Federal Compliance Audit

Town of Lisbon, Maine

June 30, 2023

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

TOWN OF LISBON, MAINE

JUNE 30, 2023

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RHR SMITH & COMPANY
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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Lisbon, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Lisbon, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lisbon, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 16 and 98 through 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and* is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2024, on our consideration of the Town of Lisbon, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Lisbon, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lisbon, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
July 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

(UNAUDITED)

The following management's discussion and analysis of Town of Lisbon, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

In accordance with generally accepted accounting principles, the Town presents two kinds of statements, each with a different snapshot of the Town's finances. The government-wide financial statements present financial information on the Town as a whole. The focus of the fund statements is on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad view of the Town's finances, in a manner similar to private-sector businesses. The Statement of Net Position presents information on all of the Town's assets, deferred outflow of resources, liabilities and deferred inflows of resources with the aggregate difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type) activities. The governmental activities of the Town include general governmental, public safety, public works, public services, general assistance, education, TIF and unclassified. The business-type activities of the Town include the Lisbon Water Department. The government-wide financial statements can be found on pages 17 through 20 of this report.

Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

The Town adopts an annual budget for its General Fund and Education Fund. Budgetary comparison schedules have been provided for the General Fund and Education Fund to demonstrate compliance with these budgets. The Town did not adopt any significant budget amendments for the fiscal year ended June 30, 2023.

Proprietary Funds: The Town of Lisbon maintains one proprietary fund, the water fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the

government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 25 through 29 of this report.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds on pages 32 through 96 of this report.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Changes in Net OPEB Liability - MMEHT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, Schedule of Changes in Net OPEB Liability - MEABT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, Schedule of Proportionate Share of the Net OPEB Liability - SET Plan, Schedule of Contributions - OPEB - Health Plans, Schedule of Contributions - OPEB SET Plan and Notes to Required Supplementary Information. Required supplementary information can be found on pages 97 through 111 of this report.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds and other detailed budgetary information for the general fund. The combining and other schedules can be found on pages 113 through 143 of this report.

Financial Analysis of the Town as a Whole

The Town is presenting current and prior year comparative information in the Management's Discussion and Analysis to provide a means of analyzing its' financial condition and position as of June 30, 2023.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities and business-type activities.

Table 1
Town of Lisbon, Maine
Net Position

	Governmental Activities		Business-type Activities	
	6/30/23	6/30/22 (Restated)	12/31/22	12/31/21 (Restated)
Assets:				
Current Assets	$ 17,246,158	$ 16,378,559	$ 1,965,353	$ 2,767,442
Noncurrent Assets - Capital Assets	34,666,795	32,649,130	7,884,451	6,060,647
Other Assets	-	-	321,137	386,213
Total Assets	51,912,953	49,027,689	10,170,941	9,214,302
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,759,642	1,700,942	112,341	84,660
Deferred Outflows Related to OPEB	963,349	697,176	11,712	9,727
Total Deferred Outflows of Resources	2,722,991	2,398,118	124,053	94,387
Liabilities:				
Current Liabilities	3,812,469	2,579,717	491,682	457,502
Noncurrent Liabilities	16,668,992	15,688,953	2,221,889	2,468,100
Total Liabilities	20,481,461	18,268,670	2,713,571	2,925,602
Deferred Inflows of Resources:				
Prepaid Taxes	35,448	41,723	-	-
Regulatory Reserves	-	-	385,125	401,835
Deferred Inflows Related to Leases	-	-	386,213	445,980
Deferred Inflows Related to Pensions	776,240	2,822,283	71,051	220,348
Deferred Inflows Related to OPEB	621,401	745,615	39,929	20,939
Total Deferred Inflows of Resources	1,433,089	3,609,621	882,318	1,089,102
Net Position:				
Net Investment in Capital Assets	22,913,969	19,238,524	6,151,509	4,738,868
Restricted	5,441,850	5,748,403	-	-
Unrestricted	4,365,575	4,560,589	547,596	555,117
Total Net Position	$ 32,721,394	$ 29,547,516	$ 6,699,105	$ 5,293,985

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Lisbon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $32,721,394 at June 30, 2023 for the governmental activities.

The largest portion of the Town's net position (70.03%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town of Lisbon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position (16.63%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($5,441,850) and 13.34% of total net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town is able to report positive balances in net position for the government as a whole, as well as for its separate governmental activities for the fiscal year ended June 30, 2023.

The Town's governmental net position increased $3,173,878 during the fiscal year ended June 30, 2023. Governmental current assets increased $867,599 which reflects increases in cash and cash equivalents balances. Noncurrent assets increased $2,017,665 reflecting capital asset additions of $4,073,864, net disposals of $8,470 and depreciation expense of $2,047,729. Current liabilities increased by $1,232,752. Noncurrent liabilities increased by $980,039. Restricted net position decreased by $306,553 and unrestricted net position decreased $195,014.

The Town's total business-type net position increased by $1,405,120 from $5,293,985 to $6,699,105. Unrestricted net position for business-type activities decreased to a balance of $547,596.

