

Audited Financial Statements and  
Other Financial Information

**Town of Limerick, Maine**

December 31, 2021



*Proven Expertise & Integrity*

TOWN OF LIMERICK, MAINE

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DECEMBER 31, 2021

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## INDEPENDENT AUDITOR REPORT

Selectboard  
Town of Limerick  
Limerick, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited 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, 2021 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.

In our opinion, the accompanying 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 Town of Limerick, Maine as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of

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internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information pages 5 through 12 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 22, 2022, on our consideration of the Town of Limerick, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Limerick, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Limerick, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
August 22, 2022

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**(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, 2021. 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 works, public safety, waste and sanitation, community services, education, community assistance and unclassified.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of 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 increased by \$483,688 from \$9,375,392 to \$9,859,080.

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 - increased to a balance of \$4,169,859 at the end of this year.

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

	<b>2021</b>	<b>2020 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 4,599,773	\$ 4,119,838
Noncurrent Assets-Capital Assets	5,509,016	5,349,555
Total Assets	10,108,789	9,469,393
<b>Liabilities:</b>		
Current Liabilities	226,216	72,778
Total Liabilities	226,216	72,778
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	2,219	1,285
Advanced Payment of LRAP Funding	21,274	19,938
Total Deferred Inflows of Resources	23,493	21,223
<b>Net Position:</b>		
Net Investment in Capital Assets	5,509,016	5,349,555
Restricted	180,205	23,149
Unrestricted	4,169,859	4,002,688
Total Net Position	\$ 9,859,080	\$ 9,375,392

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.02%, while total expenses decreased by 5.29%. The main increases in revenues were in taxes and grants and contributions not restricted to specific programs while the main decreases in expenses were in public works, public safety and unclassified.



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

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 367,927	\$ 304,903
Operating grants and contributions	162,335	536,196
<i>General Revenues:</i>		
Taxes	5,702,343	5,448,769
Grants and contributions not restricted to specific programs	615,772	426,182
Miscellaneous	171,327	97,553
Total Revenues	<u>7,019,704</u>	<u>6,813,603</u>
<b>Expenses</b>		
General government	521,069	538,311
Public works	784,183	966,597
Public safety	503,414	626,621
Waste and sanitation	342,871	343,861
Community services	88,770	83,729
Education	3,549,647	3,440,311
County tax	170,933	167,515
Community assistance	9,800	5,523
Capital outlay	318,616	-
Unclassified	178,368	664,416
Unallocated depreciation (Note 5)	68,345	63,859
Total Expenses	<u>6,536,016</u>	<u>6,900,743</u>
Change in Net Position	483,688	(87,140)
Net Position - January 1, Restated	<u>9,375,392</u>	<u>9,462,532</u>
Net Position - December 31	<u>\$ 9,859,080</u>	<u>\$ 9,375,392</u>

### 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>2021</u>	<u>2020 (Restated)</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 81,188	\$ 65,521	\$ 15,667
Committed	140,681	172,296	(31,615)
Unassigned	1,916,903	1,800,018	116,885
Total General Fund	<u>\$ 2,138,772</u>	<u>\$ 2,037,835</u>	<u>\$ 100,937</u>
Limerick Rescue Fund:			
Committed	\$ 408,148	\$ 481,766	\$ (73,618)
Total Limerick Rescue Fund	<u>\$ 408,148</u>	<u>\$ 481,766</u>	<u>\$ (73,618)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 163,057	\$ 6,008	\$ 157,049
Committed	50,077	4,480	45,597
Assigned	34,941	31,242	3,699
Capital Projects Funds:			
Committed	1,134,189	1,057,664	76,525
Permanent Funds:			
Restricted	17,148	17,141	7
Total Nonmajor Funds	<u>\$ 1,399,412</u>	<u>\$ 1,116,535</u>	<u>\$ 282,877</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 \$225,848. All revenue categories were receipted in excess of budgeted amounts with the exception of property taxes and interest income.

The general fund actual expenditures were under budgeted amounts by \$366,385. All expenditure categories were within or under budgeted amounts.

## Capital Asset and Long-Term Debt Administration

### Capital Assets

As of December 31, 2021, the net book value of capital assets recorded by the Town increased by \$159,461 from the prior year. This is due to capital asset acquisitions of \$597,866, less net disposals of \$56,851 and current year depreciation expense of \$381,554.

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

	<u>2021</u>	<u>2020</u>
Land	\$ 267,950	\$ 267,950
Buildings and improvements	837,220	863,535
Machinery and equipment	117,129	112,432
Vehicles	906,459	583,586
Infrastructure	<u>3,380,258</u>	<u>3,522,052</u>
Total	<u>\$ 5,509,016</u>	<u>\$ 5,349,555</u>

### Debt

At December 31, 2021, 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 2021.

