

Audited Financial Statements
and Other Financial Information

Town of Limington, Maine

December 31, 2020



Proven Expertise & Integrity

TOWN OF LIMINGTON, MAINE

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DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

Selectboard
Town of Limington
Limington, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Limington, Maine, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Town of Limington, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Limington, Maine as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and OPEB related information on pages 4 through 11 and 50 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Limington, 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 and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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 8, 2021, on our consideration of the Town of Limington, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Limington, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
July 8, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

(UNAUDITED)

The following management's discussion and analysis of the Town of Limington, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Limington's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. 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 related cash flows.

Both of the above-mentioned financial statements have one column for the Town's type of activity. The type of activity presented for the Town of Limington is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public works, public safety, waste and sanitation, community services, education, community assistance and unclassified.

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 Limington, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Limington are categorized as: governmental funds and fiduciary funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

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 Limington presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the capital improvements fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Limington. 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 accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

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.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Changes in Net OPEB Liability, a Schedule of Changes in Net OPEB Liability and Related Ratios, a Schedule of Contributions and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position increased by \$246,114 from \$10,573,629 to \$10,819,743.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased to a balance of \$3,536,201 at the end of this year.

Table 1
Town of Limington, Maine
Net Position
December 31,

	2020	2019
Assets:		
Current Assets	\$ 3,608,222	\$ 3,747,106
Noncurrent Assets-Capital Assets	7,328,134	6,970,495
Total Assets	10,936,356	10,717,601
Deferred Outflows of Resources:		
Deferred Outflows Related to OPEB	7,399	620
Total Deferred Outflows of Resources	7,399	620
Liabilities:		
Current Liabilities	62,141	61,395
Noncurrent Liabilities	56,039	71,517
Total Liabilities	118,180	132,912
Deferred Inflows of Resources:		
Prepaid Taxes	4,594	9,823
Deferred Inflows Related to OPEB	1,238	1,857
Total Deferred Inflows of Resources	5,832	11,680
Net Position:		
Net Investment in Capital Assets	7,283,542	6,901,453
Unrestricted	3,536,201	3,672,176
Total Net Position	\$ 10,819,743	\$ 10,573,629

Table 2
Town of Limington, Maine
Change in Net Position
For the Years Ended December 31,

	<u>2020</u>	<u>2019</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 239,794	\$ 230,350
Operating grants and contributions	50,668	54,224
<i>General Revenues:</i>		
Taxes	5,014,894	5,030,292
Grants and contributions not restricted to specific programs	437,036	332,474
Miscellaneous	172,947	280,300
Total Revenues	<u>5,915,339</u>	<u>5,927,640</u>
Expenses		
General government	438,597	478,488
Public works	667,919	704,279
Public safety	561,904	514,450
Waste and sanitation	298,386	303,222
Community services	84,229	133,709
Education	3,243,099	3,107,684
County tax	187,192	183,441
Community assistance	11,753	10,450
Interest on long-term debt	1,769	2,501
Unclassified	174,377	8,992
Total Expenses	<u>5,669,225</u>	<u>5,447,216</u>
Change in Net Position	246,114	480,424
Net Position - January 1	<u>10,573,629</u>	<u>10,093,205</u>
Net Position - December 31	<u>\$ 10,819,743</u>	<u>\$ 10,573,629</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 0.21%, while total expenses increased by 4.08%. The main decrease in revenues was in miscellaneous while the major increases in expenses were in education and unclassified.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Town of Limington, Maine
Fund Balances - Governmental Funds
December 31,

	2020	2019	Increase/ (Decrease)
General Fund:			
Assigned	\$ 184,471	\$ 269,204	\$ (84,733)
Unassigned	2,509,659	2,544,583	(34,924)
Total General Fund	\$ 2,694,130	\$ 2,813,787	\$ (119,657)
Capital Improvements Fund:			
Committed	\$ 420,236	\$ 433,103	\$ (12,867)
Total Capital Improvements Fund	\$ 420,236	\$ 433,103	\$ (12,867)
Nonmajor Funds:			
Special Revenue Funds:			
Committed	\$ 129,974	\$ 101,840	\$ 28,134
Total Nonmajor Funds	\$ 129,974	\$ 101,840	\$ 28,134

The changes to total fund balances for the general fund, capital improvements fund and the aggregate nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

The significant differences between the original and final budget for the general fund was the use of assigned fund balances and applied receipts.

The general fund actual revenues exceeded budgeted amounts by \$265,720. All revenue categories were receipted within or in excess of budgeted amounts with the exception of intergovernmental and transfers from other funds.

The general fund actual expenditures were under budgeted amounts by \$383,377. All expenditure categories were within or under budgeted amounts with the exception of education and county tax.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2020, the net book value of capital assets recorded by the Town increased by \$357,639 from the prior year. This increase was the result of capital additions of \$726,454, less current year depreciation expense of \$368,815.

**Table 4
Town of Limington, Maine
Capital Assets (Net of Depreciation)
December 31,**

	2020	2019
Land	\$ 2,998,760	\$ 2,998,760
Buildings and improvements	567,700	561,547
Machinery and equipment	84,196	117,555
Vehicles	378,472	354,557
Infrastructure	3,222,124	2,938,076
Total	\$ 7,328,134	\$ 6,970,495

Debt

At December 31, 2020, the Town had \$44,592 in a note from direct borrowings outstanding versus \$69,042 last year. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

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

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

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance is at a level to sustain government operations for a period of approximately five months. The Town also maintains significant reserve accounts for future capital and program needs.

