

Federal Compliance Audit

Town of Lisbon, Maine

June 30, 2020



Proven Expertise & Integrity

TOWN OF LISBON, MAINE

JUNE 30, 2020

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Proven Expertise & Integrity

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, 2020 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, 2019 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, 2020 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 91 through 104 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 March 29, 2021, 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
March 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

(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, 2020. 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, business-type activities 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, 2020.

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 27 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 two fiduciary funds: an agency fund, which accounts for student activity funds at the individual schools and a private purpose trust fund, which accounts for scholarships. The fiduciary fund financial statements can be found on pages 28 and 29 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 30 through 89 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, a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions, a Schedule of Changes in Net OPEB Liability - MMEHT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, a Schedule of Changes in Net OPEB Liability - MEABT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, a 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 91 through 104 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 106 through 130 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, 2020.

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>6/30/20</u>	<u>6/30/19 (Restated)</u>	<u>12/31/19</u>	<u>12/31/18</u>
Assets:				
Current Assets	\$ 11,980,303	\$ 9,248,799	\$ 1,257,078	\$ 1,341,658
Noncurrent Assets - Capital Assets	26,366,938	26,150,490	5,952,143	5,864,176
Total Assets	<u>38,347,241</u>	<u>35,399,289</u>	<u>7,209,221</u>	<u>7,205,834</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,116,927	1,041,783	44,400	62,337
Deferred Outflows Related to OPEB	381,200	160,415	5,329	4,616
Total Deferred Outflows of Resources	<u>1,498,127</u>	<u>1,202,198</u>	<u>49,729</u>	<u>66,953</u>
Liabilities:				
Current Liabilities	3,088,427	3,544,552	305,634	299,870
Noncurrent Liabilities	20,307,253	19,444,455	1,974,484	2,214,954
Total Liabilities	<u>23,395,680</u>	<u>22,989,007</u>	<u>2,280,118</u>	<u>2,514,824</u>
Deferred Inflows of Resources:				
Prepaid Taxes	80,826	34,898	-	-
Regulatory Reserves	-	-	382,608	360,008
Deferred Inflows Related to Pensions	574,286	521,288	47,912	47,620
Deferred Inflows Related to OPEB	350,015	155,956	3,914	-
Total Deferred Inflows of Resources	<u>1,005,127</u>	<u>712,142</u>	<u>434,434</u>	<u>407,628</u>
Net Position:				
Net Investment in Capital Assets	12,543,979	11,432,092	3,953,715	3,611,737
Restricted	1,901,731	1,273,880	-	-
Unrestricted	998,851	194,366	590,683	738,598
Total Net Position	<u>\$ 15,444,561</u>	<u>\$ 12,900,338</u>	<u>\$ 4,544,398</u>	<u>\$ 4,350,335</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 \$15,441,561 at June 30, 2020 for the governmental activities.

The largest portion of the Town's net position (81.22%) 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 (12.31%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$998,851 and 6.47% 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, 2020.

The Town's governmental net position increased \$2,544,223 during the fiscal year ended June 30, 2020. Governmental current assets increased \$2,731,504 which reflects increases in cash and cash equivalents balances. Noncurrent assets increased \$216,448 reflecting purchases of \$2,042,254, net disposals of \$122,907 and depreciation expense of \$1,702,899. Noncurrent liabilities increased by \$862,798. Restricted net position increased by \$627,851 and unrestricted net position increased \$804,485.

The Town's total business-type net position increased by \$194,063 from \$4,350,335 to \$4,544,398. Unrestricted net position for business-type activities decreased to a balance of \$590,683.

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

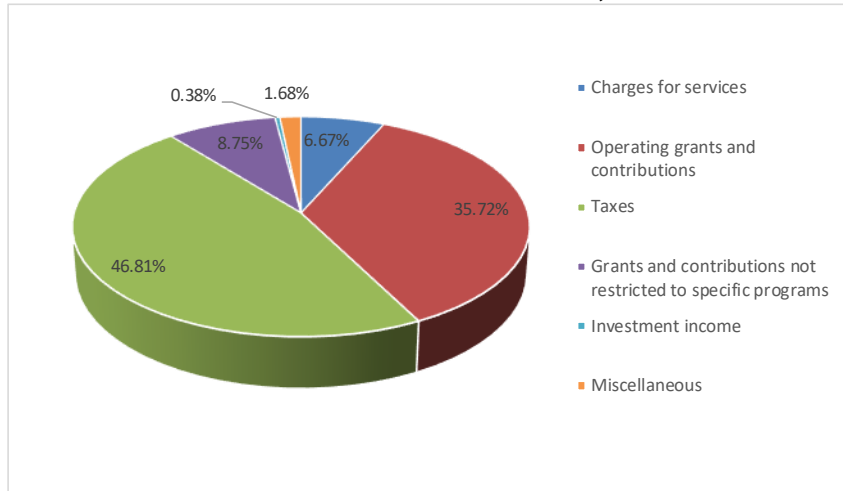
Revenues and Expenses

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

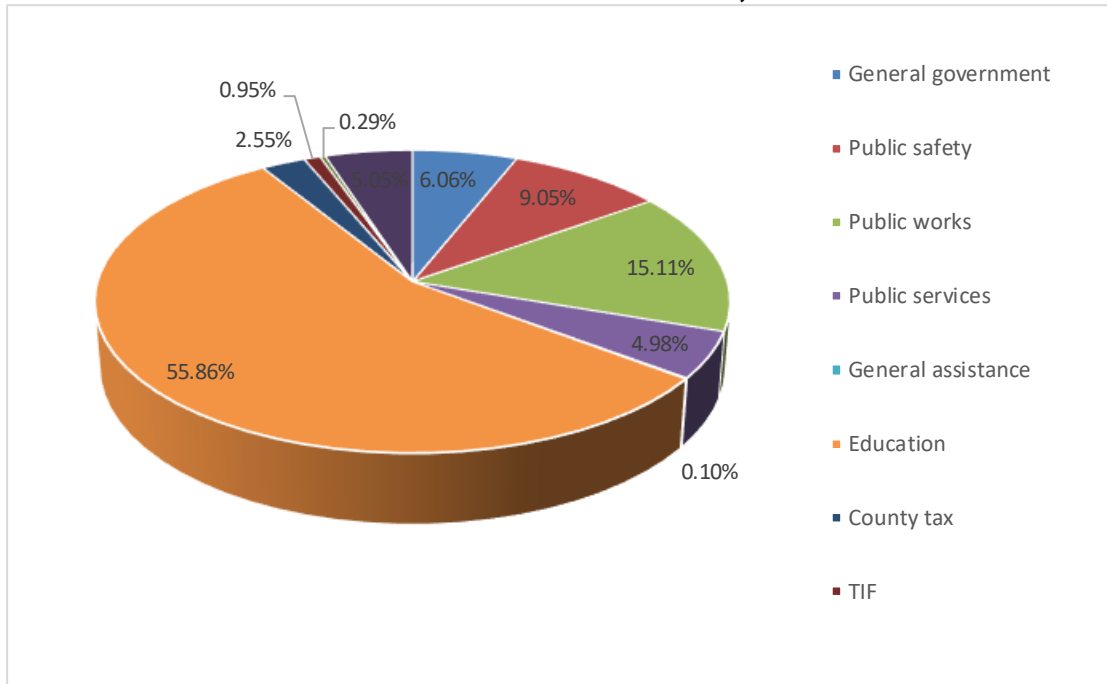
	Governmental Activities		Business-type Activities	
	<u>6/30/20</u>	<u>6/30/19</u>	<u>12/31/19</u>	<u>12/31/18</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 2,174,729	\$ 2,145,502	\$ 1,308,262	\$ 1,251,771
Operating grants and contributions	11,650,094	11,098,913	-	-
<i>General Revenues:</i>				
Taxes	15,268,174	14,742,219	-	-
Grants and contributions not restricted to specific programs	2,102,342	3,937,265	-	-
Investment income	122,463	226,442	-	-
Miscellaneous	551,529	502,800	92,404	95,767
Total Revenues	<u>31,869,331</u>	<u>32,653,141</u>	<u>1,400,666</u>	<u>1,347,538</u>
Expenses				
General government	1,725,868	1,370,217	-	-
Public safety	2,631,403	2,740,094	-	-
Public works	4,394,383	3,210,584	-	-
Public services	1,448,057	2,010,575	-	-
General assistance	28,657	44,979	-	-
Education	16,487,955	16,814,399	-	-
County tax	741,256	699,623	-	-
TIF	277,510	370,780	-	-
Unclassified	120,795	349,208	-	-
Water department	-	-	1,206,603	995,688
State of Maine on-behalf payments	1,469,224	1,463,614	-	-
Total Expenses	<u>29,325,108</u>	<u>29,074,073</u>	<u>1,206,603</u>	<u>995,688</u>
Change in Net Position	2,544,223	3,579,068	194,063	351,850
Net Position - July 1, Restated	<u>12,900,338</u>	<u>9,321,270</u>	<u>4,350,335</u>	<u>3,998,485</u>
Net Position - June 30	<u>\$ 15,444,561</u>	<u>\$ 12,900,338</u>	<u>\$ 4,544,398</u>	<u>\$ 4,350,335</u>

**Town of Lisbon, Maine
Revenues Pie Chart
For the Year Ended June 30, 2020**



Charges for services are primarily comprised of police and dispatch, animal control and solid waste services. Taxes of \$15,268,174 increased \$525,955 during fiscal year 2020 from the year ended June 30, 2019. 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, 2020**



The Town's expenses totaled \$29,325,108 for fiscal year ended June 30, 2020 as compared to \$29,074,073 for the year ended June 30, 2019. Education accounts for the majority of expenses representing 56.23% of the total for fiscal year 2020. Public safety expenses related to the operations of the Police Department and Fire

Department accounted for 8.97% of the total and Public Works expenses accounted for 14.99% of the total.

Revenues for the Department's water activities increased by \$53,128, while total expenses increased by \$210,915. The increase in revenues was primarily due to an increase in charges for services. Expenses increased primarily due to increases in salaries and benefits, materials and supplies and contractual services.

Financial Analysis of the Town's Fund Statements

For the fiscal year ended June 30, 2020, the governmental funds had a combined fund balance of \$10,134,746. This reflects an increase from the prior year fund balance of \$2,830,098. The General Fund, which is the main operating fund of the Town of Lisbon, reported a current year increase of \$647,917 in fund balance. The other major fund balances increased by \$2,307,400. The nonmajor fund balances decreased by \$125,219. General fund revenues of \$18,281,663 were \$17,175 lower than budgeted amounts. Property taxes of \$13,562,515 were \$88,053 lower than budgeted amounts. Excise tax revenues of \$1,601,239 were \$3,761 less than budgeted amounts.

The Town's operating expenditures of \$9,476,388 were \$857,972 less than budgeted amounts. The Town has continued its efforts to reduce expenditures wherever possible throughout the year. General government expenditures of \$11,594,384 were \$136,656 lower than budgeted amounts. Public safety expenditures of \$2,475,119 were under budget by \$330,316. Public works expenditures of \$2,846,026 were under budget by \$201,883.

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 \$194,012.

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

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 32,138	\$ 18,797	\$ 13,341
Restricted	-	-	-
Assigned	60,877	103,445	(42,568)
Unassigned	3,195,164	2,518,020	677,144
Total General Fund	<u>3,288,179</u>	<u>2,640,262</u>	<u>647,917</u>
Education Fund:			
Assigned	118,211	118,211	-
Unassigned	904,511	412,913	491,598
Total Education Fund	<u>1,022,722</u>	<u>531,124</u>	<u>491,598</u>
Loan Program:			
Nonspendable	135,174	347,420	(212,246)
Committed	833,331	633,322	200,009
Total Loan Program	<u>968,505</u>	<u>980,742</u>	<u>(12,237)</u>
Treatment Plant Fund:			
Committed	1,805,731	1,403,876	401,855
Pinewood Road Fund:			
Restricted	1,426,184	-	1,426,184
Total Major Funds	<u>\$ 8,511,321</u>	<u>\$ 5,556,004</u>	<u>\$ 2,955,317</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 13,241	\$ 13,241	\$ -
Restricted	1,039,769	612,577	427,192
Committed	308,113	488,004	(179,891)
Assigned	155,100	32,692	122,408
Unassigned	(18,465)	(25,126)	6,661
Capital Projects Funds:			
Committed	97,201	599,275	(502,074)
Unassigned	(165)	-	(165)
Permanent Funds:			
Nonspendable	1,118	1,118	-
Restricted	27,513	26,863	650
Total Nonmajor Funds	<u>\$ 1,623,425</u>	<u>\$ 1,748,644</u>	<u>\$ (125,219)</u>

Capital Asset and Long-term Obligations Administration

Capital Assets

As of June 30, 2020, the net book value of governmental-type capital assets recorded by the Town increased by \$216,448. This increase was a result of capital additions of \$2,042,254 less net disposals of \$122,907 and current year depreciation expense of \$1,702,899. The net book value of business-type capital assets as of June 30, 2020 increased by \$87,967. This increase was a result of capital additions of \$290,184 less current year depreciation expense of \$202,217.

