

Federal Compliance Audit

Town of Lisbon, Maine

June 30, 2022



Proven Expertise & Integrity

TOWN OF LISBON, MAINE

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Lisbon, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022 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.

In our opinion, the accompanying 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, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lisbon, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lisbon, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Lisbon, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 16 and 97 through 110 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 July 14, 2023, on our consideration of the Town of Lisbon, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Town of Lisbon, Maine's 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
July 14, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

(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, 2022. 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 17 through 20 of this report.

Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements can be found on pages 21 through 24 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, 2022.

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 25 through 29 of this report.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Lisbon. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The Town maintains one fiduciary fund: a private purpose trust fund, which accounts for scholarships. The fiduciary fund financial statements can be found on pages 30 and 31 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 32 through 95 of this report.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Changes in Net OPEB Liability - MMEHT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, Schedule of Changes in Net OPEB Liability - MEABT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, Schedule of Proportionate Share of the Net OPEB Liability - SET Plan, Schedule of Contributions - OPEB - Health Plans, Schedule of Contributions - OPEB SET Plan and Notes to Required Supplementary Information. Required supplementary information can be found on pages 97 through 110 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 112 through 142 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, 2022.

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

	Governmental Activities		Business-type Activities	
	6/30/22	6/30/21 (Restated)	12/31/21	12/31/20
Assets:				
Current Assets	\$ 15,546,180	\$ 13,211,268	\$ 1,189,569	\$ 1,064,853
Noncurrent Assets - Capital Assets	32,587,130	27,922,505	6,060,647	6,129,335
Other Assets	-	-	1,518,106	1,545,221
Total Assets	48,133,310	41,133,773	8,768,322	8,739,409
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,700,942	1,128,589	84,660	41,839
Deferred Outflows Related to OPEB	697,176	793,092	9,727	10,869
Total Deferred Outflows of Resources	2,398,118	1,921,681	94,387	52,708
Liabilities:				
Current Liabilities	2,579,717	3,400,114	457,502	438,792
Noncurrent Liabilities	17,805,023	19,233,533	2,468,100	3,075,973
Total Liabilities	20,384,740	22,633,647	2,925,602	3,514,765
Deferred Inflows of Resources:				
Prepaid Taxes	41,723	42,868	-	-
Regulatory Reserves	-	-	401,835	379,235
Deferred Inflows Related to Pensions	2,822,283	123,823	220,348	20,296
Deferred Inflows Related to OPEB	745,615	803,240	20,939	24,638
Total Deferred Inflows of Resources	3,609,621	969,931	643,122	424,169
Net Position:				
Net Investment in Capital Assets	17,060,454	14,132,726	4,738,868	4,433,087
Restricted	5,748,403	3,518,645	-	-
Unrestricted	3,728,210	1,800,505	555,117	420,096
Total Net Position	\$ 26,537,067	\$ 19,451,876	\$ 5,293,985	\$ 4,853,183

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 \$26,537,067 at June 30, 2022 for the governmental activities.

The largest portion of the Town's net position (64.29%) 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 (21.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,728,210 and 14.05% 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, 2022.

The Town's governmental net position increased \$7,085,191 during the fiscal year ended June 30, 2022. Governmental current assets increased \$2,334,912 which reflects includes increases in cash and cash equivalents balances. Noncurrent assets increased \$4,664,625 reflecting capital asset additions of \$6,477,183 and depreciation expense of \$1,812,558. Current liabilities decreased by \$820,397. Noncurrent liabilities decreased by \$1,428,510. Restricted net position increased by \$2,229,758 and unrestricted net position increased \$1,927,705.

The Town's total business-type net position increased by \$440,802 from \$4,853,183 to \$5,293,985. Unrestricted net position for business-type activities increased to a balance of \$555,117.

For more detailed information, see the Statement of Net Position on page 17 and 18.

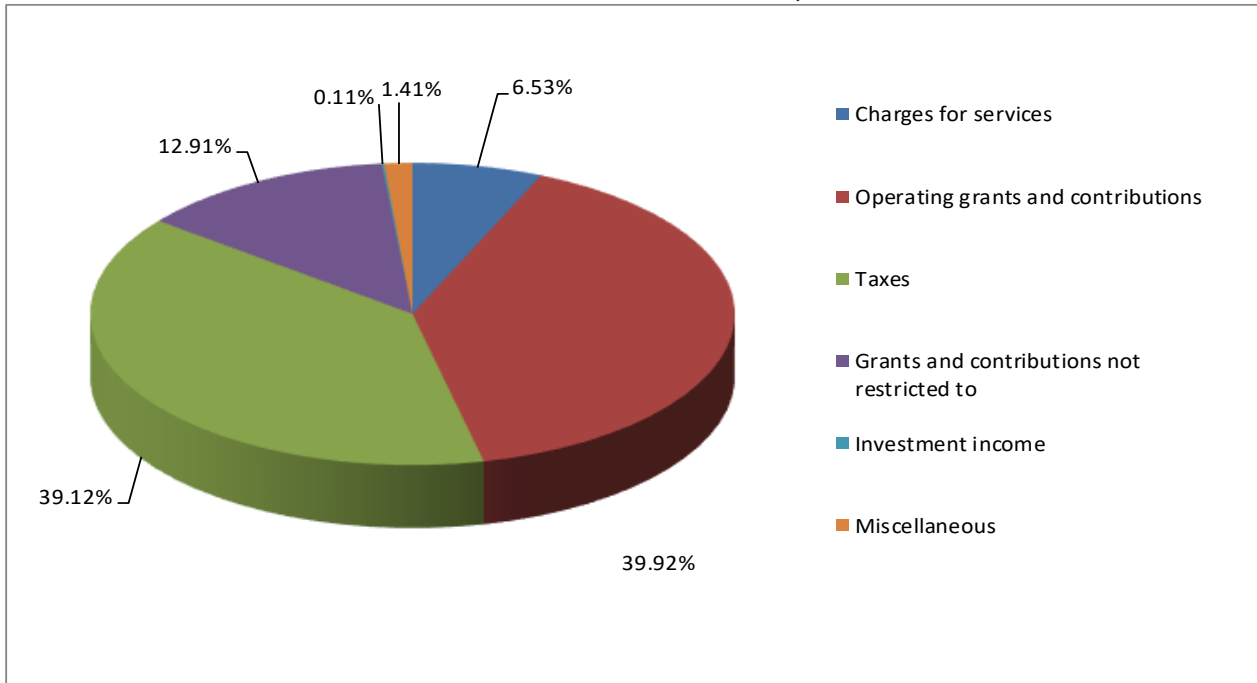
Revenues and Expenses

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

Table 2
Town of Lisbon, Maine
Changes in Net Position

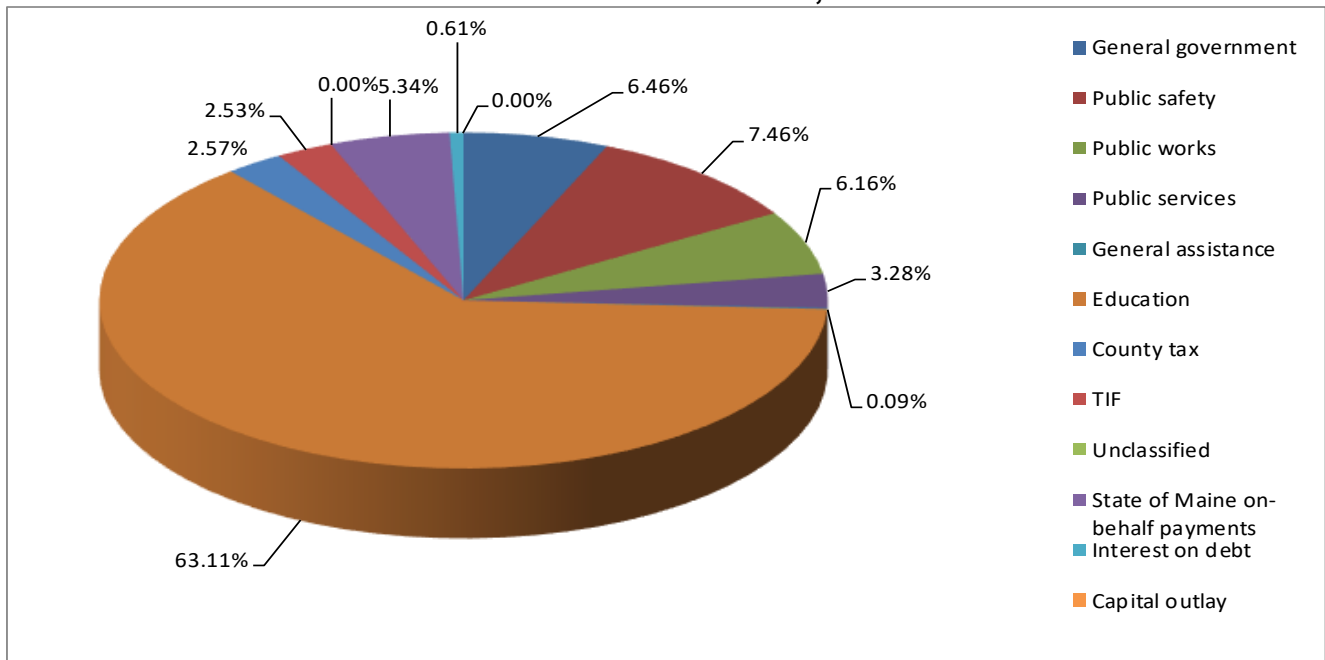
	Governmental Activities		Business-type Activities	
	6/30/22	6/30/21	12/31/21	12/31/20
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 2,502,574	\$ 2,039,399	\$ 1,522,229	\$ 1,424,885
Operating grants and contributions	15,297,827	16,859,413	-	-
<i>General Revenues:</i>				
Taxes	14,992,023	15,545,914	-	-
Grants and contributions not restricted to specific programs	4,948,107	2,455,814	-	-
Investment income	41,460	44,779	-	-
Miscellaneous	541,724	544,623	81,102	93,828
Total Revenues	38,323,715	37,489,942	1,603,331	1,518,713
Expenses				
General government	2,017,041	1,584,258	-	-
Public safety	3,077,846	2,677,076	-	-
Public works	1,923,732	3,973,559	-	-
Public services	1,024,806	1,012,397	-	-
General assistance	27,777	21,233	-	-
Education	19,715,669	20,666,316	-	-
County tax	803,220	768,250	-	-
TIF	789,969	250,980	-	-
Unclassified	524	35,333	-	-
Water department	-	-	1,162,529	1,209,928
State of Maine on-behalf payments	1,667,034	2,491,699	-	-
Interest on debt	190,906	103,692	-	-
Capital outlay	-	83,300	-	-
Total Expenses	31,238,524	33,668,093	1,162,529	1,209,928
Change in Net Position	7,085,191	3,821,849	440,802	308,785
Net Position - July 1, Restated	19,451,876	15,630,027	4,853,183	4,544,398
Net Position - June 30	\$ 26,537,067	\$ 19,451,876	\$ 5,293,985	\$ 4,853,183

**Town of Lisbon, Maine
Revenues Pie Chart
For the Year Ended June 30, 2022**



Charges for services are primarily comprised of police and dispatch, animal control and solid waste services. Taxes of \$14,992,023 decreased \$553,891 during fiscal year 2022. 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, 2022**



The Town's expenses totaled \$31,238,524 for fiscal year ended June 30, 2022 as compared to \$33,668,093 for the year ended June 30, 2020. Education accounts for the majority of expenses representing 63.11% of the total for fiscal year 2022. Public safety expenses related to the operations of the Police Department and Fire Department accounted for 7.46% of the total and Public Works expenses accounted for 6.16% of the total.

Revenues for the Department's water activities increased by \$84,618, while total expenses decreased by \$47,399. The increase in revenues was primarily due to an increase in charges for services. Expenses remained consistent with prior year overall.

Financial Analysis of the Town's Fund Statements

For the fiscal year ended June 30, 2022, the governmental funds had a combined fund balance of \$14,578,074. This reflects an increase from the prior year fund balance of \$11,219,595. The General Fund, which is the main operating fund of the Town of Lisbon, reported a current year increase of \$111,332 in fund balance. The other major fund balances increased by \$1,687,303. The nonmajor fund balances increased by \$1,559,844. General fund revenues of \$19,265,499 were \$806,792 higher than budgeted amounts. Property taxes of \$13,128,194 were \$22,876 higher than budgeted amounts. Excise tax revenues of \$1,831,978 were \$111,138 higher than budgeted amounts.

The Town's operating expenditures of \$9,501,547 were \$610,718 less than budgeted amounts. The Town has continued its efforts to reduce expenditures wherever possible throughout the year. General government expenditures of \$1,710,432 were \$37,703 lower than budgeted amounts. Public safety expenditures of \$2,823,363 were under budget by \$228,599. Public works expenditures of \$2,798,770 were under budget by \$185,128.

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 \$454,736.

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

	<u>2022</u>	<u>2021 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 12,553	\$ 30,138	\$ (17,585)
Committed	715,621	1,179,750	(464,129)
Assigned	48,927	64,362	(15,435)
Unassigned	4,106,157	3,497,676	608,481
Total General Fund	<u>4,883,258</u>	<u>4,771,926</u>	<u>111,332</u>
Education Fund:			
Restricted	<u>2,869,283</u>	<u>1,382,168</u>	<u>1,487,115</u>
Loan Program:			
Nonspendable	122,037	141,714	(19,677)
Committed	712,688	686,831	25,857
Total Loan Program	<u>834,725</u>	<u>828,545</u>	<u>6,180</u>
Treatment Plant Fund:			
Committed	<u>2,525,327</u>	<u>2,112,170</u>	<u>413,157</u>
Pinewood Road Fund:			
Restricted	<u>46,243</u>	<u>265,392</u>	<u>(219,149)</u>
Total Major Funds	<u>\$11,158,836</u>	<u>\$ 9,360,201</u>	<u>\$ 1,798,635</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 21,029	\$ 21,029	\$ -
Restricted	2,136,696	1,420,472	716,224
Committed	994,594	508,831	485,763
Assigned	309,577	294,678	14,899
Unassigned (Deficit)	(486,210)	(207,982)	(278,228)
Capital Projects Funds:			
Committed	736,006	200,587	535,419
Unassigned (Deficit)	(322,190)	(407,395)	85,205
Permanent Funds:			
Nonspendable	1,118	1,118	-
Restricted	28,618	28,056	562
Total Nonmajor Funds	<u>\$ 3,419,238</u>	<u>\$ 1,859,394</u>	<u>\$ 1,559,844</u>

Capital Asset and Long-term Obligations Administration

Capital Assets

As of June 30, 2022, the net book value of governmental-type capital assets recorded by the Town increased by \$4,664,625. This increase was a result of capital additions of \$6,477,183 less current year depreciation expense of \$1,812,558. The net book value of business-type capital assets as of December 30, 2021 decreased by \$89,496. This decrease was a result of capital additions of \$158,724 less current year depreciation expense of \$227,412.

