

Audited Financial Statements

Town of Limerick, Maine

December 31, 2017



*Proven Expertise and Integrity*

TOWN OF LIMERICK, MAINE

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DECEMBER 31, 2017

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*Proven Expertise and Integrity*  
INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Limerick  
Limerick, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Limerick, Maine, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town of Limerick, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Limerick, Maine as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Limerick, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2018, on our consideration of the Town of Limerick, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Limerick, Maine's internal control over financial reporting and compliance

RHR Smith & Company

Buxton, Maine  
May 8, 2018

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2017**

**(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, 2017. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.



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

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, waste and sanitation, education, community services 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 \$324,599 from \$9,023,026 to \$9,347,625.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased to a balance of \$3,854,751 at the end of this year.

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

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current Assets	\$ 4,026,805	\$ 4,444,838
Capital Assets	5,483,581	4,693,205
Total Assets	<u>9,510,386</u>	<u>9,138,043</u>
<b>Liabilities:</b>		
Current Liabilities	123,273	79,392
Long-term Debt Outstanding	-	9,942
Total Liabilities	<u>123,273</u>	<u>89,334</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	18,618	5,141
Advanced Payment of LRAP Funding	20,870	20,542
Total Deferred Inflows of Resources	<u>39,488</u>	<u>25,683</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	5,473,639	4,673,465
Restricted	19,235	44,213
Unrestricted	3,854,751	4,305,348
Total Net Position	<u>\$ 9,347,625</u>	<u>\$ 9,023,026</u>

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

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 190,613	\$ 210,084
Operating grants and contributions	41,412	41,178
<i>General Revenues:</i>		
Taxes	4,963,446	4,760,219
Grants and contributions not restricted to specific programs	259,366	213,333
Miscellaneous	176,197	130,298
Total Revenues	<u>5,631,034</u>	<u>5,355,112</u>
<b>Expenses</b>		
General government	483,516	446,318
Public works	661,656	566,041
Public safety	384,646	356,691
Waste & sanitation	253,556	240,472
Community services	82,800	76,541
Education	3,081,688	2,970,104
County tax	167,489	163,865
Community assistance	7,617	6,733
Interest on long-term debt	297	394
Unclassified	149,251	128,699
Unallocated depreciation (Note 4)	33,919	25,410
Total Expenses	<u>5,306,435</u>	<u>4,981,268</u>
Change in Net Position	324,599	373,844
Net Position - January 1	<u>9,023,026</u>	<u>8,649,182</u>
Net Position - December 31	<u>\$ 9,347,625</u>	<u>\$ 9,023,026</u>

**Revenues and Expenses**

Revenues for the Town's governmental activities increased by 5.15%, while total expenses increased by 6.53%. The main increase in revenues was in taxes while the major increases in expenses were in education and public works.

## 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,**

	2017	2016
General Fund:		
Nonspendable	\$ 56,041	\$ 60,178
Committed	137,398	127,381
Unassigned	2,534,500	2,367,759
Total General Fund	\$ 2,727,939	\$ 2,555,318
Limerick Rescue Fund:		
Committed	\$ 384,711	\$ 855,825
Total Limerick Rescue Fund	\$ 384,711	\$ 855,825
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 2,151	\$ 27,151
Committed	4,170	4,170
Assigned	16,472	48,072
Capital Projects Funds:		
Committed	232,724	404,317
Permanent Funds:		
Restricted	17,084	17,062
Total Nonmajor Funds	\$ 272,601	\$ 500,772

The general fund total fund balance increased by \$172,621 from the prior fiscal year. The Limerick Rescue fund total fund balance decreased by \$471,114 from the prior fiscal year. The nonmajor fund balances decreased by \$228,171 from the prior fiscal year.

## Budgetary Highlights

The significant differences between the original and final budget for the general fund was the use of committed fund balance.

The general fund actual revenues exceeded budget by \$190,440. All revenue categories were receipted in excess of budgeted amounts with the exception of property taxes.

The general fund actual expenditures were under budget by \$209,552. All expenditure categories were under budget with the exception of community assistance.

## Capital Asset and Debt Administration

### Capital Assets

As of December 31, 2017, the net book value of capital assets recorded by the Town increased by \$790,376 from the prior year. This increase is due to capital additions of \$1,107,612 less depreciation expense of \$242,236 and net disposals of \$75,000.