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 at 425 Sokokis Avenue, Limington, Maine 04064.

STATEMENT A (CONTINUED)

TOWN OF LIMINGTON, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,203,010
Accounts receivable (net of allowance for uncollectibles):	
Taxes	275,756
Liens	129,456
Total current assets	3,608,222
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	3,075,642
Buildings and equipment, net of accumulated depreciation	4,252,492
Total noncurrent assets	7,328,134
TOTAL ASSETS	10,936,356
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	7,399
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,399
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 10,943,755
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 20,769
Accrued payroll	13,042
Due to other governments	3,138
Current portion of long-term obligations	25,192
Total current liabilities	62,141
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Note from direct borrowings payable	19,400
Net OPEB liability	36,639
Total noncurrent liabilities	56,039
TOTAL LIABILITIES	118,180
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	4,594
Deferred inflows related to OPEB	1,238
TOTAL DEFERRED INFLOWS OF RESOURCES	5,832
NET POSITION	
Net investment in capital assets	7,283,542
Unrestricted	3,536,201
TOTAL NET POSITION	10,819,743
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 10,943,755

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

TOWN OF LIMINGTON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 438,597	\$ 62,203	\$ -	\$ -	\$ (376,394)
Public works	667,919	-	50,668	-	(617,251)
Public safety	561,904	133,304	-	-	(428,600)
Waste and sanitation	298,386	33,387	-	-	(264,999)
Community services	84,229	10,900	-	-	(73,329)
Education	3,243,099	-	-	-	(3,243,099)
County tax	187,192	-	-	-	(187,192)
Community assistance	11,753	-	-	-	(11,753)
Interest on long-term debt	1,769	-	-	-	(1,769)
Unclassified	174,377	-	-	-	(174,377)
Total government	<u>\$ 5,669,225</u>	<u>\$ 239,794</u>	<u>\$ 50,668</u>	<u>\$ -</u>	<u>(5,378,763)</u>

STATEMENT B (CONTINUED)

TOWN OF LIMINGTON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(5,378,763)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,272,936
Excise taxes	741,958
Grants and contributions not restricted to specific programs	437,036
Miscellaneous	<u>172,947</u>
Total general revenues	<u>5,624,877</u>
Change in net position	246,114
NET POSITION - JANUARY 1	<u>10,573,629</u>
NET POSITION - DECEMBER 31	<u><u>\$ 10,819,743</u></u>

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

TOWN OF LIMINGTON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,652,800	\$ 420,236	\$ 129,974	\$ 3,203,010
Accounts receivable (net of allowance for uncollectibles):				
Taxes	275,756	-	-	275,756
Liens	129,456	-	-	129,456
TOTAL ASSETS	<u>\$ 3,058,012</u>	<u>\$ 420,236</u>	<u>\$ 129,974</u>	<u>\$ 3,608,222</u>
LIABILITIES				
Accounts payable	\$ 20,769	\$ -	\$ -	\$ 20,769
Accrued payroll	13,042	-	-	13,042
Due to other governments	3,138	-	-	3,138
TOTAL LIABILITIES	<u>36,949</u>	<u>-</u>	<u>-</u>	<u>36,949</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	4,594	-	-	4,594
Deferred tax revenues	322,339	-	-	322,339
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>326,933</u>	<u>-</u>	<u>-</u>	<u>326,933</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	420,236	129,974	550,210
Assigned	184,471	-	-	184,471
Unassigned	2,509,659	-	-	2,509,659
TOTAL FUND BALANCES	<u>2,694,130</u>	<u>420,236</u>	<u>129,974</u>	<u>3,244,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,058,012</u>	<u>\$ 420,236</u>	<u>\$ 129,974</u>	<u>\$ 3,608,222</u>

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

TOWN OF LIMINGTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,244,340
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	7,328,134
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	322,339
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	7,399
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Note from direct borrowings payable	(44,592)
Net OPEB liability	(36,639)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	<u>(1,238)</u>
Net position of governmental activities	<u>\$ 10,819,743</u>

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

TOWN OF LIMINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 4,302,201	\$ -	\$ -	\$ 4,302,201
Excise taxes	741,958	-	-	741,958
Intergovernmental	487,704	-	-	487,704
Charges for services	118,208	-	121,586	239,794
Miscellaneous revenues	134,669	38,195	83	172,947
TOTAL REVENUES	<u>5,784,740</u>	<u>38,195</u>	<u>121,669</u>	<u>5,944,604</u>
EXPENDITURES				
Current:				
General government	436,277	-	-	436,277
Public works	1,051,674	-	-	1,051,674
Public safety	545,112	-	-	545,112
Waste and sanitation	291,587	-	-	291,587
Community services	81,704	-	-	81,704
Education	3,243,099	-	-	3,243,099
County tax	187,192	-	-	187,192
Community assistance	11,753	-	-	11,753
Unclassified	170,842	-	3,535	174,377
Debt service:				
Principal	24,450	-	-	24,450
Interest	1,769	-	-	1,769
TOTAL EXPENDITURES	<u>6,045,459</u>	<u>-</u>	<u>3,535</u>	<u>6,048,994</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(260,719)</u>	<u>38,195</u>	<u>118,134</u>	<u>(104,390)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	241,062	100,000	-	341,062
Transfers (out)	(100,000)	(151,062)	(90,000)	(341,062)
TOTAL OTHER FINANCING SOURCES (USES)	<u>141,062</u>	<u>(51,062)</u>	<u>(90,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(119,657)	(12,867)	28,134	(104,390)
FUND BALANCES - JANUARY 1	<u>2,813,787</u>	<u>433,103</u>	<u>101,840</u>	<u>3,348,730</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,694,130</u>	<u>\$ 420,236</u>	<u>\$ 129,974</u>	<u>\$ 3,244,340</u>