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

	Governmental Activities	
	6/30/22	6/30/21
Land and improvements	\$ 1,396,768	\$ 1,423,597
Construction in progress	6,463,482	3,997,163
Buildings and improvements	13,123,513	12,405,412
Equipment and vehicles	3,382,948	3,106,237
Infrastructure	8,220,419	6,990,096
Total	<u>\$ 32,587,130</u>	<u>\$ 27,922,505</u>
	Business-type Activities	
	12/31/21	12/31/20
Water fund	\$ 6,060,647	\$ 6,129,335
Total	<u>\$ 6,060,647</u>	<u>\$ 6,129,335</u>

Long-term Obligations

As of June 30, 2022, the Town had a total of \$18,768,145 of long-term obligations outstanding. Of this amount, \$14,294,476 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 2022 are two Qualified Energy Conservation Bond leases for Municipal Government operations and School Department operations amounting to \$505,138 and \$1,155,019, 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	
	6/30/22	6/30/21	12/31/21	12/31/20
General obligation bonds	\$ 11,454,591	\$ 10,092,903	\$ 2,839,885	\$ 3,241,469
Bond anticipation note payable	2,096,061	2,096,061	-	-
Notes from direct borrowings payable	1,976,024	1,866,207	-	-
Total	\$ 15,526,676	\$ 14,055,171	\$ 2,839,885	\$ 3,241,469

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

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

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The financial results for the year ended June 30, 2022 as outlined in the above discussion and analysis, continue to show slight improvement from prior years, which is indicative of the economic stabilization and spotty growth occurring in the local and state economy. Economic improvement is expected to continue as retail, housing and public revenue sectors show signs of growth. Stability in real estate and personal property tax and excise taxes are expected to continue. State aid for education is expected to increase. The Town Council continues to emphasize a disciplined and

strategic allocation of resources and fiscal prudence to ensure Lisbon's long-term financial sustainability. The Town's ongoing management of its finances has enabled the Town to meet its financial obligations while adding to the Town's Fund Balance. The Town's general credit ratings have remained stable. Although general government's expenditure budget has remained austere, the employees continue to strive to provide Lisbon's citizens with above average services.

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

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

Contacting the Town's Financial Management

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,756,881	\$ 851,772	\$ 14,608,653
Investments	20,082	-	20,082
Note receivable	122,037	-	122,037
Accounts receivable (net of allowance for uncollectibles):			
Taxes	33,036	-	33,036
Liens	270,468	-	270,468
Other	650,420	87,476	737,896
Accrued revenue	-	176,457	176,457
Prepaid items	13,053	13,900	26,953
Due from other governments	659,174	-	659,174
Inventory	21,029	59,964	80,993
Total current assets	<u>15,546,180</u>	<u>1,189,569</u>	<u>16,735,749</u>
Noncurrent assets:			
Capital assets			
Land and other assets not being depreciated	7,512,057	-	7,512,057
Buildings, equipment, vehicles and infrastructure, net of accumulated depreciation	<u>25,075,073</u>	<u>6,060,647</u>	<u>31,135,720</u>
Total noncurrent assets	<u>32,587,130</u>	<u>6,060,647</u>	<u>38,647,777</u>
Other assets:			
Restricted cash	-	1,518,106	1,518,106
Total other assets	<u>-</u>	<u>1,518,106</u>	<u>1,518,106</u>
TOTAL ASSETS	<u>48,133,310</u>	<u>8,768,322</u>	<u>56,901,632</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,700,942	84,660	1,785,602
Deferred outflows related to OPEB	<u>697,176</u>	<u>9,727</u>	<u>706,903</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,398,118</u>	<u>94,387</u>	<u>2,492,505</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 50,531,428</u>	<u>\$ 8,862,709</u>	<u>\$ 59,394,137</u>

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 393,198	\$ 25,162	\$ 418,360
Customer deposits	-	2,833	2,833
Payroll related liabilities	223,694	11,292	234,986
Accrued interest	-	7,480	7,480
Due to other governments	16,020	-	16,020
Current portion of long-term obligations	1,946,805	410,735	2,357,540
Total current liabilities	<u>2,579,717</u>	<u>457,502</u>	<u>3,037,219</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	9,891,692	2,433,657	12,325,349
Bond anticipation note payable	2,096,061	-	2,096,061
Notes from direct borrowings payable	1,705,466	-	1,705,466
Accrued compensated absences	340,042	13,520	353,562
Net pension liability	2,501	(15,089)	(12,588)
Net OPEB liability	3,769,261	36,012	3,805,273
Total noncurrent liabilities	<u>17,805,023</u>	<u>2,468,100</u>	<u>20,273,123</u>
TOTAL LIABILITIES	<u>20,384,740</u>	<u>2,925,602</u>	<u>23,310,342</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	41,723	-	41,723
Regulatory reserves	-	401,835	401,835
Deferred inflows related to pensions	2,822,283	220,348	3,042,631
Deferred inflows related to OPEB	745,615	20,939	766,554
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,609,621</u>	<u>643,122</u>	<u>4,252,743</u>
NET POSITION			
Net investment in capital assets	17,060,454	4,738,868	21,799,322
Restricted	5,748,403	-	5,748,403
Unrestricted	3,728,210	555,117	4,283,327
TOTAL NET POSITION	<u>26,537,067</u>	<u>5,293,985</u>	<u>31,831,052</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 50,531,428</u>	<u>\$ 8,862,709</u>	<u>\$ 59,394,137</u>

See accompanying independent auditor's report and notes to financial statements.

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

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	\$ 2,017,041	\$ 83,159	\$ -	\$ -	\$(1,933,882)	\$ -	\$(1,933,882)
Public safety	3,077,846	123,224	-	-	(2,954,622)	-	(2,954,622)
Public works	1,923,732	1,887,271	101,652	-	65,191	-	65,191
Public services	1,024,806	234,600	8,867	-	(781,339)	-	(781,339)
General assistance	27,777	-	12,520	-	(15,257)	-	(15,257)
Education	19,715,669	174,320	13,507,754	-	(6,033,595)	-	(6,033,595)
County tax	803,220	-	-	-	(803,220)	-	(803,220)
TIF	789,969	-	-	-	(789,969)	-	(789,969)
Unclassified	524	-	-	-	(524)	-	(524)
State of Maine on-behalf payments	1,667,034	-	1,667,034	-	-	-	-
Interest on debt	190,906	-	-	-	(190,906)	-	(190,906)
Total governmental activities	31,238,524	2,502,574	15,297,827	-	(13,438,123)	-	(13,438,123)
Business-type activities:							
Water fund	1,162,529	1,522,229	-	-	-	359,700	359,700
Total business-type activities	1,162,529	1,522,229	-	-	-	359,700	359,700
Total government	\$ 32,401,053	\$ 4,024,803	\$ 15,297,827	\$ -	(13,438,123)	359,700	(13,078,423)

TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(13,438,123)	359,700	(13,078,423)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,160,045	-	13,160,045
Excise taxes	1,831,978	-	1,831,978
Grants and contributions not restricted to specific programs	4,948,107	-	4,948,107
Interest income	41,460	3,578	45,038
Miscellaneous	541,724	77,524	619,248
Total general revenues	<u>20,523,314</u>	<u>81,102</u>	<u>20,604,416</u>
Change in net position	7,085,191	440,802	7,525,993
NET POSITION - JULY 1, RESTATED	<u>19,451,876</u>	<u>4,853,183</u>	<u>24,305,059</u>
NET POSITION - JUNE 30	<u>\$ 26,537,067</u>	<u>\$ 5,293,985</u>	<u>\$ 31,831,052</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 9,286,019	\$ 3,198,062	\$ 996,621	\$ -	\$ -	\$ 276,179	\$ 13,756,881
Investments	-	-	-	-	-	20,082	20,082
Accounts receivable (net of allowance for uncollectibles):							
Taxes	33,036	-	-	-	-	-	33,036
Liens	270,468	-	-	-	-	-	270,468
Other	71	25,485	-	624,864	-	-	650,420
Notes, net of allowance	-	-	122,037	-	-	-	122,037
Due from other governments	295,855	-	-	-	-	363,319	659,174
Prepaid items	12,553	-	-	500	-	-	13,053
Inventory	-	-	-	-	-	21,029	21,029
Due from other funds	1,271,603	-	-	1,900,003	46,243	3,718,502	6,936,351
TOTAL ASSETS	\$ 11,169,605	\$ 3,223,547	\$ 1,118,658	\$ 2,525,367	\$ 46,243	\$ 4,399,111	\$ 22,482,531
LIABILITIES							
Accounts payable	\$ 65,090	\$ 95,510	\$ -	\$ 40	\$ -	\$ 232,558	\$ 393,198
Accrued payroll and related items	205,295	17,846	-	-	-	553	223,694
Due to other governments	16,020	-	-	-	-	-	16,020
Due to other funds	5,664,748	240,908	283,933	-	-	746,762	6,936,351
TOTAL LIABILITIES	5,951,153	354,264	283,933	40	-	979,873	7,569,263
DEFERRED INFLOWS OF RESOURCES							
Prepaid taxes	41,723	-	-	-	-	-	41,723
Deferred revenue - property taxes	293,471	-	-	-	-	-	293,471
TOTAL DEFERRED INFLOWS OF RESOURCES	335,194	-	-	-	-	-	335,194
FUND BALANCES							
Nonspendable	12,553	-	122,037	-	-	22,147	156,737
Restricted	-	2,869,283	712,688	-	46,243	2,165,314	5,793,528
Committed	715,621	-	-	2,525,327	-	1,730,600	4,971,548
Assigned	48,927	-	-	-	-	309,577	358,504
Unassigned (deficit)	4,106,157	-	-	-	-	(808,400)	3,297,757
TOTAL FUND BALANCES	4,883,258	2,869,283	834,725	2,525,327	46,243	3,419,238	14,578,074
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,169,605	\$ 3,223,547	\$ 1,118,658	\$ 2,525,367	\$ 46,243	\$ 4,399,111	\$ 22,482,531

See accompanying independent auditor's 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, 2022

	<u>Total Governmental Funds</u>
Total Fund Balances	\$14,578,074
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	32,587,130
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	293,471
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	1,700,942
OPEB	697,176
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(11,454,591)
Bond anticipation note payable	(2,096,061)
Notes from direct borrowings payable	(1,976,024)
Accrued compensated absences	(453,390)
Net pension liability	(2,501)
Net OPEB liability	(3,769,261)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(2,822,283)
OPEB	<u>(745,615)</u>
Net position of governmental activities	<u>\$26,537,067</u>

See accompanying independent auditor's 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, 2022

	General Fund	Education Fund	Loan Program Fund	Treatment Plant Fund	Pinewood Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 13,128,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,128,194
Excise	1,831,978	-	-	-	-	-	1,831,978
Charges for services	674,372	174,320	-	1,653,882	-	-	2,502,574
Intergovernmental	3,438,731	10,857,696	-	-	-	5,559,085	19,855,512
Interest income	30,879	3,517	6,226	-	264	574	41,460
Other income	161,345	26,477	478	9,721	-	343,703	541,724
TOTAL REVENUES	19,265,499	11,062,010	6,704	1,663,603	264	5,903,362	37,901,442
EXPENDITURES							
Current:							
General government	1,710,432	-	-	-	-	160,550	1,870,982
Public safety	2,823,363	-	-	-	-	-	2,823,363
Public works	2,798,770	-	-	1,250,446	-	5,402	4,054,618
Public services	983,573	-	-	-	-	41,233	1,024,806
General assistance	27,777	-	-	-	-	-	27,777
Education	-	15,024,162	-	-	-	4,186,304	19,210,466
County tax	803,220	-	-	-	-	-	803,220
TIF	-	-	-	-	-	789,969	789,969
Unclassified	-	-	524	-	-	-	524
State of Maine on-behalf payments	-	1,276,612	-	-	-	-	1,276,612
Capital outlay	-	-	-	-	219,413	4,385,593	4,605,006
Debt service - Town	354,412	501,208	-	-	-	-	855,620
TOTAL EXPENDITURES	9,501,547	16,801,982	524	1,250,446	219,413	9,569,051	37,342,963
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,763,952	(5,739,972)	6,180	413,157	(219,149)	(3,665,689)	558,479
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	2,800,000	2,800,000
Transfers in	114,230	7,790,576	-	-	-	2,539,763	10,444,569
Transfers (out)	(9,766,850)	(563,489)	-	-	-	(114,230)	(10,444,569)
TOTAL OTHER FINANCING SOURCES (USES)	(9,652,620)	7,227,087	-	-	-	5,225,533	2,800,000
NET CHANGE IN FUND BALANCES	111,332	1,487,115	6,180	413,157	(219,149)	1,559,844	3,358,479
FUND BALANCES - JULY 1, RESTATED	4,771,926	1,382,168	828,545	2,112,170	265,392	1,859,394	11,219,595
FUND BALANCES - JUNE 30	\$ 4,883,258	\$ 2,869,283	\$ 834,725	\$ 2,525,327	\$ 46,243	\$ 3,419,238	\$ 14,578,074

See accompanying independent auditor's 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, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 3,358,479</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	6,477,183
Depreciation expense	<u>(1,812,558)</u>
	<u>4,664,625</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>31,851</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	572,353
OPEB	<u>(95,916)</u>
	<u>476,437</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term obligations in the Statement of Net Position.	<u>(3,081,355)</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>1,609,850</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	(2,698,460)
OPEB	<u>57,625</u>
	<u>(2,640,835)</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	(34,835)
Net pension liability	2,699,234
Net OPEB liability	<u>1,740</u>
	<u>2,666,139</u>
Change in net position of governmental activities (Statement B)	<u>\$ 7,085,191</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

	Enterprise Fund
	<u>Water Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 851,772
Accounts receivable (net of allowance for uncollectibles)	87,476
Accrued revenue	176,457
Inventory	59,964
Prepaid items	13,900
Total current assets	<u>1,189,569</u>
Noncurrent assets:	
Capital assets:	
Property, plant and equipment	9,777,627
Total capital assets	<u>9,777,627</u>
Less: accumulated depreciation	<u>(3,716,980)</u>
Total noncurrent assets	<u>6,060,647</u>
Other assets:	
Restricted cash	1,518,106
Total other assets	<u>1,518,106</u>
TOTAL ASSETS	<u>8,768,322</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	84,660
Deferred outflows related to OPEB	9,727
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>94,387</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,862,709</u>

