

Audited Financial Statements and  
Other Financial Information

**Town of Limerick, Maine**

December 31, 2020



*Proven Expertise & Integrity*

TOWN OF LIMERICK, MAINE

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DECEMBER 31, 2020

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## INDEPENDENT AUDITORS' REPORT

Selectboard  
Town of Limerick  
Limerick, 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 Limerick, 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 Limerick, 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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Limerick, 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 and budgetary comparison information on pages 4 through 11 and 38 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 Limerick, 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 August 16, 2021, on our consideration of the Town of Limerick, 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 Limerick, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
August 16, 2021

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

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Limerick, 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 Limerick'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 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 Limerick 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 safety, public works, 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 Limerick, 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 Limerick are categorized as: governmental 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 Limerick 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 Limerick rescue 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.

### **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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **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.

### **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 decreased by \$87,140 from \$9,463,292 to \$9,376,152.

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 \$4,003,448 at the end of this year.

**Table 1  
Town of Limerick, Maine  
Net Position  
December 31,**

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Current Assets	\$ 4,120,598	\$ 4,176,859
Noncurrent Assets-Capital Assets	5,349,555	5,345,484
Total Assets	9,470,153	9,522,343
<b>Liabilities:</b>		
Current Liabilities	72,778	35,915
Total Liabilities	72,778	35,915
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	1,285	1,788
Advanced Payment of LRAP Funding	19,938	21,348
Total Deferred Inflows of Resources	21,223	23,136
<b>Net Position:</b>		
Net Investment in Capital Assets	5,349,555	5,345,484
Restricted	23,149	39,192
Unrestricted	4,003,448	4,078,616
Total Net Position	\$ 9,376,152	\$ 9,463,292

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 14.12%, while total expenses increased by 15.09%. The main increases in revenues were in operating grants and contributions and taxes while the main increases in expenses were in public works, education and unclassified.

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

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 304,903	\$ 218,429
Operating grants and contributions	536,196	58,620
<i>General Revenues:</i>		
Taxes	5,448,769	5,204,553
Grants and contributions not restricted to specific programs	426,182	359,239
Miscellaneous	97,553	129,554
Total Revenues	6,813,603	5,970,395
<b>Expenses</b>		
General government	538,311	539,188
Public works	966,597	775,974
Public safety	626,621	535,094
Waste and sanitation	343,861	315,931
Community services	83,729	80,269
Education	3,440,311	3,317,799
County tax	167,515	158,859
Community assistance	5,523	3,300
Capital outlay	-	17,024
Unclassified	664,416	192,241
Unallocated depreciation (Note 5)	63,859	60,087
Total Expenses	6,900,743	5,995,766
Change in Net Position	(87,140)	(25,371)
Net Position - January 1	9,463,292	9,488,663
Net Position - December 31	\$ 9,376,152	\$ 9,463,292

### 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 Limerick, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 65,521	\$ 69,715	\$ (4,194)
Committed	172,296	166,439	5,857
Unassigned	1,800,778	1,665,393	135,385
Total General Fund	<u>\$ 2,038,595</u>	<u>\$ 1,901,547</u>	<u>\$ 137,048</u>
Limerick Rescue Fund:			
Committed	\$ 481,766	\$ 389,688	\$ 92,078
Total Limerick Rescue Fund	<u>\$ 481,766</u>	<u>\$ 389,688</u>	<u>\$ 92,078</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 6,008	\$ 22,063	\$ (16,055)
Committed	4,480	4,203	277
Assigned	31,242	25,747	5,495
Capital Projects Funds:			
Committed	1,057,664	1,161,592	(103,928)
Permanent Funds:			
Restricted	17,141	17,129	12
Total Nonmajor Funds	<u>\$ 1,116,535</u>	<u>\$ 1,230,734</u>	<u>\$ (114,199)</u>

The changes to total fund balances for the general fund, the Limerick rescue 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 were the use of unassigned and committed fund balances.

The general fund actual revenues exceeded budgeted amounts by \$220,866. All revenue categories were received in excess of budgeted amounts with the exception of interest income and miscellaneous revenues.

The general fund actual expenditures were under budgeted amounts by \$361,389. All expenditure categories were within or under budgeted amounts.

## Capital Asset and Long-Term Debt Administration

### Capital Assets

As of December 31, 2020, the net book value of capital assets recorded by the Town by from the prior year. This is due to capital asset acquisitions of \$373,956, less depreciation expense of \$369,885.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 267,950	\$ 267,950
Buildings and improvements	863,535	796,062
Machinery and equipment	112,432	132,016
Vehicles	583,586	657,774
Infrastructure	3,522,052	3,491,682
Total	<u>\$ 5,349,555</u>	<u>\$ 5,345,484</u>

### Debt

At December 31, 2020, the Town did not have any debt.