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

TOWN OF LIMINGTON, 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 DECEMBER 31, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (104,390)</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 allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	726,454
Depreciation expense	<u>(368,815)</u>
	<u>357,639</u>
Deferred outflows of resources related to OPEB 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	<u>6,779</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(29,265)</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>24,450</u>
Deferred inflows of resources related to OPEB 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	<u>619</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Net OPEB liability	<u>(9,718)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 246,114</u></u>

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

TOWN OF LIMINGTON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2020

	Private Purpose Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 63,946
Due from other governments	3,138
TOTAL ASSETS	<u>\$ 67,084</u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>
NET POSITION	
Restricted - held in trust	<u>\$ 67,084</u>

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

TOWN OF LIMINGTON, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Private Purpose Trust
	<u> </u>
ADDITIONS	
Investment income (net of unrealized gains/losses)	\$ 35
Miscellaneous	<u> 11,835</u>
TOTAL ADDITIONS	<u> 11,870</u>
DEDUCTIONS	
Other	<u> 9,625</u>
TOTAL DEDUCTIONS	<u> 9,625</u>
Change in net position	2,245
NET POSITION - JANUARY 1	<u> 64,839</u>
NET POSITION - DECEMBER 31	<u><u> \$ 67,084</u></u>

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Limington was incorporated under the laws of the State of Maine. The Town operates under the Selectboard form of government and provides the following services: general government, public works, public safety, waste and sanitation, community services, education, community assistance 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).

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.

COVID-19 Outbreak

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

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state of emergency was extended to June 30, 2021 but may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

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

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were not closed to the public but followed strict CDC guidelines.

Impact on Finances

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

Expected Federal/State Support

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

Conclusion

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Standards

During the year ended December 31, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

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

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

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 governmental. The Town categorizes all activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is 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 (general government, public safety, etc.) excluding fiduciary funds. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. 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.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- b. The Capital Improvements Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Nonmajor Fund

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose trust). 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 governmental 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.

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.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town 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. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

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

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2020. Allowances for uncollectible accounts netted with accounts receivable were \$0 for the year ended December 31, 2020.

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 Funds.

Capital Assets

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

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital asset are valued at their estimated fair market value/acquisition 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.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

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 a note from direct borrowings payable and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. 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.

OPEB

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Balance

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.

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 annually by vote of the taxpayers and is expressed by the Selectboard.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 currently has one type of this item, deferred outflows related to OPEB. This item is 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. Deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to OPEB qualifies for reporting in this category as well. This item is 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.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied June 18, 2020 on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. Taxes were due on August 3, 2020 and November 16, 2020. Interest on unpaid taxes commenced on August 4, 2020 and November 17, 2020, 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 \$45,470 for the year ended December 31, 2020.

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

Program Revenues

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

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.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town follows state statutes for the investment of funds, which 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. These 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 does not have a policy covering custodial credit risk for deposits. However, 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 December 31, 2020, the Town's cash and cash equivalents balance of \$3,266,956 was comprised of bank deposits amounting to \$3,498,283. 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, \$3,271,812 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$46,715 was covered by the Securities Investor Protection Corporation (SIPC). The remaining balance of \$179,756 was uninsured and uncollateralized.

<u>Account Type</u>	<u>Bank Balance</u>
NOW checking accounts	\$ 200,000
Savings account	9,656
ICS account	2,812,156
Money market checking account	429,756
Cash and cash equivalents	46,715
	<u>\$ 3,498,283</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

Fair Value

The Town has the following recurring fair value measurements as of December 31, 2020:

	December 31, 2020
	<u>Total</u>
Investments by fair value level	
Cash equivalents measured at the net asset value (NAV)	
Money market mutual funds	46,715
Total cash equivalents measured at the NAV	<u>46,715</u>
Total investments and cash equivalents measured at fair value	<u>\$ 46,715</u>

The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of December 31, 2020 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 savings accounts.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - INTERFUND TRANSFERS

Interfund transfers at December 31, 2020 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 241,062	\$ 100,000
Capital Improvements	100,000	151,062
Nonmajor Special Revenue Funds	-	90,000
	<u>\$ 341,062</u>	<u>\$ 341,062</u>