### **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, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 4,098,809
Investments	17,148
Accounts receivable (net of allowance for uncollectibles):	
Taxes	258,540
Liens	90,711
Other	53,377
Tax acquired property	81,188
Total current assets	<u>4,599,773</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	267,950
Buildings and equipment, net of accumulated depreciation	<u>5,241,066</u>
Total noncurrent assets	<u>5,509,016</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,108,789</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 198,891
Accrued payroll	15,912
Due to other governments	<u>11,413</u>
Total current liabilities	<u>226,216</u>
<b>TOTAL LIABILITIES</b>	<u>226,216</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	2,219
Advanced payment of LRAP funding	<u>21,274</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>23,493</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,509,016
Restricted	180,205
Unrestricted	<u>4,169,859</u>
<b>TOTAL NET POSITION</b>	<u>9,859,080</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 10,108,789</u></u>

See accompanying independent auditor report and notes to financial statements.

## STATEMENT B

## TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 521,069	\$ 85,374	\$ -	\$ -	(435,695)
Public works	784,183	215	-	-	(783,968)
Public safety	503,414	222,464	-	-	(280,950)
Waste and sanitation	342,871	56,990	-	-	(285,881)
Community services	88,770	2,884	-	-	(85,886)
Education	3,549,647	-	-	-	(3,549,647)
County tax	170,933	-	-	-	(170,933)
Community assistance	9,800	-	-	-	(9,800)
Capital outlay	318,616	-	-	-	(318,616)
Unclassified	178,368	-	162,335	-	(16,033)
Unallocated depreciation (Note 5)*	68,345	-	-	-	(68,345)
Total government	<u>\$ 6,536,016</u>	<u>\$ 367,927</u>	<u>\$ 162,335</u>	<u>\$ -</u>	<u>(6,005,754)</u>

STATEMENT B (CONTINUED)

TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(6,005,754)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,966,988
Excise taxes	735,355
Grants and contributions not restricted to specific programs	615,772
Miscellaneous	171,327
Total general revenues	6,489,442
Change in net position	483,688
NET POSITION - JANUARY 1, RESTATED	9,375,392
NET POSITION - DECEMBER 31	\$ 9,859,080

See accompanying independent auditor report and notes to financial statements.

## TOWN OF LIMERICK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,764,949	\$ 174,275	\$ 159,585	\$ 4,098,809
Investments	-	-	17,148	17,148
Accounts receivable (net of allowance for uncollectibles):				
Taxes	258,540	-	-	258,540
Liens	90,711	-	-	90,711
Other	4,457	48,920	-	53,377
Tax acquired property	81,188	-	-	81,188
Due from other funds	-	184,953	1,222,679	1,407,632
<b>TOTAL ASSETS</b>	<b>\$ 4,199,845</b>	<b>\$ 408,148</b>	<b>\$ 1,399,412</b>	<b>\$ 6,007,405</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 198,891	\$ -	\$ -	\$ 198,891
Accrued payroll	15,912	-	-	15,912
Due to other governments	11,413	-	-	11,413
Due to other funds	1,407,632	-	-	1,407,632
<b>TOTAL LIABILITIES</b>	<b>1,633,848</b>	<b>-</b>	<b>-</b>	<b>1,633,848</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	2,219	-	-	2,219
Advanced payment of LRAP funding	21,274	-	-	21,274
Deferred tax revenues	403,732	-	-	403,732
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>427,225</b>	<b>-</b>	<b>-</b>	<b>427,225</b>
<b>FUND BALANCES</b>				
Nonspendable	81,188	-	-	81,188
Restricted	-	-	180,205	180,205
Committed	140,681	408,148	1,184,266	1,733,095
Assigned	-	-	34,941	34,941
Unassigned	1,916,903	-	-	1,916,903
<b>TOTAL FUND BALANCES</b>	<b>2,138,772</b>	<b>408,148</b>	<b>1,399,412</b>	<b>3,946,332</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,199,845</b>	<b>\$ 408,148</b>	<b>\$ 1,399,412</b>	<b>\$ 6,007,405</b>

See accompanying independent auditor 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, 2021

	Total Governmental Funds
Total Fund Balances	\$ 3,946,332
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	5,509,016
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	403,732
Net position of governmental activities	\$ 9,859,080

See accompanying independent auditor report and notes to financial statements.

