 10,000
Technology	18,662
Town Buildings	3,700
Public Works	8,500
Solid Waste	2,000
Gas and Diesel	20,500
Heating	1,000
Nonmajor Special Revenue Funds	294,678
	<u>\$ 359,040</u>



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 14 - DEFICIT FUND BALANCES

At June 30, 2021, the Town had the following deficit fund balances:

Nonmajor Special Revenue Funds:	
LL Spear Memorial	\$ 65
PD 2017 HSG	410
Police Federal Asset Forfeiture	3,787
PW Dually Truck	48,265
Generator Pad Reserve	62,979
HSG PD Grant	6,519
Condemned Building	2,198
Sabattus Law Grant	2,760
Nonmajor Capital Projects Fund:	
USDA RD Loan Grant CIP	407,395
	<u>\$ 534,378</u>

NOTE 15 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2021:

Debt service - Town	<u>\$ 762</u>
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NOTE 16 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2021, the Town had no overlapping debt.

NOTE 17 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2020, there were 301 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's AC plan members are required to contribute 8.0% of their annual covered salary and the Town's 2C plan members are also required to contribute 8.0% of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 10.0% for the AC plan and 10.5% for the 2C plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2021 was \$404,442. The Lisbon Water Department's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2020 was \$34,222.

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions. As of June 30, 2020, there were 237 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$8,207,959 for the year ended June 30, 2021. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.33% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$1,179,201 for the year ended June 30, 2021. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 4.19%, which totaled \$353,184 for 2021. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.96% of compensation and totaled \$42,597 the year ended June 30, 2021.

**Pension Liabilities**

*PLD Consolidated Plan*

At June 30, 2021, the Town reported a liability of \$2,250,091 and the Lisbon Water Department reported a liability of \$194,294 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2020, the Town's proportion was 0.566327%, which was a decrease of 0.016368% from its proportion measured as of June 30, 2019. The Lisbon Water Department's proportion at June 30, 2020 was 0.048902%, which was a decrease of 0.00819% from its proportion measured as of June 30, 2019.

*SET Plan*

At June 30, 2021, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	451,644
State's proportionate share of the net pension liability associated with the Town		<u>9,502,010</u>
Total	\$	<u><u>9,953,654</u></u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2020, the Town's proportion was 0.02767%, which was a decrease of 0.00225% from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the Town recognized total pension expense of \$62,390 for the PLD plan and net expense of \$1,260,042 and revenue of \$1,302,498 for support provided by the State of Maine for the SET plan. For the year ended December 31, 2020, the Lisbon Water Department recognized net pension revenue of \$5,258. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Town				Lisbon Water Department	
	PLD Plan		SET Plan		PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,025	\$ 24,740	\$ 14,447	\$ 9,569	\$ 11,659	\$ 2,136
Changes of assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	146,416	-	18,724	-	12,643	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,753	36,070	1	53,444	-	1,160
Contributions subsequent to the measurement date	404,442	-	395,781	-	17,537	-
Total	<u>\$ 699,636</u>	<u>\$ 60,810</u>	<u>\$ 428,953</u>	<u>\$ 63,013</u>	<u>\$ 41,839</u>	<u>\$ 3,296</u>

\$421,979 for the PLD plans and \$395,781 for the SET plan were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2022 or December 31, 2021 for the Lisbon Water Department. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Town		Lisbon Water Department
	PLD Plan	SET Plan	PLD Plan
Year ended June 30:			
2021	\$ (86,246)	\$ (50,341)	\$ (15,564)
2022	71,624	(12,573)	(1,932)
2023	124,365	16,623	10,739
2024	124,640	16,450	10,763
2025	-	-	-
Thereafter	-	-	-

**Actuarial Methods and Assumptions**

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

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

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

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

*Asset Valuation Method*

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Amortization*

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

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

*Investment Rate of Return* - For the PLD and State Employee and Teacher Plans, 6.75% per annum for the year ended June 30, 2020, compounded annually.

*Salary Increases, Merit and Inflation* - Members of the consolidated plan for PLDs, 2.75%; state employees, 2.75%; teachers, 2.75% per year.

*Mortality Rates* - For active members and non-disabled retirees of the PLD Consolidated and State Employee and Teacher Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

*Cost of Living Benefit Increases* - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2020.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2020 are summarized in the following table.

TOWN OF LISBON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.75% for 2020 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan - Town:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 4,728,783	\$ 2,250,091	\$ 221,100



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 783,284	\$ 451,644	\$ 175,230
<u>PLD Plan - Lisbon Water Department:</u>			
Discount rate	5.75%	6.75%	7.75%
Department's proportionate share of the net pension liability	\$ 408,326	\$ 194,294	\$ 19,092

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2020 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2020 with the following exceptions.

*Differences between Expected and Actual Experience*

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

*Differences between Expected and Actual Investment Earnings*

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2020 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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

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

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2020 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

**Plan Description**

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

**Benefits Provided**

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

**Employees Covered by Benefit Terms**

At January 1, 2021, the following Town employees were covered by the benefit terms:

Active members	47
Retirees and spouses	<u>6</u>
Total	<u><u>53</u></u>

At January 1, 2020, the following Lisbon Water Department employees were covered by the benefit terms:

Active members	3
Retirees and spouses	<u>0</u>
Total	<u><u>3</u></u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

**Contributions**

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

**Retiree Premium Amounts:**

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$1,065	\$2,147
POS C	\$1,119	\$2,509
PPO 500	\$1,030	\$2,310
<u>Medicare</u>		
Medicare - Eligible Retirees	\$589	\$1,179

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$ 1,064.91	\$ 2,388.71
POS C	1,118.55	2,509.07
PPO 500	1,029.68	2,309.71
<u>Medicare</u>		
Medicare - Eligible Retirees	589.25	1,178.50

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

At June 30, 2021, the Town reported a liability of \$358,521 for its total OPEB liability for this Plan, while the Lisbon Water Department at December 31, 2020 reported a liability of \$27,363. The total OPEB liability for the Town was measured as of January 1, 2021 and was determined by an actuarial valuation as of that date. The total OPEB

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

liability for the Lisbon Water Department was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The Town and Water Department's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2021, the Town recognized OPEB expense of \$17,060. For the year ended December 31, 2020, the Lisbon Water Department recognized OPEB revenue of \$3,968. At June 30, 2021, the Town and at December 31, 2020, the Water Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Town		Lisbon Water Department	
	MMEHT		MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,526	\$ 191,955	\$ 323	\$ 21,510
Changes of assumptions	95,275	26,053	8,775	3,128
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	3,470	-	1,771	-
Total	<u>\$ 101,271</u>	<u>\$ 218,008</u>	<u>\$ 10,869</u>	<u>\$ 24,638</u>

\$3,470 and \$1,771 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2022 or December 31, 2021 for the Lisbon Water Department, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

	Town MMEHT	Lisbon Water Dept. MMEHT
	<u>                    </u>	<u>                    </u>
Plan year ended December 31:		
2021		\$ (2,083)
2022	\$ (18,841)	(2,083)
2023	(18,841)	(2,083)
2024	(18,837)	(2,082)
2025	(26,518)	(2,820)
2026	(20,007)	(4,389)
Thereafter	(17,163)	-

**Discount Rate**

For the Town, the discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.12% per annum for June 30, 2021 was based upon a measurement date of December 31, 2020. The sensitivity of net OPEB liability to changes in discount rate are as follows:

Town	1% Decrease	Discount Rate	1% Increase
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	1.12%	2.12%	3.12%
Total OPEB liability	\$ 421,560	\$ 358,521	\$ 307,402
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 421,560</u>	<u>\$ 358,521</u>	<u>\$ 307,402</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
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For the Lisbon Water Department, the discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of January 1, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.74% per annum for June 30, 2021 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Lisbon Water Department	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 33,646	\$ 27,363	\$ 24,515
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 33,646	\$ 27,363	\$ 24,515
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

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

Town	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 301,743	\$ 358,521	\$ 430,962
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 301,743	\$ 358,521	\$ 430,962
Lisbon Water Department	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 24,254	\$ 27,363	\$ 34,106
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 24,254	\$ 27,363	\$ 34,106
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Town Plan was determined by an actuarial valuation as of January 1, 2021, while the Lisbon Water Department Plan was determined by an actuarial valuation of January 1, 2020 using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

*Actuarial Cost Method*

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

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Amortization*

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

*Assumptions*

The actuarial assumptions used in the January 1, 2021 and January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2021 and January 1, 2020, they are as follows:

Discount Rate - 2.12% per annum for Town Plan and 2.74% per annum for Water Department Plan.



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2020\_b was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
(2020) Rate of Growth in Real Income/GDP per capital 2029+	1.50%
(2021) Rate of Growth in Real Income/GDP per capital 2029+	1.25%
(2020) Extra Trend due to Taste/Technology 2029+	1.20%
(2021) Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 to 2028, these are interpolated from 2023 to 2029 (which is the product of the inflation, GDP and extra trend rate assumptions).

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

Administrative and claims expense: 3% per annum

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2021 and January 1, 2020, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

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

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

Administrative expenses - Included in the per capita claims cost.

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

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

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

Rate of Mortality - Based on 104% and 120% of the RP\_2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP\_2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC\_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

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

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

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

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2021 and December 31, 2020 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2021 for the Town was \$189,429. The difference between expected and actual experience as of January 1, 2020 for the Lisbon Water Department was \$21,187.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2018 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

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

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to both Plans can be found at the Town Office at 300 Lisbon Street, Lisbon, Maine 04250.