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

	Governmental Activities	
	6/30/20	6/30/19 (Restated)
Land and improvements	\$ 1,429,479	\$ 1,455,310
Construction in progress	1,626,426	874,206
Buildings and improvements	12,918,502	13,662,975
Equipment and vehicles	3,368,342	2,633,272
Infrastructure	7,024,189	7,524,727
Total	\$ 26,366,938	\$ 26,150,490
	Business-type Activities	
	12/31/19	12/31/18
Water fund	\$ 5,952,143	\$ 5,864,176
Total	\$ 5,952,143	\$ 5,864,176

Long-term Obligations

As of June 30, 2020, the Town had a total of \$21,969,978 of long-term obligations outstanding. Of this amount, \$11,591,519 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 2020 are two Qualified Energy Conservation Bond leases for Municipal Government

operations and School Department operations amounting to \$651,069 and \$1,276,709, 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	
	6/30/20	6/30/19 (Restated)	12/31/19	12/31/18
General obligation bonds	\$ 11,591,519	\$ 12,471,410	\$ 1,998,428	\$ 2,252,439
Bond anticipation note payable				
Notes from direct borrowings payable	2,031,363	2,246,988	-	-
Accrued compensated absences	491,659	594,391	16,004	14,962
Net pension liability	2,219,676	2,062,064	174,497	156,459
Net OPEB liability	4,009,500	3,939,510	46,515	48,845
Total	\$ 20,343,717	\$ 21,314,363	\$ 2,235,444	\$ 2,472,705

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 (\$552,321,500). 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, 2020 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 into the second half of 2020 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 decrease. 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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10,559,999	\$ 576,515	\$ 11,136,514
Note receivable	135,174	-	135,174
Accounts receivable (net of allowance for uncollectibles):			
Taxes	120,586	-	120,586
Liens	355,146	-	355,146
Other	616,963	85,573	702,536
Accrued revenue	-	147,714	147,714
Prepaid items	32,138	9,952	42,090
Due from other governments	147,056	-	147,056
Inventory	13,241	58,637	71,878
Total current assets	<u>11,980,303</u>	<u>878,391</u>	<u>12,858,694</u>
Noncurrent assets:			
Capital assets			
Land and other assets not being depreciated	2,675,001	196,579	2,871,580
Buildings, equipment, vehicles and infrastructure, net of accumulated depreciation	23,691,937	5,755,564	29,447,501
Total noncurrent assets	<u>26,366,938</u>	<u>5,952,143</u>	<u>32,319,081</u>
Other assets:			
Restricted cash	-	378,687	378,687
Total other assets	<u>-</u>	<u>378,687</u>	<u>378,687</u>
TOTAL ASSETS	<u>38,347,241</u>	<u>7,209,221</u>	<u>45,556,462</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,116,927	44,400	1,161,327
Deferred outflows related to OPEB	381,200	5,329	386,529
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,498,127</u>	<u>49,729</u>	<u>1,547,856</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 39,845,368</u>	<u>\$ 7,258,950</u>	<u>\$ 47,104,318</u>
LIABILITIES			

STATEMENT A (CONTINUED)

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current liabilities:			
Accounts payable	\$ 23,665	\$ 12,676	\$ 36,341
Customer deposits	-	2,475	2,475
Payroll related liabilities	1,373,911	19,779	1,393,690
Accrued interest	-	9,744	9,744
Due to other governments	28,126	-	28,126
Current portion of long-term obligations	1,662,725	260,960	1,923,685
Total current liabilities	<u>3,088,427</u>	<u>305,634</u>	<u>3,394,061</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	10,215,391	1,741,469	11,956,860
Bond anticipation note payable	1,626,261	-	1,626,261
Notes from direct borrowings payable	1,867,681	-	1,867,681
Accrued compensated absences	368,744	12,003	380,747
Net pension liability	2,219,676	174,497	2,394,173
Net OPEB liability	4,009,500	46,515	4,056,015
Total noncurrent liabilities	<u>20,307,253</u>	<u>1,974,484</u>	<u>22,281,737</u>
TOTAL LIABILITIES	<u>23,395,680</u>	<u>2,280,118</u>	<u>25,675,798</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	80,826	-	80,826
Regulatory reserves	-	382,608	382,608
Deferred inflows related to pensions	574,286	47,912	622,198
Deferred inflows related to OPEB	350,015	3,914	353,929
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,005,127</u>	<u>434,434</u>	<u>1,439,561</u>
NET POSITION			
Net investment in capital assets	12,543,979	3,953,715	16,497,694
Restricted	1,901,731	-	1,901,731
Unrestricted	998,851	590,683	1,589,534
TOTAL NET POSITION	<u>15,444,561</u>	<u>4,544,398</u>	<u>19,988,959</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 39,845,368</u>	<u>\$ 7,258,950</u>	<u>\$ 47,104,318</u>

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

TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 1,725,868	\$ 75,051	\$ -	\$ -	\$ (1,650,817)	\$ -	\$ (1,650,817)
Public safety	2,631,403	117,789	-	-	(2,513,614)	-	(2,513,614)
Public works	4,394,383	1,466,277	101,431	-	(2,826,675)	-	(2,826,675)
Public services	1,448,057	233,775	285,251	-	(929,031)	-	(929,031)
General assistance	28,657	-	12,886	-	(15,771)	-	(15,771)
Education	16,487,955	281,837	9,781,302	-	(6,424,816)	-	(6,424,816)
County tax	741,256	-	-	-	(741,256)	-	(741,256)
TIF	277,510	-	-	-	(277,510)	-	(277,510)
Unclassified	120,795	-	-	-	(120,795)	-	(120,795)
State of Maine on-behalf payments	1,469,224	-	1,469,224	-	-	-	-
Total governmental activities	<u>29,325,108</u>	<u>2,174,729</u>	<u>11,650,094</u>	<u>-</u>	<u>(15,500,285)</u>	<u>-</u>	<u>(15,500,285)</u>
Business-type activities:							
Water fund	1,206,603	1,308,262	-	-	-	101,659	101,659
Total business-type activities	<u>1,206,603</u>	<u>1,308,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,659</u>	<u>101,659</u>
Total government	<u>\$ 30,531,711</u>	<u>\$ 3,482,991</u>	<u>\$ 11,650,094</u>	<u>\$ -</u>	<u>(15,500,285)</u>	<u>101,659</u>	<u>(15,398,626)</u>

STATEMENT B (CONTINUED)

TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
Changes in net position:			
Net (expense) revenue	(15,500,285)	101,659	(15,398,626)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,666,935	-	13,666,935
Excise taxes	1,601,239	-	1,601,239
Grants and contributions not restricted to specific programs	2,102,342	-	2,102,342
Interest income	122,463	9,439	131,902
Miscellaneous	551,529	82,965	634,494
Total general revenues	<u>18,044,508</u>	<u>92,404</u>	<u>18,136,912</u>
Change in net position	2,544,223	194,063	2,738,286
NET POSITION - JULY 1, RESTATED	<u>12,900,338</u>	<u>4,350,335</u>	<u>17,250,673</u>
NET POSITION - JUNE 30	<u>\$ 15,444,561</u>	<u>\$ 4,544,398</u>	<u>\$ 19,988,959</u>

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

TOWN OF LISBON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 8,642,234	\$ 874,709	\$ 953,088	\$ -	\$ -	\$ 89,968	\$ 10,559,999
Accounts receivable (net of allowance for uncollectibles):							
Taxes	120,586	-	-	-	-	-	120,586
Liens	355,146	-	-	-	-	-	355,146
Other	223,610	-	-	393,353	-	-	616,963
Notes, net of allowance	-	-	135,174	-	-	-	135,174
Due from other governments	-	-	-	-	-	147,056	147,056
Prepaid items	32,138	-	-	-	-	-	32,138
Inventory	-	-	-	-	-	13,241	13,241
Due from other funds	277,712	1,305,055	-	1,412,419	1,426,184	1,567,466	5,988,836
TOTAL ASSETS	\$ 9,651,426	\$ 2,179,764	\$ 1,088,262	\$ 1,805,772	\$ 1,426,184	\$ 1,817,731	\$ 17,969,139
LIABILITIES							
Accounts payable	\$ 18,810	\$ 4,814	\$ -	\$ 41	\$ -	\$ -	\$ 23,665
Accrued payroll and related items	185,332	1,114,040	-	-	-	74,539	1,373,911
Due to other governments	28,126	-	-	-	-	-	28,126
Due to other funds	5,711,124	38,188	119,757	-	-	119,767	5,988,836
TOTAL LIABILITIES	5,943,392	1,157,042	119,757	41	-	194,306	7,414,538
DEFERRED INFLOWS OF RESOURCES							
Prepaid taxes	80,826	-	-	-	-	-	80,826
Deferred revenue - property taxes	339,029	-	-	-	-	-	339,029
TOTAL DEFERRED INFLOWS OF RESOURCES	419,855	-	-	-	-	-	419,855
FUND BALANCES							
Nonspendable	32,138	-	135,174	-	-	14,359	181,671
Restricted	-	-	833,331	-	1,426,184	1,067,282	3,326,797
Committed	-	-	-	1,805,731	-	405,314	2,211,045
Assigned	60,877	118,211	-	-	-	155,100	334,188
Unassigned	3,195,164	904,511	-	-	-	(18,630)	4,081,045
TOTAL FUND BALANCES	3,288,179	1,022,722	968,505	1,805,731	1,426,184	1,623,425	10,134,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,651,426	\$ 2,179,764	\$ 1,088,262	\$ 1,805,772	\$ 1,426,184	\$ 1,817,731	\$ 17,969,139

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, 2020

	Total Governmental Funds
Total Fund Balances	\$ 10,134,746
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	26,366,938
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	339,029
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	1,116,927
OPEB	381,200
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(11,591,519)
Bond anticipation note payable	(1,626,261)
Notes from direct borrowings payable	(2,031,363)
Accrued compensated absences	(491,659)
Net pension liability	(2,219,676)
Net OPEB liability	(4,009,500)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(574,286)
OPEB	(350,015)
Net position of governmental activities	\$ 15,444,561

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, 2020

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 13,562,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,562,515
Excise	1,601,239	-	-	-	-	-	1,601,239
Licenses and permits	75,051	-	-	-	-	-	75,051
Intergovernmental	2,215,684	9,719,127	-	-	-	1,431,015	13,365,826
Interest income	79,647	9,833	22,056	8,953	1,122	852	122,463
Charges for services	488,556	-	-	1,319,547	-	291,575	2,099,678
Other income	258,971	42,498	8,681	-	-	241,379	551,529
TOTAL REVENUES	18,281,663	9,771,458	30,737	1,328,500	1,122	1,964,821	31,378,301
EXPENDITURES							
Current:							
General government	1,559,089	-	-	-	-	31,614	1,590,703
Public safety	2,475,119	-	-	-	-	-	2,475,119
Public works	2,846,026	-	-	819,477	-	28,790	3,694,293
Public services	919,785	-	524	-	-	527,748	1,448,057
General assistance	28,657	-	-	-	-	-	28,657
Education	-	15,346,701	-	-	-	1,600,755	16,947,456
County tax	741,256	-	-	-	-	-	741,256
TIF	277,510	-	-	-	-	-	277,510
Unclassified	120,789	-	-	-	-	6	120,795
State of Maine on-behalf payments	-	1,082,614	-	-	-	-	1,082,614
Capital outlay	-	-	-	-	74,938	1,637,710	1,712,648
Debt service - Town	531,532	-	42,450	107,168	-	-	681,150
TOTAL EXPENDITURES	9,499,763	16,429,315	42,974	926,645	74,938	3,826,623	30,800,258
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,781,900	(6,657,857)	(12,237)	401,855	(73,816)	(1,861,802)	578,043
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	1,500,000	752,055	2,252,055
Transfers in	-	7,387,643	-	-	-	1,010,586	8,398,229
Transfers (out)	(8,133,983)	(238,188)	-	-	-	(26,058)	(8,398,229)
TOTAL OTHER FINANCING SOURCES (USES)	(8,133,983)	7,149,455	-	-	1,500,000	1,736,583	2,252,055
NET CHANGE IN FUND BALANCES	647,917	491,598	(12,237)	401,855	1,426,184	(125,219)	2,830,098
FUND BALANCES - JULY 1	2,640,262	531,124	980,742	1,403,876	-	1,748,644	7,304,648
FUND BALANCES - JUNE 30	\$ 3,288,179	\$ 1,022,722	\$ 968,505	\$ 1,805,731	\$ 1,426,184	\$ 1,623,425	\$ 10,134,746

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, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 2,830,098</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	2,042,254
Capital asset disposals	(122,907)
Depreciation expense	<u>(1,702,899)</u>
	<u>216,448</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>104,420</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	75,144
OPEB	<u>220,785</u>
	<u>295,929</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Position.	
	<u>(2,252,055)</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>1,721,310</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	(52,998)
OPEB	<u>(194,059)</u>
	<u>(247,057)</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	102,732
Net pension liability	(157,612)
Net OPEB liability	<u>(69,990)</u>
	<u>(124,870)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 2,544,223</u></u>