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

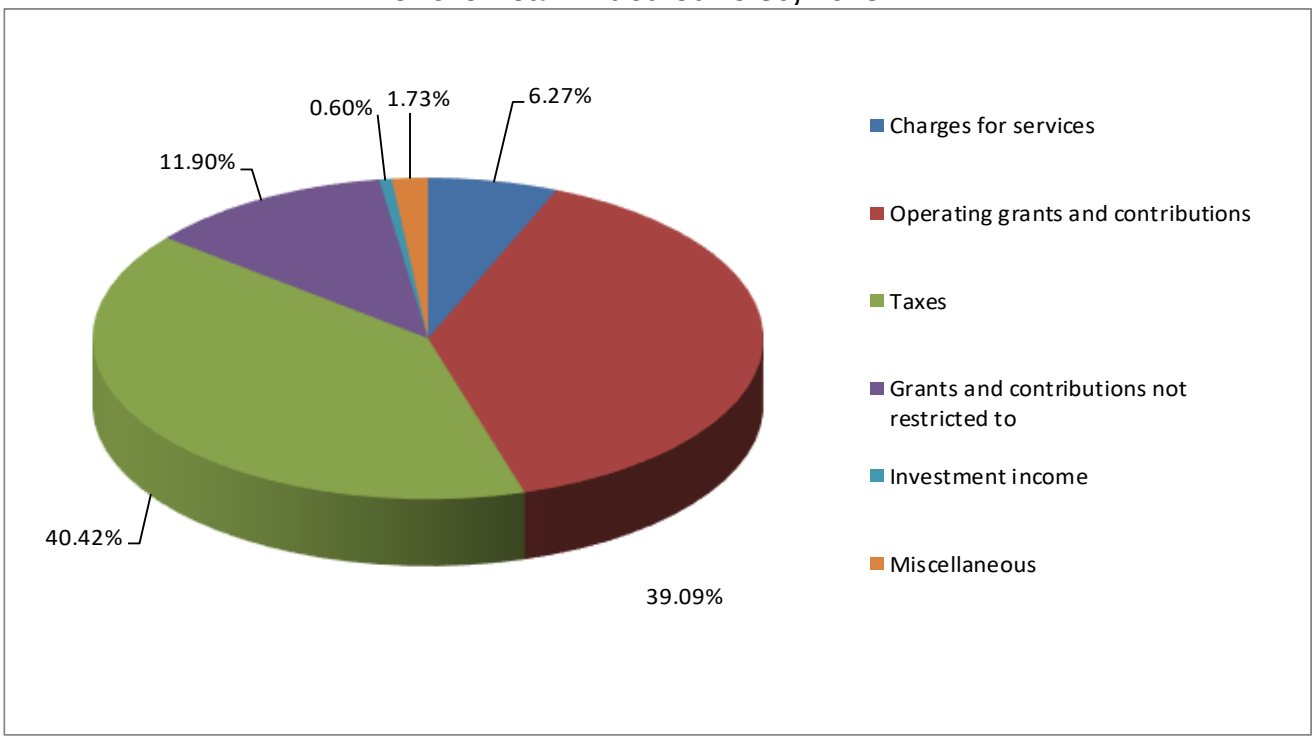
Revenues and Expenses

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

Table 2
Town of Lisbon, Maine
Changes in Net Position

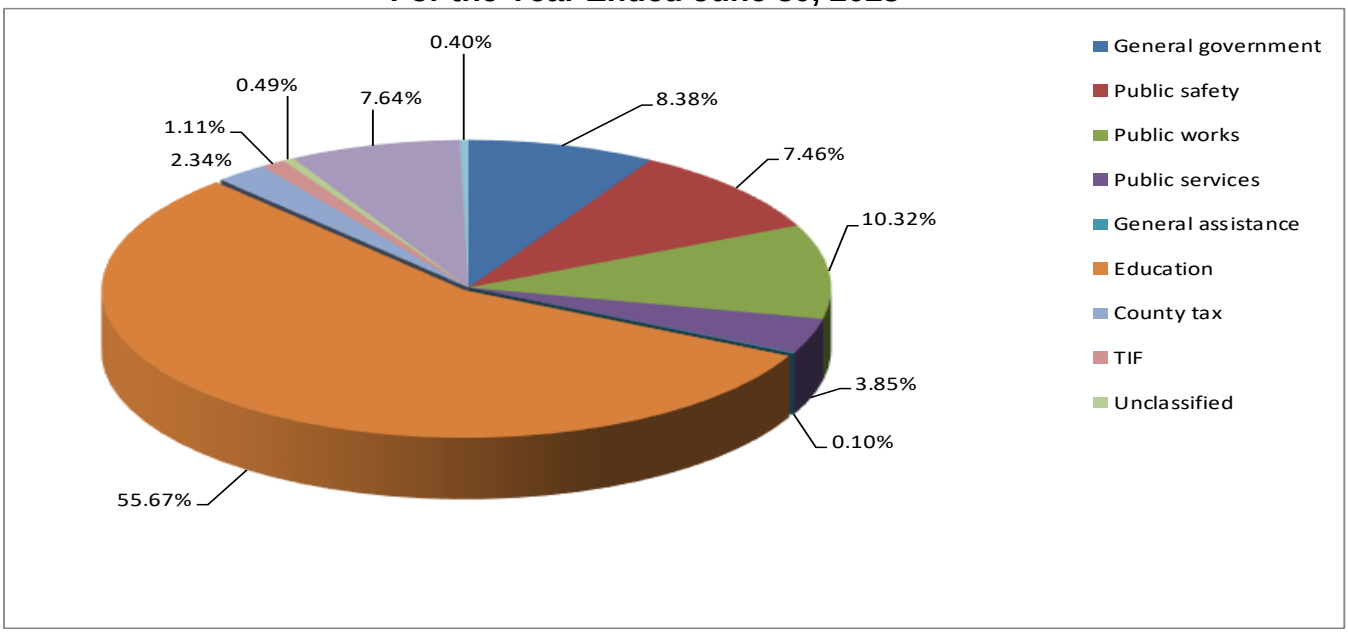
	Governmental Activities		Business-type Activities	
	6/30/23	**6/30/22**	**12/31/22**	**12/31/21**
Revenues				
Program Revenues:				
Charges for services	$ 2,438,213	$ 2,502,574	$ 1,589,792	$ 1,522,229
Operating grants and contributions	15,210,496	15,297,827	-	-
General Revenues:				
Taxes	15,728,218	14,992,023	-	-
Grants and contributions not restricted to specific programs	4,631,142	4,948,107	-	-
Investment income	233,886	41,460	-	-
Miscellaneous	672,885	541,724	110,962	81,102
Total Revenues	38,914,840	38,323,715	1,700,754	1,603,331
Expenses				
General government	2,995,985	2,017,041	-	-
Public safety	3,468,289	3,077,846	-	-
Public works	3,688,858	1,923,732	-	-
Public services	1,376,917	1,024,806	-	-
General assistance	34,043	27,777	-	-
Education	19,896,627	19,715,669	-	-
County tax	836,292	803,220	-	-
TIF	395,486	789,969	-	-
Unclassified	176,523	524	-	-
Water department	-	-	1,359,256	1,162,529
State of Maine on-behalf payments	2,730,681	1,667,034	-	-
Interest on debt	141,261	190,906	-	-
Total Expenses	35,740,962	31,238,524	1,359,256	1,162,529
Contributions in aid capital	-	-	1,063,622	-
Change in Net Position	3,173,878	7,085,191	1,405,120	440,802
Net Position - July 1, Restated	29,547,516	22,462,325	5,293,985	4,853,183
Net Position - June 30	$ 32,721,394	$ 29,547,516	$ 6,699,105	$ 5,293,985

Town of Lisbon, Maine
Revenues Pie Chart
For the Year Ended June 30, 2023



Charges for services are primarily comprised of police and dispatch, animal control and solid waste services. Taxes of $15,728,218 increased $736,195 during fiscal year 2023. Operating grants and contributions are primarily comprised of school subsidies, which are the second largest revenue source in the Education Fund.

Town of Lisbon, Maine
Expenses Pie Chart
For the Year Ended June 30, 2023



The Town's expenses totaled $35,740,962 for fiscal year ended June 30, 2023 as compared to $31,238,524 for the year ended June 30, 2022. Education accounts for the majority of expenses representing 55.67% of the total for fiscal year 2023. Public safety expenses related to the operations of the Police Department and Fire Department accounted for 9.70% of the total and Public Works expenses accounted for 10.32% of the total.

Revenues for the Department's water activities increased by $97,423, while total expenses increased by $196,727. The increase in revenues was primarily due to an increase in charges for services. Expenses remained consistent with prior year overall.

Financial Analysis of the Town's Fund Statements

For the fiscal year ended June 30, 2023, the governmental funds had a combined fund balance of $15,178,942. This reflects a decrease from the prior year fund balance of $15,410,453. The General Fund, which is the main operating fund of the Town of Lisbon, reported a current year increase of $991,391 in fund balance. The other major fund balances decreased by $527,410. The nonmajor fund balances decreased by $695,492. General fund revenues of $20,497,255 were $513,681 higher than budgeted amounts. Property taxes of $13,931,994 were $15,336 lower than budgeted amounts. Excise tax revenues of $1,847,294 were $119,492 higher than budgeted amounts.

The Town's operating expenditures of $10,793,589 were $2,662,594 less than budgeted amounts. The Town has continued its efforts to reduce expenditures wherever possible throughout the year. General government expenditures of $2,166,277 were $96,997 lower than budgeted amounts. Public safety expenditures of $3,256,970 were under budget by $519,906. Public works expenditures of $2,651,239 were under budget by $379,340.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund had an operating income for the current year of $340,796.

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

	2023	2022 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	$ 21,515	$ 12,553	$ 8,962
Committed	1,800,000	715,621	1,084,379
Assigned	48,927	48,927	-
Unassigned	3,365,821	3,467,771	(101,950)
Total General Fund	5,236,263	4,244,872	991,391
Education Fund:			
Restricted	2,385,947	1,539,743	846,204
Loan Program:			
Nonspendable	104,806	122,037	(17,231)
Committed	623,081	712,688	(89,607)
Total Loan Program	727,887	834,725	(106,838)
USDA Road Loan Grant CIP:			
Committed	60,709	-	60,709
Unassigned	-	(191,438)	191,438
	60,709	(191,438)	252,147
Treatment Plant Fund:			
Committed	2,955,702	2,525,362	430,340
Ferry Road Fund:			
Restricted	740,364	2,689,627	(1,949,263)
Total Major Funds	$12,106,872	$11,642,891	$ 463,981
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	$ 21,029	$ 21,029	$ -
Restricted	2,277,251	2,136,696	140,555
Committed	1,037,852	994,594	43,258
Assigned	404,577	309,577	95,000
Unassigned (Deficit)	(846,609)	(486,569)	(360,040)
Capital Projects Funds:			
Committed	272,185	677,294	(405,109)
Unassigned (Deficit)	(123,951)	85,205	(209,156)
Permanent Funds:			
Nonspendable	1,118	1,118	-
Restricted	28,618	28,618	-
Total Nonmajor Funds	$ 3,072,070	$ 3,767,562	$ (695,492)

Capital Asset and Long-term Obligations Administration

Capital Assets

As of June 30, 2023, the net book value of governmental-type capital assets recorded by the Town increased by $2,017,665. This increase was a result of capital additions of $4,073,864 less net disposals of $8,470 and current year depreciation expense of $2,047,729. The net book value of business-type capital assets as of December 30, 2021 increased by $1,823,804. This increase was a result of capital additions of $2,093,592 less current year depreciation expense of $269,788.

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

	Governmental Activities	
	6/30/23	6/30/2022 (Restated)
Land and improvements	$ 1,048,575	$ 1,396,768
Construction in progress	7,954,862	6,463,482
Buildings and improvements	13,236,683	13,185,513
Equipment and vehicles	3,050,877	3,382,948
Infrastructure	9,375,798	8,220,419
Total	$ 34,666,795	$ 32,649,130

	Business-type Activities	
	12/31/22	12/31/21
Water fund	$ 7,884,451	$ 6,060,647
Total	$ 7,884,451	$ 6,060,647

Long-term Obligations

As of June 30, 2023, the Town had a total of $14,186,944 of long-term obligations outstanding. Of this amount, $12,513,397 is in the form of general obligation bonds that are backed by the full faith and credit of the Town government. Normally, the debt service on the general obligation bonds is paid with a component of the property tax levy. Typically, the School Department enjoys a shared cost of debt service with the State of Maine for any project that the State of Maine deems to be necessary as approved by the State Board of Education and the Commissioner of the Department of Education.

Included in the notes from direct borrowings payable outstanding at the end of 2023 are two Qualified Energy Conservation Bond leases for Municipal Government operations and School Department operations amounting to $454,625 and $1,028,653, respectively. The proceeds of these tax favored bond issues were used to pay for capital costs related to energy savings improvements in Town and School Buildings.

Table 5
Town of Lisbon, Maine
Bonded and Similar Indebtedness

	Governmental Activities		Business-type Activities	
	6/30/23	**6/30/22**	**12/31/22**	**12/31/21**
General obligation bonds	$ 10,079,279	$ 11,454,591	$ 2,434,118	$ 2,839,885
Bond anticipation note payable	-	2,096,061	-	-
Notes from direct borrowings payable	1,673,547	1,976,024	-	-
Total	$ 11,752,826	$ 15,526,676	$ 2,434,118	$ 2,839,885

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

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

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The financial results for the year ended June 30, 2023 as outlined in the above discussion and analysis, continue to show slight improvement from prior years, which is indicative of the economic stabilization and spotty growth occurring in the local and state economy. Economic improvement is expected to continue as retail, housing and public revenue sectors continue to show signs of growth. Stability in real estate and personal property tax and excise taxes are expected to continue. State aid for education is expected to increase. The Town Council continues to emphasize a

disciplined and strategic allocation of resources and fiscal prudence to ensure Lisbon's long-term financial sustainability. Subsequently to the fiscal year, the Council continues to transfer excess operating revenues to areas of fiscal service with an emphasis on TIF funds and capital projects funds. The Town's ongoing management of its finances has enabled the Town to meet its financial obligations while adding to the Town's Fund Balance. The Town's general credit ratings have remained stable. Although general government's expenditure budget has remained austere, the employees continue to strive to provide Lisbon's citizens with above average services.