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

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance, 1/1/20	Additions	Deletions	Balance, 12/31/20
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 2,998,760	\$ -	\$ -	\$ 2,998,760
Construction in progress	-	76,882	-	76,882
	<u>2,998,760</u>	<u>76,882</u>	<u>-</u>	<u>3,075,642</u>
Depreciated assets:				
Buildings and improvements	1,540,640	45,680	-	1,586,320
Machinery and equipment	650,744	-	-	650,744
Vehicles	1,604,693	85,145	-	1,689,838
Infrastructure	4,317,287	518,747	-	4,836,034
	<u>8,113,364</u>	<u>649,572</u>	<u>-</u>	<u>8,762,936</u>
Less: accumulated depreciation:				
Buildings and improvements	(979,093)	(39,527)	-	(1,018,620)
Machinery and equipment	(533,189)	(33,359)	-	(566,548)
Vehicles	(1,250,136)	(61,230)	-	(1,311,366)
Infrastructure	(1,379,211)	(234,699)	-	(1,613,910)
	<u>(4,141,629)</u>	<u>(368,815)</u>	<u>-</u>	<u>(4,510,444)</u>
Net depreciated assets	<u>3,971,735</u>	<u>280,757</u>	<u>-</u>	<u>4,252,492</u>
Net capital assets	<u>\$ 6,970,495</u>	<u>\$ 357,639</u>	<u>\$ -</u>	<u>\$ 7,328,134</u>

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - CAPITAL ASSETS (CONTINUED)

<u>Current year depreciation</u>	
Public safety	\$ 62,472
Public works	297,019
Waste and sanitation	6,799
Recreation	2,525
Total depreciation expense	<u>\$ 368,815</u>

NOTE 5 - LONG-TERM DEBT

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

	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Current Year Portion</u>
Note from direct borrowings payable	<u>\$ 69,042</u>	<u>\$ -</u>	<u>\$ (24,450)</u>	<u>\$ 44,592</u>	<u>\$ 25,192</u>

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

\$165,000, 2015 Note payable with Sanford Institute for Savings, due in monthly installments through September of 2022. Interest is charged at a fixed rate of 3.02% per annum. Monthly principal and interest installments are \$2,185. The note proceeds were used to construct a maintenance and repair facility for vehicles. This note is unsecured. \$ 44,592

The following is a summary of outstanding note from direct borrowings payable principal and interest requirements for the following fiscal years ending December 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$ 25,192	\$ 1,025	\$ 26,217
2022	19,400	265	19,665
	<u>\$ 44,592</u>	<u>\$ 1,290</u>	<u>\$ 45,882</u>

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 - LONG-TERM DEBT (CONTINUED)

All 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 6 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended December 31, 2020 is as follows:

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20	Current Year Portion
Net OPEB liability	\$ 26,921	\$ 10,750	\$ (1,032)	\$ 36,639	\$ -

Please see Note 10 for detailed information on the other long-term obligations.

NOTE 7 - COMMITTED FUND BALANCES

At December 31, 2020, the Town had the following committed fund balances:

Capital Improvements	\$ 420,236
Nonmajor special revenue funds (Schedule E)	129,974
	<u>\$ 550,210</u>

NOTE 8 - ASSIGNED FUND BALANCES

At December 31, 2020, the Town had the following assigned fund balances:

General fund:	
Parade donation	\$ 442
LYL donation	9,807
URIP - block grant	82,539
225 celebration donation	1,999
Stephen and Tabitha King Foundation grant	15,000
General assistance donations	416
Fire/EMS donation account	530
Deputy sheriff contract	73,738
	<u>\$ 184,471</u>

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2020, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 1,900,000	1.57%	\$ 29,801
RSU #6	18,085,967	11.62%	<u>2,101,137</u>
			<u><u>\$ 2,130,938</u></u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

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

Active members	5
Retirees and spouses	<u>-</u>
Total	<u><u>5</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. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$1,119	\$2,509
<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 December 31, 2020, the Town reported a liability of \$36,639 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The Town’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 LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended December 31, 2020, the Town recognized OPEB expense of \$2,320. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 835	\$ -
Changes of assumptions	6,280	1,238
Contributions subsequent to the measurement date	<u>284</u>	<u>-</u>
Total	<u>\$ 7,399</u>	<u>\$ 1,238</u>

\$284 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 year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MMEHT</u>
Plan year ended December 31:	
2021	\$ 1,281
2022	1,120
2023	1,739
2024	1,737
2025	-
Thereafter	-

Discount Rate

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 41,840	\$ 36,639	\$ 32,283
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 41,840</u>	<u>\$ 36,639</u>	<u>\$ 32,283</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 net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 32,352	\$ 36,639	\$ 41,726
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 32,352</u>	<u>\$ 36,639</u>	<u>\$ 41,726</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

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

Actuarial Cost Method

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Amortization

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

Assumptions

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

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

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 year end reporting.

Trend Assumptions:

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

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

Administrative and claims expense: 3% per annum

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

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

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

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

Administrative expenses - Included in the per capita claims cost.

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

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

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

Rate of Mortality - Based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for 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 LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Changes in Net OPEB Liability

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

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2020 was \$835.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 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. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

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 Town Office at 425 Sokokis Avenue, Limington, Maine 04064.

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 - 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 participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at December 31, 2020.