### 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

To further promote and ensure the financial well-being and fiscal stability of the Town, the Limerick Selectboard adopted an Unassigned Fund Balance Policy in March of 2013. The Town's management established the policy as a guideline to ensure the well-being of the Town's financial administration in a manner that assists in providing for a positive cash flow, reducing short-term borrowing costs and meeting the Town's long-

term capital investment objectives while ensuring that year-to-year fluctuations do not allow accumulation of an excessive unassigned fund balance. The policy also includes a provision for the suggested utilization of excess funds on future capital improvements and/or distribution to various reserve accounts. The Town's management designed the policy around maintaining a level of funding in unassigned fund balance that assures the fiscal integrity of the Town into the near future. In addition, the policy will provide direction to the Town Manager during annual budget preparation. The policy requires that the Town maintain an unassigned fund balance equal to 3 months of the previous year's total budget as reported in the Town's audited December 31 year-end financial report. The Town maintained balances in excess of the required minimum level for the fiscal year ended 2020.

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

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at, 55 Washington Street, Limerick, Maine 04048.

## TOWN OF LIMERICK, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,505,502
Investments	17,141
Accounts receivable (net of allowance for uncollectibles):	
Taxes	375,590
Liens	112,104
Other	44,740
Tax acquired property	65,521
Total current assets	<u>4,120,598</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	267,950
Buildings and equipment, net of accumulated depreciation	<u>5,081,605</u>
Total noncurrent assets	<u>5,349,555</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,470,153</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 42,238
Accrued payroll	19,891
Due to other governments	10,649
Total current liabilities	<u>72,778</u>
<b>TOTAL LIABILITIES</b>	<u>72,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	1,285
Advanced payment of LRAP funding	19,938
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>21,223</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,349,555
Restricted	23,149
Unrestricted	4,003,448
<b>TOTAL NET POSITION</b>	<u>9,376,152</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 9,470,153</u></u>

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



TOWN OF LIMERICK, 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	\$ 538,311	\$ 113,641	\$ -	\$ -	\$ (424,670)
Public works	966,597	1,405	41,286	-	(923,906)
Public safety	626,621	153,477	-	-	(473,144)
Waste and sanitation	343,861	34,331	-	-	(309,530)
Community services	83,729	2,049	-	-	(81,680)
Education	3,440,311	-	-	-	(3,440,311)
County tax	167,515	-	-	-	(167,515)
Community assistance	5,523	-	-	-	(5,523)
Unclassified	664,416	-	494,910	-	(169,506)
Unallocated depreciation (Note 5)*	63,859	-	-	-	(63,859)
Total government	<u>\$ 6,900,743</u>	<u>\$ 304,903</u>	<u>\$ 536,196</u>	<u>\$ -</u>	<u>(6,059,644)</u>

\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)  
TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(6,059,644)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,760,239
Excise taxes	688,530
Grants and contributions not restricted to specific programs	426,182
Miscellaneous	<u>97,553</u>
Total general revenues	<u>5,972,504</u>
Change in net position	(87,140)
NET POSITION - JANUARY 1	<u>9,463,292</u>
NET POSITION - DECEMBER 31	<u><u>\$ 9,376,152</u></u>

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

## TOWN OF LIMERICK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,154,822	\$ 350,680	\$ -	\$ 3,505,502
Investments	-	-	17,141	17,141
Accounts receivable (net of allowance for uncollectibles):				
Taxes	375,590	-	-	375,590
Liens	112,104	-	-	112,104
Other	4,461	40,279	-	44,740
Tax acquired property	65,521	-	-	65,521
Due from other funds	-	90,807	1,099,394	1,190,201
<b>TOTAL ASSETS</b>	<b>\$ 3,712,498</b>	<b>\$ 481,766</b>	<b>\$ 1,116,535</b>	<b>\$ 5,310,799</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 42,238	\$ -	\$ -	\$ 42,238
Accrued payroll	19,891	-	-	19,891
Due to other governments	10,649	-	-	10,649
Due to other funds	1,190,201	-	-	1,190,201
<b>TOTAL LIABILITIES</b>	<b>1,262,979</b>	<b>-</b>	<b>-</b>	<b>1,262,979</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	1,285	-	-	1,285
Advanced payment of LRAP funding	19,938	-	-	19,938
Deferred tax revenues	389,701	-	-	389,701
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>410,924</b>	<b>-</b>	<b>-</b>	<b>410,924</b>
<b>FUND BALANCES</b>				
Nonspendable	65,521	-	-	65,521
Restricted	-	-	23,149	23,149
Committed	172,296	481,766	1,062,144	1,716,206
Assigned	-	-	31,242	31,242
Unassigned	1,800,778	-	-	1,800,778
<b>TOTAL FUND BALANCES</b>	<b>2,038,595</b>	<b>481,766</b>	<b>1,116,535</b>	<b>3,636,896</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,712,498</b>	<b>\$ 481,766</b>	<b>\$ 1,116,535</b>	<b>\$ 5,310,799</b>