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

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

Contacting the Town's Financial Management

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 15,879,124	$ 833,622	$ 16,712,746
Investments	20,082	-	20,082
Note receivable	104,806	-	104,806
Accounts receivable (net of allowance for uncollectibles):			
Taxes	33,514	-	33,514
Liens	270,500	-	270,500
Other	19,016	89,430	108,446
Accrued revenue	-	187,369	187,369
Prepaid items	22,015	20,006	42,021
Due from other governments	876,072	-	876,072
Inventory	21,029	68,674	89,703
Leases receivable (net of allowance for uncollectibles) - current portion	-	65,076	65,076
Total current assets	17,246,158	1,264,177	18,510,335
Noncurrent assets:			
Leases receivable (net of allowance for uncollectibles) - noncurrent portion	-	321,137	321,137
Capital assets			
Land and other assets not being depreciated	9,003,437	-	9,003,437
Buildings,equipment, vehicles and infrastructure, net of accumulated depreciation	25,663,358	7,884,451	33,547,809
Total noncurrent assets	34,666,795	8,205,588	42,872,383
Other assets:			
Restricted cash	-	701,176	701,176
Total other assets	-	701,176	701,176
TOTAL ASSETS	51,912,953	10,170,941	62,083,894
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,759,642	112,341	1,871,983
Deferred outflows related to OPEB	963,349	11,712	975,061
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,722,991	124,053	2,847,044
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 54,635,944	$ 10,294,994	$ 64,930,938

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 180,542	$ 53,106	$ 233,648
Payroll related liabilities	1,575,068	16,788	1,591,856
Accrued interest	-	6,236	6,236
Due to other governments	33,757	-	33,757
Current portion of long-term obligations	2,023,102	415,552	2,438,654
Total current liabilities	3,812,469	491,682	4,304,151
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,516,841	2,022,500	10,539,341
Notes from direct borrowings payable	1,421,266	-	1,421,266
Accrued compensated absences	625,148	11,803	636,951
Net pension liability	1,945,518	163,840	2,109,358
Net OPEB liability	4,160,219	23,746	4,183,965
Total noncurrent liabilities	16,668,992	2,221,889	18,890,881
TOTAL LIABILITIES	20,481,461	2,713,571	23,195,032
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	35,448	-	35,448
Regulatory reserves	-	385,125	385,125
Deferred inflows related to leases	-	386,213	386,213
Deferred inflows related to pensions	776,240	71,051	847,291
Deferred inflows related to OPEB	621,401	39,929	661,330
TOTAL DEFERRED INFLOWS OF RESOURCES	1,433,089	882,318	2,315,407
NET POSITION			
Net investment in capital assets	22,913,969	6,151,509	29,065,478
Restricted	5,441,850	-	5,441,850
Unrestricted	4,365,575	547,596	4,913,171
TOTAL NET POSITION	32,721,394	6,699,105	39,420,499
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 54,635,944	$ 10,294,994	$ 64,930,938

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

TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 2,995,985	$ 97,550	$ -	$ -	$(2,898,435)	$ -	$(2,898,435)
Public safety	3,468,289	130,441	-	-	(3,337,848)	-	(3,337,848)
Public works	3,688,858	1,678,741	101,096	-	(1,909,021)	-	(1,909,021)
Public services	1,376,917	376,981	-	-	(999,936)	-	(999,936)
General assistance	34,043	-	29,851	-	(4,192)	-	(4,192)
Education	19,896,627	154,500	12,348,868	-	(7,393,259)	-	(7,393,259)
County tax	836,292	-	-	-	(836,292)	-	(836,292)
TIF	395,486	-	-	-	(395,486)	-	(395,486)
Unclassified	176,523	-	-	-	(176,523)	-	(176,523)
State of Maine on-behalf payments	2,730,681	-	2,730,681	-	-	-	-
Interest on debt	141,261	-	-	-	(141,261)	-	(141,261)
Total governmental activities	35,740,962	2,438,213	15,210,496	-	(18,092,253)	-	(18,092,253)
Business-type activities:							
Water fund	1,359,256	1,589,792	-	1,063,622	-	1,294,158	1,294,158
Total business-type activities	1,359,256	1,589,792	-	1,063,622	-	1,294,158	1,294,158
Total government	$ 37,100,218	$ 4,028,005	$ 15,210,496	$ 1,063,622	(18,092,253)	1,294,158	(16,798,095)

TOWN OF LISBON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(18,092,253)	1,294,158	(16,798,095)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,880,924	-	13,880,924
Excise taxes	1,847,294	-	1,847,294
Grants and contributions not restricted to specific programs	4,631,142	-	4,631,142
Interest income	233,886	9,847	243,733
Miscellaneous	672,885	101,115	774,000
Total general revenues	21,266,131	110,962	21,377,093
Change in net position	3,173,878	1,405,120	4,578,998
NET POSITION - JULY 1, RESTATED	29,547,516	5,293,985	34,841,501
NET POSITION - JUNE 30	$ 32,721,394	$ 6,699,105	$ 39,420,499

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

TOWN OF LISBON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Education Fund	Loan Program Fund	USDA Road Loan Grant CIP	Treatment Plant Fund	Ferry Road Fund	Other Governmental Funds	Total Governmenta Funds
ASSETS								
Cash and cash equivalents	$ 10,558,619	$ 3,936,623	$ 1,068,766	$ -	$ -	$ -	$ 315,116	$ 15,879,124
Investments	-	-	-	-	-	-	20,082	20,082
Accounts receivable (net of allowance for uncollectibles):								
Taxes	33,514	-	-	-	-	-	-	33,514
Liens	270,500	-	-	-	-	-	-	270,500
Other	19,016	-	-	-	-	-	-	19,016
Notes, net of allowance	-	-	104,806	-	-	-	-	104,806
Due from other governments	74,200	22	-	-	573,533	-	228,317	876,072
Prepaid items	21,515	-	-	-	500	-	-	22,015
Inventory	-	-	-	-	-	-	21,029	21,029
Due from other funds	1,775,525	406,987	-	60,709	2,381,674	740,364	3,389,650	8,754,909
TOTAL ASSETS	$ 12,752,889	$ 4,343,632	$ 1,173,572	$ 60,709	$ 2,955,707	$ 740,364	$ 3,974,194	$ 26,001,067
LIABILITIES								
Accounts payable	$ 8,482	$ 75,090	$ -	$ -	$ 5	$ -	$ 96,965	$ 180,542
Accrued payroll and related items	217,154	1,346,169	-	-	-	-	11,745	1,575,068
Due to other governments	33,757	-	-	-	-	-	-	33,757
Due to other funds	6,979,384	536,426	445,685	-	-	-	793,414	8,754,909
TOTAL LIABILITIES	7,238,777	1,957,685	445,685	-	5	-	902,124	10,544,276
DEFERRED INFLOWS OF RESOURCES								
Prepaid taxes	35,448	-	-	-	-	-	-	35,448
Deferred revenue - property taxes	242,401	-	-	-	-	-	-	242,401
TOTAL DEFERRED INFLOWS OF RESOURCES	277,849	-	-	-	-	-	-	277,849
FUND BALANCES								
Nonspendable	21,515	-	104,806	-	-	-	22,147	148,468
Restricted	-	2,385,947	623,081	-	-	-	2,305,869	5,314,897
Committed	1,800,000	-	-	60,709	2,955,702	740,364	1,310,037	6,866,812
Assigned	48,927	-	-	-	-	-	404,577	453,504
Unassigned (deficit)	3,365,821	-	-	-	-	-	(970,560)	2,395,261
TOTAL FUND BALANCES	5,236,263	2,385,947	727,887	60,709	2,955,702	740,364	3,072,070	15,178,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 12,752,889	$ 4,343,632	$ 1,173,572	$ 60,709	$ 2,955,707	$ 740,364	$ 3,974,194	$ 26,001,067

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

TOWN OF LISBON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances	$15,178,942
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	34,666,795
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	242,401
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	1,759,642
OPEB	963,349
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(10,079,279)
Notes from direct borrowings payable	(1,673,547)
Accrued compensated absences	(833,531)
Net pension liability	(1,945,518)
Net OPEB liability	(4,160,219)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(776,240)
OPEB	(621,401)
Net position of governmental activities	$32,721,394

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

TOWN OF LISBON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Education Fund	Loan Program Fund	USDA Road Loan Grant CIP	Treatment Plant Fund	Ferry Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Property	$ 13,931,994	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,931,994
Excise	1,847,294	-	-	-	-	-	-	1,847,294
Charges for services	812,015	154,500	3,790	-	1,467,908	-	-	2,438,213
Intergovernmental	3,582,554	11,541,439	-	1,171,205	-	-	2,029,730	18,324,928
Interest income	162,407	33,001	37,535	-	-	-	943	233,886
Other income	160,991	8,001	15,075	-	9,083	-	479,735	672,885
TOTAL REVENUES	20,497,255	11,736,941	56,400	1,171,205	1,476,991	-	2,510,408	37,449,200
EXPENDITURES								
Current:								
General government	2,166,277	-	-	-	-	-	278,071	2,444,348
Public safety	3,256,970	-	-	-	-	-	-	3,256,970
Public works	2,651,239	-	-	-	940,630	-	-	3,591,869
Public services	1,297,194	-	-	-	-	-	79,723	1,376,917
General assistance	34,043	-	-	-	-	-	-	34,043
Education	-	16,724,177	-	-	-	-	2,524,580	19,248,757
County tax	836,292	-	-	-	-	-	-	836,292
TIF	-	-	-	-	-	-	395,486	395,486
Unclassified	13,285	-	163,238	-	-	-	-	176,523
State of Maine on-behalf payments	-	1,213,971	-	-	-	-	-	1,213,971
Capital outlay	-	-	-	919,058	-	1,949,263	1,100,865	3,969,186
Debt service - Town	538,289	492,039	-	-	106,021	-	-	1,136,349
TOTAL EXPENDITURES	10,793,589	18,430,187	163,238	919,058	1,046,651	1,949,263	4,378,725	37,680,711
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,703,666	(6,693,246)	(106,838)	252,147	430,340	(1,949,263)	(1,868,317)	(231,511)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	7,770,450	-	-	-	-	1,172,825	8,943,275
Transfers (out)	(8,712,275)	(231,000)	-	-	-	-	-	(8,943,275)
TOTAL OTHER FINANCING SOURCES (USES)	(8,712,275)	7,539,450	-	-	-	-	1,172,825	-
NET CHANGE IN FUND BALANCES	991,391	846,204	(106,838)	252,147	430,340	(1,949,263)	(695,492)	(231,511)
FUND BALANCES - JULY 1, RESTATED	4,244,872	1,539,743	834,725	(191,438)	2,525,362	2,689,627	3,767,562	15,410,453
FUND BALANCES - JUNE 30	$ 5,236,263	$ 2,385,947	$ 727,887	$ 60,709	$ 2,955,702	$ 740,364	$ 3,072,070	$ 15,178,942