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2019

	Enterprise Fund <hr/> Water Fund <hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 576,515
Accounts receivable (net of allowance for uncollectibles)	85,573
Accrued revenue	147,714
Inventory	58,637
Prepaid items	9,952
Total current assets	<hr/> 878,391 <hr/>
Noncurrent assets:	
Capital assets:	
Property, plant and equipment	9,415,465
Total capital assets	<hr/> 9,415,465 <hr/>
Less: accumulated depreciation	(3,463,322)
Total noncurrent assets	<hr/> 5,952,143 <hr/>
Other assets:	
Restricted cash	378,687
Total other assets	<hr/> 378,687 <hr/>
TOTAL ASSETS	<hr/> 7,209,221 <hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	44,400
Deferred outflows related to OPEB	5,329
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<hr/> 49,729 <hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<hr/> \$ 7,258,950 <hr/>

STATEMENT G (CONTINUED)
TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2019

	Enterprise Funds <hr/> Water Fund <hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 12,676
Customer deposits	2,475
Accrued interest	9,744
Accrued payroll	19,779
Current portion of long-term obligations	260,960
Total current liabilities	<hr/> 305,634 <hr/>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	1,741,469
Accrued compensated absences	12,003
Net pension liability	174,497
Net OPEB liability	46,515
Total noncurrent liabilities	<hr/> 1,974,484 <hr/>
TOTAL LIABILITIES	<hr/> 2,280,118 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Regulatory reserves	382,608
Deferred inflows related to pensions	47,912
Deferred inflows related to OPEB	3,914
TOTAL DEFERRED INFLOWS OF RESOURCES	<hr/> 434,434 <hr/>
NET POSITION	
Net investment in capital assets	3,953,715
Unrestricted	590,683
TOTAL NET POSITION	<hr/> 4,544,398 <hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<hr/> \$ 7,258,950 <hr/>

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, 2019

	Enterprise Fund <hr/> Water Fund <hr/>
OPERATING REVENUES	
Residential	\$ 731,859
Commercial	97,617
Industrial	6,341
Public Authorities	36,301
Public Fire Protection	406,000
Private Fire Protection	30,144
Miscellaneous income	28,342
TOTAL OPERATING REVENUES	<hr/> 1,336,604 <hr/>
OPERATING EXPENSES	
Salaries and benefits	536,846
Power	45,573
Materials and supplies	88,976
Contractual services	220,571
Transportation	10,523
Insurance	22,607
Dues and fees	9,902
Depreciation	202,217
Miscellaneous expenses	5,377
TOTAL OPERATING EXPENSES	<hr/> 1,142,592 <hr/>
OPERATING INCOME (LOSS)	<hr/> 194,012 <hr/>
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,439
Rental income	54,623
Interest expense	(64,011)
TOTAL NONOPERATING REVENUES (EXPENSES)	<hr/> 51 <hr/>
CHANGE IN NET POSITION	194,063
NET POSITION - JANUARY 1	<hr/> 4,350,335 <hr/>
NET POSITION - DECEMBER 31	<hr/> <u>\$ 4,544,398</u> <hr/>

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, 2019

	Enterprise Fund <hr/> Water Fund <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,313,430
Other receipts	28,342
Payments to employees	(497,445)
Payments to suppliers	(397,568)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> 446,759 <hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(290,184)
Principal paid on capital debt	(254,011)
Interest paid on capital debt	(65,097)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<hr/> (609,292) <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	9,439
Rental income	54,623
(Increase) decrease in restricted cash	23,568
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> 87,630 <hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,903)
CASH AND CASH EQUIVALENTS - JANUARY 1	<hr/> 651,418 <hr/>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<hr/> <u>\$ 576,515</u> <hr/>

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

STATEMENT I (CONTINUED)

TOWN OF LISBON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Fund
	Water Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 194,012
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	202,217
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(6,145)
(Increase) decrease in accrued revenue	9,199
(Increase) decrease in inventory	(15,408)
(Increase) decrease in prepaid items	(1,537)
(Increase) decrease in deferred outflows related to pensions	17,937
(Increase) decrease in deferred outflows related to OPEB	(713)
Increase (decrease) in accounts payable	306
Increase (decrease) in customer deposits	2,114
Increase (decrease) in accrued payroll	1,221
Increase (decrease) in net pension liability	18,038
Increase (decrease) in net OPEB liability	(2,330)
Increase (decrease) in accrued compensated absences	1,042
Increase (decrease) in regulatory reserves	22,600
Increase (decrease) in deferred inflows related to pensions	292
Increase (decrease) in deferred inflows related to OPEB	3,914
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 446,759

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Private- Purpose Trust Funds	<u>Agency Funds</u> Student Activities
ASSETS		
Cash and cash equivalents	<u>\$ 143,943</u>	<u>\$ 169,986</u>
TOTAL ASSETS	<u><u>\$ 143,943</u></u>	<u><u>\$ 169,986</u></u>
LIABILITIES		
Held on behalf of others	<u>\$ -</u>	<u>\$ 169,986</u>
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>\$ 169,986</u></u>
NET POSITION		
Restricted - held in trust	<u><u>\$ 143,943</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, 2020

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions	\$ 2,474
Investment earnings	<u>3,282</u>
TOTAL ADDITIONS	<u>5,756</u>
DEDUCTIONS	
Scholarships	<u>7,800</u>
TOTAL DEDUCTIONS	<u>7,800</u>
CHANGE IN NET POSITION	(2,044)
NET POSITION - JULY 1	<u>145,987</u>
NET POSITION - JUNE 30	<u>\$ 143,943</u>

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020. December 31st is the year-end of the Water Department and the last separate financial statements were as of and for the year ended December 31, 2019. The amounts included in the Town's 2020 financial statements for the Water Department are as of and for the year ended December 31, 2019.

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, 2020

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. As of the date of this report, the state of emergency was extended to April 15, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

Impact on and Results of Operations

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. Among other measures, this LD gave guidance concerning municipal budgets and the election process during the state of emergency. In accordance with Executive Order 39, issued by the Governor of Maine on April 10, 2020, primary elections (and all applicable dates in coordination with it) were suspended from June 9 to July 14.

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, the Lisbon Parks and Recreation Department MTM Center, including all preschool and afterschool programming was closed for two weeks, beginning March 16, 2020 through March 31, 2020. The Lisbon Public Library was also closed to customers the same two weeks. The Lisbon Town Office was be closed to customers for two weeks, beginning March 18, 2020 through March 31, 2020.

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.

In accordance with Executive Order 15, issued by the Governor of Maine on March 19, 2020, the School Department was required to pay their hourly school employees for the duration of this school year.

Extended deadlines

The Town’s deadline for filing motor vehicle registrations was extended by the State of Maine to July 12, 2020.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax and excise tax 60-day deferred revenue extended

The Town of Lisbon will be extending interest dates to help our residents. All sewer bills due April 1, May 1, and June 1, 2020 had a 30 day extension before interest accrued. For tax second installments due March 16, 2020, interest did not begin to accrue until May 2, 2020.

Impact on Finances

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act 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.

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, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance.” The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 “Certain Component Unit Criteria (paragraphs 4 & 5).” The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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'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:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 (agency and 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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 16,076,487
Add: On-behalf payments	1,082,614
Total GAAP basis revenues	<u>\$ 17,159,101</u>
Expenditures per budgetary basis	\$ 15,584,889
Add: On-behalf payments	1,082,614
Total GAAP basis expenditures	<u>\$ 16,667,503</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 deposits 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, 2020

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, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$837,710 for the year ended June 30, 2020.

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, 2020

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. Contributed assets are reported at fair market value as of the date received. 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 valued 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, 2019, cash received from the bond issues by the Lisbon Water Department totaling \$378,687 was unspent and restricted.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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, 2020

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 August 1, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due in two installments on September 16, 2019 and March 16, 2020. Interest on unpaid taxes commenced on September 17, 2019 and March 17, 2020, at 9% 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 \$156,275 for the year ended June 30, 2020.

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.

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).

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2020, the Town's cash balances amounting to \$11,829,130 were comprised of bank deposits of \$12,795,967. 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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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	\$ 168,604
Savings accounts	38,253
Money market accounts	3,372,195
Sweep accounts	8,653,080
ICS accounts	563,835
	<u>\$ 12,795,967</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.

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.

At June 30, 2020, the Town had \$0 in investments.

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 sweep and money market accounts.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 277,712	\$ 5,711,124
Education Fund	1,305,055	38,188
Loan Program	-	119,757
Treatment Plant Fund	1,412,419	-
Pinewood Road Fund	1,426,184	-
Nonmajor Special Revenue Funds	1,470,265	119,602
Nonmajor Capital Projects Funds	97,201	165
	<u>\$ 5,988,836</u>	<u>\$ 5,988,836</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, 2020, the Town had the following interfund transfers:

	Transfers From	Transfers To
General Fund	\$ -	\$ 8,133,983
Education Fund	7,387,643	238,188
Nonmajor Special Revenue Funds	970,860	-
Nonmajor Capital Projects Funds	39,726	26,058
	<u>\$ 8,398,229</u>	<u>\$ 8,398,229</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, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance 7/1/19 (Restated)	Additions	Disposals	Balance 6/30/20
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 1,048,575	\$ -	\$ -	\$ 1,048,575
Construction in progress	874,206	752,220	-	1,626,426
	<u>1,922,781</u>	<u>752,220</u>	<u>-</u>	<u>2,675,001</u>
Depreciated assets:				
Land improvements	500,203	-	-	500,203
Buildings	31,336,858	9,098	-	31,345,956
Equipment and vehicles	9,274,484	1,272,807	(1,662,878)	8,884,413
Infrastructure	22,409,485	8,129	-	22,417,614
	<u>63,521,030</u>	<u>1,290,034</u>	<u>(1,662,878)</u>	<u>63,148,186</u>
Less: accumulated depreciation	<u>(39,293,321)</u>	<u>(1,702,899)</u>	<u>1,539,971</u>	<u>(39,456,249)</u>
	<u>24,227,709</u>	<u>(412,865)</u>	<u>(122,907)</u>	<u>23,691,937</u>
Net capital assets	<u>\$ 26,150,490</u>	<u>\$ 339,355</u>	<u>\$ (122,907)</u>	<u>\$ 26,366,938</u>
<u>Current year depreciation:</u>				
General government				\$ 135,165
Education				711,360
Public safety				156,284
Public works including infrastructure				700,090
Total depreciation expenses				<u>\$ 1,702,899</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/19	Additions	Disposals	Balance, 12/31/19
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	\$ 94,002	\$ -	\$ -	\$ 94,002
Construction in progress	46,121	70,000	(13,544)	102,577
	<u>140,123</u>	<u>70,000</u>	<u>(13,544)</u>	<u>196,579</u>
Depreciated assets:				
Structures and improvements	1,570,387	3,998	(3,000)	1,571,385
Wells and springs	220,805	-	-	220,805
Pumping equipment	578,559	-	-	578,559
Water treatment equipment	879,466	25,100	(13,000)	891,566
Reservoir	159,421	-	-	159,421
Mains	4,056,109	157,390	(5,000)	4,208,499
Services	561,098	31,135	(11,000)	581,233
Meters	310,432	11,646	(6,000)	316,078
Hydrants	323,503	2,884	(500)	325,887
Office furniture and fixtures	13,447	1,575	(1,070)	13,952
Transportation	126,923	-	-	126,923
Tools and shop equipment	20,871	-	-	20,871
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>9,024,728</u>	<u>233,728</u>	<u>(39,570)</u>	<u>9,218,886</u>
Less: accumulated depreciation	<u>(3,300,675)</u>	<u>(202,217)</u>	<u>39,570</u>	<u>(3,463,322)</u>
Net capital assets	<u>5,724,053</u>	<u>31,511</u>	<u>-</u>	<u>5,755,564</u>
Total net capital assets	<u>\$ 5,864,176</u>	<u>\$ 101,511</u>	<u>\$ (13,544)</u>	<u>\$ 5,952,143</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Balance 7/1/19 (Restated)	Additions	Reductions	Balance 6/30/20	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 11,597,204	\$ 1,500,000	\$ (1,505,685)	\$ 11,591,519	\$ 1,376,128
Bond anticipation note payable	874,206	752,055	-	1,626,261	-
Notes from direct borrowings payable	2,246,988	-	(215,625)	2,031,363	163,682
Totals	<u>\$ 14,718,398</u>	<u>\$ 2,252,055</u>	<u>\$ (1,721,310)</u>	<u>\$ 15,249,143</u>	<u>\$ 1,539,810</u>

The following is a summary of changes in long-term debt for the water department for the year ended December 31, 2019:

	Balance, 1/1/19	Additions	Reductions	Balance, 12/31/19	Due within one year
<u>Business-type Activities:</u>					
Bonds payable	<u>\$ 2,252,439</u>	<u>\$ -</u>	<u>\$ (254,011)</u>	<u>\$ 1,998,428</u>	<u>\$ 256,959</u>

The following is a summary of the outstanding bonds payable:

	Governmental Activities	
	Town	School
\$500,000 Bond issued July 2000. Interest is stated at a fixed rate of 1.00%, with varying annual principal installments. The bond is part of the intermediary relending loan program and will be retired with annual payments from the Loan Program Fund. Maturity in July 2026.	\$ 142,746	\$ -
\$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.	-	3,224,930
\$368,000, 2005B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2020. Interest is charged at a fixed rate varying from 4.576% to 6.546% per annum. Annual principal installments are from \$12,855 to \$32,558.	32,558	-

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Governmental Activities	
	Town	School
\$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.	70,000	-
\$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.	150,000	-
\$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	72,000	-
\$1,310,855, 2009B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2019. Interest is charged at a fixed rate varying from 2.726% to 5.58% per annum. Annual principal	-	-
\$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	588,500	-
\$350,000, 2010R Qualified School Construction Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate of 5.28% per annum. Annual principal installments are	-	35,000
\$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	54,000	-
\$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	-	4,271,785

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG TERM DEBT (CONTINUED)

	<u>Governmental Activities</u>	
	<u>Town</u>	<u>School</u>
\$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	-	250,000
\$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	1,200,000	-
\$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.	<u>1,500,000</u>	-
Total Bonds Payable - Governmental Activities	<u>\$ 3,809,804</u>	<u>\$ 7,781,715</u>
Total Bonds Payable	<u>\$ 11,591,519</u>	
		<u>Business-type Activities</u>
Bonds payable:		
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.		\$ 831,255
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.		117,900
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.		533,500
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.		<u>515,773</u>
Total bonds payable		<u>\$ 1,998,428</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG TERM DEBT (CONTINUED)

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 7.3 percent and is subject to change at any time. The total financial impact to the Town is unknown.