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

**Plan Description**

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

**Employees Covered by Benefit Terms**

At June 30, 2021, the following employees were covered by the benefit terms:

Active members	180
Retirees and spouses	<u>71</u>
Total	<u><u>251</u></u>

**Cost Sharing Provisions/Contributions**

Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

**Employee/Retiree Premium Amounts:**

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

<u>Pre-Medicare</u>	<u>Employee Only</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Employee/ Family</u>
Choice Plus	\$ 716	\$ 1,615	\$ 1,268	\$ 1,965
Standard \$200 Deductible	\$ 774	\$ 1,744	\$ 1,369	\$ 2,122
<u>Medicare</u>				
Medicare Eligible Retirees	\$ 393	\$ 787		

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

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

At June 30, 2021, the School reported a liability of \$3,412,480 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date. The School's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2021, the School recognized OPEB revenue of \$214,226. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 515,107
Changes of assumptions	590,200	70,125
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	101,621	-
Total	<u>\$ 691,821</u>	<u>\$ 585,232</u>

\$101,621 were reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

	<u>MEABT</u>
Plan year ended June 30:	
2021	\$ (963)
2022	(963)
2023	(963)
2024	22,411
2025	(7,275)
Thereafter	(7,279)

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.21% per annum for June 30, 2020 was based upon a measurement date of June 25, 2020. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.21%	2.21%	3.21%
Total OPEB liability	\$ 3,939,086	\$ 3,412,480	\$ 2,982,879
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 3,939,086</u>	<u>\$ 3,412,480</u>	<u>\$ 2,982,879</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 2,950,109	\$ 3,412,480	\$ 3,989,470
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,950,109</u>	<u>\$ 3,412,480</u>	<u>\$ 3,989,470</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

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

*Assumptions*

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, ie trend rates, were developed based on historical and future projections of long term health care rates:

Discount Rate - 2.21% per annum for year-end 2020 reporting, 3.50% per annum for year-end 2019 reporting.



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021\_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2030+	1.23%
Extra Trend due to Taste/Technology 2030+	1.10%
Expected Health Share of GDP 2030	20.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2040

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

Pre-Medicare - Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2020 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2019 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of June 30, 2019, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

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

Administrative expenses - Included in the per capita claims cost

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

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2020 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were assumed to be the midpoint of each service group. Those under 1 year of service, the date was assumed to be January 1, 2018 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2019, they are as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through June 30, 2019 and projects through 2020 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Group Companion Plan, all retirees under age 64 and current actives with a date of hire before 3/31/1986.

**Changes in Total OPEB Liability**

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2021 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of July 1, 2018, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2021, there were no differences between expected and actual experience.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2018, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2019. For the fiscal year ended June 30, 2021, there were no changes in assumptions.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS  
(CONTINUED)

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

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

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the School Office at 19 Gartley Street, Lisbon, Maine 04250.

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE  
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2020, there were 233 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (800) 451-9800.

**Benefits Provided**

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE  
INSURANCE PLAN (CONTINUED)

of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions**

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2021 was approximately \$26,410.

**OPEB Liabilities and OPEB Expense**

At June 30, 2021, the School Department reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School Department. The total portion of the net OPEB liability that was associated with the School Department were as follows:

School's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the School	<u>235,203</u>
Total	<u>\$ 235,203</u>

For the year ended June 30, 2021, the School Department recognized net OPEB expense of \$26,046 and revenue of \$26,046 for support provided by the State of Maine.

NOTE 20 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool or is effectively self-insured. Currently the Town participates in several public-entity and self-insured risk pools sponsored by the Maine Municipal Association.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 20 - RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2021. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 21 - COMMITMENTS AND CONTINGENCIES

In 2003, the Lisbon Water Department entered into a cell phone tower lease with T-Mobile. Under the terms of the agreement, T-Mobile pays the Lisbon Water Department a monthly lease payment for the right to have its cell phone tower on one of the Department's standpipes. The lease automatically renews annually unless either party terminates the agreement. The lease payment increases 3% annually. The 2020 monthly lease payment to be received by the Lisbon Water Department is \$2,005.

In 2004, the Lisbon Water Department entered into a cell phone tower lease with Verizon Wireless. Under the terms of the agreement, Verizon Wireless pays the Lisbon Water Department a monthly lease payment for the right to have its cell phone tower on one of the Lisbon Water Department's standpipes. The lease automatically renews annually unless either party terminates the agreement. The lease payment increases 3% annually. The 2020 monthly lease payment to be received by the Lisbon Water Department is \$2,683.

The Department has a contract with Dirigo Engineering for services related to the design of a new water storage facility on Upland Road in the amount of \$60,000. The total amount of expense incurred in the fiscal years ended 2020, 2019, 2018, 2017 and 2016 was \$0, \$0, \$0, \$0 and \$31,178, respectively.

The Department has entered into a contract with the Maine Department of Transportation for the Mill Street Bridge project in the amount of \$148,000. No amounts were paid in 2020.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 21 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Lisbon Public Schools receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the School and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2021 could include expenditures from the fiscal year of 2022 that would normally be accrued. The actual amount cannot be determined at this time; however, it is the position of the Lisbon School Department that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units concerning this matter.

NOTE 22 - MAJOR CUSTOMER

The Lisbon Water Department derived approximately 29% of its operating revenues from the Town of Lisbon related to the servicing of public fire hydrants for the year ended December 31, 2020.

NOTE 23 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS

The Town has established several tax increment financing districts in accordance with Maine statutes to finance development programs located in the Town of Lisbon, Maine. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the districts' so called "captured assessed value". A portion of the incremental tax revenues will be returned to the district to repay principal and interest on any indebtedness, to fund the expenditures of the development program and to finance future expansion.

Dingley Press Municipal Development and Tax Increment Financing District

On December 7, 1993, the Town of Lisbon entered into a credit enhancement agreement with the Dingley Press, a specialty catalog business, for the expansion of the existing 60,000 square foot facility to an additional 61,000 square feet. The original valuation of the property was \$13,925,410. 100% of the property taxes to be generated on 50% of the improvements within the District will be returned to the developer for 20 years. The remaining 50% will be retained by the Town and used for general purposes. This agreement was amended on January 22, 1998 to extend the term for an additional



TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 23 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS  
(CONTINUED)

five-year period and to capture both real and personal property increases above the original valuation. On February 15, 2011, a second amendment request was approved to capture 100% of the increased assessed value (IAV) for the remaining eight-year term of the District. 50% of the property taxes will be returned to developer, with the remaining amount being retained by the Town and used to fund the Town's economic and community development program.

Kelly Park Municipal Development and Tax Increment Financing District

On January 22, 2013, the Town of Lisbon approved an omnibus Tax Increment Financing District enabling individual credit enhancement agreements (CEAs) with developers of each park lot, which is currently subdivided as four lots with potential for additional subdivision to as many as eight lots. Individual CEA reimbursements including up to 100% of capture assessed value, will be determined by the extent of construction value/assessed value, number of jobs and average weekly wage of jobs. The District and Development Program have been adopted locally and have been reviewed by the state for compliance with state statutes and subsequently was approved on March 15, 2013. The original valuation of the property was \$224,980.

Furniture Superstore Municipal Development and Tax Increment Financing District

On February 2, 2002, the Town of Lisbon entered into a credit enhancement agreement with the Furniture Superstore, a furniture retailer, for the design, construction and equipping of a 90,000 square foot furniture store and warehouse. The original valuation of the property was \$106,720. The District provides for 40% of the increase in assessed value (IAV) of the District to be captured and designated as captured assessed value. 100% of the property taxes to be generated, both real and personal, on captured assessed value within the District will be returned to the developer for 15 years. The remaining 60% of property taxes generated on the IAV will be retained by the Town and used for general purposes.

Enterprise Electric Municipal Development and Tax Increment Financing District

On December 9, 2003, the Town of Lisbon entered into a credit enhancement agreement with the Enterprise Electric for the construction of a 27,000 square foot facility. The original valuation of the property was \$23,400. The District provides for 50% of the increase in assessed value (IAV) of the District to be captured and designated as captured assessed value. 100% of the property taxes to be generated, both real and personal, on captured assessed value within the District will be returned to the developer for 20 years. The remaining 50% of property taxes generated on the IAV will be retained by the Town and used for general purposes.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 23 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS  
(CONTINUED)

Gendron Realty Municipal Development and Tax Increment Financing District

On September 28, 2004, the Town of Lisbon entered into a credit enhancement agreement with Gendron Realty, a realtor and real estate developer, for the demolition, removal of existing buildings and new construction of a 30,000 square foot building for a Food City, Sam's Italian Foods, Dunkin Donuts and other associated retail/office space. The original valuation of the property was \$303,130. The District provides for 40% of the increase in assessed value (IAV) of the District to be captured and designated as captured assessed value. 100% of the property taxes to be generated, both real and personal, on captured assessed value within the District will be returned to the developer for 20 years. The remaining 60% of property taxes generated on the IAV will be retained by the Town and used for general purposes.