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

TOWN OF LISBON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E)	$ (231,511)
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset acquisitions	4,073,864
Capital asset disposals	(8,470)
Depreciation expense	(2,047,729)
	2,017,665
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	(51,070)
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	58,700
OPEB	266,173
	324,873
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	1,657,780
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	2,046,043
OPEB	124,214
	2,170,257
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(380,141)
Net pension liability	(1,943,017)
Net OPEB liability	(390,958)
	(2,714,116)
Change in net position of governmental activities (Statement B)	$ 3,173,878

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2022

	Enterprise Fund Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 833,622
Accounts receivable (net of allowance for uncollectibles)	89,430
Accrued revenue	187,369
Inventory	68,674
Prepaid items	20,006
Leases receivable (net of allowance for uncollectibles) - current portion	65,076
Total current assets	1,264,177
Noncurrent assets:	
Leases receivable (net of allowance for uncollectibles) - noncurrent portion	321,137
Capital assets:	
Property, plant and equipment	11,740,245
Total capital assets	11,740,245
Less: accumulated depreciation	(3,855,794)
Total noncurrent assets	8,205,588
Other assets:	
Restricted cash	701,176
Total other assets	701,176
TOTAL ASSETS	10,170,941
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	112,341
Deferred outflows related to OPEB	11,712
TOTAL DEFERRED OUTFLOWS OF RESOURCES	124,053
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,294,994

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2022

	Enterprise Fund Water Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 53,106
Accrued interest	6,236
Accrued expenses	2,246
Accrued payroll	14,542
Current portion of long-term obligations	415,552
Total current liabilities	491,682
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	2,022,500
Accrued compensated absences	11,803
Net pension liability	163,840
Net OPEB liability	23,746
Total noncurrent liabilities	2,221,889
TOTAL LIABILITIES	2,713,571
DEFERRED INFLOWS OF RESOURCES	
Regulatory reserves	385,125
Deferred revenue related to leases	386,213
Deferred inflows related to pensions	71,051
Deferred inflows related to OPEB	39,929
TOTAL DEFERRED INFLOWS OF RESOURCES	882,318
NET POSITION	
Net investment in capital assets	6,151,509
Unrestricted	547,596
TOTAL NET POSITION	6,699,105
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 10,294,994

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

TOWN OF LISBON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Fund Water Fund
OPERATING REVENUES	
Residential	$ 865,598
Commercial	158,145
Industrial	8,690
Public Authorities	42,122
Public Fire Protection	480,000
Private Fire Protection	35,237
Miscellaneous income	41,348
TOTAL OPERATING REVENUES	1,631,140
OPERATING EXPENSES	
Salaries and benefits	713,008
Power	58,042
Materials and supplies	93,727
Contractual services	98,278
Transportation	12,663
Insurance	25,453
Dues and fees	11,976
Depreciation	269,788
Miscellaneous expenses	7,409
TOTAL OPERATING EXPENSES	1,290,344
OPERATING INCOME (LOSS)	340,796
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,847
Rental income	59,767
Interest expense	(68,912)
TOTAL NONOPERATING REVENUES (EXPENSES)	702
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	341,498
CAPITAL CONTRIBUTIONS	
Contributions in aid of construction	1,063,622
TOTAL CAPITAL CONTRIBUTIONS	1,063,622
CHANGE IN NET POSITION	1,405,120
NET POSITION - JANUARY 1	5,293,985
NET POSITION - DECEMBER 31	$ 6,699,105

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

TOWN OF LISBON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Fund Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,574,491
Other receipts	41,348
Payments to employees	(703,510)
Payments to suppliers	(311,130)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	601,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(1,029,970)
Principal paid on capital debt	(405,767)
Interest paid on capital debt	(70,156)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,505,893)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	9,847
Rental income	59,767
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	69,614
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(835,080)
CASH AND CASH EQUIVALENTS - JANUARY 1	2,369,878
CASH AND CASH EQUIVALENTS - DECEMBER 31	$ 1,534,798
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and cash equivalents in current assets	$ 833,622
Restricted cash and cash equivalents	701,176
TOTAL CASH AND CASH EQUIVALENTS	1,534,798

TOWN OF LISBON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	$ 340,796
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	269,788
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(1,954)
(Increase) decrease in accrued revenue	(10,912)
(Increase) decrease in inventory	(8,710)
(Increase) decrease in prepaid items	(6,106)
(Increase) decrease in deferred outflows related to pensions	(27,681)
(Increase) decrease in deferred outflows related to OPEB	(1,985)
Increase (decrease) in accounts payable	27,944
Increase (decrease) in customer deposits	(2,833)
Increase (decrease) in advanced billing and payments	398
Increase (decrease) in accrued payroll	5,098
Increase (decrease) in net pension liability	178,929
Increase (decrease) in net OPEB liability	(12,266)
Increase (decrease) in accrued compensated absences	(2,290)
Increase (decrease) in regulatory reserves	(16,710)
Increase (decrease) in deferred inflows related to pensions	(149,297)
Increase (decrease) in deferred inflows related to OPEB	18,990
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 601,199

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Noncash Investing and Financing Activities:	
Mains contributed by customers	$ 950,304
Services contributed by customers	63,376
Meters contributed by customers	18,558
Hydrants contributed by customers	31,384
	$ 1,063,622

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

TOWN OF LISBON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Private-Purpose Trust Funds
ASSETS	
Cash and cash equivalents	$ 58,810
Investments	67,240
TOTAL ASSETS	$ 126,050
LIABILITIES	
Accounts payable	$ -
TOTAL LIABILITIES	-
NET POSITION	
Restricted	126,050
TOTAL NET POSITION	126,050
TOTAL LIABILITIES AND NET POSITION	$ 126,050

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

TOWN OF LISBON, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust Funds
ADDITIONS	
Contributions	$ 733
Investment earnings	424
TOTAL ADDITIONS	1,157
DEDUCTIONS	
Scholarships	5,709
TOTAL DEDUCTIONS	5,709
CHANGE IN NET POSITION	(4,552)
NET POSITION - JULY 1	130,602
NET POSITION - JUNE 30	$ 126,050

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Lisbon, Maine was incorporated under the laws of the State of Maine. The Town operates under the council-manager form of government and provides the following services: general government, public safety, public works, public services, general assistance, education and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

All funds of the Town, with the exception of the Town of Lisbon Water Department, are reported as of and for the fiscal year ended June 30, 2023. December 31st is the year-end of the Water Department and the last separate financial statements were as of and for the year ended December 31, 2022. The amounts included in the Town's 2023 financial statements for the Water Department are as of and for the year ended December 31, 2022.

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 “Subscription-Based Information Technology Arrangements”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 “Omnibus 2022”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Education Fund is used to account for financial resources to be used for education by the School Department. Major sources of revenues are property taxes and intergovernmental revenues.

c. The Loan Program Fund is used to account for financial resources to be used for various community loan programs. Major revenue sources are loan payments.

d. The USDA Road Loan Grant CIP Fund is used to account for financial resources to used for the construction of roads. Major sources of revenue are intergovernmental revenues

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. The Treatment Plant Fund is used to account for financial resources to be used for sewer operations. Major sources of revenue are charges for services from sewer fees.

f. The Ferry Road Fund is used to account for financial resources to be used for the construction of major capital road improvements. Major sources of revenues are bond proceeds.

Nonmajor Funds:

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

h. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

i. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

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

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

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

Basis of Accounting

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

Budget

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

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

Revenues per budgetary basis	$ 10,522,970
Add: On-behalf payments	1,213,971
Total GAAP basis	$ 11,736,941
Expenditures per budgetary basis	$ 17,216,216
Add: On-behalf payments	1,213,971
Total GAAP basis	$ 18,430,187

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 July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

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

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

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

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

Receivables

Receivables include amounts due from governmental agencies, local businesses and an intermediary relending program. All receivables, with the exception of lease receivables, are current and therefore due within one year. Lease receivables are presented with both current and noncurrent portions. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be $201,416 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were $1,089,321 for the year ended June 30, 2023.

Prepaid Items

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The school lunch fund inventory consists of school nutrition supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method).

Inventory of the Lisbon Water Department consists of various water materials and supplies.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Capital Assets

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimated useful lives are as follows:

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

Restricted Cash

As a condition of the 2010 and 2014 bond issues from the Maine Municipal Bond Bank, the proceeds must be spent on approved capital projects or be used to pay annual principal payments on the bond. As of December 31, 2022, cash received from the bond issues by the Lisbon Water Department totaling $701,176 was unspent and restricted.

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

System Participating Local District (PLD) Consolidated Plan and State Employee and Teacher (SET) Plan and additions to/deductions from the PLD Consolidated and SET Plans' fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated and SET Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

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

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 Balances

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

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

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

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

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

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 has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 27, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due in two installments on September 15, 2022 and March 15, 2023. Interest on unpaid taxes commenced on September 16, 2022 and March 16, 2023, at 4% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to $225,256 for the year ended June 30, 2023.