STATEMENT G (CONTINUED)
TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

	Enterprise Fund
	Water Fund
	Fund
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 25,162
Customer deposits	2,833
Accrued interest	7,480
Accrued expenses	1,848
Accrued payroll	9,444
Current portion of long-term obligations	410,735
Total current liabilities	457,502
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	2,433,657
Accrued compensated absences	13,520
Net pension liability	(15,089)
Net OPEB liability	36,012
Total noncurrent liabilities	2,468,100
TOTAL LIABILITIES	2,925,602
DEFERRED INFLOWS OF RESOURCES	
Regulatory reserves	401,835
Deferred inflows related to pensions	220,348
Deferred inflows related to OPEB	20,939
TOTAL DEFERRED INFLOWS OF RESOURCES	643,122
NET POSITION	
Net investment in capital assets	4,738,868
Unrestricted	555,117
TOTAL NET POSITION	5,293,985
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 8,862,709

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

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

	Enterprise Fund
	Water Fund
OPERATING REVENUES	
Residential	\$ 845,191
Commercial	118,470
Industrial	8,642
Public Authorities	34,587
Public Fire Protection	480,000
Private Fire Protection	35,339
Miscellaneous income	19,544
TOTAL OPERATING REVENUES	1,541,773
OPERATING EXPENSES	
Salaries and benefits	539,336
Power	45,389
Materials and supplies	77,181
Contractual services	119,944
Transportation	14,079
Insurance	38,640
Dues and fees	10,981
Depreciation	227,412
Miscellaneous expenses	14,075
TOTAL OPERATING EXPENSES	1,087,037
OPERATING INCOME (LOSS)	454,736
NONOPERATING REVENUES (EXPENSES)	
Interest income	3,578
Rental income	57,980
Interest expense	(75,492)
TOTAL NONOPERATING REVENUES (EXPENSES)	(13,934)
CHANGE IN NET POSITION	440,802
NET POSITION - JANUARY 1	4,853,183
NET POSITION - DECEMBER 31	\$ 5,293,985

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

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

	Enterprise Fund
	<u>Water Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,574,970
Other receipts	19,544
Payments to employees	(582,638)
Payments to suppliers	<u>(295,079)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>716,797</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(158,724)
Principal paid on capital debt	(401,584)
Interest paid on capital debt	<u>(76,682)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(636,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	3,578
Rental income	<u>57,980</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>61,558</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	141,365
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>2,228,513</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 2,369,878</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and cash equivalents in current assets	\$ 851,772
Restricted cash and cash equivalents	<u>1,518,106</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>2,369,878</u></u>

STATEMENT I (CONTINUED)

TOWN OF LISBON, MAINE

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

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 454,736
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	227,412
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	26,688
(Increase) decrease in accrued revenue	23,557
(Increase) decrease in inventory	2,046
(Increase) decrease in prepaid items	(8,527)
(Increase) decrease in deferred outflows related to pensions	(42,821)
(Increase) decrease in deferred outflows related to OPEB	1,142
Increase (decrease) in accounts payable	9,091
Increase (decrease) in customer deposits	2,189
Increase (decrease) in advanced billing and payments	307
Increase (decrease) in accrued payroll	3,359
Increase (decrease) in net pension liability	(209,383)
Increase (decrease) in net OPEB liability	8,649
Increase (decrease) in accrued compensated absences	(601)
Increase (decrease) in regulatory reserves	22,600
Increase (decrease) in deferred inflows related to pensions	200,052
Increase (decrease) in deferred inflows related to OPEB	(3,699)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 716,797

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Private- Purpose Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 63,579
Investments	<u>67,023</u>
TOTAL ASSETS	<u><u>\$ 130,602</u></u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	<u>130,602</u>
TOTAL NET POSITION	<u><u>130,602</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 130,602</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions	\$ 1,499
Investment earnings	<u>623</u>
TOTAL ADDITIONS	<u>2,122</u>
DEDUCTIONS	
Scholarships	<u>10,550</u>
TOTAL DEDUCTIONS	<u>10,550</u>
CHANGE IN NET POSITION	(8,428)
NET POSITION - JULY 1	<u>139,030</u>
NET POSITION - JUNE 30	<u>\$ 130,602</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022. 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, 2021. The amounts included in the Town's 2022 financial statements for the Water Department are as of and for the year ended December 31, 2021.

Implementation of New Accounting Standards

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 "Omnibus 2020". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 93 “Replacement of Interbank Offered Rates (paragraphs 13-14)”. The primary objectives of paragraphs 13-14 concern provisions of lease contracts that are amended while the contract is in effect. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 “*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*”. The primary objectives of this Statement are to (1) 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; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

1. Governmental Funds:

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

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Nonmajor Funds:

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 custodial capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

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

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

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenues per budgetary basis	\$ 9,785,398
Add: On-behalf payments	<u>1,276,612</u>
Total GAAP basis	<u>\$ 11,062,010</u>
Expenditures per budgetary basis	\$ 15,525,370
Add: On-behalf payments	<u>1,276,612</u>
Total GAAP basis	<u>\$ 16,801,982</u>

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

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

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

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

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

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, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$1,519,107 for the year ended June 30, 2022.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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".

Transactions Between Funds

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

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

Restricted Cash

As a condition of the 2010 and 2014 bond issues from the Maine Municipal Bond Bank, the proceeds must be spent on approved capital projects or be used to pay annual principal payments on the bond. As of December 31, 2021, cash received from the bond issues by the Lisbon Water Department totaling \$1,518,106 was unspent and restricted.

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deferred Outflows and Inflows of Resources

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

both the statements of net position and governmental funds balance sheet. Regulatory reserves, deferred inflows related to pensions and deferred inflows related to OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 28, 2021 on the assessed value listed as of April 1, 2021, for all real and personal property located in the Town. Taxes were due in two installments on September 15, 2021 and March 15, 2022. Interest on unpaid taxes commenced on September 16, 2021 and March 16, 2022, at 6% 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 \$138,133 for the year ended June 30, 2022.

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).

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, the Town's cash balances amounting to \$16,190,338 were comprised of bank deposits and cash equivalents of \$15,524,273. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, all were fully insured by federal depository insurance or were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking accounts	\$ 245,445
Savings accounts	66,395
ICS accounts	4,064,317
Sweep accounts	7,936,343
Cash equivalents	3,211,773
	\$ 15,524,273

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments, but the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. The Town's certificates of deposit held with local financial institutions for \$67,023 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$87,105 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value

At June 30, 2022, the Town had \$87,105 in investments.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certificates of deposit held with local financial institutions for \$87,105 are excluded from the fair value hierarchy as these investments are considered held to maturity and are therefore not measured at fair value. The Town has the following recurring fair value measurements as June 30, 2022:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

	June 30, 2022
	<u>Total</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>	
Money market mutual funds	\$ 3,211,773
Total cash equivalents measured at the NAV	<u>\$ 3,211,773</u>

The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2022 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022 consisted of the following individual fund receivables and payables:

	<u>Receivables</u> <u>(Due From)</u>	<u>Payables</u> <u>(Due To)</u>
General Fund	\$ 1,271,603	\$ 5,664,748
Education Fund	-	240,908
Loan Program	-	283,933
Treatment Plant Fund	1,900,003	-
Pinewood Road Fund	46,243	-
Nonmajor Special Revenue Funds	2,899,196	424,572
Nonmajor Capital Projects Funds	819,306	322,190
	<u>\$ 6,936,351</u>	<u>\$ 6,936,351</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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2022, the Town had the following interfund transfers:

	Transfers From	Transfers To
General Fund	\$ 114,230	\$ 9,766,850
Education Fund	7,790,576	563,489
Nonmajor Special Revenue Funds	1,368,274	114,230
Nonmajor Capital Projects Funds	1,171,489	-
	<u>\$ 10,444,569</u>	<u>\$ 10,444,569</u>

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance 7/1/21	Additions	Disposals	Balance 6/30/22
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 1,048,575	\$ -	\$ -	\$ 1,048,575
Construction in progress	3,997,163	4,072,805	(1,606,486)	6,463,482
	<u>5,045,738</u>	<u>4,072,805</u>	<u>(1,606,486)</u>	<u>7,512,057</u>
Depreciated assets:				
Land improvements	520,153	-	-	520,153
Buildings and improvements	31,587,327	1,474,690	-	33,062,017
Equipment and vehicles	9,116,307	786,801	(33,000)	9,870,108
Infrastructure	22,892,735	1,749,373	-	24,642,108
	64,116,522	4,010,864	(33,000)	68,094,386
Less: accumulated depreciation	(41,239,755)	(1,812,558)	33,000	(43,019,313)
	<u>22,876,767</u>	<u>2,198,306</u>	<u>-</u>	<u>25,075,073</u>
Net capital assets	<u>\$ 27,922,505</u>	<u>\$ 6,271,111</u>	<u>\$ (1,606,486)</u>	<u>\$ 32,587,130</u>
<u>Current year depreciation:</u>				
General government				\$ 143,175
Education				728,473
Public safety				254,483
Public works including infrastructure				686,427
Total depreciation expenses				<u>\$ 1,812,558</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/21	Additions	Disposals	Balance, 12/31/21
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	\$ 94,002	\$ -	\$ -	\$ 94,002
Construction in progress	156,577	20,808	-	177,385
	<u>250,579</u>	<u>20,808</u>	<u>-</u>	<u>271,387</u>
Depreciated assets:				
Structures and improvements	1,571,780	-	-	1,571,780
Wells and springs	220,805	-	-	220,805
Pumping equipment	583,380	24,157	(12,000)	595,537
Water treatment equipment	891,566	56,324	(24,000)	923,890
Reservoir	159,421	-	-	159,421
Mains	4,232,778	-	-	4,232,778
Services	582,739	3,636	-	586,375
Meters	459,530	37,851	(17,000)	480,381
Hydrants	335,653	10,948	(1,000)	345,601
Office furniture and fixtures	14,672	-	-	14,672
Transportation	126,923	-	-	126,923
Tools and shop equipment	41,789	-	-	41,789
Laboratory	4,347	-	-	4,347
Communications equipment	143,500	-	-	143,500
Miscellaneous equipment	55,860	5,000	(2,419)	58,441
	<u>9,424,743</u>	<u>137,916</u>	<u>(56,419)</u>	<u>9,506,240</u>
Less: accumulated depreciation	<u>(3,545,987)</u>	<u>(227,412)</u>	<u>56,419</u>	<u>(3,716,980)</u>
Net capital assets	<u>5,878,756</u>	<u>(89,496)</u>	<u>-</u>	<u>5,789,260</u>
Total net capital assets	<u>\$ 6,129,335</u>	<u>\$ (68,688)</u>	<u>\$ -</u>	<u>\$ 6,060,647</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$10,092,903	\$ 2,800,000	\$ (1,438,312)	\$11,454,591	\$ 1,562,899
Bond anticipation note payable	2,096,061	-	-	2,096,061	-
Notes from direct borrowings payable	1,866,207	281,355	(171,538)	1,976,024	270,558
Totals	<u>\$14,055,171</u>	<u>\$ 3,081,355</u>	<u>\$ (1,609,850)</u>	<u>\$15,526,676</u>	<u>\$ 1,833,457</u>

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

	Balance, 1/1/21	Additions	Reductions	Balance, 12/31/21	Due within one year
<u>Business-type Activities:</u>					
Bonds payable	<u>\$ 3,241,469</u>	<u>\$ -</u>	<u>\$ (401,584)</u>	<u>\$ 2,839,885</u>	<u>\$ 406,228</u>

The following is a summary of the outstanding bonds payable:

Bonds Payable:	<u>Governmental Activities</u>	
	<u>Town</u>	<u>School</u>
\$12,899,710, 2004B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 3.00% to 4.677% per annum. Annual principal installments are \$644,985.	\$ -	\$ 1,934,958
\$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.	35,000	-
\$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.	100,000	-

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Governmental Activities	
	Town	School
\$1,070,000, 2010R General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 3.36% to 5.75% per annum. Annual principal installments are \$102,000.	482,420	-
\$5,695,714, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2034. Interest is charged at a fixed rate from 0.430% to 3.786% per annum. Annual principal installments are \$284,786.	-	3,702,213
\$500,000, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 0.43% to 2.65% per annum. Annual principal installments are \$50,000.	-	150,000
\$1,500,000, 2017B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2027. Interest is charged at a fixed rate varying from 1.263% to 2.710% per annum. Annual principal installments are \$150,000.	900,000	-
\$1,500,000, 2020A General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 1.19% to 1.74% per annum. Annual principal installments are \$150,000.	1,350,000	-
\$2,800,000 2022 General Obligation Bond due in annual principal installments and semiannual interest installments through May of 2038. Interest is charged at a fixed rate of 2.4200% to 3.8910 per annum. Annual principal installments are \$186,667.	2,800,000	-
Total Bonds Payable	<u>\$ 5,667,420</u>	<u>\$ 5,787,171</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - LONG TERM DEBT (CONTINUED)

	<u>Business-type Activities</u>
Bonds payable:	
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$174,937. Interest is charged at an annual fixed rate of 2.05% per annum. Maturity in 2024.	\$ 506,944
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of \$19,650. Interest is charged at a varying annual fixed rate from 3.0% to 5.0% per annum. Maturity in 2025.	78,600
2010 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of \$48,500. Interest is charged at a varying annual fixed rate from 4.01% to 5.75% per annum. Maturity in 2030.	436,040
2014 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$44,254. Interest is charged at a varying annual fixed rate from 0.43% to 3.79% per annum. Maturity in 2034.	459,315
2020 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of \$141,014 to \$160,298. Interest is charged at a varying annual fixed rate from 1.19% to 1.74% per annum. Maturity in 2030.	<u>1,358,986</u>
Total bonds payable	<u>\$ 2,839,885</u>

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - LONG TERM DEBT (CONTINUED)

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

Notes from Direct Borrowings Payable:	Governmental Activities	
	Town	School
On December 15, 2014, the Town entered into two governmental Qualified Energy Conservation Bond (QECCB) 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.	\$ -	\$ 1,155,019
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% per annum. Maturity in December 2022.	34,512	-
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.	-	505,138
2022 Capital lease for \$93,785 that is secured by a school bus. Principal and interest payments due annually of \$32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	93,785
2022 Capital lease for \$93,785 that is secured by a school bus. Principal and interest payments due annually of \$32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	93,785
2022 Capital lease for \$93,785 that is secured by a school bus. Principal and interest payments due annually of \$32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	93,785
Total Notes from Direct Borrowings Payable	\$ 34,512	\$ 1,941,512

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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

	Governmental Activities				Total Debt Service
	Bonds payable		Notes from direct borrowings payable		
	Principal	Interest	Principal	Interest	
2023	\$ 1,562,899	\$ 331,208	\$ 270,558	\$ 67,491	\$ 2,232,156
2024	1,562,438	289,785	235,902	66,207	2,154,332
2025	1,544,938	201,855	244,140	57,968	2,048,901
2026	849,952	204,062	155,764	49,336	1,259,114
2027	824,952	182,739	161,705	43,395	1,212,791
2028-2032	3,321,722	600,161	907,955	115,425	4,945,263
2033-2037	1,787,690	171,025	-	-	1,958,715
2038-2042	-	3,632	-	-	3,632
	<u>\$ 11,454,591</u>	<u>\$ 1,984,467</u>	<u>\$ 1,976,024</u>	<u>\$ 399,822</u>	<u>\$ 15,814,904</u>

	Business-type Activities		
	Principal	Interest	Total
2022	406,228	68,498	\$ 474,726
2023	411,618	60,768	472,386
2024	448,849	53,110	501,959
2025	249,222	43,967	293,189
2026	232,726	38,446	271,172
2027-2031	1,006,778	97,511	1,104,289
2032-2036	84,464	9,544	94,008
	<u>\$ 2,839,885</u>	<u>\$ 371,844</u>	<u>\$ 3,211,729</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - LONG TERM DEBT (CONTINUED)

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2021 were \$75,492.