On May 15, 2018, the Town issued a bond anticipation note for up to \$6,543,000 at an interest rate of 2.90% through First National Bank in anticipation of a bond. The Town refinanced the bond anticipation note with the issuance of a bond on March 24, 2020, through First National Bank, in the amount of \$6,543,000. The bond has an interest rate of 1.63% and is due on July 31, 2023.

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, 2020 is \$651,069.

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, 2020, the outstanding balance is \$1,276,709.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG TERM DEBT (CONTINUED)

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, 2020 is \$103,586.

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
2021	\$ 1,376,128	\$ 333,623	\$ 163,682	\$ 78,731
2022	1,458,768	292,669	169,518	72,895
2023	1,395,968	249,541	175,662	66,751
2024	1,396,169	205,072	144,816	60,284
2025	1,378,872	159,140	150,140	54,960
2026-2030	2,958,186	475,600	841,685	183,816
2031-2035	1,627,428	135,463	385,860	24,340
	<u>\$ 11,591,519</u>	<u>\$ 1,851,108</u>	<u>\$ 2,031,363</u>	<u>\$ 541,777</u>

TOWN OF LISBON, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Business-type Activities		
	Principal	Interest	Total
2020	\$ 256,959	\$ 60,499	\$ 317,458
2021	260,110	55,204	315,314
2022	263,465	49,581	313,046
2023	267,014	43,707	310,721
2024	302,322	22,779	325,101
2025-2029	436,339	92,826	529,165
2030-2034	212,219	27,450	239,669
	\$ 1,998,428	\$ 352,046	\$ 2,350,474

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2019 were \$64,011.

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.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2020 is as follows:

	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Due Within One Year
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 594,391	\$ -	\$ (102,732)	\$ 491,659	\$ 122,915
Net pension liability	2,062,064	157,612	-	2,219,676	-
Net OPEB liability	3,939,510	69,990	-	4,009,500	-
Totals	\$ 6,595,965	\$ 227,602	\$ (102,732)	\$ 6,720,835	\$ 122,915

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER LONG-TERM OBLIGATIONS (CONTINUED)

	Balance, 1/1/19	Additions	Reductions	Balance, 12/31/19	Due within one year
<u>Business-type Activities:</u>					
Accrued compensated absences	\$ 14,962	\$ 1,042	\$ -	\$ 16,004	\$ 4,001
Net pension liability	156,459	18,038	-	174,497	-
Net OPEB liability	48,845	3,720	(6,050)	46,515	-
	<u>\$ 220,266</u>	<u>\$ 22,800</u>	<u>\$ (6,050)</u>	<u>\$ 237,016</u>	<u>\$ 4,001</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, 2020, the Town's liability for compensated absences is \$507,663.

NOTE 9 - RESTRICTED NET POSITION

At June 30, 2020, the Town had the following restricted net position:

Loan Program Fund	\$ 833,331
Nonmajor Special Revenue Funds	1,039,769
Nonmajor Permanent Funds	28,631
	<u>\$ 1,901,731</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - NONSPENDABLE FUND BALANCES

At June 30, 2020, the Town had the following nonspendable fund balances:

General Fund :	
Prepaid Items	\$ 32,138
Loan Program Fund:	
Notes Receivable	135,174
Nonmajor Special Revenue Funds	13,241
Nonmajor Permanent Funds	1,118
	<u>\$ 181,671</u>

NOTE 11 - RESTRICTED FUND BALANCES

At June 30, 2020, the Town had the following restricted fund balances:

Loan Program Fund	\$ 833,331
Pinewood Road Fund	1,426,184
Nonmajor Special Revenue Funds	1,039,769
Nonmajor Permanent Funds	27,513
	<u>\$ 3,326,797</u>

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2020, the Town had the following committed fund balances:

Treatment Plant Fund	\$ 1,805,731
Nonmajor Special Revenue Funds	308,113
Nonmajor Capital Projects Funds	97,201
	<u>\$ 2,211,045</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town had the following assigned fund balances:

General Fund:	
Town Clerk	\$ 11,800
Printing	2,200
Tax Collector	1,900
Public Works - Culverts	11,000
Recreation Department	33,977
Education Fund:	
FY21 Tax Reduction	118,211
Nonmajor Special Revenue Funds	155,100
	<u>\$ 334,188</u>

NOTE 14 - DEFICIT FUND BALANCES

At June 30, 2020, the Town had the following deficit fund balances:

Nonmajor Special Revenue Funds:	
LL Spear Memorial	\$ 33
PD 17 HSG	410
Police Federal Asset Forfeiture	3,787
Thanksgiving Baskets	489
Generator Pad Reserve	441
2018 Byrne/JAG Grant	3,411
Sabattus Law Grant	2,760
DHHS Grant Exp.	7,134
Nonmajor Capital Projects Fund:	
USDA RD Loan Grant CIP	165
	<u>\$ 18,630</u>

NOTE 15 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2020:

Elected officials	85
Town buildings	1,032
Debt service - Town	416
Transfers to other funds	77,537
	<u>\$ 79,070</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, 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 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 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, 2019, there were 307 employers in the plan.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 2.69%.

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 Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2020 was \$348,842. The Lisbon Water Department's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2019 was \$32,274.

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, 2019, there were 239 employers, including the State of Maine, participating in the plan.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 2.69%.

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 \$7,910,775 for the year ended June 30, 2020. 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 additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$1,082,614 for the year ended June 30, 2020. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 4.16%, which totaled \$381,275 for 2020. 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 14.95% of compensation and totaled \$52,511 the year ended June 30, 2020.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2020, the Town reported a liability of \$1,781,086 and the Lisbon Water Department reported a liability of \$174,497 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2019 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, 2019, the Town's proportion was 0.58269%, which was an increase of 0.00922% from its proportion measured as of June 30, 2018. The Lisbon Water Department's proportion at June 30, 2019 was 0.05709%, which was a decrease of 0.00008% from its proportion measured as of June 30, 2018.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

SET Plan

At June 30, 2020, 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	\$ 438,590
State's proportionate share of the net pension liability associated with the Town	<u>8,444,731</u>
Total	<u><u>\$ 8,883,321</u></u>

The net pension liability was measured as of June 30, 2019 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, 2019, the Town's proportion was 0.02992%, which was a decrease of 0.00658% from its proportion measured as of June 30, 2018.

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

For the year ended June 30, 2020, the Town recognized total pension expense of \$174,975 for the PLD plan and net expense of \$341,762 and revenue of \$381,271 for support provided by the State of Maine for the SET plan. For the year ended December 31, 2019, the Lisbon Water Department recognized net pension expense of \$36,267. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	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	\$ 210,887	\$ -	\$ 34,116	\$ -	\$ 20,660	\$ -
Changes of assumptions	90,201	-	12,698	-	8,837	-
Net difference between projected and actual earnings on pension plan investments	-	446,117	-	61,910	-	43,708
Changes in proportion and differences between contributions and proportionate share of contributions	20,629	4,861	18,279	61,398	-	4,204
Contributions subsequent to the measurement date	348,842	-	381,275	-	14,903	-
Total	<u>\$ 670,559</u>	<u>\$ 450,978</u>	<u>\$ 446,368</u>	<u>\$ 123,308</u>	<u>\$ 44,400</u>	<u>\$ 47,912</u>

\$348,842 for the PLD plans and \$381,275 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, 2021 or December 31, 2020 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		Lisbon Water Department
	PLD Plan	SET Plan	PLD Plan
Year ended June 30:			
2020	\$ 80,379	\$ 7,766	\$ 3,591
2021	(185,896)	(52,256)	(18,946)
2022	(23,464)	(13,913)	(3,032)
2023	(283)	188	(28)
2024	-	-	-
Thereafter	-	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2019 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, 2019, compounded annually.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year; state employees, 2.75% to 8.75% per year; teachers, 2.75% to 14.50% 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, 2019.

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, 2019 are summarized in the following table.

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%	4.2%
Diversifiers	10.0%	5.9%

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2019 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, 2019 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	\$ 4,057,199	\$ 1,781,086	\$ (348,000)
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 792,960	\$ 438,590	\$ 143,287
	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan - Lisbon Water Department:</u>			
Discount rate	5.75%	6.75%	7.75%
Department's proportionate share of the net pension liability	\$ 397,493	\$ 174,497	\$ (34,094)

TOWN OF LISBON, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2019 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, 2019 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 2019, this was three years for the SET Plan and four years for the PLD Consolidated Plan; for 2018, this was three years for both the SET Plan and the PLD Consolidated Plan; 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.

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, 2019 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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' 2019 Comprehensive Annual Financial Report available online at 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 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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, 2020, 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, 2019, the following Lisbon Water Department employees were covered by the benefit terms:

Active members	7
Retirees and spouses	<u>1</u>
Total	<u><u>8</u></u>

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$956.96	\$2,146.58
PPO 500	\$925.31	\$2,075.59
<u>Medicare</u>		
Medicare - Eligible Retirees	\$527.65	\$1,055.29

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	\$956.96	\$2,146.58
PPO 500	\$925.31	\$2,075.59
<u>Medicare</u>		
Medicare - Eligible Retirees	\$527.65	\$1,055.29

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

At June 30, 2020, the Town reported a liability of \$297,843 for its total OPEB liability for this Plan, while the Lisbon Water Department at December 31, 2019 reported a liability of \$46,514. The total OPEB liability for the Town was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The total OPEB liability for the Lisbon Water Department was measured as of January 1, 2018 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, 2020, the Town recognized OPEB expense of \$7,934. For the year ended December 31, 2019, the Lisbon Water Department recognized OPEB expense of \$2,055. At June 30, 2020, the Town and at December 31, 2019, the Water Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

	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	\$ 3,367	\$ 223,948	\$ 421	\$ -
Changes of assumptions	91,362	32,567	3,425	3,914
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	1,431	-	1,483	-
Total	<u>\$ 96,160</u>	<u>\$ 256,515</u>	<u>\$ 5,329</u>	<u>\$ 3,914</u>

\$1,431 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, 2020 or December 31, 2020 for the Lisbon Water Department. 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	Lisbon
	MMEHT	Water Dept.
		MMEHT
Plan year ended December 31:		
2020		\$ 116
2021	\$ (21,683)	117
2022	(21,683)	117
2023	(21,683)	117
2024	(21,679)	117
2025	(29,360)	-
Thereafter	(45,698)	(652)

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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, 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, 2020 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	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 350,297	\$ 297,843	\$ 255,231
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 350,297	\$ 297,843	\$ 255,231
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

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, 2019. 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 4.10% per annum for December 31, 2019 was based upon a measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Lisbon Water Department	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 53,686	\$ 46,514	\$ 40,648
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 53,686	\$ 46,514	\$ 40,648
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	\$ 252,515	\$ 297,843	\$ 355,088
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 252,515	\$ 297,843	\$ 355,088
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Lisbon Water Department	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 40,148	\$ 46,514	\$ 54,409
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 40,148	\$ 46,514	\$ 54,409
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Actuarial Methods and Assumptions

The total OPEB liability for the Town Plan was determined by an actuarial valuation as of January 1, 2020, while the Lisbon Water Department Plan was determined by an actuarial valuation of January 1, 2019, using the following methods and assumptions applied to all periods included in the measurement, while the:

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, 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, 2018 and December 31, 2019.