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a \$1,000 per occurrence deductible is met. Under the general liability portion of the policy, the limit is \$400,000 per occurrence for causes of action pursuant to the Maine Tort Claims Act. Coverage is limited to those areas for which governmental immunity has been expressly waived and \$2,000,000 per occurrence for causes of action pursuant to federal law or state law for which immunity is not proved by the Maine Tort Claims Act. The same limit applies for Law Enforcement after a \$1,000 per occurrence deductible is met. For public official liability and employment practices liability, the coverage is \$2,000,000 per occurrence and \$4,000,000 aggregate with a \$5,000 deductible.

The Town is also a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

The Town is also a member of the Maine Municipal Association - Unemployment Compensation Group Fund ("MMA UC Fund"). The MMA UC Fund was created to assist in meeting members' obligations under the Employment Security Act in an efficient and cost-effective manner. The Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. As such, the Town makes quarterly payments into their account, based on rates developed by MMA's consulting actuary. Claims, if any, are paid out of the Town's own account. The Maine Department of Labor classifies MMA's UC Fund members as Direct

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 - RISK MANAGEMENT (CONTINUED)

Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on the Town's behalf only when the Town has unemployment claims from present or former employees.

Occasionally, the Town may have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the Town's account, the UC Fund continues to pay the Town's claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the Town.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of December 31, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 12 - CONTINGENCIES

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

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

NOTE 13 - JOINTLY GOVERNED ORGANIZATION

The Town participates in a jointly governed organization, which is not part of the Town's reporting entity. ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The Town is a member in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements. In

TOWN OF LIMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 - JOINTLY GOVERNED ORGANIZATION (CONTINUED)

connection with its participating in ecomaine, ecomaine has a liability for landfill closure and postclosure care amounting to \$15,082,777. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between opening date and a projected closing date. The separate audited financial statements for ecomaine may be obtained at their administrative office, 64 Blueberry Road, Portland, Maine 04102.

NOTE 14 - 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.

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
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions
- Notes to Required Supplementary Information

TOWN OF LIMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 2,813,787	\$ 2,813,787	\$ 2,813,787	\$ -
Resources (Inflows):				
Property taxes	4,268,248	4,268,248	4,302,201	33,953
Excise taxes	650,000	650,000	741,958	91,958
Intergovernmental	383,847	569,951	487,704	(82,247)
Charges for services	-	-	118,208	118,208
Interest income	-	-	38,985	38,985
Miscellaneous revenues	-	6,588	95,684	89,096
Transfers from other funds	265,295	265,295	241,062	(24,233)
Amounts Available for Appropriation	<u>8,381,177</u>	<u>8,573,869</u>	<u>8,839,589</u>	<u>265,720</u>
Charges to Appropriations (Outflows):				
General government	503,011	506,782	436,277	70,505
Public works	871,750	1,102,688	1,051,674	51,014
Public safety	596,309	654,438	545,112	109,326
Waste and sanitation	334,230	334,230	291,587	42,643
Community services	153,534	169,827	81,704	88,123
Education	3,208,281	3,208,281	3,243,099	(34,818)
County tax	183,000	183,000	187,192	(4,192)
Community assistance	12,000	12,000	11,753	247
Unclassified	211,370	231,370	170,842	60,528
Debt service:				
Principal	22,289	24,450	24,450	-
Interest	3,931	1,770	1,769	1
Transfers to other funds	100,000	100,000	100,000	-
Total Charges to Appropriations	<u>6,199,705</u>	<u>6,528,836</u>	<u>6,145,459</u>	<u>383,377</u>
Budgetary Fund Balance, December 31	<u>\$ 2,181,472</u>	<u>\$ 2,045,033</u>	<u>\$ 2,694,130</u>	<u>\$ 649,097</u>
Utilization of unassigned fund balance	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Utilization of assigned fund balance	-	268,754	-	(268,754)
	<u>\$ 500,000</u>	<u>\$ 768,754</u>	<u>\$ -</u>	<u>\$ (768,754)</u>

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

TOWN OF LIMINGTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 26,921	\$ -	\$ 26,921
Changes for the year:			
Service cost	922	-	922
Interest	1,135	-	1,135
Changes of benefits	(723)	-	(723)
Differences between expected and actual experience	958	-	958
Changes of assumptions	7,735	-	7,735
Contributions - employer	-	309	(309)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(309)	(309)	-
Administrative expense	-	-	-
Net changes	<u>9,718</u>	<u>-</u>	<u>9,718</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 36,639</u>	<u>\$ -</u>	<u>\$ 36,639</u>

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

TOWN OF LIMINGTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 922	\$ 1,028	\$ 961
Interest (includes interest on service cost)	1,135	983	990
Changes of benefit terms	(723)	-	-
Differences between expected and actual experience	958	-	282
Changes of assumptions	7,735	(2,476)	365
Benefit payments, including refunds of member contributions	(309)	(297)	(271)
Net change in total OPEB liability	<u>\$ 9,718</u>	<u>\$ (762)</u>	<u>\$ 2,327</u>
Total OPEB liability - beginning	\$ 26,921	\$ 27,683	\$ 25,356
Total OPEB liability - ending	\$ 36,639	\$ 26,921	\$ 27,683
<u>Plan fiduciary net position</u>			
Contributions - employer	309	297	271
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(309)	(297)	(271)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 36,639</u>	<u>\$ 26,921</u>	<u>\$ 27,683</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
Covered payroll	\$ 201,575	\$ 86,880	\$ 86,880
Net OPEB liability as a percentage of covered payroll	18.2%	31.0%	31.9%