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

	<u>2017</u>	<u>2016</u>
Land	\$ 267,950	\$ 267,950
Construction in progress	83,372	33,372
Buildings and improvements	698,820	519,891
Machinery and equipment	192,599	143,017
Vehicles	814,329	355,478
Infrastructure	<u>3,426,511</u>	<u>3,373,497</u>
Total	<u>\$ 5,483,581</u>	<u>\$ 4,693,205</u>

### Debt

At December 31, 2017, the Town had \$9,942 in a bond outstanding versus \$19,740 last year, a decrease of 49.64%. Refer to Note 5 of Notes to Financial Statements for more detailed information.

## **Currently Known Facts, Decisions, or Conditions**

### **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 Board of Selectmen 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 2017.

### **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, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,093,971
Investments	17,084
Accounts receivable (net of allowance for uncollectibles):	
Taxes	446,990
Liens	156,877
Other	255,842
Tax acquired property	<u>56,041</u>
Total current assets	<u>4,026,805</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	351,322
Buildings and equipment, net of accumulated depreciation	<u>5,132,259</u>
Total noncurrent assets	<u>5,483,581</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,510,386</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 82,760
Accrued payroll	19,066
Tax acquired escrow	1,660
Due to other governments	9,845
Current portion of long-term obligations	<u>9,942</u>
Total current liabilities	<u>123,273</u>
<b>TOTAL LIABILITIES</b>	<u>123,273</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	18,618
Advanced payment of LRAP funding	<u>20,870</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>39,488</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,473,639
Restricted	19,235
Unrestricted	<u>3,854,751</u>
<b>TOTAL NET POSITION</b>	<u>9,347,625</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 9,510,386</u></u>

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



STATEMENT B

TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 483,516	\$ 50,011	\$ -	\$ -	(433,505)
Public works	661,656	-	41,412	-	(620,244)
Public safety	384,646	108,223	-	-	(276,423)
Waste & sanitation	253,556	27,719	-	-	(225,837)
Community services	82,800	4,660	-	-	(78,140)
Education	3,081,688	-	-	-	(3,081,688)
County tax	167,489	-	-	-	(167,489)
Community assistance	7,617	-	-	-	(7,617)
Interest on long-term debt	297	-	-	-	(297)
Unclassified	149,251	-	-	-	(149,251)
Unallocated depreciation (Note 4)*	33,919	-	-	-	(33,919)
Total government	<u>\$ 5,306,435</u>	<u>\$ 190,613</u>	<u>\$ 41,412</u>	<u>\$ -</u>	<u>(5,074,410)</u>

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

STATEMENT B (CONTINUED)  
TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(5,074,410)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,356,133
Excise taxes	607,313
Grants and contributions not restricted to specific programs	259,366
Miscellaneous	<u>176,197</u>
Total general revenues	<u>5,399,009</u>
Change in net position	324,599
NET POSITION - JANUARY 1	<u>9,023,026</u>
NET POSITION - DECEMBER 31	<u>\$ 9,347,625</u>

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

## STATEMENT C

## TOWN OF LIMERICK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,027,809	\$ 66,162	\$ -	\$ 3,093,971
Investments	-	-	17,084	17,084
Accounts receivable (net of allowance for uncollectibles):				
Taxes	446,990	-	-	446,990
Liens	156,877	-	-	156,877
Other	5,103	250,739	-	255,842
Tax acquired property	56,041	-	-	56,041
Due from other funds	-	67,810	255,517	323,327
<b>TOTAL ASSETS</b>	<u>\$ 3,692,820</u>	<u>\$ 384,711</u>	<u>\$ 272,601</u>	<u>\$ 4,350,132</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 82,760	\$ -	\$ -	\$ 82,760
Accrued payroll	19,066	-	-	19,066
Tax acquired escrow	1,660	-	-	1,660
Due to other governments	9,845	-	-	9,845
Due to other funds	323,327	-	-	323,327
<b>TOTAL LIABILITIES</b>	<u>436,658</u>	<u>-</u>	<u>-</u>	<u>436,658</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	18,618	-	-	18,618
Deferred tax revenues	488,735	-	-	488,735
Advanced payment of LRAP funding	20,870	-	-	20,870
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>528,223</u>	<u>-</u>	<u>-</u>	<u>528,223</u>
<b>FUND BALANCES</b>				
Nonspendable	56,041	-	-	56,041
Restricted	-	-	19,235	19,235
Committed	137,398	384,711	236,894	759,003
Assigned	-	-	16,472	16,472
Unassigned	2,534,500	-	-	2,534,500
<b>TOTAL FUND BALANCES</b>	<u>2,727,939</u>	<u>384,711</u>	<u>272,601</u>	<u>3,385,251</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 3,692,820</u>	<u>\$ 384,711</u>	<u>\$ 272,601</u>	<u>\$ 4,350,132</u>