G and C Realty LLC Municipal Development and Tax Increment Financing District

On September 28, 2004, the Town of Lisbon entered into a credit enhancement agreement with G and C Realty, LLC, a realtor and real estate developer, for the construction of a 27,600 square foot facility for Floor Systems, Inc. on company-owned land. The original valuation of the property was \$39,600. The District provides for 50% of the increase in assessed value (IAV) of the District to be captured and designated as captured assessed value. 100% of the property taxes to be generated, both real and personal, on captured assessed value within the District will be returned to the developer for 15 years. The remaining 50% of property taxes generated on the IAV will be retained by the Town and used for general purposes.

**Abatements**

The Town has not made any commitments as part of the Credit Enhancement Agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

For the fiscal year ended June 30, 2021, the Town did not abate any property taxes for any TIF programs.

NOTE 24 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 25 - RESTATEMENTS

The net position of the governmental activities and the governmental funds have both been restated at July 1, 2020 to account for the reclassification of funds from fiduciary to governmental as required by the implementation of GASB Statement No. 84, "Fiduciary Activities". The beginning governmental activities net position and the beginning total special revenue funds fund balance were both restated by \$169,986. The resulting restatements increased governmental activities net position from \$15,444,561 to \$15,614,547 and increased the special revenue funds total fund balance from \$1,497,758 to \$1,667,744.

In 2021, the Town determined that certain transactions in prior years had been recorded incorrectly or were omitted, therefore, a restatement to the 2020 government-wide and fund financial statements was required. The beginning governmental activities net position and special revenue funds total fund balance were restated by a decrease of \$5,342 to correct errors in the accrued wages, interfund accounts and accounts receivable. The beginning governmental activities net position and the education fund total fund balance were restated by an increase of \$25,266 to correct accrued wages and interfund accounts. The beginning governmental activities net position and the general fund total fund balance were restated by a decrease of \$39,021 to correct accounts receivable, accounts payable and accrued liabilities. The resulting restatements decreased governmental activities net position from \$15,614,547 to \$15,595,450, decreased the special revenues fund total fund balance from \$1,667,744 to \$1,662,402, increased the education fund total fund balance from \$1,022,722 to \$1,047,988 and decreased the general fund total fund balance from \$3,288,179 to \$3,249,158.

## Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Changes in Net OPEB Liability - MMEHT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Proportionate Share of the Net OPEB Liability - SET Plan
- Schedule of Contributions - OPEB - Health Plans
- Schedule of Contributions - OPEB - SET Plan
- Notes to Required Supplementary Information

## TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Resources (Inflows):				
Property taxes	\$ 13,477,551	\$ 13,477,551	\$ 13,656,318	\$ 178,767
Excise taxes	1,505,000	1,505,000	1,967,005	462,005
Licenses and permits	61,958	61,958	82,540	20,582
Intergovernmental	2,232,497	2,232,497	2,503,740	271,243
Charges for services	542,226	542,226	461,868	(80,358)
Interest income	50,000	50,000	31,653	(18,347)
Interest/costs on liens	66,000	66,000	93,709	27,709
Other income	88,768	88,768	67,762	(21,006)
Transfers from other funds	107,799	107,799	101,655	(6,144)
Amounts Available for Appropriation	18,131,799	18,131,799	18,966,250	834,451
Charges to Appropriations (Outflows):				
General government	1,825,305	1,809,905	1,739,424	70,481
Public safety	2,757,523	2,617,014	2,480,672	136,342
Public works	2,905,191	2,884,391	2,719,601	164,790
Public services	978,271	972,771	888,287	84,484
General assistance	37,891	37,891	21,233	16,658
County tax	768,250	768,250	768,250	-
TIF	687,203	-	-	-
Overlay/abatements	194,486	194,486	12,739	181,747
Debt service	419,104	419,104	419,866	(762)
Total Charges to Appropriations	10,573,224	9,703,812	9,050,072	653,740
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,558,575	8,427,987	9,916,178	1,488,191
OTHER FINANCING SOURCES (USES)				
Transfers in	-	18,000	18,000	-
Transfers (out)	(7,558,575)	(8,445,987)	(8,445,987)	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,558,575)	(8,427,987)	(8,427,987)	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	1,488,191	\$ 1,488,191
FUND BALANCES - JULY 1, RESTATED			3,249,158	
FUND BALANCES - JUNE 30			\$ 4,737,349	

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - EDUCATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 1,047,988	\$ 1,047,988	\$ 1,047,988	\$ -
Resources (Inflows):				
Intergovernmental revenues:				
State subsidy	9,536,727	9,536,727	9,504,927	(31,800)
Mainecare	84,000	84,000	443,878	359,878
Tuition	300,000	300,000	102,750	(197,250)
Interest income	19,426	19,426	4,799	(14,627)
Miscellaneous	-	-	40,731	40,731
Transfers from other funds	7,579,550	7,579,550	7,579,550	-
Amounts Available for Appropriation	<u>18,567,691</u>	<u>18,567,691</u>	<u>18,724,623</u>	<u>156,932</u>
Charges to Appropriations (Outflows):				
Regular instruction	6,968,469	6,968,469	6,903,581	64,888
Special education	3,224,120	3,224,120	3,002,260	221,860
Other instruction	391,774	391,774	295,568	96,206
Student and staff support	1,429,590	1,429,590	1,373,926	55,664
System administration	549,416	549,416	559,550	(10,134)
School administration	929,185	929,185	917,377	11,808
Transportation and buses	1,004,096	1,004,096	843,606	160,490
Facilities maintenance	1,662,944	1,662,944	1,609,910	53,034
Debt service	1,247,320	1,247,320	1,305,618	(58,298)
Transfers to other funds	231,000	533,559	531,059	2,500
Total Charges to Appropriations	<u>17,637,914</u>	<u>17,940,473</u>	<u>17,342,455</u>	<u>598,018</u>
Budgetary Fund Balance, June 30	<u>\$ 929,777</u>	<u>\$ 627,218</u>	<u>\$ 1,382,168</u>	<u>\$ 754,950</u>
Utilization of Unassigned Fund Balance	<u>\$ 118,211</u>	<u>\$ 420,770</u>	<u>\$ -</u>	<u>\$ (420,770)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

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

	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan - Town:</u>							
Proportion of the net pension liability	0.57%	0.58%	0.57%	0.58%	0.59%	0.58%	0.59%
Proportionate share of the net pension liability	\$ 2,250,091	\$ 1,781,086	\$ 1,569,463	\$ 2,362,730	\$ 3,141,913	\$ 1,280,674	\$ 910,967
Covered payroll	\$ 3,445,979	\$ 3,524,580	\$ 3,274,658	\$ 3,149,472	\$ 3,034,713	\$ 3,043,854	\$ 2,228,868
Proportionate share of the net pension liability as a percentage of its covered payroll	65.30%	50.53%	47.93%	75.02%	103.53%	42.07%	40.87%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%
<u>SET Plan:</u>							
Town's proportion of the net pension liability	0.03%	0.03%	0.04%	0.03%	0.04%	0.03%	0.03%
Town's proportionate share of the net pension liability	\$ 451,644	\$ 438,590	\$ 492,601	\$ 474,747	\$ 694,298	\$ 392,331	\$ 348,406
State's proportionate share of the net pension liability associated with the Town	9,502,010	8,444,731	8,077,013	8,636,256	9,967,895	7,870,813	6,252,863
Total	\$ 9,953,654	\$ 8,883,321	\$ 8,569,614	\$ 9,111,003	\$ 10,662,193	\$ 8,263,144	\$ 6,601,269
Town's covered payroll	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470	\$ 7,348,015	\$ 7,222,074
Town's proportionate share of the net pension liability as a percentage of its covered payroll	4.54%	4.94%	7.07%	6.35%	9.71%	5.34%	4.82%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%	83.91%
<u>PLD Plan - Lisbon Water Department:</u>							
Proportion of the net pension liability	0.05%	0.06%	0.06%	0.06%	0.05%	0.04%	0.04%
Proportionate share of the net pension liability	\$ 194,294	\$ 174,497	\$ 156,459	\$ 245,859	\$ 254,114	\$ 139,892	\$ 56,539
Covered payroll	\$ 317,722	\$ 349,216	\$ 330,587	\$ 321,435	\$ 255,428	\$ 229,787	\$ 195,950
Proportionate share of the net pension liability as a percentage of its covered payroll	61.15%	49.97%	47.33%	76.49%	99.49%	60.88%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%

\* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS  
LAST 10 FISCAL YEARS\*

	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan - Town:</u>							
Contractually required contribution	\$ 404,442	\$ 348,842	\$ 346,012	\$ 317,949	\$ 296,008	\$ 270,090	\$ 231,256
Contributions in relation to the contractually required contribution	<u>(404,442)</u>	<u>(348,842)</u>	<u>(346,012)</u>	<u>(317,949)</u>	<u>(296,008)</u>	<u>(270,090)</u>	<u>(231,256)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,984,650	\$ 3,445,979	\$ 3,524,580	\$ 3,274,658	\$ 3,149,472	\$ 3,034,713	\$ 3,043,854
Contributions as a percentage of covered payroll	10.15%	10.12%	9.82%	9.71%	9.40%	8.90%	7.60%
<u>SET Plan:</u>							
Contractually required contribution	\$ 395,781	\$ 381,275	\$ 350,949	\$ 309,709	\$ 287,895	\$ 285,213	\$ 240,350
Contributions in relation to the contractually required contribution	<u>(395,781)</u>	<u>(381,275)</u>	<u>(350,949)</u>	<u>(309,709)</u>	<u>(287,895)</u>	<u>(285,213)</u>	<u>(240,350)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470	\$ 7,348,015
Contributions as a percentage of covered payroll	4.82%	4.82%	4.53%	4.45%	3.85%	3.99%	3.27%
<u>PLD Plan - Lisbon Water Department:</u>							
Contractually required contribution	\$ 34,222	\$ 32,274	\$ 33,830	\$ 31,087	\$ 26,541	\$ 20,128	\$ 14,941
Contributions in relation to the contractually required contribution	<u>(34,222)</u>	<u>(32,274)</u>	<u>(33,830)</u>	<u>(31,087)</u>	<u>(26,541)</u>	<u>(20,128)</u>	<u>(14,941)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 340,458	\$ 324,600	\$ 345,083	\$ 325,535	\$ 287,632	\$ 240,468	\$ 207,051
Contributions as a percentage of covered payroll	10.05%	9.94%	9.80%	9.55%	9.23%	8.37%	7.22%

\* The amounts presented for each fiscal year were determined as of June 30 for the Town's PLD and SET Plans and for December 31 for the Water Department's PLD Plan and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.



TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN - TOWN  
FOR THE YEAR ENDED JUNE 30, 2021

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at 1/1/20 (Reporting December 31, 2020)	\$ 297,843	\$ -	\$ 297,843
Changes for the year:			
Service cost	30,417	-	30,417
Interest	8,975	-	8,975
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	22,738	-	22,738
Contributions - employer	-	1,452	(1,452)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,452)	(1,452)	-
Administrative expense	-	-	-
Net changes	<u>60,678</u>	<u>-</u>	<u>60,678</u>
Balances at 1/1/21 (Reporting December 31, 2021)	<u>\$ 358,521</u>	<u>\$ -</u>	<u>\$ 358,521</u>

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN  
 LISBON WATER DEPARTMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 46,515	\$ -	\$ 46,515
Changes for the year:			
Service cost	2,047	-	2,047
Interest	2,237	-	2,237
Changes of benefits	(646)	-	(646)
Differences between expected and actual experience	(29,430)	-	(29,430)
Changes of assumptions	8,411	-	8,411
Contributions - employer	-	1,771	(1,771)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,771)	(1,771)	-
Administrative expense	-	-	-
Net changes	<u>(19,152)</u>	<u>-</u>	<u>(19,152)</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 27,363</u>	<u>\$ -</u>	<u>\$ 27,363</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS - HEALTH PLAN - TOWN  
LAST 10 FISCAL YEARS\*

	2021	2020	2019	2018
<u>Total OPEB liability</u>				
Service cost (BOY)	\$ 30,417	\$ 17,800	\$ 19,925	\$ 15,207
Interest (includes interest on service cost)	8,975	19,457	17,209	16,053
Changes of benefit terms	-	(5,617)	-	-
Differences between expected and actual experience	-	(255,941)	-	5,890
Changes of assumptions	22,738	73,149	(45,595)	47,874
Benefit payments, including refunds of member contributions	(1,452)	(15,400)	(14,808)	(13,554)
Net change in total OPEB liability	<u>\$ 60,678</u>	<u>\$ (166,552)</u>	<u>\$ (23,269)</u>	<u>\$ 71,470</u>
Total OPEB liability - beginning	\$ 297,843	\$ 464,395	\$ 487,664	\$ 416,194
Total OPEB liability - ending	<u>\$ 358,521</u>	<u>\$ 297,843</u>	<u>\$ 464,395</u>	<u>\$ 487,664</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	1,452	15,400	14,808	13,554
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(1,452)	(15,400)	(14,808)	(13,554)
Administrative expense	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 358,521</u>	<u>\$ 297,843</u>	<u>\$ 464,395</u>	<u>\$ 487,664</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-
Net OPEB liability as a percentage of covered payroll	\$ 2,459,479 14.6%	\$ 2,459,479 12.1%	\$ 2,358,508 19.7%	\$ 2,358,508 20.7%

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

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS - HEALTH PLAN - LISBON WATER DEPARTMENT  
LAST 10 FISCAL YEARS\*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 2,047	\$ 1,996	\$ 1,523
Interest (includes interest on service cost)	2,237	1,724	1,608
Changes of benefit terms	(646)	-	-
Differences between expected and actual experience	(29,430)	-	590
Changes of assumptions	8,411	(4,567)	4,796
Benefit payments, including refunds of member contributions	(1,771)	(1,483)	(1,358)
Net change in total OPEB liability	\$ (19,152)	\$ (2,330)	\$ 7,159
Total OPEB liability - beginning	\$ 46,515	\$ 48,845	\$ 41,686
Total OPEB liability - ending	\$ 27,363	\$ 46,515	\$ 48,845
<u>Plan fiduciary net position</u>			
Contributions - employer	1,771	1,483	1,358
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(1,771)	(1,483)	(1,358)
Administrative expense	-	-	-
Net change in fiduciary net position	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 27,363	\$ 46,515	\$ 48,845
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 282,813	\$ 236,231	\$ 236,231
Net OPEB liability as a percentage of covered payroll	9.7%	19.7%	20.7%

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

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN  
FOR THE YEAR ENDED JUNE 30, 2021

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at 6/30/19 (Reporting June 30, 2020)	\$ 3,711,657	\$ -	\$ 3,711,657
Changes for the year:			
Service cost	37,385	-	37,385
Interest	128,846	-	128,846
Changes of benefits	(277,873)	-	(277,873)
Differences between expected and actual experience	(600,958)	-	(600,958)
Changes of assumptions	550,029	-	550,029
Contributions - employer	-	136,606	(136,606)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(136,606)	(136,606)	-
Administrative expense	-	-	-
Net changes	<u>(299,177)</u>	<u>-</u>	<u>(299,177)</u>
Balances at 6/30/20 (Reporting June 30, 2021)	<u>\$ 3,412,480</u>	<u>\$ -</u>	<u>\$ 3,412,480</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND  
RELATED RATIOS - MEABT PLAN  
LAST 10 FISCAL YEARS\*

	2021	2020	2019
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 37,385	\$ 31,955	\$ 33,826
Interest (includes interest on service cost)	128,846	133,669	126,761
Changes of benefit terms	(277,873)	-	-
Differences between expected and actual experience	(600,958)	-	-
Changes of assumptions	550,029	178,121	(140,250)
Benefit payments, including refunds of member contributions	(136,606)	(107,203)	(103,498)
Net change in total OPEB liability	<u>\$ (299,177)</u>	<u>\$ 236,542</u>	<u>\$ (83,161)</u>
Total OPEB liability - beginning	\$ 3,711,657	\$ 3,475,115	\$ 3,558,276
Total OPEB liability - ending	\$ 3,412,480	\$ 3,711,657	\$ 3,475,115
<u>Plan fiduciary net position</u>			
Contributions - employer	136,606	107,203	103,498
Contributions - member	(136,606)	(107,203)	(103,498)
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	-	-	-
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 3,412,480</u>	<u>\$ 3,711,657</u>	<u>\$ 3,475,115</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 7,356,853	\$ 8,302,352	\$ 8,080,148
Net OPEB liability as a percentage of covered payroll	46.4%	44.7%	43.0%

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

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SET PLAN  
LAST 10 FISCAL YEARS\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>SET Life Insurance:</u>					
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
School's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the School	<u>235,203</u>	<u>240,535</u>	<u>248,511</u>	<u>237,224</u>	-
Total	<u>\$ 235,203</u>	<u>\$ 240,535</u>	<u>\$ 248,511</u>	<u>\$ 237,224</u>	<u>\$ -</u>
Covered payroll	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	49.51%	49.22%	48.04%	47.29%

\* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - HEALTH PLANS  
LAST 10 FISCAL YEARS\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT - TOWN:</u>				
Employer contributions	\$ (1,452)	\$ 15,400	\$ 14,808	\$ 13,554
Benefit payments	1,452	(15,400)	(14,808)	(13,554)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,459,479	\$ 2,459,479	\$ 2,358,508	\$ 2,358,508
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	
<u>MEABT SCHOOL DEPARTMENT:</u>				
Employer contributions	\$ 136,606	\$ 107,203	\$ 103,498	
Benefit payments	(136,606)	(107,203)	(103,498)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 7,356,853	\$ 8,302,352	\$ 8,080,148	
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	
		<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT LISBON WATER DEPARTMENT:</u>				
Employer contributions		\$ 1,771	\$ 1,483	\$ 1,358
Benefit payments		(1,771)	(1,483)	(1,358)
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll		\$ 282,813	\$ 236,231	\$ 236,231
Contributions as a percentage of covered payroll		0.00%	0.00%	0.00%

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

See accompanying independent auditors' report and notes to financial statements.



TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - SET PLAN  
LAST 10 FISCAL YEARS\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>SET Life Insurance:</u>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021

**Changes of Assumptions**

MEPERS PLD Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEPERS SET Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MMEHT Health Plans:

Town Plan: There was a change in the discount rate from 2.74% to 2.12% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

Water Plan: There was a change in the discount rate from 4.10% to 2.74% per GASB 75 discount rate selection. The repeal of the "Cadillac Tax" was reflected in this valuation by removing the previously planned excise tax.

MEABT Health Plan:

There was a change in the discount rate from 3.50% to 2.21% per GASB 75 discount rate selection. There was also an updated census, demographic assumptions and economic assumptions.