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

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

TOWN OF LIMINGTON, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 309	\$ 297	\$ 271
Benefit payments	(309)	(297)	(271)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 201,575	\$ 86,880	\$ 86,880
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

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

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

TOWN OF LIMINGTON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Changes of Assumptions

OPEB-Maine Municipal Employees Health Trust Plan:

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

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

Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Schedule of Net Position - Fiduciary Funds
- Combining Schedule of Change to Net Position - Fiduciary Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF LIMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 4,268,248	\$ 4,268,248	\$ 4,302,201	\$ 33,953
Vehicle excise taxes	650,000	650,000	738,424	88,424
Boat/plane excise taxes	-	-	3,534	3,534
Intergovernmental revenues:				
State revenue sharing	160,000	160,000	217,539	57,539
Homestead exemption	198,731	331,046	187,838	(143,208)
Local road assistance	-	50,668	50,668	-
Veteran's exemption	-	-	1,965	1,965
Tree growth	25,000	25,000	25,014	14
BETE reimbursement	116	116	116	-
General assistance	-	3,121	3,121	-
Other	-	-	1,443	1,443
Charges for services:				
Moymoydayo beach	-	-	9,909	9,909
MMDY day camp	-	-	70	70
Building permits	-	-	22,833	22,833
Pluming permits	-	-	14,471	14,471
Electrical permits	-	-	3,855	3,855
Gravel pit permits	-	-	3,100	3,100
Junk yard permits	-	-	300	300
Business permits	-	-	960	960
Sign permits	-	-	25	25
Clerk fees	-	-	13,294	13,294
Animal control	-	-	2,190	2,190
Transfer station	-	-	33,387	33,387
Appeals board	-	-	125	125
Planning board	-	-	3,240	3,240
EMS subscription	-	-	9,528	9,528
Youth league	-	-	495	495
Library	-	-	426	426
Investment income:				
Investment income	-	-	17,626	17,626
Interest/fees on taxes	-	-	21,359	21,359
Other income:				
Other income	-	1,588	51,677	50,089
Tree growth penalty	-	-	29,920	29,920
Lien costs	-	-	8,127	8,127
Grants	-	5,000	5,000	-
Town hall rentals	-	-	960	960
Transfers from other funds	265,295	265,295	241,062	(24,233)
TOTAL REVENUES	<u>\$ 5,567,390</u>	<u>\$ 5,760,082</u>	<u>\$ 6,025,802</u>	<u>\$ 265,720</u>

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

TOWN OF LIMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government:					
Town officials	\$ 56,258	\$ -	\$ 56,258	\$ 56,258	\$ -
Code enforcement officer	50,170	-	50,170	46,100	4,070
Town clerks office	75,332	-	75,332	74,837	495
Old town hall	10,200	-	10,200	5,252	4,948
Municipal complex	32,100	-	32,100	30,721	1,379
Computer system	16,818	-	16,818	10,164	6,654
Municipal insurance	152,823	-	152,823	115,890	36,933
Annual audit	6,000	-	6,000	6,000	-
General miscellaneous	3,450	-	3,450	2,058	1,392
Planning board	8,545	-	8,545	7,787	758
Zoning appeals board and financial	2,000	-	2,000	644	1,356
Saco River TV	19,485	-	19,485	16,558	2,927
Town maps	10,100	-	10,100	10,100	-
Elections	7,253	-	7,253	5,742	1,511
Legal miscellaneous	37,147	-	37,147	39,406	(2,259)
General assistance	14,730	3,121	17,851	7,926	9,925
GA donation account	-	650	650	234	416
Health officer	600	-	600	600	-
	<u>503,011</u>	<u>3,771</u>	<u>506,782</u>	<u>436,277</u>	<u>70,505</u>
Public Works:					
Salaries and benefits	215,300	-	215,300	184,556	30,744
Repairs and maintenance	5,750	-	5,750	2,431	3,319
Equipment/supplies/tools	89,500	-	89,500	154,087	(64,587)
Fuel/propane/electricity/internet	34,700	-	34,700	22,450	12,250
Salt and sand	90,000	-	90,000	58,901	31,099
Signs	1,500	-	1,500	2,705	(1,205)
Contract services	20,000	-	20,000	10,060	9,940
Equipment rental	20,000	-	20,000	35,123	(15,123)
Materials	30,000	-	30,000	25,491	4,509
Miscellaneous	4,000	-	4,000	548	3,452
Tarring and parching	350,000	-	350,000	335,253	14,747
Street lighting	11,000	-	11,000	10,069	931
URIP block grant - LRAP	-	230,938	230,938	210,000	20,938
	<u>871,750</u>	<u>230,938</u>	<u>1,102,688</u>	<u>1,051,674</u>	<u>51,014</u>