## TOWN OF LIMERICK, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 4,952,957	\$ -	\$ -	\$ 4,952,957
Excise taxes	735,355	-	-	735,355
Intergovernmental	615,772	-	162,335	778,107
Charges for services	146,115	219,349	2,463	367,927
Miscellaneous revenues	80,028	1,473	89,826	171,327
<b>TOTAL REVENUES</b>	<b>6,530,227</b>	<b>220,822</b>	<b>254,624</b>	<b>7,005,673</b>
<b>EXPENDITURES</b>				
Current:				
General government	561,325	-	-	561,325
Public works	823,637	-	-	823,637
Public safety	596,382	26,978	10,734	634,094
Waste and sanitation	361,741	-	-	361,741
Community services	87,316	-	-	87,316
Education	3,549,647	-	-	3,549,647
County tax	170,933	-	-	170,933
Community assistance	9,800	-	-	9,800
Unclassified	164,509	-	13,859	178,368
Capital outlay	-	267,462	51,154	318,616
<b>TOTAL EXPENDITURES</b>	<b>6,325,290</b>	<b>294,440</b>	<b>75,747</b>	<b>6,695,477</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>204,937</b>	<b>(73,618)</b>	<b>178,877</b>	<b>310,196</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	104,000	104,000
Transfers (out)	(104,000)	-	-	(104,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(104,000)</b>	<b>-</b>	<b>104,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>100,937</b>	<b>(73,618)</b>	<b>282,877</b>	<b>310,196</b>
<b>FUND BALANCES - JANUARY 1, RESTATED</b>	<b>2,037,835</b>	<b>481,766</b>	<b>1,116,535</b>	<b>3,636,136</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 2,138,772</b>	<b>\$ 408,148</b>	<b>\$ 1,399,412</b>	<b>\$ 3,946,332</b>

See accompanying independent auditor 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, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 310,196</u>
<p>Amounts reported for governmental activities in the Statement of Activities          (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities          report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset acquisitions	597,866
Capital asset disposals	(56,851)
Depreciation expense	<u>(381,554)</u>
	<u>159,461</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources          as revenues in the funds:</p>	
Taxes and liens receivable	<u>14,031</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 483,688</u></u>

See accompanying independent auditor report and notes to financial statements.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 of 2020, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

*Impact on and Results of Operations*

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. In accordance with Executive Order 8, issued by the Governor of Maine on August 26, 2020, the Town took required measures to further reduce the risk of

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

exposure to voters, poll workers and election officials participating in the state primary and in municipal and school district elections. They did so by closing the municipal building to the public throughout 2020. Employees were given the option of hybrid work. The Town Clerk/Tax Collector's office was closed to the public but did transactions through the window from the parking lot by lowering and raising paperwork and payments with a bucket on a rope. When the building reopened where there were windows, and customers were not able to enter the office, plastic was placed over the openings and transactions were processed through the bottom section of the window. The floor was marked to promote six-foot social distancing. Where there were desks, plastic shields were put into place for additional protection. The library was closed and did curbside pickup for a portion of the year. When they were able to reopen, staff and patrons were required to wear masks. The Boards met at a different location, the Brick Town Hall, which provided enough space for adequate social distancing. Election workers wore masks and face shields, and plastic shields were erected in front of each of them. Writing instruments and voting booths were sanitized after each use. Hand sanitizer was available for election workers and voters.

*Impact on Finances*

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

*Expected Federal/State Support*

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

*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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Implementation of New Accounting Standards**

During the year ended December 31, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

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

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

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 97 "*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*" - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as 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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

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

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

1. Governmental Funds:

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

**Major Funds**

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- 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.



TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

"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.

**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 deposit and other evidence 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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$53,377 for the year ended December 31, 2021.

**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".

**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. Additions, improvements and

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reported 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.

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

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

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

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

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

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

**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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has 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, 2021 on the assessed value listed as of April 1, 2021, for all real and personal property located in the Town. Taxes were due on October 31, 2021. Interest on unpaid taxes commenced on November 1, 2021, at 6% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

excess of 100% is referred to as overlay and amounted to \$17,882 for the year ended December 31, 2021.

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

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

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 OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021, the Town's cash balance of \$4,098,809 was comprised of bank deposits amounting to \$4,130,963. 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.

<u>Account Type</u>	<u>Bank Balance</u>
NOW checking accounts	\$ 3,956,689
ICS accounts	164,274
Money market accounts	10,000
	<u>\$ 4,130,963</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 \$17,148 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, 2021, the Town's investments of \$17,148 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, 2021

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2021 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ -	\$ 1,407,632
Limerick Rescue Fund	184,953	-
Nonmajor Special Revenue Funds	88,490	-
Nonmajor Capital Projects Funds	1,134,189	-
	<u>\$ 1,407,632</u>	<u>\$ 1,407,632</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, 2021 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 104,000
Nonmajor Capital Projects Funds	104,000	-
	<u>\$ 104,000</u>	<u>\$ 104,000</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, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2021:

	Balance, 1/1/21	Additions	Deletions	Balance, 12/31/21
<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	1,502,084	35,450	-	1,537,534
Machinery and equipment	813,383	28,806	-	842,189
Vehicles	1,140,888	267,462	-	1,408,350
Infrastructure	5,280,376	266,148	(170,555)	5,375,969
	<u>8,736,731</u>	<u>597,866</u>	<u>(170,555)</u>	<u>9,164,042</u>
Less: accumulated depreciation:				
Buildings and improvements	(638,549)	(61,765)	-	(700,314)
Machinery and equipment	(700,951)	(24,109)	-	(725,060)
Vehicles	(557,302)	(58,293)	113,704	(501,891)
Infrastructure	(1,758,324)	(237,387)	-	(1,995,711)
	<u>(3,655,126)</u>	<u>(381,554)</u>	<u>113,704</u>	<u>(3,922,976)</u>
Net depreciated assets	<u>5,081,605</u>	<u>216,312</u>	<u>(56,851)</u>	<u>5,241,066</u>
Net capital assets	<u>\$ 5,349,555</u>	<u>\$ 216,312</u>	<u>\$ (56,851)</u>	<u>\$ 5,509,016</u>
<u>Current year depreciation</u>				
Public safety			\$ 79,931	
Public works			226,694	
Waste and sanitation			5,130	
Library			1,454	
Town-wide			68,345	
Total depreciation expense			<u>\$ 381,554</u>	

NOTE 6 - OPERATING LEASE

The Town has entered into an operating lease for a copier. Monthly payments are \$295 plus taxes through September of 2024.

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, 2021

NOTE 6 - OPERATING LEASE (CONTINUED)

Year Ending <u>December 31:</u>	
2022	\$ 3,360
2023	3,360
2024	3,360
2023	<u>2,520</u>
Total minimum lease payments	<u>\$ 12,600</u>

NOTE 7 - RESTRICTED NET POSITION AND FUND BALANCES

At December 31, 2021, the Town had the following restricted net position and fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 163,057
Nonmajor permanent funds (Schedule I)	<u>17,148</u>
	<u>\$ 180,205</u>

NOTE 8 - NONSPENDABLE FUND BALANCE

At December 31, 2021, the Town had the following nonspendable fund balance:

General fund:	
Tax acquired property	<u>\$ 81,188</u>

NOTE 9 - COMMITTED FUND BALANCES

At December 31, 2021, the Town had the following committed fund balances:

General fund:	
Revaluation	\$ 30,000
Franchise fees	39,251
FEMA	5,207
Franchise capital equipment	66,223
Limerick rescue fund	408,148
Nonmajor special revenue funds (Schedule E)	50,077
Nonmajor capital projects funds (Schedule G)	<u>1,134,189</u>
	<u>\$ 1,733,095</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 10 - ASSIGNED FUND BALANCES

At December 31, 2021, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	<u>\$ 34,941</u>
---	------------------

NOTE 11 - OVERSPENT APPROPRIATIONS

At December 31, 2021, the Town had the following overspent appropriations:

Legal/audit/liability insurance	\$ 3,762
Snow removal of roads	99
Fire department	5,851
Traffic signals	707
Sanitation and recycling facilities	8,580
	<u>\$ 18,999</u>

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, 2021, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 900,000	0.93%	\$ 8,370
RSU #57	18,221,486	12.66%	<u>2,307,205</u>
			<u>\$ 2,315,575</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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 13 - RISK MANAGEMENT (CONTINUED)

material actual or potential claim liabilities which should be recorded at December 31, 2021. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 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. A Selectboard member is Secretary to the CEO and also a Chair to the Planning Board. Another Selectboard member is related to the Town Clerk/Tax Collector and Deputy Town Clerk/Tax Collector.

A Selectboard member is related to J.P. Carroll who's company J.P. Carroll was paid \$30,603 during the fiscal year ending December 31, 2021 for services rendered.

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 17 - RESTATEMENT

In 2021, the Town determined that certain transactions in prior years had been recorded incorrectly or omitted. Therefore, a restatement of the 2020 government-wide financial statements was required. The beginning net position and fund balance of the general fund was restated by a decrease of \$760 to correct the accounts payable balance in the prior year. The resulting restatement decreased governmental activities net position from \$9,376,152 to \$9,375,392 and general fund total fund balance from \$2,038,595 to \$2,037,835.