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

TOWN OF LIMERICK, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2017

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,385,251
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	5,483,581
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	488,735
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	<u>(9,942)</u>
Net position of governmental activities	<u><u>\$ 9,347,625</u></u>

See accompanying independent auditors' 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, 2017

	General Fund	Limerick Rescue	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 4,305,044	\$ -	\$ -	\$ 4,305,044
Excise taxes	607,313	-	-	607,313
Intergovernmental	300,778	-	-	300,778
Charges for services	86,674	107,347	-	194,021
Miscellaneous revenues	91,749	861	83,587	176,197
<b>TOTAL REVENUES</b>	<u>5,391,558</u>	<u>108,208</u>	<u>83,587</u>	<u>5,583,353</u>
<b>EXPENDITURES</b>				
Current:				
General government	483,516	-	-	483,516
Public works	724,319	-	-	724,319
Public safety	308,529	579,322	-	887,851
Waste & sanitation	258,136	-	-	258,136
Community services	77,890	-	-	77,890
Education	3,081,688	-	-	3,081,688
County tax	167,489	-	-	167,489
Community assistance	7,617	-	-	7,617
Unclassified	99,657	-	137,040	236,697
Debt service:				
Principal	9,799	-	-	9,799
Interest	297	-	-	297
Capital outlay	-	-	174,718	174,718
<b>TOTAL EXPENDITURES</b>	<u>5,218,937</u>	<u>579,322</u>	<u>311,758</u>	<u>6,110,017</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>172,621</u>	<u>(471,114)</u>	<u>(228,171)</u>	<u>(526,664)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	172,621	(471,114)	(228,171)	(526,664)
<b>FUND BALANCES - JANUARY 1</b>	<u>2,555,318</u>	<u>855,825</u>	<u>500,772</u>	<u>3,911,915</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 2,727,939</u>	<u>\$ 384,711</u>	<u>\$ 272,601</u>	<u>\$ 3,385,251</u>

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

## TOWN OF LIMERICK, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (526,664)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,107,612
Depreciation expense	<u>(242,236)</u>
	<u>790,376</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>51,089</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>9,798</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 324,599</u></u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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 selectmen-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.

**Implementation of New Accounting Standards**

During the year ended December 31, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 80, "*Blending Requirements for Certain Component Units*". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 81, "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 82, "*Pension Issues*". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. 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



TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

**Measurement Focus - Basic Financial Statements & 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:

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

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

**Receivables**

Receivables include amounts due for ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$255,842 for the year ended December 31, 2017. The allowance for uncollectible accounts is estimated to be \$109,463 as of December 31, 2017.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital Assets**

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

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

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

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 debt 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 debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists of a bond payable.

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

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

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

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

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

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has 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. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes 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, 2017 on the assessed value listed as of April 1, 2017, for all real and personal property located in the Town. Taxes were due on October 31, 2017. Interest on unpaid taxes commenced on November 1, 2017, at 7% per annum.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$17,023 for the year ended December 31, 2017.

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.



TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At December 31, 2017, the Town's cash balance of \$3,093,971 was comprised of bank deposits amounting to \$3,059,122. This entire amount was insured by federal depository insurance and was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
NOW checking accounts	\$ 10,000
ICS accounts	3,039,122
Money market accounts	10,000
	<u>\$ 3,059,122</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.

At December 31, 2017, the Town's investments of \$17,084 of certificates of deposit was insured by federal depository insurance and was not exposed to custodial credit risk.

At December 31, 2017, the Town's investments and maturities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>
Certificates of Deposit	\$ 17,084	\$ -	\$ 17,084	\$ -
	<u>\$ 17,084</u>	<u>\$ -</u>	<u>\$ 17,084</u>	<u>\$ -</u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2017 consisted of the following individual fund receivables and payables.

	<u>Receivables</u> <u>(Due from)</u>	<u>Payables</u> <u>(Due to)</u>
General Fund	\$ -	\$ 323,327
Limerick Rescue Fund	67,810	-
Nonmajor Special Revenue Funds	22,793	-
Nonmajor Capital Projects Funds	232,724	-
	<u>\$ 323,327</u>	<u>\$ 323,327</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2017:

	Balance, 1/1/17	Additions	Deletions	Balance, 12/31/17
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 267,950	\$ -	\$ -	\$ 267,950
Construction in progress	33,372	50,000	-	83,372
	<u>301,322</u>	<u>50,000</u>	<u>-</u>	<u>351,322</u>
Depreciated assets:				
Buildings & improvements	973,310	208,757	-	1,182,067
Machinery & equipment	825,115	72,724	-	897,839
Vehicles	1,078,319	561,877	(150,000)	1,490,196
Infrastructure	4,362,704	214,254	-	4,576,958
	<u>7,239,448</u>	<u>1,057,612</u>	<u>(150,000)</u>	<u>8,147,060</u>
Less: accumulated depreciation:				
Buildings & improvements	(453,419)	(29,828)	-	(483,247)
Machinery & equipment	(682,098)	(23,142)	-	(705,240)
Vehicles	(722,841)	(28,026)	75,000	(675,867)
Infrastructure	(989,207)	(161,240)	-	(1,150,447)
	<u>(2,847,565)</u>	<u>(242,236)</u>	<u>75,000</u>	<u>(3,014,801)</u>
Net depreciated assets	<u>4,391,883</u>	<u>815,376</u>	<u>(75,000)</u>	<u>5,132,259</u>
Net capital assets	<u>\$ 4,693,205</u>	<u>\$ 865,376</u>	<u>\$ (75,000)</u>	<u>\$ 5,483,581</u>
<u>Current year depreciation</u>				
Public Safety				\$ 51,116
Public Works				151,591
Waste and Sanitation				700
Library				4,910
Town-wide				33,919
Total depreciation expense				<u>\$ 242,236</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2017:

	<u>Balance 1/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/17</u>	<u>Current Year Portion</u>
Bond payable	\$ 19,740	\$ -	\$ (9,798)	\$ 9,942	\$ 9,942
Totals	<u>\$ 19,740</u>	<u>\$ -</u>	<u>\$ (9,798)</u>	<u>\$ 9,942</u>	<u>\$ 9,942</u>

The following is a summary of the outstanding bond payable:

\$135,000, 2003 General Obligation bonds with Maine Municipal Bond Bank, due in annual principal installments and semi-annual interest installments through April of 2018. Interest is charged at a rate of 1.00% per annum. Annual principal installments vary from \$8,116 to \$9,942. \$ 9,942

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending December 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 9,942	\$ 200	\$ 10,142
	<u>\$ 9,942</u>	<u>\$ 200</u>	<u>\$ 10,142</u>

NOTE 6 - OPERATING LEASE

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

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 6 - OPERATING LEASE (CONTINUED)

Year Ending <u>December 31:</u>	
2018	\$ 2,393
2019	2,393
2020	2,393
2021	1,196
2022	-
Total minimum lease payments	<u>\$ 8,375</u>

NOTE 7 - NONSPENDABLE FUND BALANCES

At December 31, 2017, the Town had the following nonspendable fund balances:

General fund:	
Tax acquired property	<u>\$ 56,041</u>

NOTE 8 - RESTRICTED FUND BALANCES

At December 31, 2017, the Town had the following restricted fund balances:

Nonmajor special revenue funds (See Schedule E)	\$ 2,151
Nonmajor permanent funds (See Schedule I)	17,084
	<u>\$ 19,235</u>

NOTE 9 - COMMITTED FUND BALANCES

At December 31, 2017, the Town had the following committed fund balances:

General fund:	
Revaluation	\$ 30,000
Franchise fees	24,269
Franchise capital equipment	83,129
Limerick rescue fund	384,711
Nonmajor special revenue funds (See Schedule E)	4,170
Nonmajor capital projects funds (See Schedule G)	232,724
	<u>\$ 759,003</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 10 - ASSIGNED FUND BALANCES

At December 31, 2017, the Town had the following assigned fund balances:

Nonmajor special revenue funds (See Schedule E)	<u>\$ 16,472</u>
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NOTE 11 - OVERSPENT APPROPRIATIONS

At December 31, 2017, the Town had the following overspent appropriations:

Community assistance	<u>\$ 317</u>
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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, 2017, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ -	0.00%	\$ -
RSU #57	-	0.00%	-
			<u>\$ -</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 officials liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$50,000 for settlements exceeding the limits of coverage, which range from \$1,000 to \$4,288,163.

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2017. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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 Board of Selectmen has a wife that is part-owner of a company that provides fuel services and paving to the Town. The Town requests contract proposals for this service annually. The Selectman recuses himself in any matters regarding this related party. During the year ended December 31, 2017, payments to this vendor for fuel services and paving totaled \$232,429.