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, 2022 is as follows

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Current Portion
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 418,555	\$ 34,835	\$ -	\$ 453,390	\$ 113,348
Net pension liability	2,701,735	847,193	(3,546,427)	2,501	-
Net OPEB liability	3,771,001	262,613	(264,353)	3,769,261	-
Totals	<u>\$ 6,891,291</u>	<u>\$ 1,144,641</u>	<u>\$ (3,810,780)</u>	<u>\$ 4,225,152</u>	<u>\$ 113,348</u>

	Balance, 1/1/21	Additions	Reductions	Balance, 12/31/21	Due within one year
<u>Business-type Activities:</u>					
Accrued compensated absences	\$ 18,628	\$ -	\$ (601)	\$ 18,027	\$ 4,507
Net pension liability	194,294	42,821	(252,204)	(15,089)	-
Net OPEB liability	27,363	10,124	(1,475)	36,012	-
Totals	<u>\$ 240,285</u>	<u>\$ 52,945</u>	<u>\$ (254,280)</u>	<u>\$ 38,950</u>	<u>\$ 4,507</u>

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the Town's liability for compensated absences is \$471,417.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2022 and the business-type activities at December 31, 2021:

	Governmental Activities 6/30/2022	Busintess-type Activities 12/31/2021
Invested in capital assets	\$ 75,606,443	\$ 9,777,627
Accumulated depreciation	(43,019,313)	(3,716,980)
Outstanding capital related debt	(15,526,676)	(2,839,885)
Significant unspent bond proceeds	-	1,518,106
	<u>\$ 17,060,454</u>	<u>\$ 4,738,868</u>

NOTE 10 - RESTRICTED NET POSITION

At June 30, 2022, the Town had the following restricted net position:

Education Fund	\$ 2,869,283
Loan Program Fund	712,688
Nonmajor Special Revenue Funds	2,136,696
Nonmajor Permanent Funds	29,736
	<u>\$ 5,748,403</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2022, the Town had the following nonspendable fund balances:

General Fund :	
Prepaid Items	\$ 12,553
Loan Program Fund:	
Notes Receivable	122,037
Nonmajor Special Revenue Funds	21,029
Nonmajor Permanent Funds	1,118
	<u>\$ 156,737</u>

NOTE 12 - RESTRICTED FUND BALANCES

At June 30, 2022, the Town had the following restricted fund balances:

Education Fund	\$ 2,869,283
Loan Program Fund	712,688
Pinewood Road Fund	46,243
Nonmajor Special Revenue Funds	2,136,696
Nonmajor Permanent Funds	28,618
	<u>\$ 5,793,528</u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2022, the Town had the following committed fund balances:

General Fund:	
Transfer to Capital Projects Funds	\$ 715,621
Treatment Plant Fund	2,525,327
Nonmajor Special Revenue Funds	994,594
Nonmajor Capital Projects Funds	736,006
	<u>\$ 4,971,548</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2022, the Town had the following assigned fund balances:

General Fund:	
Planning Board	\$ 10,000
Police department	8,000
Fire department	14,027
Parks and recreation	1,900
Economic development	1,000
Public works	14,000
Nonmajor Special Revenue Funds	309,577
	<u>\$ 358,504</u>

NOTE 15 - DEFICIT FUND BALANCES

At June 30, 2022, the Town had the following deficit fund balances:

Nonmajor Special Revenue Funds:	
Waste Diversion	\$ 911
School Federal and Other Programs	316,599
LL Spear Memorial	65
PD 2017 HSG	410
Police Federal Asset Forfeiture	3,787
PW Dually Truck	48,265
Generator Pad Reserve	62,979
HSG PD Grant	6,519
Condemned Building	2,198
Façade Grant	13,916
49 Frost Hill	3,093
Sabattus Law Grant	2,760
Brownfields Grant	22,010
Maine Community Foundation	2,698
Nonmajor Capital Projects Fund:	
Parks and Recreation Equipment Replacement	19,750
USDA RD Loan Grant CIP	302,440
	<u>\$ 808,400</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2022:

Transfers to other funds	<u>\$ 26,398</u>
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NOTE 17 - 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, 2022, the Town had the following overlapping debt.

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Androscoggin	\$ 984,472	7.43%	<u>\$ 73,146</u>

NOTE 18 - 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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021, there were 305 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 0.93%.

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 7.80% of their annual covered salary and the Town's 2C plan members are required to contribute 7.05% of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 10.3% 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, 2022 was \$450,396. The Lisbon Water Department's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2021 was \$38,819.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021, there were 238 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 0.93%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$8,728,338 for the year ended June 30, 2022. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% 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 \$1,250,771 for the year ended June 30, 2022. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 3.84%, which totaled \$335,271 for 2022. 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 14.89% of compensation and totaled \$62,300 the year ended June 30, 2022.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities/(Assets)

PLD Consolidated Plan

At June 30, 2022, the Town reported an asset of \$179,597 and the Lisbon Water Department reported an asset of \$15,089 for its proportionate share of the net pension liabilities/(assets) for the plan. The net pension liabilities/(assets) were measured as of June 30, 2021 and the total pension liabilities/(assets) used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities/(assets) 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, 2021, the Town's proportion was 0.5586%, which was a decrease of 0.00773% from its proportion measured as of June 30, 2020. The Lisbon Water Department's proportion at June 30, 2021 was 0.046954%, which was a decrease of 0.00195% from its proportion measured as of June 30, 2020.

SET Plan

At June 30, 2022, 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	\$ 182,098
State's proportionate share of the net pension liability associated with the Town	<u>5,116,472</u>
Total	<u>\$ 5,298,570</u>

The net pension liability was measured as of June 30, 2021 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, 2021, the Town's proportion was 0.021529%, which was a decrease of 0.00614% from its proportion measured as of June 30, 2020.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2022, the Town recognized total pension revenue of \$471,651 for the PLD plan and net expense of \$1,639,808 and revenue of \$1,352,247 for support provided by the State of Maine for the SET plan. For the year ended December 31, 2021, the Lisbon Water Department recognized net pension revenue of \$52,152. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Town				Lisbon Water Department	
	PLD Plan		SET Plan		PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,177	\$ 12,207	\$ 2,699	\$ 3,723	\$ 9,761	\$ 1,026
Changes of assumptions	603,071	-	124,151	-	50,668	-
Net difference between projected and actual earnings on pension plan investments	-	2,447,969	-	248,123	-	205,671
Changes in proportion and differences between contributions and proportionate share of contributions	6,876	35,555	1	74,706	-	13,651
Contributions subsequent to the measurement date	450,396	-	397,571	-	38,819	-
Total	<u>\$ 1,176,520</u>	<u>\$ 2,495,731</u>	<u>\$ 524,422</u>	<u>\$ 326,552</u>	<u>\$ 99,248</u>	<u>\$ 220,348</u>

\$489,215 for the PLD plans and \$397,571 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, 2023 or December 31, 2022 for the Lisbon Water Department. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Town		Lisbon Water Department
	PLD Plan	SET Plan	PLD Plan
Year ended June 30:			
2022	\$ (292,155)	\$ (49,710)	\$ (34,238)
2023	(239,963)	(24,469)	(21,711)
2024	(557,245)	(56,362)	(46,818)
2025	(680,242)	(69,161)	(57,152)
2026	-	-	-
Thereafter	-	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2021, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each member is the product of the member's pay and 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., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.50% per annum for the year ended June 30, 2021, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% - 11.48%; teachers, 2.80 - 13.03%% per year.

Mortality Rates - For the PLD Consolidated Plan and the State Employee and Teacher Plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2021.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2021 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%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2021 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, 2021 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 6.50% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan - Town:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ 2,555,765	\$ (179,597)	\$ (2,442,102)

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ 478,210	\$ 182,098	\$ (64,445)
<u>PLD Plan - Lisbon Water Department:</u>			
Discount rate	5.50%	6.50%	7.50%
Department's proportionate share of the net pension liability	\$ 214,729	\$ (15,089)	\$ (205,179)

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, 2021 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, 2021 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is 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 2021 and 2020, this was three years for the SET Plan and the PLD Consolidated Plan. For 2019, this was three years for the SET Plan and four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years for both plans; prior to 2017, this was four years for the PLD Consolidated Plan.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings are 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 are 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, 2021 valuation were based on the results of an actuarial experience study for the period of June 30, 2016 through June 30, 2020. 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. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

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 are 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' 2021 Annual Comprehensive Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - 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.

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, 2022, the following Town employees were covered by the benefit terms:

Active members	48
Retirees and spouses	<u>0</u>
Total	<u><u>48</u></u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

At January 1, 2021, the following Lisbon Water Department employees were covered by the benefit terms:

Active members	2
Retirees and spouses	<u>0</u>
Total	<u><u>2</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.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$1,086	\$2,436
POS C	\$1,141	\$2,559
PPO 500	\$1,050	\$2,356
<u>Medicare</u>		
Medicare - Eligible Retirees	\$601	\$1,201

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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

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

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

At June 30, 2022, the Town reported a liability of \$298,829 for its total OPEB liability for this Plan, while the Lisbon Water Department at December 31, 2021 reported a liability of \$36,012. The total OPEB liability for the Town was measured as of January 1, 2022 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, 2021 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, 2022, the Town recognized OPEB expense of \$333. For the year ended December 31, 2021, the Lisbon Water Department recognized OPEB expense of \$6,092. At June 30, 2022, the Town and at December 31, 2021, the Water Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Town</u>		<u>Lisbon Water Department</u>	
	<u>MMEHT</u>		<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,685	\$ 240,279	\$ 243	\$ 18,437
Changes of assumptions	76,450	29,330	9,151	2,502
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	943	-	333	-
Total	<u>\$ 79,078</u>	<u>\$ 269,609</u>	<u>\$ 9,727</u>	<u>\$ 20,939</u>

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

\$943 and \$333 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, 2023 or December 31, 2022 for the Lisbon Water Department, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Town MMEHT	Lisbon Water Dept. MMEHT
	<u> </u>	<u> </u>
Plan year ended December 31:		
2022	\$ -	\$ (1,810)
2023	(30,105)	(1,810)
2024	(30,101)	(1,809)
2025	(37,782)	(2,547)
2026	(31,271)	(1,922)
2027	(31,271)	(1,647)
Thereafter	(30,944)	-

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, 2022. 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 2.06% per annum for June 30, 2022 was based upon a measurement date of December 30, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

Town	1% Decrease	Discount Rate	1% Increase
<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1.06%	2.06%	3.06%
Total OPEB liability	\$ 356,414	\$ 298,829	\$ 252,140
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 356,414</u>	<u>\$ 298,829</u>	<u>\$ 252,140</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, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

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, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.12% per annum for June 30, 2022 was based upon a measurement date of December 31, 2020. The sensitivity of net OPEB liability to changes in discount rate are as follows:

Lisbon Water Department	1% Decrease	Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB liability	\$ 40,491	\$ 36,012	\$ 29,526
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 40,491	\$ 36,012	\$ 29,526
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	\$ 246,599	\$ 298,829	\$ 366,622
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 246,599	\$ 298,829	\$ 366,622
Plan fiduciary net position as a percentage of of the total OPEB liability	0.00%	0.00%	0.00%
Lisbon Water Department	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 28,982	\$ 36,012	\$ 41,394
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 28,982	\$ 36,012	\$ 41,394
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, 2022

NOTE 19 - 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, 2022, while the Lisbon Water Department Plan was determined by an actuarial valuation of January 1, 2021 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.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. 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, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2021, they are as follows:

Discount Rate - 2.06% per annum for year end 2022 reporting. 2.12% per annum for year end 2021 reporting.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Trend Assumptions:

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

<u>Variable</u>	<u>Rate</u>
(2021) Rate of Inflation	2.00%
(2022) Rate of Inflation	2.40%
(2021) Rate of Growth in Real Income/GDP per capital 2029+	1.25%
(2022) Rate of Growth in Real Income/GDP per capital 2031+	1.10%
(2021) Extra Trend due to Taste/Technology 2029+	1.10%
(2022) Extra Trend due to Taste/Technology 2031+	1.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

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 trends selected from 2022 to 2025 were based on plan design, population weighting, renewal projections and market analysis. For years 2026 to 2030, these are interpolated from 2025 to 2031 (which is the product of the inflation, GDP and extra trend rate assumptions). For the 2021 valuation, 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, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

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, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

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.

For the 2022 valuation:

Rate of Mortality:

Healthy Annuitant- Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

For the 2021 valuation:

Rate of Mortality - Based on 104% and 120% of the RP_2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP_2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for 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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 and December 31, 2021 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. 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, 2022 for the Town was (\$238,594). The difference between expected and actual experience as of January 1, 2021 for the Lisbon Water Department was (\$18,194).

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 January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

OPEB Plan Fiduciary Net Position

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

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

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

Benefits Provided

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

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

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 55% 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 45% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

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

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

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

At June 30, 2022, the School reported a liability of \$3,470,432 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2021 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.

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

For the year ended June 30, 2022, the School recognized OPEB revenue of \$214,226. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MEABT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 429,256
Changes of assumptions	502,205	46,750
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	<u>115,893</u>	<u>-</u>
Total	<u>\$ 618,098</u>	<u>\$ 476,006</u>

\$115,893 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, 2023. 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:		
2022	\$	2,415
2023		2,415
2024		25,789
2025		(3,897)
2026		(3,901)
Thereafter		3,378

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

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, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.16% per annum for June 30, 2021 was based upon a measurement date of June 24, 2021. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB liability	\$ 3,998,440	\$ 3,470,432	\$ 3,039,940
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 3,998,440</u>	<u>\$ 3,470,432</u>	<u>\$ 3,039,940</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

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

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 2,978,649	\$ 3,470,432	\$ 4,087,111
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,978,649</u>	<u>\$ 3,470,432</u>	<u>\$ 4,087,111</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, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2021, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

Assumptions

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

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

Discount Rate - 2.16% per annum for year-end 2020 reporting, 2.21% per annum for year-end 2020 reporting.