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

## TOWN OF LIMERICK, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 3,636,896
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	5,349,555
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	389,701
Net position of governmental activities	\$ 9,376,152

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

## STATEMENT E

## TOWN OF LIMERICK, MAINE

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

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 4,966,377	\$ -	\$ -	\$ 4,966,377
Excise taxes	688,530	-	-	688,530
Intergovernmental	467,468	-	494,910	962,378
Charges for services	152,022	152,881	-	304,903
Miscellaneous revenues	84,295	2,494	10,764	97,553
<b>TOTAL REVENUES</b>	<b>6,358,692</b>	<b>155,375</b>	<b>505,674</b>	<b>7,019,741</b>
<b>EXPENDITURES</b>				
Current:				
General government	538,311	-	-	538,311
Public works	844,973	-	-	844,973
Public safety	472,023	63,297	-	535,320
Waste and sanitation	340,171	-	-	340,171
Community services	82,275	-	-	82,275
Education	3,440,311	-	-	3,440,311
County tax	167,515	-	-	167,515
Community assistance	5,523	-	-	5,523
Capital outlay	-	-	285,999	285,999
<b>TOTAL EXPENDITURES</b>	<b>6,056,144</b>	<b>63,297</b>	<b>785,373</b>	<b>6,904,814</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>302,548</b>	<b>92,078</b>	<b>(279,699)</b>	<b>114,927</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	165,500	165,500
Transfers (out)	(165,500)	-	-	(165,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(165,500)</b>	<b>-</b>	<b>165,500</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>137,048</b>	<b>92,078</b>	<b>(114,199)</b>	<b>114,927</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>1,901,547</b>	<b>389,688</b>	<b>1,230,734</b>	<b>3,521,969</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 2,038,595</b>	<b>\$ 481,766</b>	<b>\$ 1,116,535</b>	<b>\$ 3,636,896</b>

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

## TOWN OF LIMERICK, 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>\$ 114,927</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	373,956
Depreciation expense	<u>(369,885)</u>
	<u>4,071</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(206,138)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (87,140)</u></u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

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

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 expired on June 30, 2021.

TOWN OF LIMERICK, 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 August 16.

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were temporarily closed to the public (except by appointment only for the Clerk's Office) and nonessential services to its inhabitants (such as library services) were suspended from March 16, 2020 to June 1, 2020.

*Impact on Finances*

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

*Expected Federal/State Support*

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

*Conclusion*

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



TOWN OF LIMERICK, 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.

**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).

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Limerick Rescue Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment associated with the rescue. The primary source of revenue for this fund is charges for services.

Nonmajor Funds

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

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 Limerick has no formal investment policy but instead follows the State of Maine Statutes.

**Receivables**

Receivables include amounts due for ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$137,725 as of December 31, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$44,740 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".

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Tax Acquired Property**

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired the Selectboard is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by or the provisions of the Town article that is approved annually by the taxpayers.

**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 assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town.

TOWN OF LIMERICK, 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 Town has no long-term obligations.

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.

**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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**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



TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

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, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advanced payment of LRAP funding also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

The Town's property tax for the current year was levied September 1, 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 October 31, 2020. Interest on unpaid taxes commenced on November 1, 2020, at 8% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$21,441 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).

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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 balance of \$3,505,502 was comprised of bank deposits amounting to \$3,553,501. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. All deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
NOW checking accounts	\$ 10,000
ICS accounts	3,533,501
Money market accounts	10,000
	<u>\$ 3,553,501</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.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$17,141 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At December 31, 2020, the Town's investments of \$17,141 of certificates of deposit were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

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 and various certificates of deposit.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2020 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ -	\$ 1,190,201
Limerick Rescue Fund	90,807	-
Nonmajor Special Revenue Funds	41,730	-
Nonmajor Capital Projects Funds	1,057,664	-
	<u>\$ 1,190,201</u>	<u>\$ 1,190,201</u>

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

NOTE 4 - INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 165,500
Nonmajor Capital Projects Funds	165,500	-
	<u>\$ 165,500</u>	<u>\$ 165,500</u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 5 - 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	\$ 267,950	\$ -	\$ -	\$ 267,950
	<u>267,950</u>	<u>-</u>	<u>-</u>	<u>267,950</u>
Depreciated assets:				
Buildings and improvements	1,378,774	123,310	-	1,502,084
Machinery and equipment	813,383	-	-	813,383
Vehicles	1,140,888	-	-	1,140,888
Infrastructure	5,029,730	250,646	-	5,280,376
	<u>8,362,775</u>	<u>373,956</u>	<u>-</u>	<u>8,736,731</u>
Less: accumulated depreciation:				
Buildings and improvements	(582,712)	(55,837)	-	(638,549)
Machinery and equipment	(679,858)	(21,093)	-	(700,951)
Vehicles	(484,623)	(72,679)	-	(557,302)
Infrastructure	(1,538,048)	(220,276)	-	(1,758,324)
	<u>(3,285,241)</u>	<u>(369,885)</u>	<u>-</u>	<u>(3,655,126)</u>
Net depreciated assets	<u>5,077,534</u>	<u>4,071</u>	<u>-</u>	<u>5,081,605</u>
Net capital assets	<u>\$ 5,345,484</u>	<u>\$ 4,071</u>	<u>\$ -</u>	<u>\$ 5,349,555</u>
<u>Current year depreciation</u>				
Public safety			\$ 91,301	
Public works			209,581	
Waste and sanitation			3,690	
Library			1,454	
Town-wide			63,859	
Total depreciation expense			<u>\$ 369,885</u>	