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, 2020, they are as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Discount Rate - 2.74% per annum for Town Plan and 4.10% per annum for Water Department Plan.

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%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
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, 2020

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, 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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

ultimate rate in the year 2020. These rates were taken from the assumptions for 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, 2020 and December 31, 2019 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, 2020 for the Town was \$3,367. The difference between expected and actual experience as of January 1, 2019 for the Lisbon Water Department was \$421.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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.

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 criteria of paragraph 4 of GASB

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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 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, 2020, the following employees were covered by the benefit terms:

Active members	177
Retirees and spouses	<u>79</u>
Total	<u><u>256</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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

<u>Pre-Medicare</u>	<u>Employee Only</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Employee/ Family</u>
Choice Plus	\$ 716.35	\$ 1,614.53	\$ 1,267.79	\$ 1,965.10
Standard \$200 Deductible	\$ 773.57	\$ 1,743.68	\$ 1,369.20	\$ 2,122.31
<u>Medicare</u>				
Medicare Eligible Retirees	\$ 449.52	\$ 943.57		

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

At June 30, 2020, the School reported a liability of \$3,711,657 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2019 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, 2020, the School recognized OPEB revenue of \$35,330. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	148,434	93,500
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	136,606	-
Total	<u>\$ 285,040</u>	<u>\$ 93,500</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

\$136,606 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MEABT</u>
Plan year ended June 30:	
2020	\$ 6,312
2021	6,312
2022	6,312
2023	6,312
2024	29,686
Thereafter	-

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, 2019. 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 3.50% per annum for June 30, 2019 was based upon a measurement date of June 27, 2019. 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>
	2.50%	3.50%	4.50%
Total OPEB liability	\$ 4,268,803	\$ 3,711,657	\$ 3,259,503
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 4,268,803</u>	<u>\$ 3,711,657</u>	<u>\$ 3,259,503</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 3,203,090	\$ 3,711,657	\$ 4,342,231
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 3,203,090</u>	<u>\$ 3,711,657</u>	<u>\$ 4,342,231</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, 2019, 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

Significant actuarial assumptions employed by the actuary for economic purposes are based on GASB 75 paragraph 36. Assumptions other than the discount rate are based on historical and future projections of long-term health care rates:

Discount Rate - 3.50% per annum.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Trend Assumptions:

Pre-Medicare - Initial trend of 5.55% applied in FYE 2019 grading over 15 years to 3.73% per annum.

Medicare - Initial trend of 3.72% applied in FYE 2019 grading over 15 years to 2.81% 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

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 - Were not available from the client and were assumed using the Teachers/Age Service Salary scatter from the State Retirement Agency. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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, 2019 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants - Based on 99% 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 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.

Healthy Employees - Based on 99% of the RP_2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP_2014 Total Dataset Healthy Annuitant Mortality Tables after the end of the Total Employee Mortality Table, both projected 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.

Disabled Annuitants - Based on 108% and 105% of the RP_2014 Total Dataset Disabled Annuitant Mortality Table, respectively for males and females, projected from the 2006 base rates using the RPEC_2015 model with an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020.

Retiree Continuation Percentage:

Retirees currently in the Group Companion Plan (Medicare participants) are assumed to remain in the Group Companion Plan.

Retirees who are currently age 64 or over age 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Retirees who are currently under age 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 Group Companion plan at age 65.

Spouses who are currently in the Pre-Medicare plan will follow the same assumptions as the retired member; 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:

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, 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. 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, 2020, there were no differences between expected and actual experience.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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, 2020, there were no changes in assumptions.

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, 2019, there were 239 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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 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 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, 2020 was approximately \$22,140.

OPEB Liabilities and OPEB Expense

At June 30, 2020, 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>240,535</u>
Total	\$	<u><u>240,535</u></u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

For the year ended June 30, 2020, the School Department recognized net OPEB expense of \$22,708 and revenue of \$22,708 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.

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, 2020. 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 2019, 2018 and 2017 was \$0, \$0 and \$0, respectively.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 21 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 2019.

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.

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 2020 could include expenditures from the fiscal year of 2020 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 30% of its operating revenues from the Town of Lisbon related to the servicing of public fire hydrants for the year ended December 31, 2019.

NOTE 23 - TAX INCREMENT FINANCING DISTRICT 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 23 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

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 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 23 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

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.

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 23 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

For the fiscal year ended June 30, 2020, the Town abated property taxes for the following programs: none.

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.

NOTE 25 - RESTATEMENTS

The net position of the governmental activities has been restated at July 1, 2019 to correct certain capital asset balances and the beginning bonds payable balance. The beginning net position was restated by \$317,802 to correct capital asset items. The beginning bond anticipation note payable balance was restated by \$874,206 to include proceeds of a bond anticipation note that were not included with liabilities. The resulting restatements decreased net position from \$13,456,742 to \$12,900,338.

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, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Resources (Inflows):				
Property taxes	\$ 13,660,568	\$ 13,650,568	\$ 13,562,515	\$ (88,053)
Excise taxes	1,605,000	1,605,000	1,601,239	(3,761)
Licenses and permits	61,857	61,857	75,051	13,194
Intergovernmental	2,148,383	2,148,383	2,215,684	67,301
Charges for services	555,477	555,477	488,556	(66,921)
Interest income	40,000	40,000	79,647	39,647
Interest/costs on liens	60,000	60,000	73,289	13,289
Other income	177,372	177,372	185,501	8,129
Amounts Available for Appropriation	18,308,657	18,298,657	18,281,482	(17,175)
Charges to Appropriations (Outflows):				
General government	1,785,525	1,731,040	1,559,089	171,951
Public safety	2,819,935	2,805,435	2,475,119	330,316
Public works	3,047,909	3,047,909	2,846,026	201,883
Public services	1,015,062	1,015,062	919,785	95,277
General assistance	37,677	37,677	28,657	9,020
County tax	722,337	722,337	741,256	(18,919)
TIF	772,605	277,510	277,510	-
Overlay/abatements	166,274	166,274	97,414	68,860
Debt service	531,116	531,116	531,532	(416)
Total Charges to Appropriations	10,898,440	10,334,360	9,476,388	857,972
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,410,217	7,964,297	8,805,094	840,797
OTHER FINANCING SOURCES (USES)				
Revenues in carryforward accounts	-	-	181	181
Expenditures in carryforward accounts	-	-	(23,375)	(23,375)
Transfers (out) - carryforward balance	-	-	(82,149)	(82,149)
Transfers (out)	(7,410,217)	(7,974,297)	(8,051,834)	(77,537)
TOTAL OTHER FINANCING SOURCES (USES)	(7,410,217)	(7,974,297)	(8,157,177)	(182,880)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	647,917	\$ 657,917
FUND BALANCES - JULY 1			2,640,262	
FUND BALANCES - JUNE 30			\$ 3,288,179	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 531,124	\$ 531,124	\$ 531,124	\$ -
Resources (Inflows):				
Local assessments	7,387,643	7,387,643	7,387,643	-
Intergovernmental revenues:				
State subsidy	9,056,649	9,056,649	8,146,021	(910,628)
Mainecare	-	-	394,152	394,152
Other	-	-	96,340	96,340
Tuition	135,000	135,000	-	(135,000)
Interest income	-	-	9,833	9,833
Miscellaneous	63,706	63,706	42,498	(21,208)
Transfers from other funds	43,209	-	-	-
Amounts Available for Appropriation	<u>17,217,331</u>	<u>17,174,122</u>	<u>16,607,611</u>	<u>(566,511)</u>
Charges to Appropriations (Outflows):				
Regular instruction	6,857,150	6,857,150	6,560,855	296,295
Special education	2,694,152	2,694,152	2,657,837	36,315
Other instruction	411,427	411,427	314,913	96,514
Student and staff support	1,383,183	1,383,183	1,333,784	49,399
System administration	509,017	509,017	470,313	38,704
School administration	874,326	874,326	878,070	(3,744)
Transportation and buses	978,291	978,291	896,468	81,823
Facilities maintenance	1,624,447	1,624,447	1,679,089	(54,642)
Debt service	1,268,844	1,268,844	555,372	713,472
Transfers to other funds	203,580	241,768	238,188	3,580
Total Charges to Appropriations	<u>16,804,417</u>	<u>16,842,605</u>	<u>15,584,889</u>	<u>1,257,716</u>
Budgetary Fund Balance, June 30	<u>\$ 412,914</u>	<u>\$ 331,517</u>	<u>\$ 1,022,722</u>	<u>\$ 691,205</u>
Utilization of Unassigned Fund Balance	<u>\$ 118,210</u>	<u>\$ 199,607</u>	<u>\$ -</u>	<u>\$ (199,607)</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*

	2020	2019	2018	2017	2016	2015
<u>PLD Plan - Town:</u>						
Proportion of the net pension liability	0.58%	0.57%	0.58%	0.59%	0.58%	0.59%
Proportionate share of the net pension liability	\$ 1,781,086	\$ 1,569,463	\$ 2,362,730	\$ 3,141,913	\$ 1,280,674	\$ 910,967
Covered payroll	\$ 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	50.53%	47.93%	75.02%	103.53%	42.07%	40.87%
Plan fiduciary net position as a percentage of the total pension liability	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%	0.04%	0.03%	0.04%	0.03%	0.03%
Town's proportionate share of the net pension liability	\$ 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	8,444,731	8,077,013	8,636,256	9,967,895	7,870,813	6,252,863
Total	<u>\$ 8,883,321</u>	<u>\$ 8,569,614</u>	<u>\$ 9,111,003</u>	<u>\$ 10,662,193</u>	<u>\$ 8,263,144</u>	<u>\$ 6,601,269</u>
Town's covered payroll	\$ 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	4.94%	7.07%	6.35%	9.71%	5.34%	4.82%
Plan fiduciary net position as a percentage of the total pension liability	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	0.06%	0.06%	0.06%	0.05%	0.04%	0.04%
Proportionate share of the net pension liability	\$ 174,497	\$ 156,459	\$ 245,859	\$ 254,114	\$ 139,892	\$ 56,539
Covered payroll	\$ 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	49.97%	47.33%	76.49%	99.49%	60.88%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	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*

	2020	2019	2018	2017	2016	2015
<u>PLD Plan - Town:</u>						
Contractually required contribution	\$ 348,842	\$ 346,012	\$ 317,949	\$ 296,008	\$ 270,090	\$ 231,256
Contributions in relation to the contractually required contribution	(348,842)	(346,012)	(317,949)	(296,008)	(270,090)	(231,256)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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	10.12%	9.82%	9.71%	9.40%	8.90%	7.60%
<u>SET Plan:</u>						
Contractually required contribution	\$ 381,275	\$ 350,949	\$ 309,709	\$ 287,895	\$ 285,213	\$ 240,350
Contributions in relation to the contractually required contribution	(381,275)	(350,949)	(309,709)	(287,895)	(285,213)	(240,350)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 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%	4.53%	4.45%	3.85%	3.99%	3.27%
<u>PLD Plan - Lisbon Water Department:</u>						
Contractually required contribution	\$ 32,274	\$ 33,830	\$ 31,087	\$ 26,541	\$ 20,128	\$ 14,941
Contributions in relation to the contractually required contribution	(32,274)	(33,830)	(31,087)	(26,541)	(20,128)	(14,941)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 324,600	\$ 345,083	\$ 325,535	\$ 287,632	\$ 240,468	\$ 207,051
Contributions as a percentage of covered payroll	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, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 464,395	\$ -	\$ 464,395
Changes for the year:			
Service cost	17,800	-	17,800
Interest	19,457	-	19,457
Changes of benefits	(5,617)	-	(5,617)
Differences between expected and actual experience	(255,941)	-	(255,941)
Changes of assumptions	73,149	-	73,149
Contributions - employer	-	15,400	(15,400)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(15,400)	(15,400)	-
Administrative expense	-	-	-
Net changes	<u>(166,552)</u>	<u>-</u>	<u>(166,552)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	<u>\$ 297,843</u>	<u>\$ -</u>	<u>\$ 297,843</u>

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN
 LISBON WATER DEPARTMENT
 FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 1/1/18 (Reporting December 31, 2018)	\$ 48,845	\$ -	\$ 48,845
Changes for the year:			
Service cost	1,996	-	1,996
Interest	1,724	-	1,724
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(4,567)	-	(4,567)
Contributions - employer	-	1,483	(1,483)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,483)	(1,483)	-
Administrative expense	-	-	-
Net changes	<u>(2,330)</u>	<u>-</u>	<u>(2,330)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	<u>\$ 46,515</u>	<u>\$ -</u>	<u>\$ 46,515</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*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 17,800	\$ 19,925	\$ 15,207
Interest (includes interest on service cost)	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	73,149	(45,595)	47,874
Benefit payments, including refunds of member contributions	(15,400)	(14,808)	(13,554)
Net change in total OPEB liability	<u>\$ (166,552)</u>	<u>\$ (23,269)</u>	<u>\$ 71,470</u>
Total OPEB liability - beginning	\$ 464,395	\$ 487,664	\$ 416,194
Total OPEB liability - ending	\$ 297,843	\$ 464,395	\$ 487,664
<u>Plan fiduciary net position</u>			
Contributions - employer	15,400	14,808	13,554
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(15,400)	(14,808)	(13,554)
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>\$ 297,843</u>	<u>\$ 464,395</u>	<u>\$ 487,664</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 2,459,479	\$ 2,358,508	\$ 2,358,508
Net OPEB liability as a percentage of covered payroll	12.1%	19.7%	20.7%