MEPERS Group Life Plan:

There have been no changes in actuarial assumptions since the last measurement date.

## Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Net Position - Fiduciary Funds - Private-Purpose Trusts

## TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES:</b>					
Taxes:					
Property taxes	\$ 13,467,551	\$ -	\$ 13,467,551	\$ 13,646,951	\$ 179,400
In lieu of property taxes	10,000	-	10,000	9,367	(633)
Excise taxes	1,505,000	-	1,505,000	1,967,005	462,005
Registration fees	33,000	-	33,000	48,781	15,781
Interest and costs on taxes	33,000	-	33,000	44,928	11,928
	<u>15,048,551</u>	<u>-</u>	<u>15,048,551</u>	<u>15,717,032</u>	<u>668,481</u>
Licenses and permits:					
Business permits and fees	12,800	-	12,800	34,738	21,938
All other construction fees	37,308	-	37,308	46,911	9,603
Town clerk	11,850	-	11,850	891	(10,959)
	<u>61,958</u>	<u>-</u>	<u>61,958</u>	<u>82,540</u>	<u>20,582</u>
Intergovernmental:					
State revenue sharing	800,000	-	800,000	1,074,771	274,771
General assistance	17,500	-	17,500	15,001	(2,499)
Tree growth reimbursement	15,000	-	15,000	15,000	-
BETE reimbursement	352,919	-	352,919	353,013	94
Homestead reimbursement	918,470	-	918,470	918,470	-
Miscellaneous state aid	20,884	-	20,884	20,885	1
Urban rural incentive program	97,724	-	97,724	93,816	(3,908)
Veteran reimbursement	10,000	-	10,000	12,784	2,784
	<u>2,232,497</u>	<u>-</u>	<u>2,232,497</u>	<u>2,503,740</u>	<u>271,243</u>
Charges for services:					
Public works	146,800	-	146,800	183,184	36,384
Public safety	124,303	-	124,303	153,090	28,787
Culture and recreation	271,123	-	271,123	125,594	(145,529)
	<u>542,226</u>	<u>-</u>	<u>542,226</u>	<u>461,868</u>	<u>(80,358)</u>
Interest income	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>31,653</u>	<u>(18,347)</u>
Other revenues:					
Reimbursements	59,928	-	59,928	57,405	(2,523)
Other revenues	28,840	-	28,840	10,357	(18,483)
	<u>88,768</u>	<u>-</u>	<u>88,768</u>	<u>67,762</u>	<u>(21,006)</u>
Transfer from other funds	<u>107,799</u>	<u>-</u>	<u>107,799</u>	<u>101,655</u>	<u>(6,144)</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
General government:					
Elected officials	\$ 20,477	\$ -	\$ 20,477	\$ 20,268	\$ 209
Town manager	241,923	(1,500)	240,423	239,794	629
Insurance	107,675	-	107,675	107,675	-
Legal	40,000	18,000	58,000	58,000	-
Finance	217,592	-	217,592	215,975	1,617
Tax collector	189,332	(2,800)	186,532	179,411	7,121
Code enforcement	118,362	-	118,362	113,686	4,676
Town clerk	182,233	(8,400)	173,833	167,887	5,946
Assessing	113,686	(700)	112,986	114,753	(1,767)
Town buildings	244,913	(20,000)	224,913	209,860	15,053
Technology	221,220	-	221,220	203,755	17,465
Planning Board	18,389	-	18,389	5,243	13,146
Board of Appeals	1,704	-	1,704	1,462	242
Economic development	107,799	-	107,799	101,655	6,144
	<u>1,825,305</u>	<u>(15,400)</u>	<u>1,809,905</u>	<u>1,739,424</u>	<u>70,481</u>
Public safety:					
Police	1,612,325	(42,970)	1,569,355	1,475,238	94,117
Animal control officer	100,736	(15,239)	85,497	78,830	6,667
Fire	478,040	(75,400)	402,640	382,215	20,425
Emergency	22,565	-	22,565	20,811	1,754
LES	199,246	-	199,246	201,056	(1,810)
Communication	344,611	(6,900)	337,711	322,522	15,189
	<u>2,757,523</u>	<u>(140,509)</u>	<u>2,617,014</u>	<u>2,480,672</u>	<u>136,342</u>
Public works:					
Public works	1,471,578	(18,500)	1,453,078	1,381,607	71,471
Snow removal	299,075	-	299,075	247,943	51,132
Hydrant rental	461,500	-	461,500	461,500	-
Street and traffic lights	90,000	-	90,000	85,148	4,852
Solid waste	583,038	(2,300)	580,738	543,403	37,335
	<u>2,905,191</u>	<u>(20,800)</u>	<u>2,884,391</u>	<u>2,719,601</u>	<u>164,790</u>

## TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Public services:					
Health officer	6,754	-	6,754	6,716	38
Community services - senior citizens	42,000	-	42,000	42,000	-
Lisbon Falls Library	291,210	-	291,210	279,156	12,054
Miscellaneous public services	12,878	-	12,878	12,763	115
Recreation department	625,429	(5,500)	619,929	547,652	72,277
	<u>978,271</u>	<u>(5,500)</u>	<u>972,771</u>	<u>888,287</u>	<u>84,484</u>
General assistance	37,891	-	37,891	21,233	16,658
Intergovernmental - county tax	768,250	-	768,250	768,250	-
Unclassified:					
Tax increment financing payments	687,203	(687,203)	-	-	-
Overlay/tax abatements	194,486	-	194,486	12,739	181,747
	<u>881,689</u>	<u>(687,203)</u>	<u>194,486</u>	<u>12,739</u>	<u>181,747</u>
Debt service - Town	419,104	-	419,104	419,866	(762)
Transfers to other funds:					
Education	7,558,575	-	7,558,575	7,558,575	-
Special revenue funds	-	887,412	887,412	887,412	-
	<u>7,558,575</u>	<u>887,412</u>	<u>8,445,987</u>	<u>8,445,987</u>	<u>-</u>
Total Departmental Operations	<u>\$ 18,131,799</u>	<u>\$ 18,000</u>	<u>\$ 18,149,799</u>	<u>\$ 17,496,059</u>	<u>\$ 653,740</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 202,388	\$ -	\$ 9,092	\$ 211,480
Investments	-	-	20,082	20,082
Due from other governments	363,104	-	-	363,104
Inventory	21,029	-	-	21,029
Due from other funds	1,945,354	283,887	-	2,229,241
<b>TOTAL ASSETS</b>	<b>\$ 2,531,875</b>	<b>\$ 283,887</b>	<b>\$ 20,082</b>	<b>\$ 2,844,936</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,470	\$ 83,300	\$ -	\$ 107,770
Accrued payroll	52,007	-	-	52,007
Due to other funds	418,370	407,395	-	825,765
<b>TOTAL LIABILITIES</b>	<b>494,847</b>	<b>490,695</b>	<b>-</b>	<b>985,542</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	21,029	-	1,118	22,147
Restricted	1,420,472	-	28,056	1,448,528
Committed	508,831	200,587	-	709,418
Assigned	294,678	-	-	294,678
Unassigned	(207,982)	(407,395)	-	(615,377)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>2,037,028</b>	<b>(206,808)</b>	<b>29,174</b>	<b>1,859,394</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 2,531,875</b>	<b>\$ 283,887</b>	<b>\$ 29,174</b>	<b>\$ 2,844,936</b>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 4,370,983	\$ -	\$ -	\$ 4,370,983
Investment income	(6)	-	543	537
Other income	296,673	-	-	296,673
TOTAL REVENUES	<u>4,667,650</u>	<u>-</u>	<u>543</u>	<u>4,668,193</u>
EXPENDITURES				
Capital outlay	204,625	1,050,177	-	1,254,802
General government	16,014	-	-	16,014
Public works	48,265	-	-	48,265
Public services and payments	120,123	3,987	-	124,110
Education	3,908,705	-	-	3,908,705
Food service	741,633	-	-	741,633
Other	250,980	-	-	250,980
TOTAL EXPENDITURES	<u>5,290,345</u>	<u>1,054,164</u>	<u>-</u>	<u>6,344,509</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(622,695)</u>	<u>(1,054,164)</u>	<u>543</u>	<u>(1,676,316)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	469,800	-	469,800
Transfers in	1,120,576	280,520	-	1,401,096
Transfers (out)	(123,255)	-	-	(123,255)
TOTAL OTHER FINANCING SOURCES (USES)	<u>997,321</u>	<u>750,320</u>	<u>-</u>	<u>1,747,641</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	374,626	(303,844)	543	71,325
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>1,662,402</u>	<u>97,036</u>	<u>28,631</u>	<u>1,788,069</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,037,028</u>	<u>\$ (206,808)</u>	<u>\$ 29,174</u>	<u>\$ 1,859,394</u>

See accompanying independent auditors' report and notes to financial statements.