NOTE 6 - OPERATING LEASE

The Town has entered into an operating lease for a copier. Monthly payments are \$189 plus taxes through June of 2021.

The following is a summary of outstanding operating lease requirements for the fiscal years ending December 31:

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 6 - OPERATING LEASE (CONTINUED)

Year Ending <u>December 31:</u>	
2021	\$ 2,268
Total minimum lease payments	<u>\$ 2,268</u>

NOTE 7 - RESTRICTED NET POSITION AND FUND BALANCES

At December 31, 2020, the Town had the following restricted net position and fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 6,008
Nonmajor permanent funds (Schedule I)	17,141
	<u>\$ 23,149</u>

NOTE 8 - NONSPENDABLE FUND BALANCE

At December 31, 2020, the Town had the following nonspendable fund balance:

General fund:	
Tax acquired property	<u>\$ 65,521</u>

NOTE 9 - COMMITTED FUND BALANCES

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

General fund:	
Revaluation	\$ 30,000
Franchise fees	37,348
Per Diem carry forward	20,000
FEMA	5,207
Franchise capital equipment	79,741
Limerick rescue fund	481,766
Nonmajor special revenue funds (Schedule E)	4,480
Nonmajor capital projects funds (Schedule G)	1,057,664
	<u>\$ 1,716,206</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 10 - ASSIGNED FUND BALANCES

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

Nonmajor special revenue funds (Schedule E)	<u>\$ 31,242</u>
---	------------------

NOTE 11 - OVERSPENT APPROPRIATIONS

At December 31, 2020, the Town did not have any overspent appropriations:

NOTE 12 - 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	0.91%	\$ 17,323
RSU #57	20,440,323	12.78%	<u>2,613,234</u>
			<u>\$ 2,630,557</u>

NOTE 13 - RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public official's liability coverage, workers compensation and automobile insurance. The Town is liable for deductibles ranging up to \$50,000 for settlements exceeding the limits of coverage, which range from \$1,000 to \$4,288,163.

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at 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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 14 - 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 15 - RELATED PARTY TRANSACTIONS

A member of the Selectboard has a family member that is the animal control officer and that same Selectboard member is also the transfer station manager. Another Selectboard member is related to the Town Clerk and assistant Town Clerk.

NOTE 16 - 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

## TOWN OF LIMERICK, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1	\$ 1,901,547	\$ 1,901,547	\$ 1,901,547	\$ -
Resources (Inflows):				
Property taxes	4,758,966	4,758,966	4,966,377	207,411
Excise taxes	660,000	660,000	688,530	28,530
Intergovernmental	438,177	438,177	467,468	29,291
Charges for services	86,800	86,800	152,022	65,222
Interest income	45,000	45,000	42,824	(2,176)
Miscellaneous revenues	-	148,883	41,471	(107,412)
Amounts Available for Appropriation	<u>7,890,490</u>	<u>8,039,373</u>	<u>8,260,239</u>	<u>220,866</u>
Charges to Appropriations (Outflows):				
General government	568,083	583,083	538,311	44,772
Public works	925,460	925,460	844,973	80,487
Public safety	491,256	511,256	472,023	39,233
Waste and sanitation	351,928	351,928	340,171	11,757
Community services	87,919	87,919	82,275	5,644
Education	3,440,311	3,440,311	3,440,311	-
County tax	167,515	167,515	167,515	-
Community assistance	5,523	5,523	5,523	-
Unclassified	145,448	344,538	165,042	179,496
Transfers to other funds	5,500	165,500	165,500	-
Total Charges to Appropriations	<u>6,188,943</u>	<u>6,583,033</u>	<u>6,221,644</u>	<u>361,389</u>
Budgetary Fund Balance, December 31	<u>\$ 1,701,547</u>	<u>\$ 1,456,340</u>	<u>\$ 2,038,595</u>	<u>\$ 582,255</u>
Utilization of unassigned fund balance	\$ 200,000	\$ 278,768	\$ -	\$ (278,768)
Utilization of committed fund balance	-	166,439	-	(166,439)
	<u>\$ 200,000</u>	<u>\$ 445,207</u>	<u>\$ -</u>	<u>\$ (445,207)</u>