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

Program Revenues

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

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund’s ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2023, the Town's cash balances amounting to $17,472,732 were comprised of bank deposits and cash equivalents of $15,822,331. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, all were fully insured by federal depository insurance or were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	$ 91,000
Savings accounts	64,732
Sweep accounts	4,683,350
ICS accounts	9,698,940
Cash equivalents	1,284,309
	$ 15,822,331

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments, but the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. The Town's certificates of deposit held with local financial institutions for $20,082 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for $20,082 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value

At June 30, 2023, the Town had $20,082 in investments.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certificates of deposit held with local financial institutions for $20,082 are excluded from the fair value hierarchy as these investments are considered held to maturity and are therefore not measured at fair value. The Town has the following recurring fair value measurements as June 30, 2023:

	June 30, 2023 Total
Cash equivalents measured at the net asset value (NAV)	
Money market mutual funds	$ 1,284,309
Total cash equivalents measured at the NAV	$ 1,284,309

The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2023 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	$ 1,775,525	$ 6,979,384
Education Fund	406,987	536,426
Loan Program	-	445,685
USDA Road Loan Grant CIP	60,709	-
Treatment Plant Fund	2,381,674	-
Ferry Road Fund	740,364	-
Nonmajor Special Revenue Funds	3,117,465	669,463
Nonmajor Capital Projects Funds	272,185	123,951
	$ 8,754,909	$ 8,754,909

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

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2023, the Town had the following interfund transfers:

	Transfers From	Transfers To
General Fund	$ -	$ 8,712,275
Education Fund	7,770,450	231,000
Nonmajor Special Revenue Funds	961,825	-
Nonmajor Capital Projects Funds	211,000	-
	$ 8,943,275	$ 8,943,275

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance 7/1/22 (Restated)	Additions	Disposals	Balance 6/30/23
Governmental activities:				
Non-depreciated assets:				
Land	$ 1,048,575	$ -	$ -	$ 1,048,575
Construction in progress	6,463,482	1,781,073	(289,693)	7,954,862
	7,512,057	1,781,073	(289,693)	9,003,437
Depreciated assets:				
Land improvements	520,153	-	-	520,153
Buildings and improvements	33,124,017	560,799	(26,698)	33,658,118
Equipment and vehicles	9,870,108	261,394	(390,223)	9,741,279
Infrastructure	24,642,108	1,760,291	-	26,402,399
	68,156,386	2,582,484	(416,921)	70,321,949
Less: accumulated depreciation	(43,019,313)	(2,047,729)	408,451	(44,658,591)
	25,137,073	534,755	(8,470)	25,663,358
Net capital assets	$32,649,130	$ 2,315,828	$ (298,163)	$34,666,795

Current year depreciation:	
General government	$ 171,496
Education	809,025
Public safety	211,319
Public works including infrastructure	855,889
Total depreciation expenses	$ 2,047,729

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/22	Additions	Disposals	Balance, 12/31/22
Business-type activities:				
Non-depreciated assets:				
Land	$ 94,002			$ 94,002
Construction in progress	177,385	827,434	-	1,004,819
	271,387	827,434	-	1,098,821
Depreciated assets:				
Structures and improvements	1,571,780	-	-	1,571,780
Wells and springs	220,805	-	-	220,805
Pumping equipment	595,537	34,610	(19,000)	611,147
Water treatment equipment	923,890	21,426	(9,000)	936,316
Reservoir	159,421	-	-	159,421
Mains	4,232,778	950,305	-	5,183,083
Services	586,375	63,376	-	649,751
Meters	480,381	44,354	(20,000)	504,735
Hydrants	345,601	41,479	(1,000)	386,080
Office furniture and fixtures	14,672	-	-	14,672
Transportation	126,923	97,265	(81,974)	142,214
Tools and shop equipment	41,789	-	-	41,789
Laboratory	4,347	-	-	4,347
Communications equipment	143,500	-	-	143,500
Miscellaneous equipment	58,441	13,343	-	71,784
	9,506,240	1,266,158	(130,974)	10,641,424
Less: accumulated depreciation	(3,716,980)	(269,788)	130,974	(3,855,794)
Net capital assets	5,789,260	996,370	-	6,785,630
Total net capital assets	$ 6,060,647	$ 1,823,804	$ -	$ 7,884,451

NOTE 6 - LEASES RECEIVABLE

A summary of the leases receivable for the year ended December 31, 2022 is as follows:

	Balance, 1/1/22 (Restated)	Additions	Reductions	Balance, 12/31/22	Due within one year
Leases receivable	$ 445,980	$ -	$ (59,767)	$ 386,213	$ 65,076

The following is a summary of the leases receivable as of December 31, 2022:

In 2003, the Department entered into a cell phone tower lease with T-Mobile. Under the terms of the agreement, T-Mobile pays the Department a monthly lease payment for the right to have its cell phone tower on one of the Department's standpipes. The lease automatically renews annually unless either party terminates the agreement.	$ 158,772
In 2004, the Department entered into a cell phone tower lease with Verizon Wireless. Under the terms of the agreement, Verizon Wireless pays the Department a monthly lease payment for the right to have its cell phone tower on one of the Department's standpipes. The lease automatically renews annually unless either party terminates the agreement. The lease payment increases 3% annually.	227,441
Total leases receivable	$ 386,213

The following is a summary of outstanding leases receivable requirements for the fiscal years ending December 31, 2022:

	Business-type Activities		
	T- Mobile	Verizon	Total
2023	$ 29,904	$ 35,172	$ 65,076
2024	30,804	36,228	67,032
2025	31,728	37,320	69,048
2026	32,676	38,436	71,112
2027	33,660	39,588	73,248
2028	-	40,697	40,697
	$ 158,772	$ 227,441	$ 386,213

The deferred revenue related to leases associated with these receivables are amortized accordingly for the term of each lease and the activity is recognized on the Statement of Revenues, Expenses and Changes in Net Position.

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance 7/1/22 (Restated)	Additions	Reductions	Balance 6/30/23	Current Portion
Governmental activities:					
Bonds payable	$11,454,591	$ -	$ (1,375,312)	$10,079,279	$ 1,562,438
Notes from direct borrowings payable	1,956,015	-	(282,468)	1,673,547	252,281
Totals	$13,410,606	$ -	$ (1,657,780)	$11,752,826	$ 1,814,719

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

	Balance, 1/1/22	Additions	Reductions	Balance, 12/31/22	Due within one year
Business-type Activities:					
Bonds payable	$ 2,839,885	$ -	$ (405,767)	$ 2,434,118	$ 411,618

The following is a summary of the outstanding bonds payable:

Bonds Payable:	Governmental Activities Town	Governmental Activities School
$12,899,710, 2004B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 3.00% to 4.677% per annum. Annual principal installments are $644,985.	$ -	$ 1,289,972
$350,000, 2004FR General Obligation Bond due in annual principal installments and semiannual interest installments through April 2024. Interest is charged at a fixed rate of 1.93% per annum. Annual principal installments are $17,500.	17,500	-
$500,000, 2005FR General Obligation Bond due in annual principal installments and semiannual interest installments through October 2025. Interest is charged at a fixed rate of 1.43% per annum. Annual principal installments are $25,000.	75,000	-

NOTE 7 - LONG TERM DEBT (CONTINUED)

	Governmental Activities	
	Town	School
$1,070,000, 2010R General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 3.36% to 5.75% per annum. Annual principal installments are $102,000.	429,380	-
$5,695,714, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2034. Interest is charged at a fixed rate from 0.430% to 3.786% per annum. Annual principal installments are $284,786.	-	3,417,427
$500,000, 2014B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2024. Interest is charged at a fixed rate varying from 0.43% to 2.65% per annum. Annual principal installments are $50,000.	-	100,000
$1,500,000, 2017B General Obligation Bond due in annual principal installments and semiannual interest installments through November 2027. Interest is charged at a fixed rate varying from 1.263% to 2.710% per annum. Annual principal installments are $150,000.	750,000	-
$1,500,000, 2020A General Obligation Bond due in annual principal installments and semiannual interest installments through November 2030. Interest is charged at a fixed rate varying from 1.19% to 1.74% per annum. Annual principal installments are $150,000.	1,200,000	-
$2,800,000 2022 General Obligation Bond due in annual principal installments and semiannual interest installments through May of 2038. Interest is charged at a fixed rate of 2.4200% to 3.8910 per annum. Annual principal installments are $186,667.	2,800,000	-
Total Bonds Payable	$ 5,271,880	$ 4,807,399

NOTE 7 - LONG TERM DEBT (CONTINUED)

	Business-type Activities
Bonds payable:	
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of $174,937. Interest is charged at an annual fixed rate of 2.05% per annum. Maturity in 2024.	$ 340,813
2005 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of $19,650. Interest is charged at a varying annual fixed rate from 3.0% to 5.0% per annum. Maturity in 2025.	58,950
2010 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of $48,500. Interest is charged at a varying annual fixed rate from 4.01% to 5.75% per annum. Maturity in 2030.	388,000
2014 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of $44,254. Interest is charged at a varying annual fixed rate from 0.43% to 3.79% per annum. Maturity in 2034.	430,131
2020 Bond payable to Maine Municipal Bond Bank, due in annual principal and interest payments of $141,014 to $160,298. Interest is charged at a varying annual fixed rate from 1.19% to 1.74% per annum. Maturity in 2030.	1,216,224
Total bonds payable	$ 2,434,118

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

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

NOTE 7 - LONG TERM DEBT (CONTINUED)

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

Notes from Direct Borrowings Payable:	Governmental Activities	
	Town	School
On December 15, 2014, the Town entered into two governmental Qualified Energy Conservation Bond (QECB) leases totaling $1,661,786. These are lease financing agreements that are secured by all equipment and controls associated with the heating system, lighting, ventilation, building envelop and relate energy upgrades at various Town facilities including the Lisbon High School, Middle School, Community School and Central Office. The Town is obligated to made annual debt service fund payments totaling $154,586 through December 2031.	$ -	$ 1,028,653
On December 15, 2014, the Town entered into a governmental Qualified Zone Academy Bond (QZAB) lease for $858,737. This is a lease financing agreement that is secured by all equipment associated with the upgrading of boilers, lighting, heat pumps, destratification fans, pellet handling and related energy improvements at school facilities including Lisbon High School, Middle School, Community School and Central Office. The Town is obligated to make annual debt service fund payments of $50,514 through December 2031. The scheduled payments by the Town assume projected earnings at a fixed rate of 5.63 percent. If the trustee fails to earn projected amounts, the Town will pay, in addition to its scheduled payments, the amount such that total payments in the Debt Service Fund will equal $858,737. Any additional financial impact to the Town is unknown.	-	454,625
2022 Capital lease for $93,785 that is secured by a school bus. Principal and interest payments due annually of $32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	63,423
2022 Capital lease for $93,785 that is secured by a school bus. Principal and interest payments due annually of $32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	63,423
2022 Capital lease for $93,785 that is secured by a school bus. Principal and interest payments due annually of $32,336. The fixed annual interest rate is 3.196% per annum. Maturity date of July 2024.	-	63,423
Total Notes from Direct Borrowings Payable	$ -	$ 1,673,547

NOTE 7 - LONG TERM DEBT (CONTINUED)

On October 9, 2014, the Internal Revenue Service announced that effective October 1, 2014, QECB subsidy payments processed in FY2015 would be reduced by 7.3% because of sequestration. QECB sequestration was originally set to expire at the end of FY2021 but has since been extended twice, first through FY2023 and then, under legislation passed in February 2014, through FY2024. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. The financial impact to the Town is unknown.