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

SCHEDULE 5 (CONTINUED)
TOWN OF LISBON, MAINE

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

	2019	2018
<u>Total OPEB liability</u>		
Service cost (BOY)	\$ 1,996	\$ 1,523
Interest (includes interest on service cost)	1,724	1,608
Changes of benefit terms	-	-
Differences between expected and actual experience	-	590
Changes of assumptions	(4,567)	4,796
Benefit payments, including refunds of member contributions	(1,483)	(1,358)
Net change in total OPEB liability	\$ (2,330)	\$ 7,159
Total OPEB liability - beginning	\$ 48,845	\$ 41,686
Total OPEB liability - ending	\$ 46,515	\$ 48,845
<u>Plan fiduciary net position</u>		
Contributions - employer	1,483	1,358
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(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	\$ 46,515	\$ 48,845
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 236,231	\$ 236,231
Net OPEB liability as a percentage of covered payroll	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, 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 6/30/18 (Reporting June 30, 2019)	\$ 3,475,115	\$ -	\$ 3,475,115
Changes for the year:			
Service cost	31,955	-	31,955
Interest	133,669	-	133,669
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	178,121	-	178,121
Contributions - employer	-	107,203	(107,203)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(107,203)	(107,203)	-
Administrative expense	-	-	-
Net changes	<u>236,542</u>	<u>-</u>	<u>236,542</u>
Balances at 6/30/19 (Reporting June 30, 2020)	<u>\$ 3,711,657</u>	<u>\$ -</u>	<u>\$ 3,711,657</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*

	2020	2019
<u>Total OPEB liability</u>		
Service cost (BOY)	\$ 31,955	\$ 33,826
Interest (includes interest on service cost)	133,669	126,761
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	178,121	(140,250)
Benefit payments, including refunds of member contributions	(107,203)	(103,498)
Net change in total OPEB liability	\$ 236,542	\$ (83,161)
Total OPEB liability - beginning	\$ 3,475,115	\$ 3,558,276
Total OPEB liability - ending	\$ 3,711,657	\$ 3,475,115
<u>Plan fiduciary net position</u>		
Contributions - employer	107,203	103,498
Contributions - member	(107,203)	(103,498)
Net investment income	-	-
Benefit payments, including refunds of member contributions	-	-
Administrative expense	-	-
Net change in fiduciary net position	-	-
Plan fiduciary net position - beginning	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -
Net OPEB liability - ending	\$ 3,711,657	\$ 3,475,115
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 8,302,352	\$ 8,080,148
Net OPEB liability as a percentage of covered payroll	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>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>			
Proportion of the net OPEB liability	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>240,535</u>	<u>248,511</u>	<u>237,224</u>
Total	<u>\$ 240,535</u>	<u>\$ 248,511</u>	<u>\$ 237,224</u>
Covered payroll	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	48.04%

* 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>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT - TOWN:</u>			
Employer contributions	\$ 15,400	\$ 14,808	\$ 13,554
Benefit payments	(15,400)	(14,808)	(13,554)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,459,479	\$ 2,358,508	\$ 2,358,508
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%
		<u>2019</u>	<u>2018</u>
<u>MMEHT LISBON WATER DEPARTMENT:</u>			
Employer contributions		\$ 1,483	\$ 1,358
Benefit payments		(1,483)	(1,358)
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>
Covered payroll		\$ 236,231	\$ 236,231
Contributions as a percentage of covered payroll		0.00%	0.00%
		<u>2020</u>	<u>2019</u>
<u>MEABT SCHOOL DEPARTMENT:</u>			
Employer contributions		\$ 107,203	\$ 103,498
Benefit payments		(107,203)	(103,498)
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>
Covered payroll		\$ 8,302,352	\$ 8,080,148
Contributions as a percentage of covered payroll		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>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>			
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737
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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

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 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.

Water Plan: There was a change in the discount rate from 3.44% to 4.10% per GASB 75 discount rate selection.

MEABT Health Plan:

There was a change in the discount rate from 3.87% to 3.50% per GASB 75 discount rate selection.

MEPERS Group Life Plan:

The discount rate for the OPEB SET Plan was reduced from 6.875% to 6.75%.

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

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, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES:					
Taxes:					
Property taxes	\$ 13,650,568	\$ -	\$ 13,650,568	\$ 13,546,149	\$ (104,419)
In lieu of property taxes	10,000	-	10,000	16,366	6,366
Excise taxes	1,605,000	-	1,605,000	1,601,239	(3,761)
Registration fees	28,000	-	28,000	36,431	8,431
Interest and costs on taxes	32,000	-	32,000	36,858	4,858
	<u>15,325,568</u>	<u>-</u>	<u>15,325,568</u>	<u>15,237,043</u>	<u>(88,525)</u>
Licenses and permits:					
Business permits and fees	7,500	-	7,500	17,945	10,445
All other construction fees	44,400	-	44,400	44,995	595
Town clerk	9,957	-	9,957	12,111	2,154
	<u>61,857</u>	<u>-</u>	<u>61,857</u>	<u>75,051</u>	<u>13,194</u>
Intergovernmental:					
State revenue sharing	924,776	-	924,776	993,859	69,083
General assistance	17,500	-	17,500	12,886	(4,614)
Tree growth reimbursement	15,000	-	15,000	15,000	-
BETE reimbursement	402,556	-	402,556	402,656	100
Homestead reimbursement	660,352	-	660,352	660,352	-
Miscellaneous state aid	20,475	-	20,475	20,475	-
Urban rural incentive program	97,724	-	97,724	100,456	2,732
Veteran reimbursement	10,000	-	10,000	10,000	-
	<u>2,148,383</u>	<u>-</u>	<u>2,148,383</u>	<u>2,215,684</u>	<u>67,301</u>
Charges for services:					
Public services	299,598	-	299,598	224,037	(75,561)
Public works	137,700	-	137,700	146,730	9,030
Public safety	118,179	-	118,179	117,789	(390)
	<u>555,477</u>	<u>-</u>	<u>555,477</u>	<u>488,556</u>	<u>(66,921)</u>
Interest income	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>79,647</u>	<u>39,647</u>
Other revenues:					
TIF	104,696	-	104,696	77,745	(26,951)
Interest rebate	15,840	-	15,840	-	(15,840)
Reimbursements	56,836	-	56,836	55,918	(918)
Other revenues	-	-	-	51,838	51,838
	<u>177,372</u>	<u>-</u>	<u>177,372</u>	<u>185,501</u>	<u>8,129</u>
Total revenues	<u>\$ 18,308,657</u>	<u>\$ -</u>	<u>\$ 18,308,657</u>	<u>\$ 18,281,482</u>	<u>\$ (27,175)</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, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
General government:					
Elected officials	\$ 21,857	\$ (440)	\$ 21,417	\$ 21,502	\$ (85)
Town manager	234,084	-	234,084	226,178	7,906
Insurance	124,754	(10,000)	114,754	110,496	4,258
Legal	50,000	(18,000)	32,000	23,918	8,082
Finance	231,244	-	231,244	166,134	65,110
Tax collector	191,771	-	191,771	181,370	10,401
Code enforcement	113,688	-	113,688	111,964	1,724
Town clerk	149,120	-	149,120	128,096	21,024
Assessing	110,909	(500)	110,409	108,684	1,725
Town buildings	196,616	-	196,616	197,648	(1,032)
Technology	225,450	(17,295)	208,155	191,817	16,338
Planning Board	29,633	-	29,633	20,351	9,282
Board of Appeals	1,703	-	1,703	761	942
Economic development	104,696	(8,250)	96,446	70,170	26,276
	<u>1,785,525</u>	<u>(54,485)</u>	<u>1,731,040</u>	<u>1,559,089</u>	<u>171,951</u>
Public safety:					
Police	1,699,467	-	1,699,467	1,521,608	177,859
Animal control officer	98,380	-	98,380	91,616	6,764
Fire	501,081	(14,500)	486,581	383,417	103,164
Emergency	22,565	-	22,565	1,705	20,860
LES	149,173	-	149,173	149,174	(1)
Communication	349,269	-	349,269	327,599	21,670
	<u>2,819,935</u>	<u>(14,500)</u>	<u>2,805,435</u>	<u>2,475,119</u>	<u>330,316</u>
Public works:					
Public works	1,585,879	-	1,585,879	1,482,094	103,785
Snow removal	300,360	-	300,360	276,136	24,224
Hydrant rental	406,000	-	406,000	406,000	-
Street and traffic lights	115,500	-	115,500	101,596	13,904
Solid waste	640,170	-	640,170	580,200	59,970
	<u>3,047,909</u>	<u>-</u>	<u>3,047,909</u>	<u>2,846,026</u>	<u>201,883</u>

TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Final Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Public services:					
Health officer	6,597	-	6,597	6,440	157
Community services - senior citizens	42,000	-	42,000	40,000	2,000
Lisbon Falls Library	312,317	-	312,317	270,103	42,214
Miscellaneous public services	12,675	-	12,675	12,230	445
Recreation department	641,473	-	641,473	591,012	50,461
	<u>1,015,062</u>	<u>-</u>	<u>1,015,062</u>	<u>919,785</u>	<u>95,277</u>
General assistance	37,677	-	37,677	28,657	9,020
Intergovernmental - county tax	722,337	-	722,337	741,256	(18,919)
Unclassified:					
Tax increment financing payments	772,605	(495,095)	277,510	277,510	-
Overlay/tax abatements	166,274	-	166,274	97,414	68,860
	<u>938,879</u>	<u>(495,095)</u>	<u>443,784</u>	<u>374,924</u>	<u>68,860</u>
Debt service - Town	531,116	-	531,116	531,532	(416)
Transfers to other funds:					
Education	7,410,217	-	7,410,217	7,410,217	-
Special revenue funds	-	564,080	564,080	641,617	(77,537)
	<u>7,410,217</u>	<u>564,080</u>	<u>7,974,297</u>	<u>8,051,834</u>	<u>(77,537)</u>
Total departmental operations	<u>\$ 18,308,657</u>	<u>\$ -</u>	<u>\$ 18,308,657</u>	<u>\$ 17,528,222</u>	<u>\$ 780,435</u>

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

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

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 61,337	\$ -	\$ 28,631	\$ 89,968
Due from other governments	147,056	-	-	147,056
Inventory	13,241	-	-	13,241
Due from other funds	1,470,265	97,201	-	1,567,466
TOTAL ASSETS	<u>\$ 1,691,899</u>	<u>\$ 97,201</u>	<u>\$ 28,631</u>	<u>\$ 1,817,731</u>
LIABILITIES				
Accrued payroll	\$ 74,539	\$ -	\$ -	\$ 74,539
Due to other funds	119,602	165	-	119,767
TOTAL LIABILITIES	<u>194,141</u>	<u>165</u>	<u>-</u>	<u>194,306</u>
FUND BALANCES				
Nonspendable	13,241	-	1,118	14,359
Restricted	1,039,769	-	27,513	1,067,282
Committed	308,113	97,201	-	405,314
Assigned	155,100	-	-	155,100
Unassigned	(18,465)	(165)	-	(18,630)
TOTAL FUND BALANCES	<u>1,497,758</u>	<u>97,036</u>	<u>28,631</u>	<u>1,623,425</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,691,899</u>	<u>\$ 97,201</u>	<u>\$ 28,631</u>	<u>\$ 1,817,731</u>

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, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,431,015	\$ -	\$ -	\$ 1,431,015
Charges for services	291,575	-	-	291,575
Investment income	196	-	656	852
Other income	149,587	91,792	-	241,379
TOTAL REVENUES	1,872,373	91,792	656	1,964,821
EXPENDITURES				
Capital outlay	314,498	1,323,212	-	1,637,710
General government	10,034	21,580	-	31,614
Public works	28,790	-	-	28,790
Public services and payments	512,786	14,962	-	527,748
Education	866,534	-	-	866,534
Food service	734,221	-	-	734,221
Other	-	-	6	6
TOTAL EXPENDITURES	2,466,863	1,359,754	6	3,826,623
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(594,490)	(1,267,962)	650	(1,861,802)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	752,055	-	752,055
Transfers in	970,860	39,726	-	1,010,586
Transfers (out)	-	(26,058)	-	(26,058)
TOTAL OTHER FINANCING SOURCES (USES)	970,860	765,723	-	1,736,583
NET CHANGE IN FUND BALANCES	376,370	(502,239)	650	(125,219)
FUND BALANCES - JULY 1	1,121,388	599,275	27,981	1,748,644
FUND BALANCES - JUNE 30	\$ 1,497,758	\$ 97,036	\$ 28,631	\$ 1,623,425