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

## Other Supplementary Information

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

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

## TOWN OF LIMERICK, 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)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 4,758,966	\$ 4,758,966	\$ 4,966,377	\$ 207,411
Vehicle excise taxes	650,000	650,000	680,196	30,196
Boat/plane excise taxes	10,000	10,000	8,334	(1,666)
Intergovernmental revenues:				
State revenue sharing	199,025	199,025	243,050	44,025
Homestead exemption	191,360	191,360	165,577	(25,783)
Local road assistance	41,000	41,000	41,286	286
Veteran's exemption	-	-	2,877	2,877
BETE reimbursement	6,792	6,792	13,908	7,116
General assistance	-	-	770	770
Charges for services:				
Agent fees	12,000	12,000	17,030	5,030
Clerk fees	3,800	3,800	3,949	149
Code enforcement	32,000	32,000	87,871	55,871
Board of appeals	-	-	850	850
Transfer station	32,000	32,000	34,331	2,331
Public works	-	-	1,405	1,405
Fire department	1,000	1,000	232	(768)
Animal control	-	-	364	364
Recreation registrations	3,500	3,500	1,595	(1,905)
Town hall rentals	500	500	-	(500)
Copies	-	-	3,191	3,191
Planning board	2,000	2,000	750	(1,250)
Library	-	-	454	454
Investment income:				
Investment income	20,000	20,000	18,673	(1,327)
Interest/fees on taxes	25,000	25,000	24,151	(849)
Other income:				
Lien costs	-	-	3,820	3,820
Cable franchise fees	-	148,883	37,651	(111,232)
<b>TOTAL REVENUES</b>	<b>\$ 5,988,943</b>	<b>\$ 6,137,826</b>	<b>\$ 6,358,692</b>	<b>\$ 220,866</b>

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

TOWN OF LIMERICK, 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:					
Treasurer	\$ 54,982	\$ -	\$ 54,982	\$ 54,654	\$ 328
Town clerk/tax collector	89,122	-	89,122	88,638	484
Administration payroll	86,103	-	86,103	80,710	5,393
Administration	28,500	-	28,500	28,498	2
Legal/audit/liability insurance	63,960	-	63,960	63,491	469
Qualified health	57,506	-	57,506	53,037	4,469
Assessing	47,922	-	47,922	44,222	3,700
General assistance	11,000	-	11,000	5,437	5,563
WC/Unemployment	34,500	-	34,500	30,509	3,991
Board of appeals	1,510	-	1,510	757	753
Elections	11,178	-	11,178	11,178	-
Code enforcement officer	64,019	-	64,019	62,567	1,452
Planning board	10,736	-	10,736	6,819	3,917
Contingency	-	15,000	15,000	3,600	11,400
Comprehensive plan	1,645	-	1,645	1,645	-
Grant writing	5,400	-	5,400	2,549	2,851
	<u>568,083</u>	<u>15,000</u>	<u>583,083</u>	<u>538,311</u>	<u>44,772</u>
Public Works:					
Repair of highways	200,000	-	200,000	191,284	8,716
Tarring	280,000	-	280,000	250,646	29,354
Tree Warden	6,000	-	6,000	-	6,000
Buildings	62,460	-	62,460	33,720	28,740
Snow removal:	8,000	-	8,000	7,486	514
Snow removal of roads	352,500	-	352,500	345,787	6,713
Snow removal sidewalks	16,500	-	16,500	16,050	450
	<u>925,460</u>	<u>-</u>	<u>925,460</u>	<u>844,973</u>	<u>80,487</u>

TOWN OF LIMERICK, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Public Safety:</b>					
Fire department	125,000	20,000	145,000	123,631	21,369
Hydrant rental	44,530	-	44,530	44,528	2
Per diem EMT	283,680	-	283,680	268,551	15,129
E.M.A.	3,819	-	3,819	3,659	160
Traffic signals	19,000	-	19,000	16,656	2,344
Animal control	15,227	-	15,227	14,998	229
	<u>491,256</u>	<u>20,000</u>	<u>511,256</u>	<u>472,023</u>	<u>39,233</u>
<b>Waste and Sanitation:</b>					
Sanitation and recycling facility	115,678	-	115,678	109,791	5,887
Door to Door	120,000	-	120,000	120,000	-
Household tipping fees	116,250	-	116,250	110,380	5,870
	<u>351,928</u>	<u>-</u>	<u>351,928</u>	<u>340,171</u>	<u>11,757</u>
<b>Community Services:</b>					
Library	73,419	-	73,419	71,384	2,035
Recreation	14,500	-	14,500	10,891	3,609
	<u>87,919</u>	<u>-</u>	<u>87,919</u>	<u>82,275</u>	<u>5,644</u>