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

	Governmental Activities				
	Bonds payable		Notes from direct borrowings payable		Total Debt
	Principal	Interest	Principal	Interest	Service
2024	$ 1,562,438	$ 289,785	$ 252,281	$ 53,495	$ 2,157,999
2025	1,544,938	201,855	260,118	45,658	2,052,569
2026	849,952	204,062	171,222	37,545	1,262,781
2027	824,952	182,739	176,567	32,201	1,216,459
2028	824,853	160,446	182,141	26,626	1,194,066
2029-2033	2,968,222	504,207	631,218	47,747	4,151,394
2034-2038	1,503,924	110,164	-	-	1,614,088
	$ 10,079,279	$ 1,653,258	$ 1,673,547	$ 243,272	$ 13,649,356

	Business-type Activities		
	Principal	Interest	Total
2023	$ 411,618	$ 60,768	$ 472,386
2024	448,849	53,110	501,959
2025	249,222	43,967	293,189
2026	232,726	38,446	271,172
2027	236,076	32,425	268,501
2028-2032	811,905	69,975	881,880
2033-2034	43,722	4,835	48,557
	$ 2,434,118	$ 303,526	$ 2,737,644

NOTE 7 - LONG TERM DEBT (CONTINUED)

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2022 were $68,912.

All bonds and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2023 is as follows

	Balance 7/1/22	Additions	Reductions	Balance 6/30/23	Current Portion
Governmental activities:					
Accrued compensated absences	$ 453,390	$ 380,141	$ -	$ 833,531	$ 208,383
Net pension liability	2,501	2,849,071	(906,054)	1,945,518	-
Net OPEB liability	3,769,261	393,366	(2,408)	4,160,219	-
Totals	$ 4,225,152	$ 3,622,578	$ (908,462)	$ 6,939,268	$ 208,383

	Balance, 1/1/22	Additions	Reductions	Balance, 12/31/22	Due within one year
Business-type Activities:					
Accrued compensated absences	$ 18,027	$ -	$ (2,290)	$ 15,737	$ 3,934
Net pension liability	(15,089)	203,493	(24,564)	163,840	-
Net OPEB liability	36,012	22,393	(34,659)	23,746	-
	$ 38,950	$ 225,886	$ (61,513)	$ 203,323	$ 3,934

Please see Notes 9, 19 and 20 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2023, the Town's liability for compensated absences is $849,268.

NOTE 10 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023 and the business-type activities at December 31, 2021:

	Governmental Activities 6/30/2023	Business-type Activities 12/31/2022
Invested in capital assets	$ 79,325,386	$ 11,740,245
Accumulated depreciation	(44,658,591)	(3,855,794)
Outstanding capital related debt	(13,848,887)	(2,434,118)
Significant unspent bond proceeds	-	701,176
	$ 20,817,908	$ 6,151,509

NOTE 11 - RESTRICTED NET POSITION

At June 30, 2023, the Town had the following restricted net position:

Education Fund	$ 2,385,947
Loan Program Fund	727,887
Nonmajor Special Revenue Funds	2,298,280
Nonmajor Permanent Funds	29,736
	$ 5,441,850

NOTE 12 - NONSPENDABLE FUND BALANCES

At June 30, 2023, the Town had the following nonspendable fund balances:

General Fund :		
Prepaid Items	$	21,515
Loan Program Fund:		
Notes Receivable		104,806
Nonmajor Special Revenue Funds		21,029
Nonmajor Permanent Funds		1,118
	$	148,468

NOTE 13 - RESTRICTED FUND BALANCES

At June 30, 2023, the Town had the following restricted fund balances:

Education Fund	$	2,385,947
Loan Program Fund		623,081
Nonmajor Special Revenue Funds		2,277,251
Nonmajor Permanent Funds		28,618
	$	5,314,897

NOTE 14 - COMMITTED FUND BALANCES

At June 30, 2023, the Town had the following committed fund balances:

General Fund:		
Transfer to Capital Projects Funds	$	1,800,000
USDA Road Loan Grant CIP		60,709
Treatment Plant Fund		2,955,702
School Capital Fund		740,364
Nonmajor Special Revenue Funds		1,037,852
Nonmajor Capital Projects Funds		272,185
	$	6,866,812

NOTE 15 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

General Fund:		
Planning Board	$	10,000
Police department		8,000
Fire department		14,027
Parks and recreation		1,900
Economic development		1,000
Public works		14,000
Nonmajor Special Revenue Funds		404,577
	$	453,504

NOTE 16 - DEFICIT FUND BALANCES

At June 30, 2023, the Town had the following deficit fund balances:

Nonmajor Special Revenue Funds:		
Waste Diversion	$	911
2023 Full Plate		10,196
School Federal and Other Programs		636,220
LL Spear Memorial		65
PD 2017 HSG		410
Police Federal Asset Forfeiture		3,787
PW Dually Truck		48,265
Generator Pad Reserve		63,469
Town Buildings		48,609
HSG PD Grant		1,466
Condemned Building		2,198
Wellness Grant		452
49 Frost Hill		3,093
Sabattus Law Grant		2,760
Brownfields Grant		22,010
Maine Community Foundation		2,698
Nonmajor Capital Projects Fund:		
Parks and Recreation Equipment Replacement		87,880
Public Works Salt Shed		35,500
Police Cruiser		571
	$	970,560

NOTE 17 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2023:

Transfers to other funds	$ 597,382

NOTE 18 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2023, the Town had the following overlapping debt.

	Outstanding Debt	Town's Percentage	Total Share
County of Androscoggin	$ 744,442	6.69%	$ 49,803

NOTE 19 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.mainepers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2022, there were 311 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's AC plan members are required to contribute 7.60% of their annual covered salary and the Town's 2C plan members are required to contribute 8.20% of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 10.20% for the AC plan and 11.40% for the 2C plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2023 was $553,372. The Lisbon Water Department's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2022 was $45,531.

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions. As of June 30, 2022, there were 239 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately $8,950,762 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately $1,213,971 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 3.84%, which totaled $343,556 for 2023. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.89% of compensation and totaled $67,827 the year ended June 30, 2023.

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities

PLD Consolidated Plan

At June 30, 2023, the Town reported a liability of $1,518,101 and the Lisbon Water Department reported a liability of $163,840 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2022, the Town's proportion was 0.571069%, which was an increase of 0.012469% from its proportion measured as of June 30, 2021. The Lisbon Water Department's proportion at June 30, 2022 was 0.061632%, which was an increase of 0.01468% from its proportion measured as of June 30, 2021.

SET Plan

At June 30, 2023, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	$	427,417
State's proportionate share of the net pension liability associated with the Town		8,686,714
Total	$	9,114,131

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2022, the Town's proportion was 0.028783%, which was an increase of 0.007254% from its proportion measured as of June 30, 2021.

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2023, the Town recognized total pension expense of $52,221 for the PLD plan and net expense of $1,885,068 and revenue of $1,493,455 for support provided by the State of Maine for the SET plan. For the year ended December 31, 2022, the Lisbon Water Department recognized net pension expense of $47,533. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Town				Lisbon Water Department	
	PLD Plan		SET Plan		PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 282,129	$ -	$ 21,292	$ -	$ 30,449	$ -
Changes of assumptions	308,122	-	82,994	-	33,254	-
Net difference between projected and actual earnings on pension plan investments	-	637,155	-	84,181	-	68,765
Changes in proportion and differences between contributions and proportionate share of contributions	22,736	8,760	77,615	46,144	27,338	2,286
Contributions subsequent to the measurement date	553,372	-	411,382	-	21,300	-
Total	$ 1,166,359	$ 645,915	$ 593,283	$ 130,325	$ 112,341	$ 71,051

$553,372 for the PLD plans and $411,382 for the SET plan were reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2024 or December 31, 2023 for the Lisbon Water Department. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Town		Lisbon Water Department
	PLD Plan	SET Plan	PLD Plan
Year ended June 30:			
2023	$ 194,024	$ 45,203	$ 32,041
2024	(130,380)	(8,109)	(1,629)
2025	(395,836)	(25,221)	(42,720)
2026	299,264	39,704	32,298
2027	-	-	-
Thereafter	-	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each member is the product of the member’s pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2022 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.50% per annum for the year ended June 30, 2022 and 2021, compounded annually.

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

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

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2022.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2022 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2022 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
PLD Plan - Town:			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	$ 4,484,901	$ 1,518,101	$ (934,066)

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
SET Plan:			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	$ 836,984	$ 427,417	$ 45,203
PLD Plan - Lisbon Water Department:			
Discount rate	5.50%	6.50%	7.50%
Department's proportionate share of the net pension liability	$ 484,029	$ 163,840	$ (100,808)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2022 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2022 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2022 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan. For 2022 and 2017, this was three years for the SET Plan.