SCHEDULE B (CONTINUED)
TOWN OF LIMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Safety:					
Animal control	11,592	-	11,592	10,482	1,110
E.M.A.	600	-	600	500	100
Deputy sheriff contract	94,000	57,599	151,599	45,018	106,581
Dispatching	19,000	-	19,000	16,671	2,329
Fire/EMS department	471,117	-	471,117	472,441	(1,324)
Fire/EMS donation	-	530	530	-	530
	<u>596,309</u>	<u>58,129</u>	<u>654,438</u>	<u>545,112</u>	<u>109,326</u>
Waste and Sanitation:					
Curbside pickup contract	115,321	-	115,321	105,794	9,527
Ecomaine assessment/tonnage	133,000	-	133,000	106,240	26,760
Transfer station operation	85,909	-	85,909	79,553	6,356
	<u>334,230</u>	<u>-</u>	<u>334,230</u>	<u>291,587</u>	<u>42,643</u>
Community Services:					
Davis Memorial library	45,425	-	45,425	37,751	7,674
Limington parade committee	500	-	500	-	500
Parade donation account	-	442	442	-	442
Town celebration account	3,000	-	3,000	58	2,942
Town celebration donation	-	2,082	2,082	108	1,974
Crankers snowmobile club	1,500	-	1,500	1,500	-
H.B. Emery summer rec program	7,500	-	7,500	-	7,500
Limington youth league operation	17,500	-	17,500	4,857	12,643
Youth league donation account	-	13,628	13,628	3,821	9,807
Fireworks	5,000	-	5,000	5,000	-
Fireworks donation account	-	141	141	141	-
MMDY beach operations	28,064	-	28,064	26,190	1,874
MMDY summer rec program	42,265	-	42,265	1,193	41,072
Horne pond boat launch facility	2,780	-	2,780	1,085	1,695
	<u>153,534</u>	<u>16,293</u>	<u>169,827</u>	<u>81,704</u>	<u>88,123</u>

SCHEDULE B (CONTINUED)
TOWN OF LIMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education	3,208,281	-	3,208,281	3,243,099	(34,818)
County Tax	183,000	-	183,000	187,192	(4,192)
Community Assistance:					
So. Maine Agency on Aging	2,700	-	2,700	2,700	-
MaineHealth Care at Home	2,700	-	2,700	2,700	-
Kids Free to Grow	450	-	450	450	-
York County Community Action	3,050	-	3,050	3,050	-
Caring Unlimited	1,100	-	1,100	1,100	-
York County shelter	1,000	-	1,000	1,000	-
Veterans grave flags and markers	500	-	500	253	247
Limington Historical Society	500	-	500	500	-
	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>11,753</u>	<u>247</u>
Debt Service:					
Principal	22,289	2,161	24,450	24,450	-
Interest	3,931	(2,161)	1,770	1,769	1
	<u>26,220</u>	<u>-</u>	<u>26,220</u>	<u>26,219</u>	<u>1</u>
Unclassified:					
Stephen and Tabitha King Foundation	-	15,000	15,000	-	15,000
Grant-elections	-	5,000	5,000	4,650	350
Capital projects/equipment	165,900	-	165,900	151,062	14,838
Overlay	45,470	-	45,470	15,130	30,340
	<u>211,370</u>	<u>20,000</u>	<u>231,370</u>	<u>170,842</u>	<u>60,528</u>
Transfers to Other Funds:					
Capital projects funds	100,000	-	100,000	100,000	-
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Departmental Operations	<u>\$ 6,199,705</u>	<u>\$ 329,131</u>	<u>\$ 6,528,836</u>	<u>\$ 6,145,459</u>	<u>\$ 383,377</u>

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

TOWN OF LIMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 129,974	\$ 129,974
TOTAL ASSETS	<u>\$ 129,974</u>	<u>\$ 129,974</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	129,974	129,974
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>129,974</u>	<u>129,974</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 129,974</u>	<u>\$ 129,974</u>

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

TOWN OF LIMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Charges for services	\$ 121,586	\$ 121,586
Interest income	66	66
Miscellaneous	17	17
TOTAL REVENUES	<u>121,669</u>	<u>121,669</u>
EXPENDITURES		
Other	<u>3,535</u>	<u>3,535</u>
TOTAL EXPENDITURES	<u>3,535</u>	<u>3,535</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,134</u>	<u>118,134</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	<u>(90,000)</u>	<u>(90,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(90,000)</u>	<u>(90,000)</u>
NET CHANGE IN FUND BALANCES	28,134	28,134
FUND BALANCES - JANUARY 1	<u>101,840</u>	<u>101,840</u>
FUND BALANCES - DECEMBER 31	<u>\$ 129,974</u>	<u>\$ 129,974</u>

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

Special Revenue Funds

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

TOWN OF LIMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	MMDY Recreation Committee	Veteran Grave Markers and Flags	Medical Billing	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,943	\$ 128,031	\$ 129,974
TOTAL ASSETS	\$ -	\$ 1,943	\$ 128,031	\$ 129,974
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	1,943	128,031	129,974
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	1,943	128,031	129,974
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 1,943	\$ 128,031	\$ 129,974