TOWN OF LIMERICK, 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	3,440,311	-	3,440,311	3,440,311	-
County Tax	167,515	-	167,515	167,515	-
Community Assistance:					
Charity organizations	5,523	-	5,523	5,523	-
	<u>5,523</u>	<u>-</u>	<u>5,523</u>	<u>5,523</u>	<u>-</u>
Unclassified:					
Town Hall	24,250	-	24,250	20,558	3,692
Public places	20,167	-	20,167	19,297	870
Municipal buildings	50,090	-	50,090	39,282	10,808
Franchise capital equipment	-	78,516	78,516	-	78,516
Water/Sewer Project	4,000	-	4,000	4,000	-
Main Street Revitalization	6,000	-	6,000	6,000	-
FEMA/MEMA	-	5,207	5,207	-	5,207
Cemetery	9,500	-	9,500	3,500	6,000
Sokokis Lake	3,000	-	3,000	3,000	-
Milfoil	3,000	-	3,000	3,000	-
Grange Hall	2,000	-	2,000	1,649	351
Moore building	2,000	-	2,000	883	1,117
Capital projects/equipment	-	-	-	10,069	(10,069)
Franchise fees	-	70,367	70,367	21,723	48,644
Revaluation	-	30,000	30,000	-	30,000
Overlay	21,441	15,000	36,441	32,081	4,360
	<u>145,448</u>	<u>199,090</u>	<u>344,538</u>	<u>165,042</u>	<u>179,496</u>
Transfers to Other Funds:					
Capital projects funds	5,500	160,000	165,500	165,500	-
	<u>5,500</u>	<u>160,000</u>	<u>165,500</u>	<u>165,500</u>	<u>-</u>
Total Departmental Operations	<u>\$ 6,188,943</u>	<u>\$ 394,090</u>	<u>\$ 6,583,033</u>	<u>\$ 6,221,644</u>	<u>\$ 361,389</u>

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

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ 17,141	\$ 17,141
Due from other funds	41,730	1,057,664	-	1,099,394
<b>TOTAL ASSETS</b>	<b>\$ 41,730</b>	<b>\$ 1,057,664</b>	<b>\$ 17,141</b>	<b>\$ 1,116,535</b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	6,008	-	17,141	23,149
Committed	4,480	1,057,664	-	1,062,144
Assigned	31,242	-	-	31,242
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>41,730</b>	<b>1,057,664</b>	<b>17,141</b>	<b>1,116,535</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 41,730</b>	<b>\$ 1,057,664</b>	<b>\$ 17,141</b>	<b>\$ 1,116,535</b>

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



## TOWN OF LIMERICK, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 494,910	\$ -	\$ -	\$ 494,910
Interest income	-	-	12	12
Other	6,181	4,571	-	10,752
TOTAL REVENUES	<u>501,091</u>	<u>4,571</u>	<u>12</u>	<u>505,674</u>
EXPENDITURES				
Capital outlay	12,000	273,999	-	285,999
Other	499,374	-	-	499,374
TOTAL EXPENDITURES	<u>511,374</u>	<u>273,999</u>	<u>-</u>	<u>785,373</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,283)</u>	<u>(269,428)</u>	<u>12</u>	<u>(279,699)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	165,500	-	165,500
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>165,500</u>	<u>-</u>	<u>165,500</u>
NET CHANGE IN FUND BALANCES	(10,283)	(103,928)	12	(114,199)
FUND BALANCES - JANUARY 1	<u>52,013</u>	<u>1,161,592</u>	<u>17,129</u>	<u>1,230,734</u>
FUND BALANCES - DECEMBER 31	<u>\$ 41,730</u>	<u>\$ 1,057,664</u>	<u>\$ 17,141</u>	<u>\$ 1,116,535</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.

1. Business Park
2. Lakes Environmental Grant
3. Recreation Donations
4. Outreach
5. Library Book Sales
6. United Way Contribution
7. Misc. Relief Indigent
8. Transfer Station Grant
9. Community Development Block Grant
10. May Safety Grant
11. State of Maine Swap Shop
12. Limerick Christmas
13. Fire Department Donations
14. Tibbetts Memorial Fund
15. 2020 Block Party
16. Transfer Station Donations

TOWN OF LIMERICK, MAINE

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

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales
<b>ASSETS</b>					
Due from other funds	\$ 4,170	\$ 256	\$ 315	\$ 663	\$ 1,889
<b>TOTAL ASSETS</b>	<b>\$ 4,170</b>	<b>\$ 256</b>	<b>\$ 315</b>	<b>\$ 663</b>	<b>\$ 1,889</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	256	-	663	-
Committed	4,170	-	-	-	-
Assigned	-	-	315	-	1,889
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,170</b>	<b>256</b>	<b>315</b>	<b>663</b>	<b>1,889</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,170</b>	<b>\$ 256</b>	<b>\$ 315</b>	<b>\$ 663</b>	<b>\$ 1,889</b>