Trend Assumptions:

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Trend Assumption Inputs

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

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

Pre-Medicare - Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum.

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

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

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

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

Administrative expenses - Included in the per capita claims cost

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

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

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2020 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2020 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

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

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

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

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

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

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

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2021, they are as follows:

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2020 and projects through June 30, 2021 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 Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

Changes in Total OPEB Liability

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

Differences between Expected and Actual Experience

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

Changes in Assumptions

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS
(CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

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

NOTE 20 - 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, 2021, there were 228 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

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

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2022 was approximately \$25,841.

OPEB Liabilities and OPEB Expense

At June 30, 2022, 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>110,313</u>
Total	\$	<u>110,313</u>

For the year ended June 30, 2022, the School Department recognized net OPEB expense of \$27,226 and revenue of \$27,226 for support provided by the State of Maine.

NOTE 21 - RISK MANAGEMENT

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 21 - RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2022. 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 22 - 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 2021 monthly lease payment to be received by the Lisbon Water Department is \$2,066.

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 2021 monthly lease payment to be received by the Lisbon Water Department is \$2,764.

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 2021, 2020, 2019, 2018, 2017 and 2016 was \$0, \$0, \$0, \$0, \$0 and \$32,008, respectively.

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 22 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Lisbon Public Schools receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the School and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2022 could include expenditures from the fiscal year of 2023 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 23 - 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, 2021.

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS

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

Dingley Press Municipal Development and Tax Increment Financing District

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS
(CONTINUED)

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

Kelly Park Municipal Development and Tax Increment Financing District

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

Furniture Superstore Municipal Development and Tax Increment Financing District

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

Enterprise Electric Municipal Development and Tax Increment Financing District

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS
(CONTINUED)

Gendron Realty Municipal Development and Tax Increment Financing District

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

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

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

Abatements

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

For the fiscal year ended June 30, 2022, the Town did not abate any property taxes for any TIF programs.

NOTE 25 - COMPARATIVE DATA/RECLASSIFICATIONS

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

TOWN OF LISBON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 26 - RESTATEMENTS

In 2022, the Town determined that certain transactions in prior years had been recorded incorrectly or were omitted, therefore, a restatement to the 2021 government-wide and fund financial statements was required. The beginning governmental activities net position and general fund total fund balance were restated by an increase of \$34,577 to correct errors in the accrued wages, interfund accounts and accounts receivable. The resulting restatements increased governmental activities net position from \$19,417,299 to \$19,451,876 and increased the general fund total fund balance from \$4,737,349 to \$4,771,926.

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, 2022

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Resources (Inflows):				
Property taxes	\$ 13,105,318	\$ 13,105,318	\$ 13,128,194	\$ 22,876
Excise taxes	1,720,840	1,720,840	1,831,978	111,138
Licenses and permits	67,119	67,119	83,159	16,040
Intergovernmental	2,813,149	2,813,149	3,438,731	625,582
Charges for services	574,720	574,720	591,213	16,493
Interest income	28,000	28,000	30,879	2,879
Interest/costs on liens	71,000	71,000	80,447	9,447
Other income	192,791	78,561	80,898	2,337
Amounts Available for Appropriation	18,572,937	18,458,707	19,265,499	806,792
Charges to Appropriations (Outflows):				
General government	1,748,135	1,748,135	1,710,432	37,703
Public safety	3,051,962	3,051,962	2,823,363	228,599
Public works	2,983,898	2,983,898	2,798,770	185,128
Public services	993,645	993,645	983,573	10,072
General assistance	31,929	31,929	27,777	4,152
County tax	803,220	803,220	803,220	-
TIF	670,097	-	-	-
Overlay/abatements	138,133	138,133	-	138,133
Debt service	361,343	361,343	354,412	6,931
Total Charges to Appropriations	10,782,362	10,112,265	9,501,547	610,718
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,790,575	8,346,442	9,763,952	1,417,510
OTHER FINANCING SOURCES (USES)				
Expenditures in carryforward accounts	-	1,279,780	-	(1,279,780)
Transfers in	-	114,230	114,230	-
Transfers (out)	(7,790,575)	(9,740,452)	(9,766,850)	(26,398)
TOTAL OTHER FINANCING SOURCES (USES)	(7,790,575)	(8,346,442)	(9,652,620)	(1,306,178)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	111,332	\$ 111,332
FUND BALANCES - JULY 1, RESTATED			4,771,926	
FUND BALANCES - JUNE 30			\$ 4,883,258	

See accompanying independent auditor's 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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,382,168	\$ 1,382,168	\$ 1,382,168	\$ -
Resources (Inflows):				
Intergovernmental revenues:				
State subsidy	9,596,147	9,596,147	9,130,300	(465,847)
Mainecare	403,542	403,542	450,784	47,242
Tuition	300,000	300,000	174,320	(125,680)
Interest income	8,100	8,100	3,517	(4,583)
Miscellaneous	10,300	10,300	26,477	16,177
Transfers from other funds	7,768,170	7,768,170	7,790,576	22,406
Amounts Available for Appropriation	<u>19,468,427</u>	<u>19,468,427</u>	<u>18,958,142</u>	<u>(510,285)</u>
Charges to Appropriations (Outflows):				
Regular instruction	5,345,950	5,345,950	4,721,804	624,146
Special education	4,038,023	4,038,023	3,296,463	741,560
Other instruction	378,863	378,863	367,241	11,622
Student and staff support	2,042,768	2,042,768	1,958,844	83,924
System administration	792,979	792,979	635,326	157,653
School administration	1,282,788	1,282,788	1,253,786	29,002
Transportation and buses	1,070,580	1,070,580	1,140,385	(69,805)
Facilities maintenance	1,691,878	1,691,878	1,650,313	41,565
Debt service	1,211,430	1,211,430	501,208	710,222
Transfers to other funds	231,000	563,489	563,489	-
Total Charges to Appropriations	<u>18,086,259</u>	<u>18,418,748</u>	<u>16,088,859</u>	<u>2,329,889</u>
Budgetary Fund Balance, June 30	<u>\$ 1,382,168</u>	<u>\$ 1,049,679</u>	<u>\$ 2,869,283</u>	<u>\$ 1,819,604</u>
Utilization of Unassigned Fund Balance	<u>\$ -</u>	<u>\$ 332,489</u>	<u>\$ -</u>	<u>\$ (332,489)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

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

	2022	2021	2020	2019	2018	2017	2016	2015
PLD Plan - Town:								
Proportion of the net pension liability/(asset)	0.56%	0.57%	0.58%	0.57%	0.58%	0.59%	0.58%	0.59%
Proportionate share of the net pension liability/(asset)	\$ (179,597)	\$ 2,250,091	\$ 1,781,086	\$ 1,569,463	\$ 2,362,730	\$ 3,141,913	\$ 1,280,674	\$ 910,967
Covered payroll	\$ 3,984,650	\$ 3,445,979	\$ 3,524,580	\$ 3,274,658	\$ 3,149,472	\$ 3,034,713	\$ 3,043,854	\$ 2,228,868
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-4.51%	65.30%	50.53%	47.93%	75.02%	103.53%	42.07%	40.87%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.86%	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%
SET Plan:								
Town's proportion of the net pension liability/(as Town's proportionate share of the net pension liability/(asset)	0.02%	0.03%	0.03%	0.04%	0.03%	0.04%	0.03%	0.03%
	\$ 182,098	\$ 451,644	\$ 438,590	\$ 492,601	\$ 474,747	\$ 694,298	\$ 392,331	\$ 348,406
State's proportionate share of the net pension liability/(asset) associated with the Town	5,116,472	9,502,010	8,444,731	8,077,013	8,636,256	9,967,895	7,870,813	6,252,863
Total	\$ 5,298,570	\$ 9,953,654	\$ 8,883,321	\$ 8,569,614	\$ 9,111,003	\$ 10,662,193	\$ 8,263,144	\$ 6,601,269
Town's covered payroll	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470	\$ 7,348,015	\$ 7,222,074
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	3.44%	4.54%	4.94%	7.07%	6.35%	9.71%	5.34%	4.82%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	90.90%	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%	83.91%
PLD Plan - Lisbon Water Department:								
Proportion of the net pension liability/(asset)	0.05%	0.05%	0.06%	0.06%	0.06%	0.05%	0.04%	0.04%
Proportionate share of the net pension liability/(asset)	\$ (15,089)	\$ 194,294	\$ 174,497	\$ 156,459	\$ 245,859	\$ 254,114	\$ 139,892	\$ 56,539
Covered payroll	\$ 292,529	\$ 317,722	\$ 349,216	\$ 330,587	\$ 321,435	\$ 255,428	\$ 229,787	\$ 195,950
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-5.16%	61.15%	49.97%	47.33%	76.49%	99.49%	60.88%	28.85%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.86%	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan - Town:</u>								
Contractually required contribution	\$ 450,396	\$ 404,442	\$ 348,842	\$ 346,012	\$ 317,949	\$ 296,008	\$ 270,090	\$ 231,256
Contributions in relation to the contractually required contribution	(450,396)	(404,442)	(348,842)	(346,012)	(317,949)	(296,008)	(270,090)	(231,256)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,273,390	\$ 3,984,650	\$ 3,445,979	\$ 3,524,580	\$ 3,274,658	\$ 3,149,472	\$ 3,034,713	\$ 3,043,854
Contributions as a percentage of covered payroll	10.54%	10.15%	10.12%	9.82%	9.71%	9.40%	8.90%	7.60%
<u>SET Plan:</u>								
Contractually required contribution	\$ 397,571	\$ 395,781	\$ 381,275	\$ 350,949	\$ 309,709	\$ 287,895	\$ 285,213	\$ 240,350
Contributions in relation to the contractually required contribution	(397,571)	(395,781)	(381,275)	(350,949)	(309,709)	(287,895)	(285,213)	(240,350)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 9,146,740	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470	\$ 7,348,015
Contributions as a percentage of covered payroll	4.35%	4.82%	4.82%	4.53%	4.45%	3.85%	3.99%	3.27%
<u>PLD Plan - Lisbon Water Department:</u>								
Contractually required contribution	\$ 38,819	\$ 34,222	\$ 32,274	\$ 33,830	\$ 31,087	\$ 26,541	\$ 20,128	\$ 14,941
Contributions in relation to the contractually required contribution	(38,819)	(34,222)	(32,274)	(33,830)	(31,087)	(26,541)	(20,128)	(14,941)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 379,685	\$ 340,458	\$ 324,600	\$ 345,083	\$ 325,535	\$ 287,632	\$ 240,468	\$ 207,051
Contributions as a percentage of covered payroll	10.22%	10.05%	9.94%	9.80%	9.55%	9.23%	8.37%	7.22%

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

See accompanying independent auditor's 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, 2022

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/21 (Reporting December 31, 2021)	\$ 358,521	\$ -	\$ 358,521
Changes for the year:			
Service cost	34,866	-	34,866
Interest	8,324	-	8,324
Changes of benefits	-	-	-
Differences between expected and actual experience	(90,357)	-	(90,357)
Changes of assumptions	(11,015)	-	(11,015)
Contributions - employer	-	1,510	(1,510)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,510)	(1,510)	-
Administrative expense	-	-	-
Net changes	<u>(59,692)</u>	<u>-</u>	<u>(59,692)</u>
Balances at 1/1/22 (Reporting December 31, 2022)	<u>\$ 298,829</u>	<u>\$ -</u>	<u>\$ 298,829</u>

TOWN OF LISBON, MAINE

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

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/20 (Reporting December 31, 2020)	\$ 27,363	\$ -	\$ 27,363
Changes for the year:			
Service cost	4,336	-	4,336
Interest	1,279	-	1,279
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	3,241	-	3,241
Contributions - employer	-	207	(207)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(207)	(207)	-
Administrative expense	-	-	-
Net changes	<u>8,649</u>	<u>-</u>	<u>8,649</u>
Balances at 1/1/21 (Reporting December 31, 2021)	<u>\$ 36,012</u>	<u>\$ -</u>	<u>\$ 36,012</u>

See accompanying independent auditor's 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*

	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>					
Service cost (BOY)	\$ 34,866	\$ 30,417	\$ 17,800	\$ 19,925	\$ 15,207
Interest (includes interest on service cost)	8,324	8,975	19,457	17,209	16,053
Changes of benefit terms	-	-	(5,617)	-	-
Differences between expected and actual experience	(90,357)	-	(255,941)	-	5,890
Changes of assumptions	(11,015)	22,738	73,149	(45,595)	47,874
Benefit payments, including refunds of member contributions	(1,510)	(1,452)	(15,400)	(14,808)	(13,554)
Net change in total OPEB liability	\$ (59,692)	\$ 60,678	\$ (166,552)	\$ (23,269)	\$ 71,470
Total OPEB liability - beginning	\$ 358,521	\$ 297,843	\$ 464,395	\$ 487,664	\$ 416,194
Total OPEB liability - ending	\$ 298,829	\$ 358,521	\$ 297,843	\$ 464,395	\$ 487,664
<u>Plan fiduciary net position</u>					
Contributions - employer	1,510	1,452	15,400	14,808	13,554
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,510)	(1,452)	(15,400)	(14,808)	(13,554)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 298,829	\$ 358,521	\$ 297,843	\$ 464,395	\$ 487,664
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-
Net OPEB liability as a percentage of covered payroll	\$ 2,448,332 12.2%	\$ 2,459,479 14.6%	\$ 2,459,479 12.1%	\$ 2,358,508 19.7%	\$ 2,358,508 20.7%

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

TOWN OF LISBON, MAINE

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>				
Service cost (BOY)	4,336	2,047	1,996	1,523
Interest (includes interest on service cost)	1,279	2,237	1,724	1,608
Changes of benefit terms	-	(646)	-	-
Differences between expected and actual experience	-	(29,430)	-	590
Changes of assumptions	3,241	8,411	(4,567)	4,796
Benefit payments, including refunds of member contributions	(207)	(1,771)	(1,483)	(1,358)
Net change in total OPEB liability	<u>\$ 8,649</u>	<u>\$ (19,152)</u>	<u>\$ (2,330)</u>	<u>\$ 7,159</u>
Total OPEB liability - beginning	<u>\$ 27,363</u>	<u>\$ 46,515</u>	<u>\$ 48,845</u>	<u>\$ 41,686</u>
Total OPEB liability - ending	<u>\$ 36,012</u>	<u>\$ 27,363</u>	<u>\$ 46,515</u>	<u>\$ 48,845</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	207	1,771	1,483	1,358
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(207)	(1,771)	(1,483)	(1,358)
Administrative expense	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 36,012</u>	<u>\$ 27,363</u>	<u>\$ 46,515</u>	<u>\$ 48,845</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-
Covered payroll	<u>\$ 350,597</u>	<u>\$ 282,813</u>	<u>\$ 236,231</u>	<u>\$ 236,231</u>
Net OPEB liability as a percentage of covered payroll	10.3%	9.7%	19.7%	20.7%