## 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, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1, Restated	\$ 2,037,835	\$ 2,037,835	\$ 2,037,835	\$ -
Resources (Inflows):				
Property taxes	4,963,700	4,963,700	4,952,957	(10,743)
Excise taxes	660,000	660,000	735,355	75,355
Intergovernmental	535,379	535,379	615,772	80,393
Charges for services	104,300	104,300	146,115	41,815
Interest income	41,000	41,000	35,485	(5,515)
Miscellaneous revenues	-	-	44,543	44,543
Amounts Available for Appropriation	<u>8,342,214</u>	<u>8,342,214</u>	<u>8,568,062</u>	<u>225,848</u>
Charges to Appropriations (Outflows):				
General government	652,826	657,826	561,325	96,501
Public works	932,835	932,835	823,637	109,198
Public safety	604,926	624,926	596,382	28,544
Waste and sanitation	365,176	365,176	361,741	3,435
Community services	87,610	87,610	87,316	294
Education	3,549,647	3,549,647	3,549,647	-
County tax	170,933	170,933	170,933	-
Community assistance	9,800	9,800	9,800	-
Unclassified	130,626	297,922	164,509	133,413
Transfers to other funds	-	104,000	104,000	-
Total Charges to Appropriations	<u>6,504,379</u>	<u>6,800,675</u>	<u>6,429,290</u>	<u>371,385</u>
Budgetary Fund Balance, December 31	<u>\$ 1,837,835</u>	<u>\$ 1,541,539</u>	<u>\$ 2,138,772</u>	<u>\$ 597,233</u>
Utilization of unassigned fund balance	\$ 200,000	\$ 324,000	\$ -	\$ (324,000)
Utilization of committed fund balance	-	172,296	-	(172,296)
	<u>\$ 200,000</u>	<u>\$ 496,296</u>	<u>\$ -</u>	<u>\$ (496,296)</u>

See accompanying independent auditor 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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 4,963,700	\$ 4,963,700	\$ 4,952,957	\$ (10,743)
Vehicle excise taxes	650,000	650,000	726,167	76,167
Boat/plane excise taxes	10,000	10,000	9,188	(812)
Intergovernmental revenues:				
State revenue sharing	300,000	300,000	342,966	42,966
Homestead exemption	180,191	180,191	186,213	6,022
Veteran's exemption	-	-	2,651	2,651
Tree growth	-	-	27,535	27,535
BETE reimbursement	14,188	14,188	14,212	24
Urban renewal	41,000	41,000	41,212	212
General assistance	-	-	983	983
Charges for services:				
Agent fees	12,000	12,000	19,447	7,447
Clerk fees	3,800	3,800	4,502	702
Code enforcement	50,000	50,000	54,569	4,569
Board of appeals	-	-	615	615
Transfer station	32,000	32,000	56,990	24,990
Public works	-	-	215	215
Fire department	1,000	1,000	2,644	1,644
Animal control	-	-	471	471
Recreation registrations	3,500	3,500	2,215	(1,285)
Town hall rentals	-	-	300	300
Copies	-	-	1,728	1,728
Planning board	2,000	2,000	1,750	(250)
Library	-	-	669	669
Investment income:				
Investment income	18,500	18,500	10,295	(8,205)
Interest/fees on taxes	22,500	22,500	25,190	2,690
Other income:				
Lien costs	-	-	4,950	4,950
Cable franchise fees	-	-	39,121	39,121
Other	-	-	472	472
<b>TOTAL REVENUES</b>	<b>\$ 6,304,379</b>	<b>\$ 6,304,379</b>	<b>\$ 6,530,227</b>	<b>\$ 225,848</b>

See accompanying independent auditor report and notes to financial statements.

SCHEDULE B

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General Government:</b>					
Treasurer	\$ 55,623	-	\$ 55,623	\$ 50,091	\$ 5,532
Town clerk/tax collector	103,665	-	103,665	102,496	1,169
Administration payroll	86,801	-	86,801	76,057	10,744
Administration	28,400	-	28,400	26,509	1,891
Legal/audit/liability insurance	77,427	-	77,427	81,189	(3,762)
Qualified health	81,135	-	81,135	49,926	31,209
Assessing	48,094	-	48,094	45,720	2,374
General assistance	11,000	-	11,000	3,217	7,783
WC/Uemployment	62,181	-	62,181	60,418	1,763
Board of appeals	1,521	-	1,521	432	1,089
Elections	11,268	-	11,268	9,348	1,920
Code enforcement officer	75,135	-	75,135	45,075	30,060
Planning board	10,576	-	10,576	5,847	4,729
Contingency	-	5,000	5,000	5,000	-
	<u>652,826</u>	<u>5,000</u>	<u>657,826</u>	<u>561,325</u>	<u>96,501</u>
<b>Public Works:</b>					
Repair of highways	186,000	-	186,000	130,338	55,662
Tarring	280,000	-	280,000	266,210	13,790
Buildings	62,460	-	62,460	46,690	15,770
<b>Snow removal:</b>					
Snow removal of roads	350,000	-	350,000	350,099	(99)
Snow removal sidewalks	54,375	-	54,375	30,300	24,075
	<u>932,835</u>	<u>-</u>	<u>932,835</u>	<u>823,637</u>	<u>109,198</u>