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, 2020

	Recreation Land Use	DARE Program	Moxie Donations	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
ASSETS						
Cash and cash equivalents	\$ 10,721	\$ 1,989	\$ 48,627	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	144,484
Inventory	-	-	-	-	13,241	-
Due from other funds	-	27,622	21,970	65,948	6,671	75,436
TOTAL ASSETS	\$ 10,721	\$ 29,611	\$ 70,597	\$ 65,948	\$ 19,912	\$ 219,920
LIABILITIES						
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,539
Due to other funds	1,544	-	-	-	-	97,021
TOTAL LIABILITIES	1,544	-	-	-	-	171,560
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	13,241	-
Restricted	-	29,611	70,597	65,948	-	48,360
Committed	9,177	-	-	-	6,671	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	9,177	29,611	70,597	65,948	19,912	48,360
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 10,721	\$ 29,611	\$ 70,597	\$ 65,948	\$ 19,912	\$ 219,920

SCHEDULE E (CONTINUED)

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	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
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	2,688	1,220	705	2,389	732	665	-	9,995	-
TOTAL ASSETS	<u>\$ 2,688</u>	<u>\$ 1,220</u>	<u>\$ 705</u>	<u>\$ 2,389</u>	<u>\$ 732</u>	<u>\$ 665</u>	<u>\$ -</u>	<u>\$ 9,995</u>	<u>\$ -</u>
LIABILITIES									
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	33	-	410
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>410</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	2,688	1,220	705	2,389	732	665	-	9,995	-
Unassigned	-	-	-	-	-	-	(33)	-	(410)
TOTAL FUND BALANCES (DEFICITS)	<u>2,688</u>	<u>1,220</u>	<u>705</u>	<u>2,389</u>	<u>732</u>	<u>665</u>	<u>(33)</u>	<u>9,995</u>	<u>(410)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,688</u>	<u>\$ 1,220</u>	<u>\$ 705</u>	<u>\$ 2,389</u>	<u>\$ 732</u>	<u>\$ 665</u>	<u>\$ -</u>	<u>\$ 9,995</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Police State Forfeiture	Police Federal Asset Forfeiture	JR Firefighter Reserve	Cemetery Donation	Fire Dept Donations	Playground Donations	Giving Tree	Heating Assistance
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	6,255	-	1,883	384	16,562	1,876	2,756	644
TOTAL ASSETS	\$ 6,255	\$ -	\$ 1,883	\$ 384	\$ 16,562	\$ 1,876	\$ 2,756	\$ 644
LIABILITIES								
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	3,787	-	-	-	-	-	-
TOTAL LIABILITIES	-	3,787	-	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	6,255	-	-	384	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	1,883	-	16,562	1,876	2,756	644
Unassigned	-	(3,787)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	6,255	(3,787)	1,883	384	16,562	1,876	2,756	644
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)								
	\$ 6,255	\$ -	\$ 1,883	\$ 384	\$ 16,562	\$ 1,876	\$ 2,756	\$ 644

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	PW Trash Trailer
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	-	9,404	27,930	120,015	-	13,231	431	-
TOTAL ASSETS	\$ -	\$ 9,404	\$ 27,930	\$ 120,015	\$ -	\$ 13,231	\$ 431	\$ -
LIABILITIES								
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	489	-	-	-	441	-	-	-
TOTAL LIABILITIES	489	-	-	-	441	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	120,015	-	-	-	-
Committed	-	-	27,930	-	-	13,231	431	-
Assigned	-	9,404	-	-	-	-	-	-
Unassigned	(489)	-	-	-	(441)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(489)	9,404	27,930	120,015	(441)	13,231	431	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)								
	\$ -	\$ 9,404	\$ 27,930	\$ 120,015		\$ 13,231	\$ 431	\$ -

SCHEDULE E (CONTINUED)

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Fire Truck Replacement</u>	<u>FD Equip Reserve</u>	<u>Technology MUNIS</u>	<u>Elected Officials</u>	<u>HRA Reserve</u>	<u>Dingley TIF</u>	<u>Kelly Park TIF</u>	<u>Downtown TIF</u>
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	69,857	105,737	39,784	572	17,000	393,157	69,455	201,267
TOTAL ASSETS	<u>\$ 69,857</u>	<u>\$ 105,737</u>	<u>\$ 39,784</u>	<u>\$ 572</u>	<u>\$ 17,000</u>	<u>\$ 393,157</u>	<u>\$ 69,455</u>	<u>\$ 201,267</u>
LIABILITIES								
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	393,157	69,455	201,267
Committed	69,857	105,737	39,784	-	-	-	-	-
Assigned	-	-	-	572	17,000	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>69,857</u>	<u>105,737</u>	<u>39,784</u>	<u>572</u>	<u>17,000</u>	<u>393,157</u>	<u>69,455</u>	<u>201,267</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 69,857</u>	<u>\$ 105,737</u>	<u>\$ 39,784</u>	<u>\$ 572</u>	<u>\$ 17,000</u>	<u>\$ 393,157</u>	<u>\$ 69,455</u>	<u>\$ 201,267</u>

SCHEDULE E (CONTINUED)

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Condemned Building	Legal 1 Higgins St	Wellness Reserve	Animal Control	Accrued Comp Reserve	2019 HSGP	2018 Byrne/JAG	Sabattus Law Grant
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	2,572	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	-	-	226	4,305	50,000	-	-	-
TOTAL ASSETS	\$ -	\$ 2,572	\$ 226	\$ 4,305	\$ 50,000	\$ -	\$ -	\$ -
LIABILITIES								
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,572	-	-	-	-	3,411	2,760
TOTAL LIABILITIES	-	2,572	-	-	-	-	3,411	2,760
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	226	4,305	50,000	-	-	-
Unassigned	-	-	-	+	-	-	(3,411)	(2,760)
TOTAL FUND BALANCES (DEFICITS)	-	-	226	4,305	50,000	-	(3,411)	(2,760)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ 2,572	\$ 226	\$ 4,305	\$ 50,000	\$ -	\$ -	\$ -

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Healthy Androscoggin PD Grant	MDF Entrepreneurship Grant	Brownfields Grant	16 Downtown Grant	18 Downtown Grant	Donations	Park and Rec Vehicle Ins Receipt	Lisbon Beautification
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	33	10,000	14,807	4,615	5,265	500	14,596	4,000
TOTAL ASSETS	\$ 33	\$ 10,000	\$ 14,807	\$ 4,615	\$ 5,265	\$ 500	\$ 14,596	\$ 4,000
LIABILITIES								
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	33	10,000	14,807	4,615	5,265	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	500	14,596	4,000
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	33	10,000	14,807	4,615	5,265	500	14,596	4,000
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 33	\$ 10,000	\$ 14,807	\$ 4,615	\$ 5,265	\$ 500	\$ 14,596	\$ 4,000

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	DHHS Grant Exp	Legal	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,337
Due from other governments	-	-	-	-	-	-	147,056
Inventory	-	-	-	-	-	-	13,241
Due from other funds	-	18,000	17,295	8,250	3,614	518	1,470,265
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 17,295</u>	<u>\$ 8,250</u>	<u>\$ 3,614</u>	<u>\$ 518</u>	<u>\$ 1,691,899</u>
LIABILITIES							
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,539
Due to other funds	7,134	-	-	-	-	-	119,602
TOTAL LIABILITIES	<u>7,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,141</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	13,241
Restricted	-	-	-	-	-	-	1,039,769
Committed	-	18,000	17,295	-	-	-	308,113
Assigned	-	-	-	8,250	3,614	518	155,100
Unassigned	(7,134)	-	-	-	-	-	(18,465)
TOTAL FUND BALANCES (DEFICITS)	<u>(7,134)</u>	<u>18,000</u>	<u>17,295</u>	<u>8,250</u>	<u>3,614</u>	<u>518</u>	<u>1,497,758</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 17,295</u>	<u>\$ 8,250</u>	<u>\$ 3,614</u>	<u>\$ 518</u>	<u>\$ 1,691,899</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 SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Recreation Land Use	DARE Program	Moxie Donations	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 271,630	\$ 873,159
Charges for services	-	-	-	-	281,837	-
Investment income	159	37	-	-	-	-
Other income	2,039	1,856	22,125	44,057	-	31,303
TOTAL REVENUES	<u>2,198</u>	<u>1,893</u>	<u>22,125</u>	<u>44,057</u>	<u>553,467</u>	<u>904,462</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public services and payments	-	10,126	17,895	-	-	-
Education	-	-	-	-	-	866,534
Food service	-	-	-	-	734,221	-
TOTAL EXPENDITURES	<u>-</u>	<u>10,126</u>	<u>17,895</u>	<u>-</u>	<u>734,221</u>	<u>866,534</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,198</u>	<u>(8,233)</u>	<u>4,230</u>	<u>44,057</u>	<u>(180,754)</u>	<u>37,928</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	200,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,198	(8,233)	4,230	44,057	19,246	37,928
FUND BALANCES (DEFICITS) - JULY 1	<u>6,979</u>	<u>37,844</u>	<u>66,367</u>	<u>21,891</u>	<u>666</u>	<u>10,432</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 9,177</u>	<u>\$ 29,611</u>	<u>\$ 70,597</u>	<u>\$ 65,948</u>	<u>\$ 19,912</u>	<u>\$ 48,360</u>

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,772
Charges for services	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other income	441	-	-	1,978	-	-	-	10,200	-
TOTAL REVENUES	441	-	-	1,978	-	-	-	10,200	3,772
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	840	64	-	448	268	-	268	205	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	840	64	-	448	268	-	268	205	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(399)	(64)	-	1,530	(268)	-	(268)	9,995	3,772
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(399)	(64)	-	1,530	(268)	-	(268)	9,995	3,772
FUND BALANCES (DEFICITS) - JULY 1	3,087	1,284	705	859	1,000	665	235	-	(4,182)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 2,688	\$ 1,220	\$ 705	\$ 2,389	\$ 732	\$ 665	\$ (33)	\$ 9,995	\$ (410)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Police State Forfeiture	Police Federal Asset Forfeiture	JR Firefighter Reserve	Cemetery Donation	Fire Dept Donations	Playground Donations	Giving Tree	Heating Assistance
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	1,357	-
TOTAL REVENUES	-	-	-	-	-	-	1,357	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	-	3,787	-	-	-	-	405	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	3,787	-	-	-	-	405	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,787)	-	-	-	-	952	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	14,500	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	14,500	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(3,787)	-	-	14,500	-	952	-
FUND BALANCES (DEFICITS) - JULY 1	6,255	-	1,883	384	2,062	1,876	1,804	644
FUND BALANCES (DEFICITS) - JUNE 30	\$ 6,255	\$ (3,787)	\$ 1,883	\$ 384	\$ 16,562	\$ 1,876	\$ 2,756	\$ 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, 2020

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	PW Trash Trailer
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 975	\$ 33,626	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income	125	-	-	-	-	-	-	-
TOTAL REVENUES	<u>125</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>33,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Capital outlay	-	-	-	-	26,312	-	49,569	50,000
General government	-	-	-	-	-	-	-	-
Public works	-	-	19,400	9,390	-	-	-	-
Public services and payments	-	-	-	-	-	62,959	-	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>19,400</u>	<u>9,390</u>	<u>26,312</u>	<u>62,959</u>	<u>49,569</u>	<u>50,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>125</u>	<u>-</u>	<u>(19,400)</u>	<u>(8,415)</u>	<u>7,314</u>	<u>(62,959)</u>	<u>(49,569)</u>	<u>(50,000)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	500	-	-	-	44,490	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,490</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	125	500	(19,400)	(8,415)	7,314	(18,469)	(49,569)	(50,000)
FUND BALANCES (DEFICITS) - JULY 1	<u>(614)</u>	<u>8,904</u>	<u>47,330</u>	<u>128,430</u>	<u>(7,755)</u>	<u>31,700</u>	<u>50,000</u>	<u>50,000</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (489)</u>	<u>\$ 9,404</u>	<u>\$ 27,930</u>	<u>\$ 120,015</u>	<u>\$ (441)</u>	<u>\$ 13,231</u>	<u>\$ 431</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	Dingley TIF	Kelly Park TIF	Downtown TIF
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-
EXPENDITURES								
Capital outlay	167,288	6,785	14,544	-	-	-	-	-
General government	-	-	-	552	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	167,287	-	4,903
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	167,288	6,785	14,544	552	-	167,287	-	4,903
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(167,288)	(6,785)	(14,544)	(552)	-	(167,287)	-	(4,903)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	102,000	-	440	10,000	340,045	35,601	119,449
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	102,000	-	440	10,000	340,045	35,601	119,449
NET CHANGE IN FUND BALANCES (DEFICITS)	(167,288)	95,215	(14,544)	(112)	10,000	172,758	35,601	114,546
FUND BALANCES (DEFICITS) - JULY 1	237,145	10,522	54,328	684	7,000	220,399	33,854	86,721
FUND BALANCES (DEFICITS) - JUNE 30	\$ 69,857	\$ 105,737	\$ 39,784	\$ 572	\$ 17,000	\$ 393,157	\$ 69,455	\$ 201,267