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

See accompanying independent auditor's 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, 2022

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 6/30/20 (Reporting June 30, 2021)	\$ 3,412,480	\$ -	\$ 3,412,480
Changes for the year:			
Service cost	60,295	-	60,295
Interest	75,632	-	75,632
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	23,646	-	23,646
Contributions - employer	-	101,621	(101,621)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(101,621)	(101,621)	-
Administrative expense	-	-	-
Net changes	<u>57,952</u>	<u>-</u>	<u>57,952</u>
Balances at 6/30/21 (Reporting June 30, 2022)	<u>\$ 3,470,432</u>	<u>\$ -</u>	<u>\$ 3,470,432</u>

See accompanying independent auditor's 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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Total OPEB liability</u>				
Service cost (BOY)	\$ 60,295	\$ 37,385	\$ 31,955	\$ 33,826
Interest (includes interest on service cost)	75,632	128,846	133,669	126,761
Changes of benefit terms	-	(277,873)	-	-
Differences between expected and actual experience	-	(600,958)	-	-
Changes of assumptions	23,646	550,029	178,121	(140,250)
Benefit payments, including refunds of member contributions	<u>(101,621)</u>	<u>(136,606)</u>	<u>(107,203)</u>	<u>(103,498)</u>
Net change in total OPEB liability	\$ 57,952	\$ (299,177)	\$ 236,542	\$ (83,161)
Total OPEB liability - beginning	\$ 3,412,480	\$ 3,711,657	\$ 3,475,115	\$ 3,558,276
Total OPEB liability - ending	\$ 3,470,432	\$ 3,412,480	\$ 3,711,657	\$ 3,475,115
<u>Plan fiduciary net position</u>				
Contributions - employer	101,621	136,606	107,203	103,498
Contributions - member	-	-	-	(103,498)
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(101,621)	(136,606)	(107,203)	-
Administrative expense	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 3,470,432</u>	<u>\$ 3,412,480</u>	<u>\$ 3,711,657</u>	<u>\$ 3,475,115</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-
Covered payroll	\$ 7,540,775	\$ 7,356,853	\$ 8,302,352	\$ 8,080,148
Net OPEB liability as a percentage of covered payroll	46.0%	46.4%	44.7%	43.0%

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

See accompanying independent auditor's 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>SET Life Insurance:</u>						
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	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>110,313</u>	<u>235,203</u>	<u>240,535</u>	<u>248,511</u>	<u>237,224</u>	<u>-</u>
Total	<u><u>\$ 110,313</u></u>	<u><u>\$ 235,203</u></u>	<u><u>\$ 240,535</u></u>	<u><u>\$ 248,511</u></u>	<u><u>\$ 237,224</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720	\$ 7,150,470
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	55.40%	49.51%	49.22%	48.04%	47.29%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT - TOWN:</u>					
Employer contributions	\$ (1,510)	\$ (1,452)	\$ 15,400	\$ 14,808	\$ 13,554
Benefit payments	1,510	1,452	(15,400)	(14,808)	(13,554)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,448,332	\$ 2,459,479	\$ 2,459,479	\$ 2,358,508	\$ 2,358,508
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	
<u>MEABT SCHOOL DEPARTMENT:</u>					
Employer contributions	\$ 101,621	\$ 136,606	\$ 107,203	\$ 103,498	
Benefit payments	(101,621)	(136,606)	(107,203)	(103,498)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 7,540,775	\$ 7,356,853	\$ 8,302,352	\$ 8,080,148	
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	
		<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2018</u>
<u>MMEHT LISBON WATER DEPARTMENT:</u>					
Employer contributions		\$ 207	\$ 1,771	\$ 1,483	\$ 1,358
Benefit payments		(207)	(1,771)	(1,483)	(1,358)
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll		\$ 350,597	\$ 282,813	\$ 236,231	\$ 236,231
Contributions as a percentage of covered payroll		0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE
 SCHEDULE OF CONTRIBUTIONS - OPEB - SET PLAN
 LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
<u>SET Life Insurance:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,146,740	\$ 8,207,959	\$ 7,910,775	\$ 7,739,002	\$ 6,965,737	\$ 7,470,720
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

MEPERS PLD Plan:

The discount rate was reduced from 6.75% to 6.50%. In addition, the salary increases for the plan, increased from 2.75% to 2.75% - 11.48% per year.

MEPERS SET Plan:

The discount rate was reduced from 6.75% to 6.50%. In addition, the salary increases for the plan, increased from 2.75% to 2.80% - 13.03% per year.

MMEHT Health Plans:

Town Plan: The discount rate was updated to reflect the December 30, 2021 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was reduced to reflect the reduction in the Bond Buyer 20-Bond GO Index.

The following demographic assumptions were updated based on the June 30, 2021 experience study:

Mortality, termination, retirement and salary rates.

The enrollment participation for plans with no employer subsidy was update for ages 65-70.

There was a change in the discount rate from 2.12% to 2.06% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

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

MEABT Health Plan:

There was a change in the discount rate from 2.21% to 2.16% per GASB 75 discount rate selection.

MEPERS Group Life Plan:

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

See accompanying independent auditor's 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, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES:					
Taxes:					
Property taxes	\$ 13,095,318	\$ -	\$ 13,095,318	\$ 13,119,232	\$ 23,914
In lieu of property taxes	10,000	-	10,000	8,962	(1,038)
Excise taxes	1,720,840	-	1,720,840	1,831,978	111,138
Registration fees	38,000	-	38,000	48,610	10,610
Interest and costs on taxes	33,000	-	33,000	31,837	(1,163)
	<u>14,897,158</u>	<u>-</u>	<u>14,897,158</u>	<u>15,040,619</u>	<u>143,461</u>
Licenses and permits:					
Business permits and fees	12,500	-	12,500	51,516	39,016
All other construction fees	44,319	-	44,319	31,256	(13,063)
Town clerk	10,300	-	10,300	387	(9,913)
	<u>67,119</u>	<u>-</u>	<u>67,119</u>	<u>83,159</u>	<u>16,040</u>
Intergovernmental:					
State revenue sharing	1,470,000	-	1,470,000	2,089,792	619,792
General assistance	17,500	-	17,500	12,520	(4,980)
Tree growth reimbursement	13,000	-	13,000	16,009	3,009
BETE reimbursement	307,846	-	307,846	307,954	108
Homestead reimbursement	879,502	-	879,502	879,502	-
Miscellaneous state aid	21,301	-	21,301	21,302	1
Urban rural incentive program	94,000	-	94,000	101,652	7,652
Veteran reimbursement	10,000	-	10,000	10,000	-
	<u>2,813,149</u>	<u>-</u>	<u>2,813,149</u>	<u>3,438,731</u>	<u>625,582</u>
Charges for services:					
Public services	2,700	-	2,700	-	(2,700)
Public works	178,800	-	178,800	233,389	54,589
Public safety	125,897	-	125,897	123,224	(2,673)
Culture and recreation	267,323	-	267,323	234,600	(32,723)
	<u>574,720</u>	<u>-</u>	<u>574,720</u>	<u>591,213</u>	<u>16,493</u>
Interest income	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>30,879</u>	<u>2,879</u>
Other revenues:					
TIF	114,230	(114,230)	-	-	-
Reimbursements	65,561	-	65,561	67,735	2,174
Other revenues	13,000	-	13,000	13,163	163
	<u>192,791</u>	<u>(114,230)</u>	<u>78,561</u>	<u>80,898</u>	<u>2,337</u>
Transfer from other funds	<u>-</u>	<u>114,230</u>	<u>114,230</u>	<u>114,230</u>	<u>-</u>
Total revenues	<u>\$ 18,572,937</u>	<u>\$ -</u>	<u>\$ 18,572,937</u>	<u>\$ 19,379,729</u>	<u>\$ 806,792</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
General government:					
Elected officials	\$ 25,692	\$ -	\$ 25,692	\$ 21,017	\$ 4,675
Town manager	252,945	-	252,945	236,763	16,182
Insurance	103,006	-	103,006	97,959	5,047
Legal	40,000	-	40,000	50,505	(10,505)
Finance	223,791	-	223,791	242,746	(18,955)
Tax collector	166,676	-	166,676	164,373	2,303
Code enforcement	116,274	-	116,274	47,378	68,896
Town clerk	170,044	-	170,044	179,516	(9,472)
Assessing	84,846	-	84,846	107,943	(23,097)
Town buildings	187,755	-	187,755	206,729	(18,974)
Technology	249,877	-	249,877	244,806	5,071
Planning Board	11,698	-	11,698	5,040	6,658
Board of Appeals	1,301	-	1,301	4,027	(2,726)
Economic development	114,230	-	114,230	101,630	12,600
	<u>1,748,135</u>	<u>-</u>	<u>1,748,135</u>	<u>1,710,432</u>	<u>37,703</u>
Public safety:					
Police	1,807,972	-	1,807,972	1,642,612	165,360
Animal control officer	100,949	-	100,949	97,721	3,228
Fire	569,292	-	569,292	506,084	63,208
Emergency	23,656	-	23,656	21,892	1,764
LES	199,842	-	199,842	201,375	(1,533)
Communication	350,251	-	350,251	353,679	(3,428)
	<u>3,051,962</u>	<u>-</u>	<u>3,051,962</u>	<u>2,823,363</u>	<u>228,599</u>
Public works:					
Public works	1,525,281	-	1,525,281	1,381,555	143,726
Snow removal	313,354	-	313,354	275,767	37,587
Hydrant rental	480,000	-	480,000	480,000	-
Street and traffic lights	90,000	-	90,000	80,975	9,025
Solid waste	575,263	-	575,263	580,473	(5,210)
	<u>2,983,898</u>	<u>-</u>	<u>2,983,898</u>	<u>2,798,770</u>	<u>185,128</u>

SCHEDULE B (CONTINUED)

TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Public services:					
Health officer	6,804	-	6,804	6,994	(190)
Community services - senior citizens	42,000	-	42,000	42,000	-
Lisbon Falls Library	299,850	-	299,850	300,047	(197)
Miscellaneous public services	13,885	-	13,885	13,970	(85)
Recreation department	631,106	-	631,106	620,562	10,544
	<u>993,645</u>	<u>-</u>	<u>993,645</u>	<u>983,573</u>	<u>10,072</u>
General assistance	<u>31,929</u>	<u>-</u>	<u>31,929</u>	<u>27,777</u>	<u>4,152</u>
Intergovernmental - county tax	<u>803,220</u>	<u>-</u>	<u>803,220</u>	<u>803,220</u>	<u>-</u>
Unclassified:					
Tax increment financing payments	670,097	(670,097)	-	-	-
Overlay/tax abatements	138,133	-	138,133	-	138,133
	<u>808,230</u>	<u>(670,097)</u>	<u>138,133</u>	<u>-</u>	<u>138,133</u>
Debt service - Town	<u>361,343</u>	<u>-</u>	<u>361,343</u>	<u>354,412</u>	<u>6,931</u>
Transfers to other funds:					
Education	7,790,575	-	7,790,575	7,790,576	(1)
Special revenue funds	-	1,110,877	1,110,877	1,137,274	(26,397)
Capital projects funds	-	839,000	839,000	839,000	-
	<u>7,790,575</u>	<u>1,949,877</u>	<u>9,740,452</u>	<u>9,766,850</u>	<u>(26,398)</u>
Total Departmental Operations	<u>\$ 18,572,937</u>	<u>\$ 1,279,780</u>	<u>\$ 19,852,717</u>	<u>\$ 19,268,397</u>	<u>\$ 584,320</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 266,525	\$ -	\$ 9,654	\$ 276,179
Investments	-	-	20,082	20,082
Due from other governments	363,319	-	-	363,319
Inventory	21,029	-	-	21,029
Due from other funds	2,899,196	819,306	-	3,718,502
TOTAL ASSETS	\$ 3,550,069	\$ 819,306	\$ 29,736	\$ 4,399,111
LIABILITIES				
Accounts payable	\$ 149,258	\$ 83,300	\$ -	\$ 232,558
Accrued payroll	553	-	-	553
Due to other funds	424,572	322,190	-	746,762
TOTAL LIABILITIES	574,383	405,490	-	979,873
FUND BALANCES (DEFICITS)				
Nonspendable	21,029	-	1,118	22,147
Restricted	2,136,696	-	28,618	2,165,314
Committed	994,594	736,006	-	1,730,600
Assigned	309,577	-	-	309,577
Unassigned	(486,210)	(322,190)	-	(808,400)
TOTAL FUND BALANCES (DEFICITS)	2,975,686	413,816	29,736	3,419,238
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,550,069	\$ 819,306	\$ 29,736	\$ 4,399,111

See accompanying independent auditor's 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, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 4,890,269	\$ 668,816	\$ -	\$ 5,559,085
Investment income	12	-	562	574
Other income	343,703	-	-	343,703
TOTAL REVENUES	<u>5,233,984</u>	<u>668,816</u>	<u>562</u>	<u>5,903,362</u>
EXPENDITURES				
Capital outlay	378,388	4,007,205	-	4,385,593
General government	160,550	-	-	160,550
Public works	5,402	-	-	5,402
Public services and payments	28,757	12,476	-	41,233
Education	3,321,642	-	-	3,321,642
Food service	864,662	-	-	864,662
Other	789,969	-	-	789,969
TOTAL EXPENDITURES	<u>5,549,370</u>	<u>4,019,681</u>	<u>-</u>	<u>9,569,051</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(315,386)</u>	<u>(3,350,865)</u>	<u>562</u>	<u>(3,665,689)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	2,800,000	-	2,800,000
Transfers in	1,368,274	1,171,489	-	2,539,763
Transfers (out)	(114,230)	-	-	(114,230)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,254,044</u>	<u>3,971,489</u>	<u>-</u>	<u>5,225,533</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	938,658	620,624	562	1,559,844
FUND BALANCES (DEFICITS) - JULY 1	<u>2,037,028</u>	<u>(206,808)</u>	<u>29,174</u>	<u>1,859,394</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,975,686</u>	<u>\$ 413,816</u>	<u>\$ 29,736</u>	<u>\$ 3,419,238</u>

See accompanying independent auditor's 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, 2022