SCHEDULE B (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Public Safety:</b>					
Fire department	125,000	-	125,000	130,851	(5,851)
Hydrant rental	44,530	-	44,530	44,528	2
Per diem EMT	399,203	20,000	419,203	387,516	31,687
E.M.A.	3,855	-	3,855	2,694	1,161
Traffic signals	17,000	-	17,000	17,707	(707)
Animal control	15,338	-	15,338	13,086	2,252
	<u>604,926</u>	<u>20,000</u>	<u>624,926</u>	<u>596,382</u>	<u>28,544</u>
<b>Waste and Sanitation:</b>					
Sanitation and recycling facility	118,926	-	118,926	127,506	(8,580)
Door to Door	120,000	-	120,000	120,000	-
Household tipping fees	126,250	-	126,250	114,235	12,015
	<u>365,176</u>	<u>-</u>	<u>365,176</u>	<u>361,741</u>	<u>3,435</u>
<b>Community Services:</b>					
Library	74,339	-	74,339	74,286	53
Recreation	13,271	-	13,271	13,030	241
	<u>87,610</u>	<u>-</u>	<u>87,610</u>	<u>87,316</u>	<u>294</u>

SCHEDULE B (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education	3,549,647	-	3,549,647	3,549,647	-
County Tax	170,933	-	170,933	170,933	-
Community Assistance:					
Charity organizations	9,800	-	9,800	9,800	-
	9,800	-	9,800	9,800	-
Unclassified:					
Town Hall	26,167	-	26,167	21,578	4,589
Public places	29,667	-	29,667	26,429	3,238
Municipal buildings	52,910	-	52,910	50,792	2,118
FEMA/MEMA	-	5,207	5,207	-	5,207
Grange Hall	2,000	-	2,000	1,378	622
Moore building	2,000	-	2,000	611	1,389
Capital projects/equipment	-	79,741	79,741	25,254	54,487
Franchise fees	-	37,348	37,348	25,480	11,868
Revaluation	-	30,000	30,000	-	30,000
Overlay	17,882	15,000	32,882	12,987	19,895
	130,626	167,296	297,922	164,509	133,413
Transfers to Other Funds:					
Capital projects funds	-	104,000	104,000	104,000	-
Total Departmental Operations	\$ 6,504,379	\$ 296,296	\$ 6,800,675	\$ 6,429,290	\$ 371,385

See accompanying independent auditor report and notes to financial statements.

## TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 159,585	\$ -	\$ -	\$ 159,585
Investments	-	-	17,148	17,148
Due from other funds	88,490	1,134,189	-	1,222,679
<b>TOTAL ASSETS</b>	<u>\$ 248,075</u>	<u>\$ 1,134,189</u>	<u>\$ 17,148</u>	<u>\$ 1,399,412</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	163,057	-	17,148	180,205
Committed	50,077	1,134,189	-	1,184,266
Assigned	34,941	-	-	34,941
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>248,075</u>	<u>1,134,189</u>	<u>17,148</u>	<u>1,399,412</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 248,075</u>	<u>\$ 1,134,189</u>	<u>\$ 17,148</u>	<u>\$ 1,399,412</u>

See accompanying independent auditor report and notes to financial statements.

## SCHEDULE D

## TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 162,335	\$ -	\$ -	\$ 162,335
Charges for services	2,463	-	-	2,463
Interest income	-	-	7	7
Other	55,406	34,413	-	89,819
TOTAL REVENUES	<u>220,204</u>	<u>34,413</u>	<u>7</u>	<u>254,624</u>
EXPENDITURES				
Capital outlay	-	51,154	-	51,154
Public safety	-	10,734	-	10,734
Other	13,859	-	-	13,859
TOTAL EXPENDITURES	<u>13,859</u>	<u>61,888</u>	<u>-</u>	<u>75,747</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>206,345</u>	<u>(27,475)</u>	<u>7</u>	<u>178,877</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	104,000	-	104,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>104,000</u>	<u>-</u>	<u>104,000</u>
NET CHANGE IN FUND BALANCES	206,345	76,525	7	282,877
FUND BALANCES - JANUARY 1	<u>41,730</u>	<u>1,057,664</u>	<u>17,141</u>	<u>1,116,535</u>
FUND BALANCES - DECEMBER 31	<u>\$ 248,075</u>	<u>\$ 1,134,189</u>	<u>\$ 17,148</u>	<u>\$ 1,399,412</u>

See accompanying independent auditor 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. ARPA
9. ARPA Library Grant
10. Transfer Station Grant
11. May Safety Grant
12. State of Maine Swap Shop
13. Limerick Christmas
14. Fire Department Donations
15. Tibbetts Memorial Fund
16. 2020 Block Party
17. Transfer Station Donations



TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2021

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	50,000	256	689	663	3,512
<b>TOTAL ASSETS</b>	<b>\$ 50,000</b>	<b>\$ 256</b>	<b>\$ 689</b>	<b>\$ 663</b>	<b>\$ 3,512</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	50,000	-	-	-	-
Assigned	-	-	689	-	3,512
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>50,000</b>	<b>256</b>	<b>689</b>	<b>663</b>	<b>3,512</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 50,000</b>	<b>\$ 256</b>	<b>\$ 689</b>	<b>\$ 663</b>	<b>\$ 3,512</b>

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2021

	United Way Contribution	Misc. Relief Indigent	ARPA	ARPA Library Grant	Transfer Station Grant
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 159,585	\$ -	\$ -
Due from other funds	1,550	700	-	-	581
<b>TOTAL ASSETS</b>	<b>\$ 1,550</b>	<b>\$ 700</b>	<b>\$ 159,585</b>	<b>\$ -</b>	<b>\$ 581</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	-	-	159,585	-	581
Committed	-	-	-	-	-
Assigned	1,550	700	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,550</b>	<b>700</b>	<b>159,585</b>	<b>-</b>	<b>581</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,550</b>	<b>\$ 700</b>	<b>\$ 159,585</b>	<b>\$ -</b>	<b>\$ 581</b>

SCHEDULE E (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2021

	May Safety Grant	State of Maine Swap Shop	Limerick Christmas	Fire Dept Donations
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,964	-	77	21,720
<b>TOTAL ASSETS</b>	<b>\$ 1,964</b>	<b>\$ -</b>	<b>\$ 77</b>	<b>\$ 21,720</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	1,964	-	-	-
Committed	-	-	77	-
Assigned	-	-	-	21,720
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,964</b>	<b>-</b>	<b>77</b>	<b>21,720</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,964</b>	<b>\$ -</b>	<b>\$ 77</b>	<b>\$ 21,720</b>

SCHEDULE E (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2021

	Tibbetts Memorial Fund	2020 Block Party	Transfer Station Donations	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 159,585
Due from other funds	635	8	6,135	88,490
<b>TOTAL ASSETS</b>	<u>\$ 635</u>	<u>\$ 8</u>	<u>\$ 6,135</u>	<u>\$ 248,075</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	-	8	-	163,057
Committed	-	-	-	50,077
Assigned	635	-	6,135	34,941
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 635</u>	<u>\$ 8</u>	<u>\$ 6,135</u>	<u>\$ 248,075</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 635</u>	<u>\$ 8</u>	<u>\$ 6,135</u>	<u>\$ 248,075</u>

See accompanying independent auditor report and notes to financial statements.

SCHEDULE F

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	2,463
Other	50,000	-	1,740	-	-
<b>TOTAL REVENUES</b>	<b>50,000</b>	<b>-</b>	<b>1,740</b>	<b>-</b>	<b>2,463</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	4,170	-	1,366	-	840
<b>TOTAL EXPENDITURES</b>	<b>4,170</b>	<b>-</b>	<b>1,366</b>	<b>-</b>	<b>840</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>45,830</b>	<b>-</b>	<b>374</b>	<b>-</b>	<b>1,623</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>4,170</b>	<b>256</b>	<b>315</b>	<b>663</b>	<b>1,889</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 50,000</b>	<b>\$ 256</b>	<b>\$ 689</b>	<b>\$ 663</b>	<b>\$ 3,512</b>

SCHEDULE F (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	United Way Contribution	Misc Relief Indigent	ARPA	ARPA Library Grant	Transfer Station Grant
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 159,585	\$ 2,750	\$ -
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	<b>159,585</b>	<b>2,750</b>	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	2,750	-
<b>TOTAL EXPENDITURES</b>	-	-	-	<b>2,750</b>	-
NET CHANGE IN FUND BALANCES	-	-	159,585	-	-
FUND BALANCES - JANUARY 1	1,550	700	-	-	581
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 1,550</b>	<b>\$ 700</b>	<b>\$ 159,585</b>	<b>\$ -</b>	<b>\$ 581</b>

SCHEDULE F (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	May Safety Grant	State of Maine Swap		Limerick Christmas	Fire Dept Donations
		Shop			
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Other	1,313	-	-	-	1,172
<b>TOTAL REVENUES</b>	<b>1,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,172</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	4,500	233	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>4,500</b>	<b>233</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,313</b>	<b>(4,500)</b>	<b>(233)</b>	<b>1,172</b>	<b>1,172</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>651</b>	<b>4,500</b>	<b>310</b>	<b>20,548</b>	<b>20,548</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 1,964</b>	<b>\$ -</b>	<b>\$ 77</b>	<b>\$ 21,720</b>	<b>\$ 21,720</b>