NOTE 16 - COMPARATIVE DATA/RECLASSIFICATIONS

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

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government 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, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 2,555,318	\$ 2,555,318	\$ 2,555,318	\$ -
Resources (Inflows):				
Property taxes	4,352,749	4,352,749	4,305,044	(47,705)
Excise taxes	457,500	457,500	607,313	149,813
Intergovernmental	289,069	289,069	300,778	11,709
Charges for services	72,800	72,800	86,674	13,874
Interest income	29,000	29,000	32,347	3,347
Miscellaneous revenues	-	-	59,402	59,402
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>7,756,436</u>	<u>7,756,436</u>	<u>7,946,876</u>	<u>190,440</u>
Charges to Appropriations (Outflows):				
General government	580,844	610,844	483,516	127,328
Public works	726,510	726,510	724,319	2,191
Public safety	320,408	320,408	308,529	11,879
Waste & sanitation	262,323	262,323	258,136	4,187
Community services	83,616	83,616	77,890	5,726
Education	3,081,688	3,081,688	3,081,688	-
County tax	167,489	167,489	167,489	-
Community assistance	7,300	7,300	7,617	(317)
Unclassified	60,843	158,214	99,657	58,557
Debt service:				
Principal	9,799	9,799	9,799	-
Interest	298	298	297	1
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>5,301,118</u>	<u>5,428,489</u>	<u>5,218,937</u>	<u>209,552</u>
Budgetary Fund Balance, December 31	<u>\$ 2,455,318</u>	<u>\$ 2,327,947</u>	<u>\$ 2,727,939</u>	<u>\$ 399,992</u>
Utilization of unassigned fund balance	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Utilization of committed fund balance	-	127,371	-	(127,371)
	<u>\$ 100,000</u>	<u>\$ 227,371</u>	<u>\$ -</u>	<u>\$ (227,371)</u>

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

## Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government 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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 4,352,749	\$ 4,352,749	\$ 4,305,044	\$ (47,705)
Vehicle excise taxes	450,000	450,000	599,070	149,070
Boat/plane excise taxes	7,500	7,500	8,243	743
Intergovernmental revenues:				
State revenue sharing	120,000	120,000	128,805	8,805
Homestead exemption	115,711	115,711	104,179	(11,532)
Local road assistance	41,084	41,084	41,412	328
Veteran's exemption	-	-	2,914	2,914
Tree growth	-	-	11,184	11,184
BETE reimbursement	12,274	12,274	12,284	10
Charges for services:				
Agent fees	11,000	11,000	11,419	419
Clerk fees	3,800	3,800	3,888	88
Code enforcement	27,500	27,500	30,304	2,804
Board of appeals	600	600	450	(150)
Transfer station	23,500	23,500	27,719	4,219
Fire department	500	500	344	(156)
Animal control	-	-	532	532
Recreation registrations	4,000	4,000	4,333	333
General assistance	-	-	3,408	3,408
Town hall rentals	1,150	1,150	300	(850)
Planning board	750	750	3,650	2,900
Library	-	-	327	327
Investment income:				
Investment income	2,500	2,500	6,119	3,619
Interest/fees on taxes	26,500	26,500	26,228	(272)
Other income:				
Other income	-	-	19,141	19,141
Lien costs	-	-	5,754	5,754
Cable franchise fees	-	-	34,507	34,507
Transfers from other funds	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 5,201,118</b>	<b>\$ 5,201,118</b>	<b>\$ 5,391,558</b>	<b>\$ 190,440</b>

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

SCHEDULE B

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government:					
Treasurer	\$ 42,204	\$ -	\$ 42,204	\$ 41,394	\$ 810
Town clerk/tax collector	50,809	-	50,809	50,341	468
Administration payroll	79,133	-	79,133	72,305	6,828
Deputy tax collector	28,946	-	28,946	27,719	1,227
Payroll expenses	49,030	-	49,030	28,423	20,607
Legal	59,006	-	59,006	57,409	1,597
Assessing	50,571	-	50,571	31,986	18,585
General assistance	10,000	-	10,000	9,675	325
Incidentals	32,500	-	32,500	25,108	7,392
Board of appeals	1,477	-	1,477	1,065	412
Elections	10,749	-	10,749	8,874	1,875
Code enforcement officer	62,479	-	62,479	57,724	4,755
Planning board	13,590	-	13,590	9,001	4,589
Revaluation	-	30,000	30,000	-	30,000
Municipal building	43,950	-	43,950	36,714	7,236
Town hall	25,000	-	25,000	18,013	6,987
Grange hall	2,000	-	2,000	1,471	529
Grant writing	17,400	-	17,400	5,721	11,679
Moore building	2,000	-	2,000	573	1,427
	<u>580,844</u>	<u>30,000</u>	<u>610,844</u>	<u>483,516</u>	<u>127,328</u>
Public Works:					
Repair of highways	170,000	-	170,000	172,507	(2,507)
Tarring	200,000	-	200,000	200,000	-
Tree Warden	2,000	-	2,000	600	1,400
Snow removal:					
Snow removal of roads	284,500	-	284,500	282,055	2,445
Snow removal sidewalks	25,375	-	25,375	24,522	853
Snow removal Town properties	44,635	-	44,635	44,635	-
	<u>726,510</u>	<u>-</u>	<u>726,510</u>	<u>724,319</u>	<u>2,191</u>