NOTE 19 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Differences between Expected and Actual Investment Earnings

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

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2022 Annual Comprehensive Financial Report available online at www.mainepers.org or by contacting the System at (207) 512-3100.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of $2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2023, the following Town employees were covered by the benefit terms:

Active members	48
Retirees and spouses	0
Total	48

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

At January 1, 2022, the following Lisbon Water Department employees were covered by the benefit terms:

Lisbon Water Department	
Active members	2
Retirees and spouses	0
Total	2

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts:

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

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

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Pre-Medicare	**Single Coverage**	**Family Coverage**
POS 200	$ 1,086.21	$ 2,436.48
POS C	1,140.92	2,559.25
PPO 500	1,050.27	2,355.90
Medicare		
Medicare - Eligible Retirees	600.50	1,201.00

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

At June 30, 2023, the Town reported a liability of $296,421 for its total OPEB liability for this Plan, while the Lisbon Water Department at December 31, 2022 reported a liability of $23,746. The total OPEB liability for the Town was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The total OPEB liability for the Lisbon Water Department was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date. The Town and Water Department's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Town recognized OPEB expense of $904. For the year ended December 31, 2022, the Lisbon Water Department recognized OPEB expense of $4,739. At June 30, 2023, the Town and at December 31, 2022, the Water Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Town		Lisbon Water Department	
	MMEHT		MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 844	$ 198,246	$ 250	$ 35,585
Changes of assumptions	57,625	56,375	11,322	4,344
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-		
Contributions subsequent to the measurement date	2,642	-	140	-
Total	$ 61,111	$ 254,621	$ 11,712	$ 39,929

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

$2,642 and $140 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2024 or December 31, 2023 for the Lisbon Water Department, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Town MMEHT	Lisbon Water Dept. MMEHT
Plan year ended December 31:		
2023	$ -	$ (4,459)
2024	(34,449)	(4,458)
2025	(42,130)	(5,593)
2026	(35,619)	(4,631)
2027	(35,619)	(4,631)
2028	(12,768)	(4,583)
Thereafter	(35,567)	-

Discount Rate

For the Town, the discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for June 30, 2023 was based upon a measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

Town	1% Decrease	Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB liability	$ 351,686	$ 296,421	$ 251,708
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 351,686	$ 296,421	$ 251,708
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

For the Lisbon Water Department, the discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of January 1, 2022. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.06% per annum for December 31, 2022 was based upon a measurement date of December 30, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

Lisbon Water Department	1% Decrease	Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	$ 52,785	$ 23,746	$ 37,342
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 52,785	$ 23,746	$ 37,342
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

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

Town	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	$ 244,766	$ 296,421	$ 363,316
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 244,766	$ 296,421	$ 363,316
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Lisbon Water Department	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	$ 36,521	$ 23,746	$ 54,297
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 36,521	$ 23,746	$ 54,297
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability for the Town Plan was determined by an actuarial valuation as of January 1, 2023, while the Lisbon Water Department Plan was determined by an actuarial valuation of January 1, 2022 using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

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

Assumptions

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2022, they are as follows:

Discount Rate - 3.72% per annum for year end 2023 reporting. 2.06% per annum for year end 2022 reporting.

Discount Rate – 3.72% per annum for Town Plan and 2.06% per annum for Water Department Plan.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Trend Assumptions*:*

Town:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2023_fl was used for this valuation. The following assumptions were input into this model:

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

Water Department:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2022_fa was used for this valuation. The following assumptions were input into this model:

Variable	Rate
Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capital 2031+	1.10%
Extra Trend due to Taste/Technology 2031+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Town:

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

Water Department:

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

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

Administrative and claims expense: 3% per annum

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

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

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

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

Administrative expenses - Included in the per capita claims cost.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

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

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

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

Town:

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Water Department:

Healthy Annuitant- Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

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

Retiree Continuation Percentage*:*

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 and December 31, 2022 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 for the Town was ($197,402). The difference between expected and actual experience as of January 1, 2022 for the Lisbon Water Department was ($35,335).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The actuarial assumptions used in the June 30, 2018 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

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

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active members	167
Retirees and spouses	17
Total	184

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 55% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 45% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Pre-Medicare	Employee Only	Employee/ Spouse	Employee/ Child(ren)	Employee/ Family
Choice Plus	$ 770	$ 1,736	$ 1,363	$ 2,112
Standard $200 Deductible	$ 832	$ 1,874	$ 1,472	$ 2,281
Standard $1,000 Deductible	$ 698	$ 1,572	$ 1,235	$ 1,914
Medicare				
Medicare Eligible Retirees	$ 388	$ 775		

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

At June 30, 2023, the School reported a liability of $3,863,798 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. The School's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the School recognized OPEB expense of $22,449. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 238,257	$ 343,405
Changes of assumptions	478,817	23,375
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	185,164	-
Total	$ 902,238	$ 366,780

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

$185,164 were reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MEABT
Plan year ended June 30:	
2023	$ 56,833
2024	80,207
2025	50,521
2026	50,517
2027	57,796
Thereafter	54,420

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.54% per annum for June 30, 2023 was based upon a measurement date of June 30, 2022. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB liability	$ 4,378,226	$ 3,863,798	$ 3,438,796
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 4,378,226	$ 3,863,798	$ 3,438,796
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	$ 3,417,533	$ 3,863,798	$ 4,407,405
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 3,417,533	$ 3,863,798	$ 4,407,405
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

Assumptions

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

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Discount Rate - 3.54% per annum for year-end 2022 reporting, 2.16% per annum for year-end 2021 reporting.

Trend Assumptions*:*

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2023_1f. The following assumptions were applied in this model as below:

Trend Assumption Inputs

Variable	Rate
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.90%
Year for Limiting Cost Growth to GDP Growth	2042

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

Pre-Medicare - Initial trend of 7.95% applied in FYE 2023 and 4.00% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% per annum.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2022, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Disability Incidence - Rates vary for plans based on age

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

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

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

Administrative expenses - Included in the per capita claims cost

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

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2022 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality*:*

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

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

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

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

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

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

Retiree Continuation Percentage*:*

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

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

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

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

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2022, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2022 and projects through June 30, 2023 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2022, there were no differences between expected and actual experience.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - HEALTH PLANS (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2019. For the fiscal year ended June 30, 2022, there were no changes in assumptions.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

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

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2022, there were 228 employers, including the State of

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN (CONTINUED)

Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.mainepers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or $2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2023 was approximately $26,086.

OPEB Liabilities and OPEB Expense

At June 30, 2023, the School Department reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School Department. The total portion of the net OPEB liability that was associated with the School Department were as follows:

NOTE 21 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLAN (CONTINUED)

School's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the School	218,860
Total	$ 218,860

For the year ended June 30, 2023, the School Department recognized net OPEB expense of $23,255 and revenue of $23,255 for support provided by the State of Maine.

NOTE 22 - RISK MANAGEMENT

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

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2023. 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 23 - COMMITMENTS AND 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 23 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lisbon Public Schools receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the School and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2024 could include expenditures from the fiscal year of 2023 that would normally be accrued. The actual amount cannot be determined at this time; however, it is the position of the Lisbon School Department that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units concerning this matter.

NOTE 24 - MAJOR CUSTOMER

The Lisbon Water Department derived approximately 29.43% of its operating revenues from the Town of Lisbon related to the servicing of public fire hydrants for the year ended December 31, 2022.

NOTE 25 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS

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

Dingley Press Municipal Development and Tax Increment Financing District

On December 7, 1993, the Town of Lisbon entered into a credit enhancement agreement with the Dingley Press, a specialty catalog business, for the expansion of the existing 60,000 square foot facility to an additional 61,000 square feet. The original valuation of the property was $13,925,410. 100% of the property taxes to be generated on 50% of the improvements within the District will be returned to the developer for 20 years. The remaining 50% will be retained by the Town and used for general purposes. This agreement was amended on January 22, 1998 to extend the term for an additional five-year period and to capture both real and personal property increases above the original valuation. On February 15, 2011, a second amendment request was approved to capture 100% of the increased assessed value (IAV) for the remaining eight-year term of the District. 50% of the property taxes will be returned to developer, with the remaining amount being retained by the Town and used to fund the Town's economic and community development program.

NOTE 25 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS (CONTINUED)

Kelly Park Municipal Development and Tax Increment Financing District

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

Furniture Superstore Municipal Development and Tax Increment Financing District

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

Enterprise Electric Municipal Development and Tax Increment Financing District

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

NOTE 25 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS (CONTINUED)

Gendron Realty Municipal Development and Tax Increment Financing District

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

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

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

Abatements

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

For the fiscal year ended June 30, 2023, the Town did not abate any property taxes for any TIF programs.

NOTE 26 - RESTATEMENTS

In 2023, the Town determined that certain transactions in prior years had been recorded incorrectly or were omitted, therefore, a restatement to the 2022 government-wide, business-type activities and fund financial statements was required. The beginning general fund total fund balance was restated by a decrease of $638,386 to correct errors in the accrued wages, interfund accounts and accounts receivable. The education total fund balance was decreased by $1,329,540. The USDA Road Loan Grant CIP fund was restated by an increase of $111,002. The Treatment Plant fund was restated by an increase of $35. The Ferry Road fund was restated by an increase of $2,689,627 to incorporate this fund in the financial statements. The nonmajor funds total fund balance was restated by and decrease of $359. The capital assets were restated by an increase of $62,000, the notes from direct borrowings payable balance was restated by a decrease of $20,009 and the bond anticipation note payable was reduced by $2,096,061.

The resulting restatements increased governmental activities net position by $3,010,449 from $26,537,067 to $29,547,516.

The Lisbon Water Department's financial statements were restated to account for the implementation of Statement No. 87 "Leases". The previous year's assets were increased by $445,980 and a deferred inflow of resources was added in the same amount.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Changes in Net OPEB Liability - MMEHT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Proportionate Share of the Net OPEB Liability - SET Plan
- Schedule of Contributions - OPEB - Health Plans
- Schedule of Contributions - OPEB - SET Plan
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Resources (Inflows):				
Property taxes	$ 13,947,330	$ 13,947,330	$ 13,931,994	$ (15,336)
Excise taxes	1,727,802	1,727,802	1,847,294	119,492
Licenses and permits	81,625	81,625	87,925	6,300
Intergovernmental	3,492,260	3,492,260	3,582,554	90,294
Charges for services	718,717	718,717	724,090	5,373
Interest income	-	-	162,407	162,407
Interest/costs on liens	-	-	71,820	71,820
Other income	15,840	15,840	89,171	73,331
Amounts Available for Appropriation	19,983,574	19,983,574	20,497,255	513,681
Charges to Appropriations (Outflows):				
General government	2,263,274	2,263,274	2,166,277	96,997
Public safety	3,776,876	3,776,876	3,256,970	519,906
Public works	3,030,579	3,030,579	2,651,239	379,340
Public services	1,376,393	1,376,393	1,297,194	79,199
General assistance	35,026	35,026	34,043	983
County tax	859,265	859,265	836,292	22,973
Overlay/abatements	225,256	225,256	13,285	211,971
Debt service	1,889,514	1,889,514	538,289	1,351,225
Total Charges to Appropriations	13,456,183	13,456,183	10,793,589	2,662,594
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,527,391	6,527,391	9,703,666	3,176,275
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(8,114,893)	(8,114,893)	(8,712,275)	(597,382)
TOTAL OTHER FINANCING SOURCES (USES)	(8,114,893)	(8,114,893)	(8,712,275)	(597,382)
NET CHANGE IN FUND BALANCES	$ (1,587,502)	$ (1,587,502)	991,391	$ 2,578,893
FUND BALANCES - JULY 1, RESTATED			4,244,872	
FUND BALANCES - JUNE 30			$ 5,236,263	