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	Contracted Professional Services	Waste Diversion Grant	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
ASSETS									
Cash and cash equivalents	\$ 4,123	\$ 29,106	\$ 69,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,739
Due from other governments	-	-	-	-	-	-	-	-	363,319
Inventory	-	-	-	-	-	-	-	21,029	-
Due from other funds	-	2,026	-	850	6,375	-	138,273	305,642	-
TOTAL ASSETS	\$ 4,123	\$ 31,132	\$ 69,557	\$ 850	\$ 6,375	\$ -	\$ 138,273	\$ 326,671	\$ 527,058
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,775	\$ 146,483
Accrued payroll	-	-	-	-	-	-	-	-	553
Due to other funds	1,624	-	11,872	-	-	911	-	-	241,465
TOTAL LIABILITIES	1,624	-	11,872	-	-	911	-	2,775	388,501
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	21,029	-
Restricted	-	31,132	57,685	850	6,375	-	138,273	-	291,417
Committed	2,499	-	-	-	-	-	-	302,867	-
Assigned	-	-	-	-	-	-	-	-	163,739
Unassigned	-	-	-	-	-	(911)	-	-	(316,599)
TOTAL FUND BALANCES (DEFICITS)	2,499	31,132	57,685	850	6,375	(911)	138,273	323,896	138,557
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 4,123	\$ 31,132	\$ 69,557	\$ 850	\$ 6,375	\$ -	\$ 138,273	\$ 326,671	\$ 527,058

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	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	2,585	926	205	3,069	1,200	890	-	9,085	-
TOTAL ASSETS	<u>\$ 2,585</u>	<u>\$ 926</u>	<u>\$ 205</u>	<u>\$ 3,069</u>	<u>\$ 1,200</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 9,085</u>	<u>\$ -</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	65	-	410
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>-</u>	<u>410</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	2,585	926	205	3,069	1,200	890	-	9,085	-
Unassigned	-	-	-	-	-	-	(65)	-	(410)
TOTAL FUND BALANCES (DEFICITS)	<u>2,585</u>	<u>926</u>	<u>205</u>	<u>3,069</u>	<u>1,200</u>	<u>890</u>	<u>(65)</u>	<u>9,085</u>	<u>(410)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,585</u>	<u>\$ 926</u>	<u>\$ 205</u>	<u>\$ 3,069</u>	<u>\$ 1,200</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 9,085</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Library ARPA	Playground Donations	Giving Tree	Claire Paquette Memorial	Heating Assistance
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Due from other funds	6,255	-	-	1,883	384	14	1,876	5,505	656	644
TOTAL ASSETS	<u>\$ 6,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,883</u>	<u>\$ 384</u>	<u>\$ 14</u>	<u>\$ 1,876</u>	<u>\$ 5,505</u>	<u>\$ 656</u>	<u>\$ 644</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	3,787	48,265	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>3,787</u>	<u>48,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	6,255	-	-	-	384	14	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	1,883	-	-	1,876	5,505	656	644
Unassigned	-	(3,787)	(48,265)	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>6,255</u>	<u>(3,787)</u>	<u>(48,265)</u>	<u>1,883</u>	<u>384</u>	<u>14</u>	<u>1,876</u>	<u>5,505</u>	<u>656</u>	<u>644</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)										
	<u>\$ 6,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,883</u>	<u>\$ 384</u>	<u>\$ 14</u>	<u>\$ 1,876</u>	<u>\$ 5,505</u>	<u>\$ 656</u>	<u>\$ 644</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Health Insurance Reserve
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	3,524	9,404	2,611	106,767	-	165,391	431	69,800
TOTAL ASSETS	\$ 3,524	\$ 9,404	\$ 2,611	\$ 106,767	\$ -	\$ 165,391	\$ 431	\$ 69,800
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	62,979	-	-	-
TOTAL LIABILITIES	-	-	-	-	62,979	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	106,767	-	-	-	-
Committed	-	-	2,611	-	-	165,391	431	69,800
Assigned	3,524	9,404	-	-	-	-	-	-
Unassigned	-	-	-	-	(62,979)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	3,524	9,404	2,611	106,767	(62,979)	165,391	431	69,800
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,524	\$ 9,404	\$ 2,611	\$ 106,767	\$ -	\$ 165,391	\$ 431	\$ 69,800

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	285,943	101,596	28,189	79	9,819	-	367,380	141,313	163,740
TOTAL ASSETS	\$ 285,943	\$ 101,596	\$ 28,189	\$ 79	\$ 9,819	\$ -	\$ 367,380	\$ 141,313	\$ 163,740
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	6,519	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	6,519	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	367,380	141,313	163,740
Committed	285,943	101,596	28,189	-	-	-	-	-	-
Assigned	-	-	-	79	9,819	-	-	-	-
Unassigned	-	-	-	-	-	(6,519)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	285,943	101,596	28,189	79	9,819	(6,519)	367,380	141,313	163,740
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 285,943	\$ 101,596	\$ 28,189	\$ 79	\$ 9,819	\$ -	\$ 367,380	\$ 141,313	\$ 163,740

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	Façade Grant	49 Frost Hill	ARPA	Sabattus Law Grant
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	-	24,131	106	30,281	7,173	-	-	753,179	-
TOTAL ASSETS	\$ -	\$ 24,131	\$ 106	\$ 30,281	\$ 7,173	\$ -	\$ -	\$ 753,179	\$ -
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	2,198	-	-	-	-	13,916	3,093	-	2,760
TOTAL LIABILITIES	2,198	-	-	-	-	13,916	3,093	-	2,760
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	753,179	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	24,131	106	30,281	7,173	-	-	-	-
Unassigned	(2,198)	-	-	-	-	(13,916)	(3,093)	-	(2,760)
TOTAL FUND BALANCES (DEFICITS)	(2,198)	24,131	106	30,281	7,173	(13,916)	(3,093)	753,179	(2,760)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)									
	\$ -	\$ 24,131	\$ 106	\$ 30,281	\$ 7,173	\$ -	\$ -	\$ 753,179	\$ -

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	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	47,459	-	2,782	5,265	500	14,596	5,976
TOTAL ASSETS	\$ 33	\$ 47,459	\$ -	\$ 2,782	\$ 5,265	\$ 500	\$ 14,596	\$ 5,976
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	22,010	-	-	-	-	-
TOTAL LIABILITIES	-	-	22,010	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	33	47,459	-	2,782	5,265	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	500	14,596	5,976
Unassigned	-	-	(22,010)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	33	47,459	(22,010)	2,782	5,265	500	14,596	5,976
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 33	\$ 47,459	\$ -	\$ 2,782	\$ 5,265	\$ 500	\$ 14,596	\$ 5,976

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	DHHS Grant Exp	Renewable Energy	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,525
Due from other governments	-	-	-	-	-	-	-	363,319
Inventory	-	-	-	-	-	-	-	21,029
Due from other funds	16,393	445	-	34,822	3,925	7,247	553	2,899,196
TOTAL ASSETS	\$ 16,393	\$ 445	\$ -	\$ 34,822	\$ 3,925	\$ 7,247	\$ 553	\$ 3,550,069
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,258
Accrued payroll	-	-	-	-	-	-	-	553
Due to other funds	-	-	2,698	-	-	-	-	424,572
TOTAL LIABILITIES	-	-	2,698	-	-	-	-	574,383
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	21,029
Restricted	16,393	-	-	-	-	-	-	2,136,696
Committed	-	445	-	34,822	-	-	-	994,594
Assigned	-	-	-	-	3,925	7,247	553	309,577
Unassigned	-	-	(2,698)	-	-	-	-	(486,210)
TOTAL FUND BALANCES (DEFICITS)	16,393	445	(2,698)	34,822	3,925	7,247	553	2,975,686
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 16,393	\$ 445	\$ -	\$ 34,822	\$ 3,925	\$ 7,247	\$ 553	\$ 3,550,069

See accompanying independent auditor's 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, 2022

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	Contracted Professional Services	Waste Diversion Grant	Sale of Surplus Prop	School Nutrition Program	School Federal and Other Programs
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810,646	\$ 3,116,024
Investment income	(1)	13	-	-	-	-	-	-	-
Other income	-	2,525	21,430	100	-	-	19,646	26,068	193,579
TOTAL REVENUES	<u>(1)</u>	<u>2,538</u>	<u>21,430</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>19,646</u>	<u>836,714</u>	<u>3,309,603</u>
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	23,625	-	-	-	-
Public works	-	-	-	-	-	2,309	-	-	-
Public services and payments	-	499	28,135	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	3,321,642
Food service	-	-	-	-	-	-	-	864,662	-
TOTAL EXPENDITURES	<u>-</u>	<u>499</u>	<u>28,135</u>	<u>-</u>	<u>23,625</u>	<u>2,309</u>	<u>-</u>	<u>864,662</u>	<u>3,321,642</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1)</u>	<u>2,039</u>	<u>(6,705)</u>	<u>100</u>	<u>(23,625)</u>	<u>(2,309)</u>	<u>19,646</u>	<u>(27,948)</u>	<u>(12,039)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	30,000	-	-	231,000	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>231,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(1)</u>	<u>2,039</u>	<u>(6,705)</u>	<u>100</u>	<u>6,375</u>	<u>(2,309)</u>	<u>19,646</u>	<u>203,052</u>	<u>(12,039)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>2,500</u>	<u>29,093</u>	<u>64,390</u>	<u>750</u>	<u>-</u>	<u>1,398</u>	<u>118,627</u>	<u>120,844</u>	<u>150,596</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,499</u>	<u>\$ 31,132</u>	<u>\$ 57,685</u>	<u>\$ 850</u>	<u>\$ 6,375</u>	<u>\$ (911)</u>	<u>\$ 138,273</u>	<u>\$ 323,896</u>	<u>\$ 138,557</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, 2022

	LL Summer Read	LL Patrick Memorial	LL Barron Memorial	LL Library Adult Program	LL Erna Smith Memorial	LL Huston Memorial	LL Spear Memorial	LL Alison Ross Memorial	PD 2017 HSG
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	2,879	-	-	368	1,000	-	-	-	-
TOTAL REVENUES	<u>2,879</u>	<u>-</u>	<u>-</u>	<u>368</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	1,616	144	500	538	500	-	-	419	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,616</u>	<u>144</u>	<u>500</u>	<u>538</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,263</u>	<u>(144)</u>	<u>(500)</u>	<u>(170)</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>(419)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	1,263	(144)	(500)	(170)	500	-	-	(419)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>1,322</u>	<u>1,070</u>	<u>705</u>	<u>3,239</u>	<u>700</u>	<u>890</u>	<u>(65)</u>	<u>9,504</u>	<u>(410)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,585</u>	<u>\$ 926</u>	<u>\$ 205</u>	<u>\$ 3,069</u>	<u>\$ 1,200</u>	<u>\$ 890</u>	<u>\$ (65)</u>	<u>\$ 9,085</u>	<u>\$ (410)</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, 2022

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Library ARPA	Playground Donations	Giving Tree	Claire Paquette Memorial	Heating Assistance
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	3,937	875	-
TOTAL REVENUES	-	-	-	-	-	2,750	-	3,937	875	-
EXPENDITURES										
Capital outlay	-	-	-	-	-	-	-	2,755	-	-
General government	-	-	-	-	-	2,736	-	-	219	-
Public works	-	-	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	2,736	-	2,755	219	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	14	-	1,182	656	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	14	-	1,182	656	-
FUND BALANCES (DEFICITS) - JULY 1	6,255	(3,787)	(48,265)	1,883	384	-	1,876	4,323	-	644
FUND BALANCES (DEFICITS) - JUNE 30	\$ 6,255	\$ (3,787)	\$ (48,265)	\$ 1,883	\$ 384	\$ 14	\$ 1,876	\$ 5,505	\$ 656	\$ 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, 2022

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Health Insurance Reserve
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	3,802	-	-	-	-	-	-	-
TOTAL REVENUES	<u>3,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Capital outlay	-	-	15,882	-	-	52,059	-	-
General government	2,979	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>2,979</u>	<u>-</u>	<u>15,882</u>	<u>-</u>	<u>-</u>	<u>52,059</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>823</u>	<u>-</u>	<u>(15,882)</u>	<u>-</u>	<u>-</u>	<u>(52,059)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	184,200	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,200</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	823	-	(15,882)	-	-	132,141	-	-
FUND BALANCES (DEFICITS) - JULY 1	<u>2,701</u>	<u>9,404</u>	<u>18,493</u>	<u>106,767</u>	<u>(62,979)</u>	<u>33,250</u>	<u>431</u>	<u>69,800</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 3,524</u>	<u>\$ 9,404</u>	<u>\$ 2,611</u>	<u>\$ 106,767</u>	<u>\$ (62,979)</u>	<u>\$ 165,391</u>	<u>\$ 431</u>	<u>\$ 69,800</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, 2022

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-
EXPENDITURES									
Capital outlay	8,914	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	547,135	15,252	227,582
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	8,914	-	-	-	-	-	547,135	15,252	227,582
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,914)	-	-	-	-	-	(547,135)	(15,252)	(227,582)
OTHER FINANCING SOURCES (USES)									
Transfers in	150,000	-	-	-	-	-	428,513	42,592	198,992
Transfers (out)	-	-	-	-	-	-	(114,230)	-	-
TOTAL OTHER SOURCES (USES)	150,000	-	-	-	-	-	314,283	42,592	198,992
NET CHANGE IN FUND BALANCES (DEFICITS)	141,086	-	-	-	-	-	(232,852)	27,340	(28,590)
FUND BALANCES (DEFICITS) - JULY 1	144,857	101,596	28,189	79	9,819	(6,519)	600,232	113,973	192,330
FUND BALANCES (DEFICITS) - JUNE 30	\$ 285,943	\$ 101,596	\$ 28,189	\$ 79	\$ 9,819	\$ (6,519)	\$ 367,380	\$ 141,313	\$ 163,740

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	Façade Grant	49 Frost Hill	ARPA	Sabattus Law Grant
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 951,982	\$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	9,892	562	2,780	-	43,181	-	-	-
TOTAL REVENUES	-	9,892	562	2,780	-	43,181	-	951,982	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	57,097	-	198,803	-
General government	-	-	532	-	42,437	-	-	-	-
Public works	-	-	-	-	-	-	3,093	-	-
Public services and payments	-	-	-	123	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	532	123	42,437	57,097	3,093	198,803	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	9,892	30	2,657	(42,437)	(13,916)	(3,093)	753,179	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	21,427	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	21,427	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	9,892	30	24,084	(42,437)	(13,916)	(3,093)	753,179	-
FUND BALANCES (DEFICITS) - JULY 1	(2,198)	14,239	76	6,197	49,610	-	-	-	(2,760)
FUND BALANCES (DEFICITS) - JUNE 30	\$ (2,198)	\$ 24,131	\$ 106	\$ 30,281	\$ 7,173	\$ (13,916)	\$ (3,093)	\$ 753,179	\$ (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, 2022