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Condemned Building	Legal 1 Higgins St	Wellness Reserve	Animal Control	Accrued Comp Reserve	2019 HSGP	2018 Byrne/JAG	Sabattus Law Grant
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,821	\$ -	\$ -
Charges for services	-	-	-	4,305	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income	-	2,572	1,820	-	-	-	-	-
TOTAL REVENUES	-	2,572	1,820	4,305	-	6,821	-	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	111	2,572	1,773	-	-	6,821	3,411	2,760
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	111	2,572	1,773	-	-	6,821	3,411	2,760
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(111)	-	47	4,305	-	-	(3,411)	(2,760)
OTHER FINANCING SOURCES (USES)								
Transfers in	111	-	179	-	50,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	111	-	179	-	50,000	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	226	4,305	50,000	-	(3,411)	(2,760)
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ 226	\$ 4,305	\$ 50,000	\$ -	\$ (3,411)	\$ (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, 2020

	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	\$ -	\$ -	\$ 42,048	\$ 14,741	\$ 184,243	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income	618	10,000	-	-	-	500	14,596	4,000
TOTAL REVENUES	618	10,000	42,048	14,741	184,243	500	14,596	4,000
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	585	-	27,241	10,126	178,978	-	-	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	585	-	27,241	10,126	178,978	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	33	10,000	14,807	4,615	5,265	500	14,596	4,000
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	33	10,000	14,807	4,615	5,265	500	14,596	4,000
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 33	\$ 10,000	\$ 14,807	\$ 4,615	\$ 5,265	\$ 500	\$ 14,596	\$ 4,000

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	DHHS Grant Exp	Legal	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,431,015
Charges for services	-	-	-	-	5,433	-	291,575
Investment income	-	-	-	-	-	-	196
Other income	-	-	-	-	-	-	149,587
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,433</u>	<u>-</u>	<u>1,872,373</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	314,498
General government	-	-	-	-	-	9,482	10,034
Public works	-	-	-	-	-	-	28,790
Public services and payments	7,134	-	-	-	1,819	-	512,786
Education	-	-	-	-	-	-	866,534
Food service	-	-	-	-	-	-	734,221
TOTAL EXPENDITURES	<u>7,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,819</u>	<u>9,482</u>	<u>2,466,863</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,614</u>	<u>(9,482)</u>	<u>(594,490)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	18,000	17,295	8,250	-	10,000	970,860
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>18,000</u>	<u>17,295</u>	<u>8,250</u>	<u>-</u>	<u>10,000</u>	<u>970,860</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(7,134)</u>	<u>18,000</u>	<u>17,295</u>	<u>8,250</u>	<u>3,614</u>	<u>518</u>	<u>376,370</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,121,388</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (7,134)</u>	<u>\$ 18,000</u>	<u>\$ 17,295</u>	<u>\$ 8,250</u>	<u>\$ 3,614</u>	<u>\$ 518</u>	<u>\$ 1,497,758</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, 2020

	TC Book Restore	Police Server	Police Cruiser	Fire Dept Light Bar	Culvert Replacement	PW Sand/Salt Shed Roof	Public Works Truck
ASSETS							
Due from other funds	\$ -	\$ -	\$ 4,220	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	4,220	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>4,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	PW Infrastructure Paving	Recreation Truck	USDA RD Loan Grant CIP	Composting Grant	Capital Projects Reserve	School Capital Fund	Totals
ASSETS							
Due from other funds	\$ -	\$ -	\$ -	\$ -	\$ 92,181	\$ 800	\$ 97,201
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 92,181	\$ 800	\$ 97,201
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 165	\$ -	\$ -	\$ -	\$ 165
TOTAL LIABILITIES	-	-	165	-	-	-	165
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	92,181	800	97,201
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(165)	-	-	-	(165)
TOTAL FUND BALANCES (DEFICITS)	-	-	(165)	-	92,181	800	97,036
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ -	\$ 92,181	\$ 800	\$ 97,201

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, 2020

	TC Book Restore	Police Server	Police Cruiser	Fire Dept Light Bar	Culvert Replacement	PW Sand/Salt Shed Roof	Public Works Truck
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Capital outlay	-	-	17,780	-	50,000	-	220,358
General government	-	-	-	-	-	21,580	-
Public services and payments	-	14,962	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>14,962</u>	<u>17,780</u>	<u>-</u>	<u>50,000</u>	<u>21,580</u>	<u>220,358</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(14,962)</u>	<u>(17,780)</u>	<u>-</u>	<u>(50,000)</u>	<u>(21,580)</u>	<u>(220,358)</u>
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers (out)	(10,000)	(38)	-	(2,000)	-	(12,520)	-
TOTAL OTHER SOURCES (USES)	<u>(10,000)</u>	<u>(38)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(12,520)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(10,000)	(15,000)	(17,780)	(2,000)	(50,000)	(34,100)	(220,358)
FUND BALANCES (DEFICITS) - JULY 1	<u>10,000</u>	<u>15,000</u>	<u>22,000</u>	<u>2,000</u>	<u>50,000</u>	<u>34,100</u>	<u>220,358</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	PW Infrastructure Paving	Recreation Truck	USDA RD Loan Grant CIP	Composting Grant	Capital Projects Reserve	School Capital Fund	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	1,149	90,643	-	91,792
TOTAL REVENUES	-	-	-	1,149	90,643	-	91,792
EXPENDITURES							
Capital outlay	194,042	18,500	752,220	1,149	-	69,163	1,323,212
General government	-	-	-	-	-	-	21,580
Public services and payments	-	-	-	-	-	-	14,962
TOTAL EXPENDITURES	194,042	18,500	752,220	1,149	-	69,163	1,359,754
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(194,042)	(18,500)	(752,220)	-	90,643	(69,163)	(1,267,962)
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	752,055	-	-	-	752,055
Transfers in	-	-	-	-	1,538	38,188	39,726
Transfers (out)	-	(1,500)	-	-	-	-	(26,058)
TOTAL OTHER SOURCES (USES)	-	(1,500)	752,055	-	1,538	38,188	765,723
NET CHANGE IN FUND BALANCES (DEFICITS)	(194,042)	(20,000)	(165)	-	92,181	(30,975)	(502,239)
FUND BALANCES (DEFICITS) - JULY 1	194,042	20,000	-	-	-	31,775	599,275
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ (165)	\$ -	\$ 92,181	\$ 800	\$ 97,036

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, 2020

	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	\$ 313	\$ 8	\$ -	\$ 1	\$ 75	\$ 320
Davis Cemetery Perpetual Care	-	24,392	583	-	-	-	24,975
Curtis Scholarship	413	17	9	-	1	413	25
Maine Research Company Charity Fund	630	2,141	56	-	4	630	2,193
Totals	\$ 1,118	\$ 26,863	\$ 656	\$ -	\$ 6	\$ 1,118	\$ 27,513

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, 2020

	<u>Balances Beginning of Year</u>		<u>Additions</u>		<u>Deductions</u>	<u>Balances End of Year</u>	
	<u>Principal (Nonspendable)</u>	<u>Unexpended Income</u>	<u>Investment Income</u>	<u>Contributions and Other Receipts</u>	<u>Disbursements</u>	<u>Principal (Nonspendable)</u>	<u>Unexpended Income</u>
Arthur E. Baron	\$ -	\$ 52	\$ -	\$ 550	\$ -	\$ -	\$ 602
Blanche M. Jalbert Fund	3,365	1,787	64	-	-	3,365	1,851
Bryce McEwen Rotary Scholarship	-	13,120	202	-	500	-	12,822
Class of 1941 Scholarship Fund	-	22,630	272	-	-	-	22,902
Dunton Memorial	3,200	3,320	4	-	200	3,200	3,124
Earl Higgins Memorial	3,281	307	4	-	150	3,281	161
Farmer	-	19,465	48	1,874	2,000	-	19,387
Frank Wimmer Trust	-	16,585	2,124	-	2,000	-	16,709
Leon E. Bard, Sr. Memorial Music Scholarship Fund	1,952	804	-	-	-	1,952	804
Lisbon High School Memorial Scholarship Fund	7,482	1,166	117	-	400	7,482	883
Marion T. Morse Secretarial Award	1,000	258	1	-	100	1,000	159
Michael F. Strout Memorial Scholarship Fund	3,109	1,000	68	50	200	3,109	918
Richard S. Lander Scholarship Fund	4,924	8,663	13	-	250	4,924	8,426
Sugg Middle School Trust Fund	-	3,000	5	-	-	-	3,005
Walter Huston Memorial Scholarship	-	25,517	360	-	2,000	-	23,877
Totals	\$ 28,313	\$ 117,674	\$ 3,282	\$ 2,474	\$ 7,800	\$ 28,313	\$ 115,630

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, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
Donated Commodities	10.555	013-6134-05	\$ -	\$ 10,763
School Breakfast Program	10.553	013-3014-05	-	63,970
National School Lunch Program	10.555	013-7128-05	-	173,868
Sub-total Child Nutrition Cluster:			-	248,601
Direct Award:				
Water and Waste Water Direct Loan and Grant	10.760	N/A	-	752,220
Waste Water Diversion (Composting) Grant	10.770	N/A	-	1,149
Total U.S. Department of Agriculture			-	1,001,970
U.S. Department of Housing and Urban Development				
Passed through State of Maine - Department of Economic and Community Development:				
2016 Downtown Revitalization Grant	14.228	N/A	-	10,126
2018 Downtown Revitalization Grant	14.228	N/A	-	178,978
Total U.S. Department of Housing and Urban Development			-	189,104
U.S. Department Transportation				
Highway Safety Cluster:				
Passed through State of Maine - Bureau of Highway Safety:				
2018 Byrne/JAG Grant	20.600	N/A	-	3,411
2019 HSGP	20.600	N/A	-	6,821
			-	10,232
Passed through Town of Sabattus:				
Safety:				
Sabattus Law Grant	20.600	N/A	-	2,760
Passed through Androscoggin County:				
Healthy Androscoggin PD Grant	20.600	N/A	-	585
Sub-total Highway Safety Cluster			-	13,577
Total U.S. Department of Transportation			-	13,577

TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of the Treasury Passed through State of Maine - Department of Education: Coronavirus Relief Fund - CARES Act	21.019	N/A	-	7,134
Total U.S. Department of the Treasury			-	7,134
Environmental Protection Agency Direct Award: Lisbon Maine Brownfields Assessment Grant	66.818	N/A	-	27,241
Total Environmental Protection Agency			-	27,241
U.S. Department of Education Passed through State of Maine - Department of Education and Cultural Services: Title IA	84.010	6334	-	415,619
Special Education Cluster (IDEA): Special Education Grants to States	84.027	6317	-	330,335
Preschool Grant	84.173	6241	-	4,398
Subtotal Special Education Cluster (IDEA)			-	334,733
Title IIA	84.367	1138	-	74,536
Rural and Low Income School Programs	84.358	3305	-	15,144
Total U.S. Department of Education			-	840,032
Federal Emergency Management Agency Direct Award Disaster Assistance - Public Assistance	97.036	N/A	-	9,368
Total Federal Emergency Management Agency			-	9,368
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 2,088,426

TOWN OF LISBON, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. 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, 2020 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 March 30, 2021.

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 March 29, 2021.

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
March 30, 2021



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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, 2020. 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, 2020.

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
March 30, 2021

TOWN OF LISBON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
14.228	Downtown Revitalization Grants

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, 2020 and have issued our report thereon dated March 31, 2020. 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
March 30, 2021

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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, 2020

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Fund (4000)	Total
June 30 Balance per MEFS	\$ -	\$ -	\$ -	\$ -
Other Adjustments:				
Fund Balances Not Reported on MEFS:				
General Fund	1,022,721	-	-	1,022,721
Title IA (84.010)	-	61,734	-	61,734
Title IA Program Improvement (84.010)	-	(4,112)	-	(4,112)
Local Entitlement (84.027)	-	(50,255)	-	(50,255)
Preschool (84.173)	-	(3,890)	-	(3,890)
Title IIA Teacher Quality (84.367)	-	6,952	-	6,952
Title V Innovative Ed	-	2,061	-	2,061
Adult Education	-	12,705	-	12,705
PWS Fund	-	366	-	366
Unify Grant	-	(3,646)	-	(3,646)
MELMAC Grant	-	460	-	460
Common Good Grant	-	241	-	241
Maine College Transition Grant	-	1,521	-	1,521
Adult Education ITV	-	1,372	-	1,372
Transition Proficiency	-	24,843	-	24,843
Maine Arts	-	500	-	500
Wellness Grant	-	(280)	-	(280)
E-Rate	-	6,046	-	6,046
Adult Ed Enrichment	-	(8,258)	-	(8,258)
School Nutrition Program	-	19,912	-	19,912
School Capital Fund	-	-	800	800
Unallocated variance	1	-	-	1
Audited GAAP Basis Fund Balance June 30	<u>\$ 1,022,722</u>	<u>\$ 68,272</u>	<u>\$ 800</u>	<u>\$ 1,091,794</u>