SCHEDULE F (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Tibbetts Memorial Fund	2020 Block Party	Transfer Station Donations	Total
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 162,335
Charges for services	-	-	-	2,463
Other	-	-	1,181	55,406
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>220,204</b>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	-	-	13,859
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,859</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>206,345</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>635</b>	<b>8</b>	<b>4,954</b>	<b>41,730</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 635</b>	<b>\$ 8</b>	<b>\$ 6,135</b>	<b>\$ 248,075</b>

See accompanying independent auditor 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, 2021

	Business Association	Capital Reserve	Capital Reserve	Total
<b>ASSETS</b>				
Due from other funds	\$ 2,024	\$ 799,000	\$ 333,165	\$ 1,134,189
<b>TOTAL ASSETS</b>	<u>\$ 2,024</u>	<u>\$ 799,000</u>	<u>\$ 333,165</u>	<u>\$ 1,134,189</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	333,165	1,134,189
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,024</u>	<u>799,000</u>	<u>333,165</u>	<u>1,134,189</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,024</u>	<u>\$ 799,000</u>	<u>\$ 333,165</u>	<u>\$ 1,134,189</u>

See accompanying independent auditor 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, 2021

	Business Association	Fire Station Capital Reserve	Capital Reserve	Total
REVENUES				
Other	\$ -	\$ -	\$ 34,413	\$ 34,413
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>34,413</b>	<b>34,413</b>
EXPENDITURES				
Capital outlay	-	-	51,154	51,154
Public safety	-	-	10,734	10,734
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>61,888</b>	<b>61,888</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(27,475)	(27,475)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	104,000	104,000
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>104,000</b>	<b>104,000</b>
NET CHANGE IN FUND BALANCES	-	-	76,525	76,525
FUND BALANCES - JANUARY 1	2,024	799,000	256,640	1,057,664
FUND BALANCES - DECEMBER 31	\$ 2,024	\$ 799,000	\$ 333,165	\$ 1,134,189

See accompanying independent auditor 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, 2021

	Hillside Cemetery	Elizabeth Felch Durrell	Total
<b>ASSETS</b>			
Investments	\$ 8,303	\$ 8,845	\$ 17,148
<b>TOTAL ASSETS</b>	<u>\$ 8,303</u>	<u>\$ 8,845</u>	<u>\$ 17,148</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	8,303	8,845	17,148
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>8,303</u>	<u>8,845</u>	<u>17,148</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 8,303</u>	<u>\$ 8,845</u>	<u>\$ 17,148</u>

See accompanying independent auditor 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, 2021

	Hillside Cemetery	Elizabeth Felch Durrell	Total
REVENUES			
Interest income	\$ 3	\$ 4	\$ 7
TOTAL REVENUES	<u>3</u>	<u>4</u>	<u>7</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3	4	7
FUND BALANCES - JANUARY 1	<u>8,300</u>	<u>8,841</u>	<u>17,141</u>
FUND BALANCES - DECEMBER 31	<u>\$ 8,303</u>	<u>\$ 8,845</u>	<u>\$ 17,148</u>

See accompanying independent auditor 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.

SCHEDULE K

TOWN OF LIMERICK, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2021

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Fire Department	\$ 10,270	\$ 111,207	\$ 1,929,845	\$ -	\$ 2,051,322
Public Works	-	41,854	35,635	5,397,478	5,474,967
Transfer Station	-	60,000	6,100	36,900	103,000
Library	-	7,000	5,280	-	12,280
Town-wide	257,680	1,317,473	103,124	112,146	1,790,423
Total General Capital Assets	267,950	1,537,534	2,079,984	5,546,524	9,431,992
Less: Accumulated Depreciation	-	(700,314)	(1,226,951)	(1,995,711)	(3,922,976)
Net General Capital Assets	\$ 267,950	\$ 837,220	\$ 853,033	\$ 3,550,813	\$ 5,509,016

See accompanying independent auditor report and notes to financial statements.



SCHEDULE L

TOWN OF LIMERICK, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Capital Assets 1/1/21	Additions	Deletions	General Capital Assets 12/31/21
Fire Department	\$ 1,954,415	\$ 267,462	\$ (170,555)	\$ 2,051,322
Public Works	5,208,819	266,148	-	5,474,967
Transfer Station	79,000	24,000	-	103,000
Library	12,280	-	-	12,280
Town-wide	1,750,167	40,256	-	1,790,423
Total General Capital Assets	9,004,681	597,866	(170,555)	9,431,992
Less: Accumulated Depreciation	(3,655,126)	(381,554)	113,704	(3,922,976)
Net General Capital Assets	<u>\$ 5,349,555</u>	<u>\$ 216,312</u>	<u>\$ (56,851)</u>	<u>\$ 5,509,016</u>

See accompanying independent auditor report and notes to financial statements.



*Proven Expertise & Integrity*

INDEPENDENT AUDITOR 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, 2021 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 22, 2022.

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 July 8, 2022.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
August 22, 2022