SCHEDULE B (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Public Safety:</b>					
Fire department	139,925	-	139,925	138,414	1,511
Paramedic/FF	44,297	-	44,297	44,158	139
Fire calls	20,000	-	20,000	12,154	7,846
Hydrant rental	25,524	-	25,524	25,524	-
Per diem EMT	56,394	-	56,394	56,394	-
E.M.A.	4,355	-	4,355	2,993	1,362
Constables	150	-	150	-	150
Traffic signals	15,600	-	15,600	15,161	439
Animal control	14,163	-	14,163	13,731	432
	<u>320,408</u>	<u>-</u>	<u>320,408</u>	<u>308,529</u>	<u>11,879</u>
<b>Waste &amp; Sanitation:</b>					
Sanitation & recycling facility	85,406	-	85,406	81,219	4,187
Door to Door	102,917	-	102,917	102,917	-
Household tipping fees	74,000	-	74,000	74,000	-
	<u>262,323</u>	<u>-</u>	<u>262,323</u>	<u>258,136</u>	<u>4,187</u>
<b>Community Services:</b>					
Library	64,687	-	64,687	63,382	1,305
Recreation	18,929	-	18,929	14,508	4,421
	<u>83,616</u>	<u>-</u>	<u>83,616</u>	<u>77,890</u>	<u>5,726</u>

SCHEDULE B (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education	3,081,688	-	3,081,688	3,081,688	-
County Tax	167,489	-	167,489	167,489	-
Community Assistance: Charity organizations	7,300	-	7,300	7,617	(317)
	7,300	-	7,300	7,617	(317)
Debt Service: Bond - principal	9,799	-	9,799	9,799	-
Bond - interest	298	-	298	297	1
	10,097	-	10,097	10,096	1
Unclassified: Public places	17,070	-	17,070	17,070	-
Highland Cemetery	5,700	-	5,700	5,700	-
Milfoil	3,000	-	3,000	3,000	-
Cemetery	5,050	-	5,050	-	5,050
Sokkis Lake	3,000	-	3,000	3,000	-
Franchise fees	-	97,371	97,371	23,498	73,873
Contingency	10,000	-	10,000	9,725	275
Overlay	17,023	-	17,023	37,664	(20,641)
	60,843	97,371	158,214	99,657	58,557
Total Departmental Expenditures	\$ 5,301,118	\$ 127,371	\$ 5,428,489	\$ 5,218,937	\$ 209,552

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

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ 17,084	\$ 17,084
Due from other funds	22,793	232,724	-	255,517
<b>TOTAL ASSETS</b>	<b>\$ 22,793</b>	<b>\$ 232,724</b>	<b>\$ 17,084</b>	<b>\$ 272,601</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	2,151	-	17,084	19,235
Committed	4,170	232,724	-	236,894
Assigned	16,472	-	-	16,472
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>22,793</b>	<b>232,724</b>	<b>17,084</b>	<b>272,601</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,793</b>	<b>\$ 232,724</b>	<b>\$ 17,084</b>	<b>\$ 272,601</b>

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

## TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 22	\$ 22
Other	80,440	3,125	-	83,565
<b>TOTAL REVENUES</b>	<u>80,440</u>	<u>3,125</u>	<u>22</u>	<u>83,587</u>
<b>EXPENDITURES</b>				
Capital outlay	-	174,718	-	174,718
Other	137,040	-	-	137,040
<b>TOTAL EXPENDITURES</b>	<u>137,040</u>	<u>174,718</u>	<u>-</u>	<u>311,758</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(56,600)</u>	<u>(171,593)</u>	<u>22</u>	<u>(228,171)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(56,600)	(171,593)	22	(228,171)
<b>FUND BALANCES - JANUARY 1</b>	<u>79,393</u>	<u>404,317</u>	<u>17,062</u>	<u>500,772</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 22,793</u>	<u>\$ 232,724</u>	<u>\$ 17,084</u>	<u>\$ 272,601</u>

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



## Special Revenue Funds

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

1. Business Park
2. Lakes Environmental Grant
3. Recreation Donations
4. Outreach
5. Library Book Sales
6. Fire Department Donations
7. Transfer Station Capital
8. United Way Contribution
9. Misc. Relief Indigent
10. Transfer Station Grant
11. Belvedere Historical Preservation
12. Narragansett Number One Foundation
13. May Safety Grant
14. Tibetts Memorial Fund
15. Cummings Foundation
16. Morton/Kelly Charitable Trust Grant
17. Transfer Station Donations