## Special Revenue Funds

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

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	2020 CTCL Grant	Waste Diversion Grant	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
<b>ASSETS</b>									
Cash and cash equivalents	\$ 2,217	\$ 1,987	\$ 48,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,557
Due from other governments	-	-	-	-	-	-	-	-	363,104
Inventory	-	-	-	-	-	-	-	21,029	-
Due from other funds	283	27,106	15,763	750	-	1,398	118,627	105,614	-
<b>TOTAL ASSETS</b>	<b>\$ 2,500</b>	<b>\$ 29,093</b>	<b>\$ 64,390</b>	<b>\$ 750</b>	<b>\$ -</b>	<b>1,398</b>	<b>\$ 118,627</b>	<b>\$ 126,643</b>	<b>\$ 512,661</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 863	\$ 23,607
Accrued payroll	-	-	-	-	-	-	-	4,936	47,071
Due to other funds	-	-	-	-	-	-	-	-	291,387
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,799</b>	<b>362,065</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	21,029	-
Restricted	-	29,093	64,390	750	-	1,398	118,627	-	82,038
Committed	2,500	-	-	-	-	-	-	99,815	-
Assigned	-	-	-	-	-	-	-	-	149,557
Unassigned	-	-	-	-	-	-	-	-	(80,999)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>2,500</b>	<b>29,093</b>	<b>64,390</b>	<b>750</b>	<b>-</b>	<b>1,398</b>	<b>118,627</b>	<b>120,844</b>	<b>150,596</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 2,500</b>	<b>\$ 29,093</b>	<b>\$ 64,390</b>	<b>\$ 750</b>	<b>\$ -</b>	<b>\$ 1,398</b>	<b>\$ 118,627</b>	<b>\$ 126,643</b>	<b>\$ 512,661</b>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	LL Summer Read	LL Patrick Memorial	LL Barron Memorial	LL Library Adult Program	LL Erna Smith Memorial	LL Huston Memorial	LL Spear Memorial	LL Alison Ross Memorial	PD 2017 HSG
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	1,322	1,070	705	3,239	700	890	-	9,504	-
<b>TOTAL ASSETS</b>	<u>\$ 1,322</u>	<u>\$ 1,070</u>	<u>\$ 705</u>	<u>\$ 3,239</u>	<u>\$ 700</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 9,504</u>	<u>\$ -</u>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	65	-	410
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>-</u>	<u>410</u>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	1,322	1,070	705	3,239	700	890	-	9,504	-
Unassigned	-	-	-	-	-	-	(65)	-	(410)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>1,322</u>	<u>1,070</u>	<u>705</u>	<u>3,239</u>	<u>700</u>	<u>890</u>	<u>(65)</u>	<u>9,504</u>	<u>(410)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 1,322</u>	<u>\$ 1,070</u>	<u>\$ 705</u>	<u>\$ 3,239</u>	<u>\$ 700</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 9,504</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Fire Dept Donations	Playground Donations	Giving Tree	Heating Assistance
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	6,255	-	-	1,883	384	-	1,876	4,323	644
<b>TOTAL ASSETS</b>	<b>\$ 6,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,883</b>	<b>\$ 384</b>	<b>\$ -</b>	<b>\$ 1,876</b>	<b>\$ 4,323</b>	<b>\$ 644</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	3,787	48,265	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>3,787</b>	<b>48,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	6,255	-	-	-	384	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	1,883	-	-	1,876	4,323	644
Unassigned	-	(3,787)	(48,265)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>6,255</b>	<b>(3,787)</b>	<b>(48,265)</b>	<b>1,883</b>	<b>384</b>	<b>-</b>	<b>1,876</b>	<b>4,323</b>	<b>644</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 6,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,883</b>	<b>\$ 384</b>	<b>\$ -</b>	<b>\$ 1,876</b>	<b>\$ 4,323</b>	<b>\$ 644</b>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Health Insurance Reserve
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	2,701	9,404	18,493	106,767	-	33,250	431	69,800
<b>TOTAL ASSETS</b>	<b>\$ 2,701</b>	<b>\$ 9,404</b>	<b>\$ 18,493</b>	<b>\$ 106,767</b>	<b>\$ -</b>	<b>\$ 33,250</b>	<b>\$ 431</b>	<b>\$ 69,800</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	62,979	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,979</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	106,767	-	-	-	-
Committed	-	-	18,493	-	-	33,250	431	69,800
Assigned	2,701	9,404	-	-	-	-	-	-
Unassigned	-	-	-	-	(62,979)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>2,701</b>	<b>9,404</b>	<b>18,493</b>	<b>106,767</b>	<b>(62,979)</b>	<b>33,250</b>	<b>431</b>	<b>69,800</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 2,701</b>	<b>\$ 9,404</b>	<b>\$ 18,493</b>	<b>\$ 106,767</b>	<b>\$ -</b>	<b>\$ 33,250</b>	<b>\$ 431</b>	<b>\$ 69,800</b>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	144,857	101,596	28,189	79	9,819	-	600,232	113,973	192,330
<b>TOTAL ASSETS</b>	<b>\$ 144,857</b>	<b>\$ 101,596</b>	<b>\$ 28,189</b>	<b>\$ 79</b>	<b>\$ 9,819</b>	<b>\$ -</b>	<b>\$ 600,232</b>	<b>\$ 113,973</b>	<b>\$ 192,330</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	6,519	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,519</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	600,232	113,973	192,330
Committed	144,857	101,596	28,189	-	-	-	-	-	-
Assigned	-	-	-	79	9,819	-	-	-	-
Unassigned	-	-	-	-	-	(6,519)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>144,857</b>	<b>101,596</b>	<b>28,189</b>	<b>79</b>	<b>9,819</b>	<b>(6,519)</b>	<b>600,232</b>	<b>113,973</b>	<b>192,330</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 144,857</b>	<b>\$ 101,596</b>	<b>\$ 28,189</b>	<b>\$ 79</b>	<b>\$ 9,819</b>	<b>\$ -</b>	<b>\$ 600,232</b>	<b>\$ 113,973</b>	<b>\$ 192,330</b>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	2020-PD Coronavirus Grant	2019 HSGP	2018 Byrne/JAG	Sabattus Law Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	-	14,239	76	6,197	49,610	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 14,239</b>	<b>\$ 76</b>	<b>\$ 6,197</b>	<b>\$ 49,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	2,198	-	-	-	-	-	-	-	2,760
<b>TOTAL LIABILITIES</b>	<b>2,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,760</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	14,239	76	6,197	49,610	-	-	-	-
Unassigned	(2,198)	-	-	-	-	-	-	-	(2,760)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(2,198)</b>	<b>14,239</b>	<b>76</b>	<b>6,197</b>	<b>49,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,760)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 14,239</b>	<b>\$ 76</b>	<b>\$ 6,197</b>	<b>\$ 49,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Healthy Androscoggin PD Grant	MDF Entrepreneurship Grant	Brownfields Grant	16 Downtown Grant	18 Downtown Grant	Donations	Park and Rec Vehicle Ins Receipt	Lisbon Beautification
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	33	57,278	9,484	2,782	5,265	500	14,596	7,776
<b>TOTAL ASSETS</b>	<u>\$ 33</u>	<u>\$ 57,278</u>	<u>\$ 9,484</u>	<u>\$ 2,782</u>	<u>\$ 5,265</u>	<u>\$ 500</u>	<u>\$ 14,596</u>	<u>\$ 7,776</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	33	57,278	9,484	2,782	5,265	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	500	14,596	7,776
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>33</u>	<u>57,278</u>	<u>9,484</u>	<u>2,782</u>	<u>5,265</u>	<u>500</u>	<u>14,596</u>	<u>7,776</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 33</u>	<u>\$ 57,278</u>	<u>\$ 9,484</u>	<u>\$ 2,782</u>	<u>\$ 5,265</u>	<u>\$ 500</u>	<u>\$ 14,596</u>	<u>\$ 7,776</u>



TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	DHHS Grant Exp	Legal	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,388
Due from other governments	-	-	-	-	-	-	-	363,104
Inventory	-	-	-	-	-	-	-	21,029
Due from other funds	16,393	-	13,000	9,900	300	3,150	518	1,945,354
<b>TOTAL ASSETS</b>	<b>\$ 16,393</b>	<b>\$ -</b>	<b>\$ 13,000</b>	<b>\$ 9,900</b>	<b>\$ 300</b>	<b>\$ 3,150</b>	<b>\$ 518</b>	<b>\$ 2,531,875</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,470
Accrued payroll	-	-	-	-	-	-	-	52,007
Due to other funds	-	-	-	-	-	-	-	418,370
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>494,847</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	21,029
Restricted	16,393	-	13,000	-	-	-	-	1,420,472
Committed	-	-	-	9,900	-	-	-	508,831
Assigned	-	-	-	-	300	3,150	518	294,678
Unassigned	-	-	-	-	-	-	-	(207,982)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>16,393</b>	<b>-</b>	<b>13,000</b>	<b>9,900</b>	<b>300</b>	<b>3,150</b>	<b>518</b>	<b>2,037,028</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 16,393</b>	<b>\$ -</b>	<b>\$ 13,000</b>	<b>\$ 9,900</b>	<b>\$ 300</b>	<b>\$ 3,150</b>	<b>\$ 518</b>	<b>\$ 2,531,875</b>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	2020 CTCL Grant	Waste Diversion Grant	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 615,934	\$ 3,674,401
Investment income	(4)	(2)	-	-	-	-	-	-	-
Other income	1,827	50	-	750	-	6,000	52,679	-	147,793
<b>TOTAL REVENUES</b>	<b>1,823</b>	<b>48</b>	<b>-</b>	<b>750</b>	<b>5,000</b>	<b>6,000</b>	<b>52,679</b>	<b>615,934</b>	<b>3,822,194</b>
EXPENDITURES									
Capital outlay	8,500	-	-	-	-	-	-	-	-
General government	-	-	-	-	5,000	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	-	566	6,207	-	-	4,602	-	-	-
Education	-	-	-	-	-	-	-	-	3,908,705
Food service	-	-	-	-	-	-	-	741,633	-
<b>TOTAL EXPENDITURES</b>	<b>8,500</b>	<b>566</b>	<b>6,207</b>	<b>-</b>	<b>5,000</b>	<b>4,602</b>	<b>-</b>	<b>741,633</b>	<b>3,908,705</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,677)	(518)	(6,207)	750	-	1,398	52,679	(125,699)	(86,511)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	228,500	22,234
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,500</b>	<b>22,234</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	(6,677)	(518)	(6,207)	750	-	1,398	52,679	102,801	(64,277)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	9,177	29,611	70,597	-	-	-	65,948	18,043	214,873
FUND BALANCES (DEFICITS) - JUNE 30	\$ 2,500	\$ 29,093	\$ 64,390	\$ 750	\$ -	\$ 1,398	\$ 118,627	\$ 120,844	\$ 150,596