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

TOWN OF LIMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	MMDY Recreation Committee	Veteran Grave Markers and Flags	Medical Billing	Total
REVENUES				
Charges for service	\$ -	\$ -	\$ 121,586	\$ 121,586
Interest income	-	9	57	66
Miscellaneous	17	-	-	17
TOTAL REVENUES	<u>17</u>	<u>9</u>	<u>121,643</u>	<u>121,669</u>
EXPENDITURES				
Other	<u>3,535</u>	-	-	<u>3,535</u>
TOTAL EXPENDITURES	<u>3,535</u>	<u>-</u>	<u>-</u>	<u>3,535</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,518)</u>	<u>9</u>	<u>121,643</u>	<u>118,134</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(90,000)	(90,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>
NET CHANGE IN FUND BALANCES	(3,518)	9	31,643	28,134
FUND BALANCES - JANUARY 1	<u>3,518</u>	<u>1,934</u>	<u>96,388</u>	<u>101,840</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 1,943</u>	<u>\$ 128,031</u>	<u>\$ 129,974</u>

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

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. 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.

TOWN OF LIMINGTON, MAINE

COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2020

	L Moody Trust Funds	Gove Trust Funds	Anderson Cemetery	Johnson Cemetery	Ralph Weston Cemetery	Total
ASSETS						
Cash and cash equivalents	\$ 9,656	\$ 46,715	\$ 1,979	\$ 4,437	\$ 1,159	\$ 63,946
Due from other governments	-	3,138	-	-	-	3,138
TOTAL ASSETS	<u>\$ 9,656</u>	<u>\$ 49,853</u>	<u>\$ 1,979</u>	<u>\$ 4,437</u>	<u>\$ 1,159</u>	<u>\$ 67,084</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 9,656</u>	<u>\$ 49,853</u>	<u>\$ 1,979</u>	<u>\$ 4,437</u>	<u>\$ 1,159</u>	<u>\$ 67,084</u>

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

TOWN OF LIMINGTON, MAINE

COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	L Moody Trust Funds	Gove Trust Funds	Anderson Cemetery	Johnson Cemetery	Ralph Weston Cemetery	Total
ADDITIONS						
Investment income (net of unrealized gains/losses)	\$ 6	\$ -	\$ 10	\$ 7	\$ 12	\$ 35
Miscellaneous	9,650	2,145	40	-	-	11,835
TOTAL ADDITIONS	<u>9,656</u>	<u>2,145</u>	<u>50</u>	<u>7</u>	<u>12</u>	<u>11,870</u>
DEDUCTIONS						
Other	9,395	-	-	130	100	9,625
TOTAL DEDUCTIONS	<u>9,395</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>100</u>	<u>9,625</u>
Change in net position	261	2,145	50	(123)	(88)	2,245
NET POSITION - JANUARY 1	<u>9,395</u>	<u>47,708</u>	<u>1,929</u>	<u>4,560</u>	<u>1,247</u>	<u>64,839</u>
NET POSITION - DECEMBER 31	<u><u>\$ 9,656</u></u>	<u><u>\$ 49,853</u></u>	<u><u>\$ 1,979</u></u>	<u><u>\$ 4,437</u></u>	<u><u>\$ 1,159</u></u>	<u><u>\$ 67,084</u></u>

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

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF LIMINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 138,800	\$ 670,380	\$ -	\$ -	\$ 809,180
Public works	265,882	670,340	833,717	4,836,034	6,605,973
Public safety	57,000	12,900	1,477,919	-	1,547,819
Waste and sanitation	219,600	86,400	28,946	-	334,946
Recreation	1,421,200	69,800	-	-	1,491,000
Library	43,200	71,500	-	-	114,700
Town-wide	929,960	5,000	-	-	934,960
Total General Capital Assets	3,075,642	1,586,320	2,340,582	4,836,034	11,838,578
Less: Accumulated Depreciation	-	(1,018,620)	(1,877,914)	(1,613,910)	(4,510,444)
Net General Capital Assets	<u>\$ 3,075,642</u>	<u>\$ 567,700</u>	<u>\$ 462,668</u>	<u>\$ 3,222,124</u>	<u>\$ 7,328,134</u>

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

TOWN OF LIMINGTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Capital Assets 1/1/20	Additions	Deletions	General Capital Assets 12/31/20
General government	\$ 763,500	\$ 45,680	\$ -	\$ 809,180
Public works	5,925,199	680,774	-	6,605,973
Public safety	1,547,819	-	-	1,547,819
Waste and sanitation	334,946	-	-	334,946
Recreation	1,491,000	-	-	1,491,000
Library	114,700	-	-	114,700
Town-wide	934,960	-	-	934,960
Total General Capital Assets	11,112,124	726,454	-	11,838,578
Less: Accumulated Depreciation	<u>(4,141,629)</u>	<u>(368,815)</u>	<u>-</u>	<u>(4,510,444)</u>
Net General Capital Assets	<u>\$ 6,970,495</u>	<u>\$ 357,639</u>	<u>\$ -</u>	<u>\$ 7,328,134</u>

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



Proven Expertise & Integrity

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

Selectboard
Town of Limington
Limington, 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, each major fund and the aggregate remaining fund information of the Town of Limington, Maine as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Town of Limington, Maine's basic financial statements, and have issued our report thereon dated July 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Limington, 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 Limington, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Limington, 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. 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 Limington, 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 Limington, Maine in a separate letter dated July 8, 2021.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
July 8, 2021