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations
<b>ASSETS</b>						
Due from other funds	\$ 4,170	\$ 256	\$ 315	\$ 663	\$ 557	\$ 4,449
<b>TOTAL ASSETS</b>	<u>\$ 4,170</u>	<u>\$ 256</u>	<u>\$ 315</u>	<u>\$ 663</u>	<u>\$ 557</u>	<u>\$ 4,449</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	256	-	663	-	-
Committed	4,170	-	-	-	-	-
Assigned	-	-	315	-	557	4,449
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>4,170</u>	<u>256</u>	<u>315</u>	<u>663</u>	<u>557</u>	<u>4,449</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,170</u>	<u>\$ 256</u>	<u>\$ 315</u>	<u>\$ 663</u>	<u>\$ 557</u>	<u>\$ 4,449</u>

SCHEDULE E (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017

	Transfer Station Capital	United Way Contribution	Misc. Relief Indigent	Transfer Station Grant	Belvedere Historical Preservation	Narragansett Number One Foundation
<b>ASSETS</b>						
Due from other funds	\$ 3,000	\$ 950	\$ 900	\$ 581	\$ -	\$ -
<b>TOTAL ASSETS</b>	<u>\$ 3,000</u>	<u>\$ 950</u>	<u>\$ 900</u>	<u>\$ 581</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	581	-	-
Committed	-	-	-	-	-	-
Assigned	3,000	950	900	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>3,000</u>	<u>950</u>	<u>900</u>	<u>581</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,000</u>	<u>\$ 950</u>	<u>\$ 900</u>	<u>\$ 581</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017

	May Safety Grant	Tibetts Memorial Fund	Cummings Foundation	Morton/Kelly Charitable Trust Grant	Transfer Station Donations	Total
<b>ASSETS</b>						
Due from other funds	\$ 651	\$ 4,198	\$ -	\$ -	\$ 2,103	\$ 22,793
<b>TOTAL ASSETS</b>	<u>\$ 651</u>	<u>\$ 4,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103</u>	<u>\$ 22,793</u>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	651	-	-	-	-	2,151
Committed	-	-	-	-	-	4,170
Assigned	-	4,198	-	-	2,103	16,472
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>651</u>	<u>4,198</u>	<u>-</u>	<u>-</u>	<u>2,103</u>	<u>22,793</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 651</u>	<u>\$ 4,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103</u>	<u>\$ 22,793</u>

See accompanying independent auditors' 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, 2017

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations
REVENUES						
Other	\$ -	\$ -	\$ -	\$ -	\$ 4,324	\$ -
TOTAL REVENUES	-	-	-	-	4,324	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	5,920	-
TOTAL EXPENDITURES	-	-	-	-	5,920	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(1,596)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	(1,596)	-
FUND BALANCES - JANUARY 1	4,170	256	315	663	2,153	4,449
FUND BALANCES - DECEMBER 31	\$ 4,170	\$ 256	\$ 315	\$ 663	\$ 557	\$ 4,449

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, 2017

	Transfer Station Capital	United Way Contribution	Misc. Relief Indigent	Transfer Station Grant	Belvedere Historical Preservation	Narragansett Number One Foundation
REVENUES						
Other	\$ -	\$ 150	\$ 200	\$ -	\$ -	\$ -
TOTAL REVENUES	-	150	200	-	-	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	7,500	7,500
TOTAL EXPENDITURES	-	-	-	-	7,500	7,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	150	200	-	(7,500)	(7,500)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	150	200	-	(7,500)	(7,500)
FUND BALANCES - JANUARY 1	3,000	800	700	581	7,500	7,500
FUND BALANCES - DECEMBER 31	\$ 3,000	\$ 950	\$ 900	\$ 581	\$ -	\$ -

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, 2017

	May Safety Grant	Tibetts Memorial Fund	Cummings Foundation	Morton/Kelly Charitable Trust Grant	Transfer Station Donations	Total
REVENUES						
Other	-	\$ 21,310	\$ 53,228	-	\$ 1,228	\$ 80,440
TOTAL REVENUES	-	21,310	53,228	-	1,228	80,440
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	52,538	53,228	10,000	354	137,040
TOTAL EXPENDITURES	-	52,538	53,228	10,000	354	137,040
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(31,228)	-	(10,000)	874	(56,600)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(31,228)	-	(10,000)	874	(56,600)
FUND BALANCES - JANUARY 1	651	35,426	-	10,000	1,229	79,393
FUND BALANCES - DECEMBER 31	\$ 651	\$ 4,198	\$ -	\$ -	\$ 2,103	\$ 22,793