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	LL Summer Read	LL Patrick Memorial	LL Barron Memorial	LL Library Adult Program	LL Erna Smith Memorial	LL Huston Memorial	LL Spear Memorial	LL Alison Ross Memorial	PD 2017 HSG
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	247	-	-	850	-	225	-	300	-
<b>TOTAL REVENUES</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>300</b>	<b>-</b>
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	1,613	150	-	-	32	-	32	791	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,613</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>32</b>	<b>791</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,366)	(150)	-	850	(32)	225	(32)	(491)	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,366)	(150)	-	850	(32)	225	(32)	(491)	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	2,688	1,220	705	2,389	732	665	(33)	9,995	(410)
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ 1,322</b>	<b>\$ 1,070</b>	<b>\$ 705</b>	<b>\$ 3,239</b>	<b>\$ 700</b>	<b>\$ 890</b>	<b>\$ (65)</b>	<b>\$ 9,504</b>	<b>\$ (410)</b>

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Fire Dept Donations	Playground Donations	Giving Tree	Heating Assistance
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	5,766	-
TOTAL REVENUES	-	-	-	-	-	-	-	5,766	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public works	-	-	48,265	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	16,562	-	4,199	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	48,265	-	-	16,562	-	4,199	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(48,265)	-	-	(16,562)	-	1,567	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(48,265)	-	-	(16,562)	-	1,567	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	6,255	(3,787)	-	1,883	384	16,562	1,876	2,756	644
FUND BALANCES (DEFICITS) - JUNE 30	\$ 6,255	\$ (3,787)	\$ (48,265)	\$ 1,883	\$ 384	\$ -	\$ 1,876	\$ 4,323	\$ 644

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Health Insurance Reserve
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	6,179	-	-	-	-	19	-	-
<b>TOTAL REVENUES</b>	<b>6,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>
EXPENDITURES								
Capital outlay	-	-	9,437	13,248	62,538	-	-	-
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	2,989	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,989</b>	<b>-</b>	<b>9,437</b>	<b>13,248</b>	<b>62,538</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,190	-	(9,437)	(13,248)	(62,538)	19	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	20,000	-	69,800
Transfers (out)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>69,800</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,190	-	(9,437)	(13,248)	(62,538)	20,019	-	69,800
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	(489)	9,404	27,930	120,015	(441)	13,231	431	-
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ 2,701</b>	<b>\$ 9,404</b>	<b>\$ 18,493</b>	<b>\$ 106,767</b>	<b>\$ (62,979)</b>	<b>\$ 33,250</b>	<b>\$ 431</b>	<b>\$ 69,800</b>

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-
EXPENDITURES									
Capital outlay	-	-	11,595	-	-	-	-	-	91,912
General government	-	-	-	493	7,181	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	-	4,141	-	-	-	6,519	131,882	66,779	52,319
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	4,141	11,595	493	7,181	6,519	131,882	66,779	144,231
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,141)	(11,595)	(493)	(7,181)	(6,519)	(131,882)	(66,779)	(144,231)
OTHER FINANCING SOURCES (USES)									
Transfers in	75,000	-	-	-	-	-	440,612	111,297	135,294
Transfers (out)	-	-	-	-	-	-	(101,655)	-	-
TOTAL OTHER SOURCES (USES)	75,000	-	-	-	-	-	338,957	111,297	135,294
NET CHANGE IN FUND BALANCES (DEFICITS)	75,000	(4,141)	(11,595)	(493)	(7,181)	(6,519)	207,075	44,518	(8,937)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	69,857	105,737	39,784	572	17,000	-	393,157	69,455	201,267
FUND BALANCES (DEFICITS) - JUNE 30	\$ 144,857	\$ 101,596	\$ 28,189	\$ 79	\$ 9,819	\$ (6,519)	\$ 600,232	\$ 113,973	\$ 192,330

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	Coronavirus Grant	2018 Byrne/JAG	Sabattus Law Grant
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,719	\$ 5,561	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	1,892	-	-	-	-
TOTAL REVENUES	-	-	-	1,892	-	6,719	5,561	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	-	-	-	390	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	2,198	-	150	-	-	6,719	2,150	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,198	-	150	-	390	6,719	2,150	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,198)	-	(150)	1,892	(390)	-	3,411	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	14,239	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	14,239	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,198)	14,239	(150)	1,892	(390)	-	3,411	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	-	226	4,305	50,000	-	(3,411)	(2,760)
FUND BALANCES (DEFICITS) - JUNE 30	\$ (2,198)	\$ 14,239	\$ 76	\$ 6,197	\$ 49,610	\$ -	\$ -	\$ (2,760)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Healthy Androscoggin PD Grant	MDF Entrepreneurship Grant	Brownfields Grant	16 Downtown Grant	18 Downtown Grant	Donations	Park and Rec Vehicle Ins Receipt	Lisbon Beautification
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 11,241	\$ 1,797	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	50,000	-	-	-	-	-	2,550
<b>TOTAL REVENUES</b>	<b>-</b>	<b>50,000</b>	<b>11,241</b>	<b>1,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,550</b>
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	-	2,722	16,564	3,630	-	-	-	2,374
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>2,722</b>	<b>16,564</b>	<b>3,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,374</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	47,278	(5,323)	(1,833)	-	-	-	176
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	3,600
Transfers (out)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,600</b>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	47,278	(5,323)	(1,833)	-	-	-	3,776
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	33	10,000	14,807	4,615	5,265	500	14,596	4,000
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ 33</b>	<b>\$ 57,278</b>	<b>\$ 9,484</b>	<b>\$ 2,782</b>	<b>\$ 5,265</b>	<b>\$ 500</b>	<b>\$ 14,596</b>	<b>\$ 7,776</b>



TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	DHHS Grant Exp	Legal	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
REVENUES								
Intergovernmental	\$ 50,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,370,983
Investment income	-	-	-	-	-	-	-	(6)
Other income	-	-	15,950	-	300	3,296	-	296,673
TOTAL REVENUES	<u>50,330</u>	<u>-</u>	<u>15,950</u>	<u>-</u>	<u>300</u>	<u>3,296</u>	<u>-</u>	<u>4,667,650</u>
EXPENDITURES								
Capital outlay	-	-	-	7,395	-	-	-	204,625
General government	-	-	2,950	-	-	-	-	16,014
Public works	-	-	-	-	-	-	-	48,265
Public services and payments	26,803	-	-	-	4,650	3,760	-	371,103
Education	-	-	-	-	-	-	-	3,908,705
Food service	-	-	-	-	-	-	-	741,633
TOTAL EXPENDITURES	<u>26,803</u>	<u>-</u>	<u>2,950</u>	<u>7,395</u>	<u>4,650</u>	<u>3,760</u>	<u>-</u>	<u>5,290,345</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>23,527</u>	<u>-</u>	<u>13,000</u>	<u>(7,395)</u>	<u>(4,350)</u>	<u>(464)</u>	<u>-</u>	<u>(622,695)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	1,120,576
Transfers (out)	-	(18,000)	-	-	(3,600)	-	-	(123,255)
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>(3,600)</u>	<u>-</u>	<u>-</u>	<u>997,321</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	23,527	(18,000)	13,000	(7,395)	(7,950)	(464)	-	374,626
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>(7,134)</u>	<u>18,000</u>	<u>-</u>	<u>17,295</u>	<u>8,250</u>	<u>3,614</u>	<u>518</u>	<u>1,662,402</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 16,393</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 9,900</u>	<u>\$ 300</u>	<u>\$ 3,150</u>	<u>\$ 518</u>	<u>\$ 2,037,028</u>

See accompanying independent auditors' report and notes to financial statements.

## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

## TOWN OF LISBON, MAINE

## COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2021

	USDA RD Loan Grant CIP	Composting Grant	Capital Projects Reserve	School Capital Fund	Totals
ASSETS					
Due from other funds	\$ -	\$ 21,403	\$ 85,634	\$ 176,850	\$ 283,887
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 21,403</u>	<u>\$ 85,634</u>	<u>\$ 176,850</u>	<u>\$ 283,887</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 83,300	\$ 83,300
Due to other funds	<u>407,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,395</u>
TOTAL LIABILITIES	<u>407,395</u>	<u>-</u>	<u>-</u>	<u>83,300</u>	<u>490,695</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	21,403	85,634	93,550	200,587
Assigned	-	-	-	-	-
Unassigned	<u>(407,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(407,395)</u>
TOTAL FUND BALANCES (DEFICITS)	<u>(407,395)</u>	<u>21,403</u>	<u>85,634</u>	<u>93,550</u>	<u>(206,808)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 21,403</u>	<u>\$ 85,634</u>	<u>\$ 176,850</u>	<u>\$ 283,887</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	USDA RD Loan Grant CIP	Police Cruiser	Capital Projects Reserve	School Capital Fund	Totals
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	877,030	-	6,547	166,600	1,050,177
Public services and payments	-	3,987	-	-	3,987
TOTAL EXPENDITURES	<u>877,030</u>	<u>3,987</u>	<u>6,547</u>	<u>166,600</u>	<u>1,054,164</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(877,030)</u>	<u>(3,987)</u>	<u>(6,547)</u>	<u>(166,600)</u>	<u>(1,054,164)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	469,800	-	-	-	469,800
Transfers in	-	21,170	-	259,350	280,520
Transfers (out)	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>469,800</u>	<u>21,170</u>	<u>-</u>	<u>259,350</u>	<u>750,320</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(407,230)	17,183	(6,547)	92,750	(303,844)
FUND BALANCES (DEFICITS) - JULY 1	<u>(165)</u>	<u>4,220</u>	<u>92,181</u>	<u>800</u>	<u>97,036</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (407,395)</u>	<u>\$ 21,403</u>	<u>\$ 85,634</u>	<u>\$ 93,550</u>	<u>\$ (206,808)</u>

See accompanying independent auditors' report and notes to financial statements.

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Lisbon, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Balances Beginning of Year		Revenues		Expenditures	Balances End of Year	
	Principal (Nonspendable)	Unexpended Income	Investment Income	Contributions and Other Receipts	Disbursements	Principal (Nonspendable)	Unexpended Income
Potter Patten Cemetery	\$ 75	\$ 320	\$ -	\$ -	\$ -	\$ 75	\$ 320
Davis Cemetery Perpetual Care	-	24,975	540	-	-	-	25,515
Curtis Scholarship	413	25	-	-	-	413	25
Maine Research Company Charity Fund	630	2,193	3	-	-	630	2,196
<b>Totals</b>	\$ 1,118	\$ 27,513	\$ 543	\$ -	\$ -	\$ 1,118	\$ 28,056

See accompanying independent auditors' report and notes to financial statements.

## Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

## TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Balances Beginning of Year		Additions		Deductions	Balances End of Year	
	Principal (Nonspendable)	Unexpended Income	Investment Income	Contributions and Other Receipts	Disbursements	Principal (Nonspendable)	Unexpended Income
Arthur E. Baron	\$ -	\$ 602	\$ -	\$ -	\$ -	\$ -	\$ 602
Blanche M. Jalbert Fund	3,365	1,851	34	-	100	3,365	1,785
Bryce McEwen Rotary Scholarship	-	12,822	45	-	500	-	12,367
Class of 1941 Scholarship Fund	-	22,902	327	-	200	-	23,029
Dunton Memorial	3,200	3,124	2	-	-	3,200	3,126
Earl Higgins Memorial	3,281	161	2	-	-	3,281	163
Farmer	-	19,387	42	-	1,000	-	18,429
Frank Wimmer Trust	-	16,709	1,181	-	2,000	-	15,890
Leon E. Bard, Sr. Memorial Music Scholarship Fund	1,952	804	26	-	70	1,952	760
Lisbon High School Memorial Scholarship Fund	7,482	883	121	-	-	7,482	1,004
Marion T. Morse Secretarial Award	1,000	159	1	-	100	1,000	60
Michael F. Strout Memorial Scholarship Fund	3,109	918	70	-	202	3,109	786
Richard S. Lander Scholarship Fund	4,924	8,426	6	-	500	4,924	7,932
Sugg Middle School Trust Fund	-	3,005	2	-	200	-	2,807
Walter Huston Memorial Scholarship	-	23,877	100	-	2,000	-	21,977
<b>Totals</b>	<b>\$ 28,313</b>	<b>\$ 115,630</b>	<b>\$ 1,959</b>	<b>\$ -</b>	<b>\$ 6,872</b>	<b>\$ 28,313</b>	<b>\$ 110,717</b>

See accompanying independent auditors' report and notes to financial statements.



TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass-through Grantor Program or Cluster/Title	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through State of Maine - Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	013-6134-05	\$ 9,372	\$ -
Summer Food Service Program for Children	10.559	013-7128-05	587,277	-
Sub-total Child Nutrition Cluster:			<u>596,649</u>	<u>-</u>
Direct Award:				
Water and Waste Disposal Systems for Rural	10.760	N/A	<u>877,030</u>	<u>-</u>
Waste Water Diversion (Composting) Grant	10.770	N/A	<u>4,602</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,478,281</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through State of Maine - Department of Economic and Community Development:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	N/A	<u>3,630</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>3,630</u>	<u>-</u>
U.S. Department Transportation				
Passed through Androscoggin County EMA:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	N/A	6,719	-
State and Community Highway Safety	20.600	N/A	6,519	-
Sub-total Highway Safety Cluster			<u>13,238</u>	<u>-</u>
Total U.S. Department of Transportation			<u>13,238</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through State of Maine - Department of Education:				
Coronavirus Relief Fund	21.019	022-05A-7015-60-6306-7015	<u>2,307,571</u>	<u>-</u>
Direct Award				
Coronavirus Relief Fund	21.019	N/A	<u>26,803</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>2,334,374</u>	<u>-</u>

TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
Environmental Protection Agency Passed through State of Maine - Department of Economic and Community Development: Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	16,564	-
Total Environmental Protection Agency			16,564	-
U.S. Department of Education Passed through State of Maine - Department of Education: Title I Grants to Local Educational Agencies	84.010	6334	361,653	-
Special Education Cluster (IDEA): Special Education Grants to States	84.027	6317	286,441	-
Special Education Preschool Grants	84.173	6241	10,634	-
Subtotal Special Education Cluster (IDEA)			297,075	-
Supporting Effective Instruction State Grants	84.367	1138	142,536	-
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	N/A	633,648	-
Total U.S. Department of Education			1,434,912	-
Federal Emergency Management Agency Direct Award Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	7,427	-
Total Federal Emergency Management Agency			7,427	-
TOTAL FEDERAL ASSISTANCE			\$ 5,288,426	\$ -

TOWN OF LISBON, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Lisbon, Maine under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Lisbon, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Lisbon, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Town of Lisbon, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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

Town Council  
Town of Lisbon, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Town of Lisbon, Maine's basic financial statements and have issued our report thereon dated January 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lisbon, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lisbon, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lisbon, Maine's internal control.

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

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

#### Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Lisbon, Maine in a separate letter dated January 17, 2022.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
January 20, 2022



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Town Council  
Town of Lisbon, Maine

### Report on Compliance for Each Major Federal Program

We have audited Town of Lisbon, Maine's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of Town of Lisbon, Maine's major federal programs for the year ended June 30, 2021. Town of Lisbon, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Town of Lisbon, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Lisbon, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Lisbon, Maine's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Town of Lisbon, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

#### Report on Internal Control Over Compliance

Management of the Town of Lisbon, Maine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Lisbon, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Lisbon, Maine's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
January 20, 2022



TOWN OF LISBON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

- *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None



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## INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Town Council  
Town of Lisbon, Maine

We have audited the financial statements of the Town of Lisbon for the year ended June 30, 2021 and have issued our report thereon dated January 20, 2022. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the State for accuracy. In addition, we have reviewed the Town's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Lisbon, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Lisbon, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that no adjustments were necessary to the fiscal books of the Town and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the School Department.

This report is intended solely for the information of the Town Council, management and the Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

*RHR Smith & Company*

Buxton, Maine  
January 20, 2022

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TOWN OF LISBON, MAINE

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA  
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM  
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund (1000)	Special Revenue Funds (2000) & (9000)	Capital Projects Fund (4000)	Total
June 30 Balance per MEFS	\$ 260,150	\$ -	\$ -	\$ 260,150
<b>Other Adjustments:</b>				
Due to/due from	(264,825)	-	-	(264,825)
Fund Balances Not Reported on MEFS:				
General Fund	1,386,843	-	-	1,386,843
Title IA (84.010)	-	38,774	-	38,774
Title IA Program Improvement (84.010)	-	(6,825)	-	(6,825)
Local Entitlement (84.027)	-	(56,831)	-	(56,831)
Preschool (84.173)	-	(4,567)	-	(4,567)
CRF Grant	-	19,903	-	19,903
ESSERF II	-	(876)	-	(876)
ESSERF/CARES Act	-	548	-	548
Title IIA Teacher Quality (84.367)	-	(3,642)	-	(3,642)
E-Rate	-	3,671	-	3,671
Title V	-	2,061	-	2,061
Adult Education	-	17,081	-	17,081
Adult Ed Enrichment	-	(8,258)	-	(8,258)
School Nutrition Program	-	120,844	-	120,844
School Capital Fund	-	-	93,550	93,550
Student Activities	-	149,557	-	149,557
Audited GAAP Basis Fund Balance June 30	<u>\$ 1,382,168</u>	<u>\$ 271,440</u>	<u>\$ 93,550</u>	<u>\$ 1,747,158</u>