TOWN OF LIMERICK, MAINE

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

	United Way Contribution	Misc. Relief Indigent	Transfer Station Grant	Community Development Block Grant
<b>ASSETS</b>				
Due from other funds	\$ 1,550	\$ 700	\$ 581	\$ -
<b>TOTAL ASSETS</b>	<b>\$ 1,550</b>	<b>\$ 700</b>	<b>\$ 581</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	581	-
Committed	-	-	-	-
Assigned	1,550	700	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,550</b>	<b>700</b>	<b>581</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,550</b>	<b>\$ 700</b>	<b>\$ 581</b>	<b>\$ -</b>

TOWN OF LIMERICK, MAINE

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

	May Safety Grant	State of Maine Swap Shop	Limerick Christmas	Fire Dept Donations
<b>ASSETS</b>				
Due from other funds	\$ 651	\$ 4,500	\$ 310	\$ 20,548
<b>TOTAL ASSETS</b>	<u>\$ 651</u>	<u>\$ 4,500</u>	<u>\$ 310</u>	<u>\$ 20,548</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	4,500	-	-
Committed	-	-	310	-
Assigned	651	-	-	20,548
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>651</u>	<u>4,500</u>	<u>310</u>	<u>20,548</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 651</u>	<u>\$ 4,500</u>	<u>\$ 310</u>	<u>\$ 20,548</u>

TOWN OF LIMERICK, MAINE

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

	Tibbetts Memorial Fund	2020 Block Party	Transfer Station Donations	Total
<b>ASSETS</b>				
Due from other funds	\$ 635	\$ 8	\$ 4,954	\$ 41,730
<b>TOTAL ASSETS</b>	<b>\$ 635</b>	<b>\$ 8</b>	<b>\$ 4,954</b>	<b>\$ 41,730</b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	8	-	6,008
Committed	-	-	-	4,480
Assigned	635	-	4,954	31,242
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>635</b>	<b>8</b>	<b>4,954</b>	<b>41,730</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 635</b>	<b>\$ 8</b>	<b>\$ 4,954</b>	<b>\$ 41,730</b>

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

TOWN OF LIMERICK, MAINE

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

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	1,566
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,566</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	987
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>987</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	579
FUND BALANCES - JANUARY 1	<u>4,170</u>	<u>256</u>	<u>315</u>	<u>663</u>	<u>1,310</u>
FUND BALANCES - DECEMBER 31	<u>\$ 4,170</u>	<u>\$ 256</u>	<u>\$ 315</u>	<u>\$ 663</u>	<u>\$ 1,889</u>

TOWN OF LIMERICK, MAINE

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

	United Way Contribution	Misc. Relief Indigent	Transfer Station Grant	Community Development Block Grant
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 494,910
Other	200	300	-	-
TOTAL REVENUES	<u>200</u>	<u>300</u>	<u>-</u>	<u>494,910</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	-	-	494,910
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,910</u>
NET CHANGE IN FUND BALANCES	200	300	-	-
FUND BALANCES - JANUARY 1	<u>1,350</u>	<u>400</u>	<u>581</u>	<u>-</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,550</u>	<u>\$ 700</u>	<u>\$ 581</u>	<u>\$ -</u>



TOWN OF LIMERICK, MAINE

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

	<u>May Safety Grant</u>	<u>State of Maine Swap Shop</u>	<u>Limerick Christmas</u>	<u>Fire Dept Donations</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	-	300	2,824
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>300</u>	<u>2,824</u>
EXPENDITURES				
Capital outlay	-	12,000	-	-
Other	-	-	23	-
TOTAL EXPENDITURES	<u>-</u>	<u>12,000</u>	<u>23</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(12,000)	277	2,824
FUND BALANCES - JANUARY 1	<u>651</u>	<u>16,500</u>	<u>33</u>	<u>17,724</u>
FUND BALANCES - DECEMBER 31	<u>\$ 651</u>	<u>\$ 4,500</u>	<u>\$ 310</u>	<u>\$ 20,548</u>

TOWN OF LIMERICK, MAINE

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

	Tibbetts Memorial Fund	2020 Block Party	Transfer Station Donations	Total
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 494,910
Other	-	50	941	6,181
TOTAL REVENUES	<u>-</u>	<u>50</u>	<u>941</u>	<u>501,091</u>
EXPENDITURES				
Capital outlay	-	-	-	12,000
Other	-	3,454	-	499,374
TOTAL EXPENDITURES	<u>-</u>	<u>3,454</u>	<u>-</u>	<u>511,374</u>
NET CHANGE IN FUND BALANCES	-	(3,404)	941	(10,283)
FUND BALANCES - JANUARY 1	<u>635</u>	<u>3,412</u>	<u>4,013</u>	<u>52,013</u>
FUND BALANCES - DECEMBER 31	<u>\$ 635</u>	<u>\$ 8</u>	<u>\$ 4,954</u>	<u>\$ 41,730</u>