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

## Capital Projects Funds

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

1. Business Association
2. Capital Reserve



TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2017

	Business Association	Capital Reserve	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	2,024	230,700	232,724
<b>TOTAL ASSETS</b>	<u>\$ 2,024</u>	<u>\$ 230,700</u>	<u>\$ 232,724</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	2,024	230,700	232,724
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,024</u>	<u>230,700</u>	<u>232,724</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,024</u>	<u>\$ 230,700</u>	<u>\$ 232,724</u>

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

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Business Association	Capital Reserve	Total
REVENUES			
Interest income	\$ -	\$ -	\$ -
Other	-	3,125	3,125
<b>TOTAL REVENUES</b>	<b>-</b>	<b>3,125</b>	<b>3,125</b>
EXPENDITURES			
Capital outlay	-	174,718	174,718
Other	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>174,718</b>	<b>174,718</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(171,593)	(171,593)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES	-	(171,593)	(171,593)
FUND BALANCES - JANUARY 1	2,024	402,293	404,317
FUND BALANCES - DECEMBER 31	\$ 2,024	\$ 230,700	\$ 232,724

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

## Permanent Funds

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

1. Hillside Cemetery
2. Elizabeth Felch Durrell

## TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET- NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2017

	Hillside Cemetery	Elizabeth Felch Durrell	Total
<b>ASSETS</b>			
Investments	\$ 8,276	\$ 8,808	\$ 17,084
<b>TOTAL ASSETS</b>	<u>\$ 8,276</u>	<u>\$ 8,808</u>	<u>\$ 17,084</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	8,276	8,808	17,084
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>8,276</u>	<u>8,808</u>	<u>17,084</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 8,276</u>	<u>\$ 8,808</u>	<u>\$ 17,084</u>

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

## TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Hillside Cemetery	Elizabeth Felch Durrell	Total
REVENUES			
Interest income	\$ 9	\$ 13	\$ 22
TOTAL REVENUES	<u>9</u>	<u>13</u>	<u>22</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9</u>	<u>13</u>	<u>22</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9	13	22
FUND BALANCES - JANUARY 1	<u>8,267</u>	<u>8,795</u>	<u>17,062</u>
FUND BALANCES - DECEMBER 31	<u>\$ 8,276</u>	<u>\$ 8,808</u>	<u>\$ 17,084</u>

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

## General Capital Assets

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

SCHEDULE K

TOWN OF LIMERICK, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2017

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Fire Department	\$ 22,070	\$ 92,077	\$ 2,271,888	\$ -	\$ 2,386,035
Public Works	-	41,854	35,635	4,427,912	4,505,401
Transfer Station	-	7,000	5,280	-	12,280
Library	-	-	6,100	36,900	43,000
Town-wide	<u>329,252</u>	<u>1,041,136</u>	<u>69,132</u>	<u>112,146</u>	<u>1,551,666</u>
Total General Capital Assets	351,322	1,182,067	2,388,035	4,576,958	8,498,382
Less: Accumulated Depreciation	-	(483,247)	(1,381,107)	(1,150,447)	(3,014,801)
Net General Capital Assets	<u>\$ 351,322</u>	<u>\$ 698,820</u>	<u>\$ 1,006,928</u>	<u>\$ 3,426,511</u>	<u>\$ 5,483,581</u>

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

TOWN OF LIMERICK, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Capital Assets 1/1/17	Additions	Deletions	General Capital Assets 12/31/17
Fire Department	\$ 1,906,714	\$ 629,321	\$ (150,000)	\$ 2,386,035
Public Works	4,291,147	214,254	-	4,505,401
Transfer Station	43,000	5,280	-	48,280
Library	7,000	-	-	7,000
Town-wide	<u>1,292,909</u>	<u>258,757</u>	<u>-</u>	<u>1,551,666</u>
Total General Capital Assets	7,540,770	1,107,612	(150,000)	8,498,382
Less: Accumulated Depreciation	<u>(2,847,565)</u>	<u>(242,236)</u>	<u>75,000</u>	<u>(3,014,801)</u>
Net General Capital Assets	<u>\$ 4,693,205</u>	<u>\$ 865,376</u>	<u>\$ (75,000)</u>	<u>\$ 5,483,581</u>

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





*Proven Expertise and Integrity*

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

Board of Selectmen  
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, 2017, 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 May 8, 2018.

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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of 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*.

#### 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  
May 8, 2018