	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	\$ -	\$ -	\$ 8,867	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	8,867	-	-	-	-	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
General government	-	9,819	40,361	-	-	-	-	1,800
Public works	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	9,819	40,361	-	-	-	-	1,800
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(9,819)	(31,494)	-	-	-	-	(1,800)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(9,819)	(31,494)	-	-	-	-	(1,800)
FUND BALANCES (DEFICITS) - JULY 1	33	57,278	9,484	2,782	5,265	500	14,596	7,776
FUND BALANCES (DEFICITS) - JUNE 30	\$ 33	\$ 47,459	\$ (22,010)	\$ 2,782	\$ 5,265	\$ 500	\$ 14,596	\$ 5,976

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	DHHS Grant Exp	Renewable Energy	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Town Clerk Book	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,890,269
Investment income	-	-	-	-	-	-	-	12
Other income	-	682	-	-	6,300	4,097	-	343,703
TOTAL REVENUES	-	682	-	-	6,300	4,097	-	5,233,984
EXPENDITURES								
Capital outlay	-	-	-	42,878	-	-	-	378,388
General government	-	237	15,698	-	2,675	-	13,715	160,550
Public works	-	-	-	-	-	-	-	5,402
Public services and payments	-	-	-	-	-	-	-	818,726
Education	-	-	-	-	-	-	-	3,321,642
Food service	-	-	-	-	-	-	-	864,662
TOTAL EXPENDITURES	-	237	15,698	42,878	2,675	-	13,715	5,549,370
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	445	(15,698)	(42,878)	3,625	4,097	(13,715)	(315,386)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	67,800	-	-	13,750	1,368,274
Transfers (out)	-	-	-	-	-	-	-	(114,230)
TOTAL OTHER SOURCES (USES)	-	-	-	67,800	-	-	13,750	1,254,044
NET CHANGE IN FUND BALANCES (DEFICITS)	-	445	(15,698)	24,922	3,625	4,097	35	938,658
FUND BALANCES (DEFICITS) - JULY 1	16,393	-	13,000	9,900	300	3,150	518	2,037,028
FUND BALANCES (DEFICITS) - JUNE 30	\$ 16,393	\$ 445	\$ (2,698)	\$ 34,822	\$ 3,925	\$ 7,247	\$ 553	\$ 2,975,686

See accompanying independent auditor's 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, 2022

	Police Dept Safety and Equipment	Fire Station Study	Solid Waste Equipment	Parks and Recreation Equipment	Parks and Recreation Equipment Replacement
ASSETS					
Due from other funds	\$ 3,028	\$ 30,000	\$ 35,000	\$ -	\$ -
TOTAL ASSETS	<u>\$ 3,028</u>	<u>\$ 30,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	19,750
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,750</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	3,028	30,000	35,000	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(19,750)
TOTAL FUND BALANCES (DEFICITS)	<u>3,028</u>	<u>30,000</u>	<u>35,000</u>	<u>-</u>	<u>(19,750)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 3,028</u>	<u>\$ 30,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2022

	Public Works Vehicles and Equipment	Public Works Guardrail	Public Works Salt Shed	Code Enforcement Storage	Revaluation	USDA RD Loan Grant CIP	Police Cruiser	Capital Projects Reserve	School Capital Fund	Totals
ASSETS										
Due from other funds	\$ 21,312	\$ 2,176	\$ 442,000	\$ 848	\$ 30,000	\$ -	\$ 5,671	\$ 72,540	\$ 176,731	\$ 819,306
TOTAL ASSETS	<u>\$ 21,312</u>	<u>\$ 2,176</u>	<u>\$ 442,000</u>	<u>\$ 848</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 5,671</u>	<u>\$ 72,540</u>	<u>\$ 176,731</u>	<u>\$ 819,306</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,300	\$ 83,300
Due to other funds	-	-	-	-	-	302,440	-	-	-	322,190
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,440</u>	<u>-</u>	<u>-</u>	<u>83,300</u>	<u>405,490</u>
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	21,312	2,176	442,000	848	30,000	-	5,671	72,540	93,431	736,006
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(302,440)	-	-	-	(322,190)
TOTAL FUND BALANCES (DEFICITS)	<u>21,312</u>	<u>2,176</u>	<u>442,000</u>	<u>848</u>	<u>30,000</u>	<u>(302,440)</u>	<u>5,671</u>	<u>72,540</u>	<u>93,431</u>	<u>413,816</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 21,312</u>	<u>\$ 2,176</u>	<u>\$ 442,000</u>	<u>\$ 848</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 5,671</u>	<u>\$ 72,540</u>	<u>\$ 176,731</u>	<u>\$ 819,306</u>

See accompanying independent auditor's 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, 2022

	<u>Police Dept Safety and Equipment</u>	<u>Fire Station Study</u>	<u>Solid Waste Equipment</u>	<u>Parks and Recreation Equipment</u>	<u>Parks and Recreation Equipment Replacement</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	24,472	-	-	16,000	54,750
Public services and payments	-	-	-	-	-
TOTAL EXPENDITURES	<u>24,472</u>	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>54,750</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,472)</u>	<u>-</u>	<u>-</u>	<u>(16,000)</u>	<u>(54,750)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Transfers in	27,500	30,000	35,000	16,000	35,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>27,500</u>	<u>30,000</u>	<u>35,000</u>	<u>16,000</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,028	30,000	35,000	-	(19,750)
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 3,028</u>	<u>\$ 30,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (19,750)</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, 2022

	Public Works Vehicles and Equipment	Public Works Guardrail	Public Works Salt Shed	Code Enforcement Storage	Revaluation	USDA RD Loan Grant CIP	Police Cruiser	Capital Projects Reserve	School Capital Fund	Totals
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668,816	\$ -	\$ -	\$ -	\$ 668,816
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,816</u>
EXPENDITURES										
Capital outlay	178,688	-	8,000	-	-	3,363,861	15,732	13,094	332,608	4,007,205
Public services and payments	-	9,824	-	2,652	-	-	-	-	-	12,476
TOTAL EXPENDITURES	<u>178,688</u>	<u>9,824</u>	<u>8,000</u>	<u>2,652</u>	<u>-</u>	<u>3,363,861</u>	<u>15,732</u>	<u>13,094</u>	<u>332,608</u>	<u>4,019,681</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(178,688)</u>	<u>(9,824)</u>	<u>(8,000)</u>	<u>(2,652)</u>	<u>-</u>	<u>(2,695,045)</u>	<u>(15,732)</u>	<u>(13,094)</u>	<u>(332,608)</u>	<u>(3,350,865)</u>
OTHER FINANCING SOURCES (USES)										
Bond proceeds	-	-	-	-	-	2,800,000	-	-	-	2,800,000
Transfers in	200,000	12,000	450,000	3,500	30,000	-	-	-	332,489	1,171,489
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	<u>200,000</u>	<u>12,000</u>	<u>450,000</u>	<u>3,500</u>	<u>30,000</u>	<u>2,800,000</u>	<u>-</u>	<u>-</u>	<u>332,489</u>	<u>3,971,489</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	21,312	2,176	442,000	848	30,000	104,955	(15,732)	(13,094)	(119)	620,624
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(407,395)</u>	<u>21,403</u>	<u>85,634</u>	<u>93,550</u>	<u>(206,808)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 21,312</u>	<u>\$ 2,176</u>	<u>\$ 442,000</u>	<u>\$ 848</u>	<u>\$ 30,000</u>	<u>\$ (302,440)</u>	<u>\$ 5,671</u>	<u>\$ 72,540</u>	<u>\$ 93,431</u>	<u>\$ 413,816</u>

See accompanying independent auditor's 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, 2022

	<u>Balances Beginning of Year</u>		<u>Revenues</u>		<u>Expenditures</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>
Potter Patten Cemetery	\$ 75	\$ 320	\$ 1	\$ -	\$ -	\$ 75	\$ 321
Davis Cemetery Perpetual Care	-	25,515	569	-	-	-	26,084
Curtis Scholarship	413	25	(1)	-	-	413	24
Maine Research Company Charity Fund	630	2,196	(7)	-	-	630	2,189
Totals	\$ 1,118	\$ 28,056	\$ 562	\$ -	\$ -	\$ 1,118	\$ 28,618

See accompanying independent auditor's 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, 2022

	Balances Beginning of Year		Additions		Deductions	Balances End of Year	
	Principal (Nonspendable)	Unexpended Income	Investment Income	Contributions and Other Receipts	Disbursements	Principal (Nonspendable)	Unexpended Income
Arthur E. Baron	\$ -	\$ 602	\$1	\$500	\$500	\$ -	\$ 603
Blanche M. Jalbert Fund	3,365	1,785	13	-	100	3,365	1,698
Bryce McEwen Rotary Scholarship	-	12,367	36	-	-	-	12,403
Class of 1941 Scholarship Fund	-	23,029	331	-	200	-	23,160
Dunton Memorial	3,200	3,126	1	-	3,400	-	2,927
Earl Higgins Memorial	3,281	163	-	-	150	3,281	13
Farmer	-	18,429	15	100	2,000	-	16,544
Frank Wimmer Trust	-	15,890	8	899	-	-	16,797
Leon E. Bard, Sr. Memorial Music Scholarship Fund	1,952	760	12	-	100	1,952	672
Lisbon High School Memorial Scholarship Fund	7,482	1,004	122	-	200	7,482	926
Marion T. Morse Secretarial Award	1,000	60	-	-	100	1,000	(40)
Michael F. Strout Memorial Scholarship Fund	3,109	786	18	-	200	3,109	604
Richard S. Lander Scholarship Fund	4,924	7,932	8	-	500	4,924	7,440
Sugg Middle School Trust Fund	-	2,807	1	-	100	-	2,708
Walter Huston Memorial Scholarship	-	21,977	57	-	3,000	-	19,034
Totals	\$ 28,313	\$ 110,717	\$ 623	\$ 1,499	\$ 10,550	\$ 25,113	\$ 105,489

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with *Government Auditing Standards* and/or the *Uniform Guidance in accordance with 2 CFR § 515*. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Pass-through Grantor Program or ClusterTitle	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through State of Maine - Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	013-6662	\$ 2,050	\$ -
National School Lunch Program	10.555	013-3022	41,486	-
National School Lunch Program	10.555	013-3024	486,733	-
School Breakfast Program	10.553	013-3014	190,876	-
Summer Food Service Program for Children	10.559	013-3018	4,627	-
Summer Food Service Program for Children	10.559	013-3016	44,906	-
Subtotal Child Nutrition Cluster:			<u>770,678</u>	<u>-</u>
State Administrative Expenses for Child Nutrition	10.560	013-6670	<u>26,068</u>	<u>-</u>
Pandemic EBT Administrative Costs	10.649	013-6184	<u>1,842</u>	<u>-</u>
Direct Award:				
Water and Waste Disposal Systems for Rural	10.760	N/A	<u>3,252,859</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>4,051,447</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through State of Maine - Department of Economic Development:				
State and Local Fiscal Recovery Funds	21.027	N/A	198,803	-
State and Local Fiscal Recovery Funds	21.027	N/A	2,736	-
			<u>201,539</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>201,539</u>	<u>-</u>

TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
Environmental Protection Agency Passed through State of Maine - Department of Economic and Community Development: Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	40,361	-
Total Environmental Protection Agency			40,361	-
U.S. Department of Education Passed through State of Maine - Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	6334	316,746	-
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	6317	237,651	-
Special Education Grants to States ARP	84.027X	6317	32,869	-
Special Education Preschool Grants	84.173A	6241	4,071	-
Special Education Preschool Grants ARP	84.173X	6241	2,402	-
Subtotal Special Education Cluster (IDEA)			276,993	-
Rural Education	84.358	013-3305	7,920	-
Supporting Effective Instruction State Grants	84.367A	013-3042	60,593	-
Student Support and Academic Enrichment Program	84.424	013-3345	42,689	-
Education Stabilization Fund	84.425D	013-7006	66,257	-
Education Stabilization Fund	84.425D	013-7041	860,571	-
Education Stabilization Fund	84.425U	025-7071	1,577,859	-
Education Stabilization Fund	84.425U	025-3161	4,277	-
			2,508,964	-
Total U.S. Department of Education			3,213,905	-
TOTAL FEDERAL ASSISTANCE			\$ 7,507,252	\$ -

TOWN OF LISBON, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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 AUDITOR'S 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, 2022 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 July 14, 2023.

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.

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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 July 14, 2023.

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
July 14, 2023



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INDEPENDENT AUDITOR'S 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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of Town of Lisbon, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Lisbon, Maine's compliance with the compliance requirements referred to above.

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Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Lisbon, Maine's federal programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Lisbon, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Lisbon, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Lisbon, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Lisbon, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Town of Lisbon, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant

deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 report is not suitable for any other purpose.

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
July 14, 2023

TOWN OF LISBON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

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

- *Federal Awards*

Internal control over major programs:

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

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

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

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.425D/84.425U	Elementary and Secondary School Emergency Relief (ESSER) Fund

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

State Compliance

State compliance includes financial information and reports that are presented for purposes of additional analysis as required by Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Independent Auditor's Report on State Requirements
- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System



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INDEPENDENT AUDITOR'S 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, 2022 and have issued our report thereon dated July 14, 2023. 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 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
July 14, 2023

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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, 2022

	General Fund (1000)	Special Revenue Funds (2000) & (9000)	Capital Projects Fund (4000)	Total
June 30 Balance per MEFS	\$ -	\$ -	\$ -	\$ -
Other Adjustments:				
Fund Balances Not Reported on MEFS:				-
General Fund	2,869,283	-	-	2,869,283
Title IA (84.010)	-	36,672	-	36,672
Title IA Program Improvement (84.010)	-	(8,683)	-	(8,683)
ARPA - Local Entitlement	-	(4,166)	-	(4,166)
Local Entitlement (84.027)	-	(51,215)	-	(51,215)
ARPA - Local Entitlement Pre-K	-	(6,240)	-	(6,240)
Preschool (84.173)	-	2,202	-	2,202
CRF Grant	-	9,752	-	9,752
ARPA - HCY II	-	(3,601)	-	(3,601)
ESSERF II	-	216,394	-	216,394
ESSERF/CARES Act	-	(13,825)	-	(13,825)
ESSERF III	-	(215,320)	-	(215,320)
Title IIA Teacher Quality (84.367)	-	(5,094)	-	(5,094)
E-Rate	-	1,296	-	1,296
Title V	-	2,061	-	2,061
Adult Education	-	23,040	-	23,040
Adult Ed Enrichment	-	(8,455)	-	(8,455)
School Nutrition Program	-	323,896	-	323,896
Student Activities	-	163,739	-	163,739
Audited GAAP Basis Fund Balance June 30	<u>\$ 2,869,283</u>	<u>\$ 462,453</u>	<u>\$ -</u>	<u>\$ 3,331,736</u>