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

## Capital Projects Funds

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

1. Business Association
2. Fire Station Capital Reserve
3. Capital Reserve

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2020

	Business Association	Fire Station Capital Reserve	Capital Reserve	Total
<b>ASSETS</b>				
Due from other funds	\$ 2,024	\$ 799,000	\$ 256,640	\$ 1,057,664
<b>TOTAL ASSETS</b>	<u>\$ 2,024</u>	<u>\$ 799,000</u>	<u>\$ 256,640</u>	<u>\$ 1,057,664</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	2,024	799,000	256,640	1,057,664
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,024</u>	<u>799,000</u>	<u>256,640</u>	<u>1,057,664</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,024</u>	<u>\$ 799,000</u>	<u>\$ 256,640</u>	<u>\$ 1,057,664</u>

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

## TOWN OF LIMERICK, MAINE

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

	Business Association	Fire Station Capital Reserve	Capital Reserve	Total
REVENUES				
Other	\$ -	\$ -	\$ 4,571	\$ 4,571
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>4,571</u>	<u>4,571</u>
EXPENDITURES				
Capital outlay	-	1,000	272,999	273,999
TOTAL EXPENDITURES	<u>-</u>	<u>1,000</u>	<u>272,999</u>	<u>273,999</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,000)</u>	<u>(268,428)</u>	<u>(269,428)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	165,500	165,500
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>165,500</u>	<u>165,500</u>
NET CHANGE IN FUND BALANCES	-	(1,000)	(102,928)	(103,928)
FUND BALANCES - JANUARY 1	<u>2,024</u>	<u>800,000</u>	<u>359,568</u>	<u>1,161,592</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,024</u>	<u>\$ 799,000</u>	<u>\$ 256,640</u>	<u>\$ 1,057,664</u>

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

## Permanent Funds

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

1. Hillside Cemetery
2. Elizabeth Felch Durrell

## TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET- NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2020

	Hillside Cemetery	Elizabeth Felch Durrell	Total
	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS			
Investments	\$ 8,300	\$ 8,841	\$ 17,141
TOTAL ASSETS	<u>\$ 8,300</u>	<u>\$ 8,841</u>	<u>\$ 17,141</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	8,300	8,841	17,141
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>8,300</u>	<u>8,841</u>	<u>17,141</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,300</u>	<u>\$ 8,841</u>	<u>\$ 17,141</u>

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

## TOWN OF LIMERICK, MAINE

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

	Hillside Cemetery	Elizabeth Felch Durrell	Total
REVENUES			
Interest income	\$ 5	\$ 7	\$ 12
TOTAL REVENUES	<u>5</u>	<u>7</u>	<u>12</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5	7	12
FUND BALANCES - JANUARY 1	<u>8,295</u>	<u>8,834</u>	<u>17,129</u>
FUND BALANCES - DECEMBER 31	<u>\$ 8,300</u>	<u>\$ 8,841</u>	<u>\$ 17,141</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 LIMERICK, 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
Fire Department	\$ 10,270	\$ 111,207	\$ 1,832,938	\$ -	\$ 1,954,415
Public Works	-	41,854	35,635	5,131,330	5,208,819
Transfer Station	-	36,000	6,100	36,900	79,000
Library	-	7,000	5,280	-	12,280
Town-wide	<u>257,680</u>	<u>1,306,023</u>	<u>74,318</u>	<u>112,146</u>	<u>1,750,167</u>
Total General Capital Assets	267,950	1,502,084	1,954,271	5,280,376	9,004,681
Less: Accumulated Depreciation	<u>-</u>	<u>(638,549)</u>	<u>(1,258,253)</u>	<u>(1,758,324)</u>	<u>(3,655,126)</u>
Net General Capital Assets	<u>\$ 267,950</u>	<u>\$ 863,535</u>	<u>\$ 696,018</u>	<u>\$ 3,522,052</u>	<u>\$ 5,349,555</u>

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

## TOWN OF LIMERICK, 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
Fire Department	\$ 1,954,415	\$ -	\$ -	\$ 1,954,415
Public Works	4,958,173	250,646	-	5,208,819
Transfer Station	43,000	36,000	-	79,000
Library	12,280	-	-	12,280
Town-wide	<u>1,662,857</u>	<u>87,310</u>	<u>-</u>	<u>1,750,167</u>
Total General Capital Assets	8,630,725	373,956	-	9,004,681
Less: Accumulated Depreciation	<u>(3,285,241)</u>	<u>(369,885)</u>	<u>-</u>	<u>(3,655,126)</u>
Net General Capital Assets	<u>\$ 5,345,484</u>	<u>\$ 4,071</u>	<u>\$ -</u>	<u>\$ 5,349,555</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 Limerick  
Limerick, 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 Limerick, 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 Limerick, Maine's basic financial statements and have issued our report thereon dated August 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Limerick, 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 Limerick, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Limerick, Maine's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Limerick, 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 Limerick, Maine in a separate letter dated August 16, 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  
August 16, 2021