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

SCHEDULE 1A

TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, Restated	$ 1,539,743	$ 1,539,743	$ 1,539,743	$ -
Resources (Inflows):				
Intergovernmental revenues:				
State subsidy	10,617,530	10,617,530	10,009,004	(608,526)
State agency	-	-	2,415	2,415
Mainecare	346,899	346,899	316,049	(30,850)
Tuition	300,000	300,000	154,500	(145,500)
Interest income	5,000	5,000	33,001	28,001
Miscellaneous	10,500	10,500	8,001	(2,499)
Transfers from other funds	7,711,014	7,711,014	7,770,450	59,436
Amounts Available for Appropriation	20,530,686	20,530,686	19,833,163	(697,523)
Charges to Appropriations (Outflows):				
Regular instruction	8,081,027	8,081,027	7,447,732	633,295
Special education	3,108,830	3,108,830	2,836,699	272,131
Other instruction	412,322	412,322	399,424	12,898
Student and staff support	1,668,042	1,668,042	1,597,742	70,300
System administration	624,938	624,938	627,496	(2,558)
School administration	976,938	976,938	962,476	14,462
Transportation and buses	1,053,732	1,053,732	1,114,774	(61,042)
Facilities maintenance	1,665,994	1,665,994	1,737,834	(71,840)
Debt service	1,168,120	1,168,120	492,039	676,081
Transfers to other funds	231,000	231,000	231,000	-
Total Charges to Appropriations	18,990,943	18,990,943	17,447,216	1,543,727
Budgetary Fund Balance, June 30	$ 1,539,743	$ 1,539,743	$ 2,385,947	$ 846,204

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

TOWN OF LISBON, MAINE

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD Plan - Town:									
Proportion of the net pension liability/(asset)	0.57%	0.56%	0.57%	0.58%	0.57%	0.58%	0.59%	0.58%	0.59%
Proportionate share of the net pension liability/(asset)	$ 1,518,101	$ (179,597)	$ 2,250,091	$ 1,781,086	$ 1,569,463	$ 2,362,730	$ 3,141,913	$ 1,280,674	$ 910,967
Covered payroll	$ 4,273,390	$ 3,984,650	$ 3,445,979	$ 3,524,580	$ 3,274,658	$ 3,149,472	$ 3,034,713	$ 3,043,854	$ 2,228,868
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	35.52%	-4.51%	65.30%	50.53%	47.93%	75.02%	103.53%	42.07%	40.87%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%
SET Plan:									
Town's proportion of the net pension liability/(as	0.03%	0.02%	0.03%	0.03%	0.04%	0.03%	0.04%	0.03%	0.03%
Town's proportionate share of the net pension liability/(asset)	$ 427,417	$ 182,098	$ 451,644	$ 438,590	$ 492,601	$ 474,747	$ 694,298	$ 392,331	$ 348,406
State's proportionate share of the net pension liability/(asset) associated with the Town	8,686,714	5,116,472	9,502,010	8,444,731	8,077,013	8,636,256	9,967,895	7,870,813	6,252,863
Total	$ 9,114,131	$ 5,298,570	$ 9,953,654	$ 8,883,321	$ 8,569,614	$ 9,111,003	$ 10,662,193	$ 8,263,144	$ 6,601,269
Town's covered payroll	$ 9,146,740	$ 8,207,959	$ 7,910,775	$ 7,739,002	$ 6,965,737	$ 7,470,720	$ 7,150,470	$ 7,348,015	$ 7,222,074
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	4.69%	3.44%	4.54%	4.94%	7.07%	6.35%	9.71%	5.34%	4.82%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%	83.91%
PLD Plan - Lisbon Water Department:									
Proportion of the net pension liability/(asset)	0.06%	0.05%	0.05%	0.06%	0.06%	0.06%	0.05%	0.04%	0.04%
Proportionate share of the net pension liability/(asset)	$ 163,840	$ (15,089)	$ 194,294	$ 174,497	$ 156,459	$ 245,859	$ 254,114	$ 139,892	$ 56,539
Covered payroll	$ 411,298	$ 292,529	$ 317,722	$ 349,216	$ 330,587	$ 321,435	$ 255,428	$ 229,787	$ 195,950
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	39.83%	-5.16%	61.15%	49.97%	47.33%	76.49%	99.49%	60.88%	28.85%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%

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

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

TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD Plan - Town:									
Contractually required contribution	$ 553,372	$ 450,396	$ 404,442	$ 348,842	$ 346,012	$ 317,949	$ 296,008	$ 270,090	$ 231,256
Contributions in relation to the contractually required contribution	(553,372)	(450,396)	(404,442)	(348,842)	(346,012)	(317,949)	(296,008)	(270,090)	(231,256)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,270,210	$ 4,273,390	$ 3,984,650	$ 3,445,979	$ 3,524,580	$ 3,274,658	$ 3,149,472	$ 3,034,713	$ 3,043,854
Contributions as a percentage of covered payroll	10.50%	10.54%	10.15%	10.12%	9.82%	9.71%	9.40%	8.90%	7.60%
SET Plan:									
Contractually required contribution	$ 411,382	$ 397,571	$ 395,781	$ 381,275	$ 350,949	$ 309,709	$ 287,895	$ 285,213	$ 240,350
Contributions in relation to the contractually required contribution	(411,382)	(397,571)	(395,781)	(381,275)	(350,949)	(309,709)	(287,895)	(285,213)	(240,350)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 8,950,762	$ 9,146,740	$ 8,207,959	$ 7,910,775	$ 7,739,002	$ 6,965,737	$ 7,470,720	$ 7,150,470	$ 7,348,015
Contributions as a percentage of covered payroll	4.60%	4.35%	4.82%	4.82%	4.53%	4.45%	3.85%	3.99%	3.27%
PLD Plan - Lisbon Water Department:									
Contractually required contribution	$ 45,531	$ 38,819	$ 34,222	$ 32,274	$ 33,830	$ 31,087	$ 26,541	$ 20,128	$ 14,941
Contributions in relation to the contractually required contribution	(45,531)	(38,819)	(34,222)	(32,274)	(33,830)	(31,087)	(26,541)	(20,128)	(14,941)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 476,167	$ 379,685	$ 340,458	$ 324,600	$ 345,083	$ 325,535	$ 287,632	$ 240,468	$ 207,051
Contributions as a percentage of covered payroll	9.56%	10.22%	10.05%	9.94%	9.80%	9.55%	9.23%	8.37%	7.22%

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

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

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN - TOWN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/22 (Reporting December 31, 2022)	$ 298,829	$ -	$ 298,829
Changes for the year:			
Service cost	30,884	-	30,884
Interest	6,782	-	6,782
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(39,131)	-	(39,131)
Contributions - employer	-	943	(943)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(943)	(943)	-
Administrative expense	-	-	-
Net changes	(2,408)	-	(2,408)
Balances at 1/1/23 (Reporting December 31, 2023)	$ 296,421	$ -	$ 296,421

TOWN OF LISBON, MAINE

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

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/21 (Reporting December 31, 2021)	$ 36,012	$ -	$ 36,012
Changes for the year:			
Service cost	7,165	-	7,165
Interest	1,711	-	1,711
Changes of benefits	-	-	-
Differences between expected and actual experience	(18,568)	-	(18,568)
Changes of assumptions	(2,264)	-	(2,264)
Contributions - employer	-	310	(310)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(310)	(310)	-
Administrative expense	-	-	-
Net changes	(12,266)	-	(12,266)
Balances at 1/1/22 (Reporting December 31, 2022)	$ 23,746	$ -	$ 23,746

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

TOWN OF LISBON, MAINE

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost (BOY)	$ 30,884	$ 34,866	$ 30,417	$ 17,800	$ 19,925	$ 15,207
Interest (includes interest on service cost)	6,782	8,324	8,975	19,457	17,209	16,053
Changes of benefit terms	-	-	-	(5,617)	-	-
Differences between expected and actual experience	-	(90,357)	-	(255,941)	-	5,890
Changes of assumptions	(39,131)	(11,015)	22,738	73,149	(45,595)	47,874
Benefit payments, including refunds of member contributions	(943)	(1,510)	(1,452)	(15,400)	(14,808)	(13,554)
Net change in total OPEB liability	$ (2,408)	$ (59,692)	$ 60,678	$ (166,552)	$ (23,269)	$ 71,470
Total OPEB liability - beginning	$ 298,829	$ 358,521	$ 297,843	$ 464,395	$ 487,664	$ 416,194
Total OPEB liability - ending	$ 296,421	$ 298,829	$ 358,521	$ 297,843	$ 464,395	$ 487,664
Plan fiduciary net position						
Contributions - employer	943	1,510	1,452	15,400	14,808	13,554
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(943)	(1,510)	(1,452)	(15,400)	(14,808)	(13,554)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	$ -	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB liability - ending	$ 296,421	$ 298,829	$ 358,521	$ 297,843	$ 464,395	$ 487,664
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-
	$ 2,448,332	$ 2,448,332	$ 2,459,479	$ 2,459,479	$ 2,358,508	$ 2,358,508
Net OPEB liability as a percentage of covered payroll	12.1%	12.2%	14.6%	12.1%	19.7%	20.7%

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

TOWN OF LISBON, MAINE

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost (BOY)	7,165	4,336	2,047	1,996	1,523
Interest (includes interest on service cost)	1,711	1,279	2,237	1,724	1,608
Changes of benefit terms	-	-	(646)	-	-
Differences between expected and actual experience	(18,568)	-	(29,430)	-	590
Changes of assumptions	(2,264)	3,241	8,411	(4,567)	4,796
Benefit payments, including refunds of member contributions	(310)	(207)	(1,771)	(1,483)	(1,358)
Net change in total OPEB liability	$ (12,266)	$ 8,649	$ (19,152)	$ (2,330)	$ 7,159
Total OPEB liability - beginning	$ 36,012	$ 27,363	$ 46,515	$ 48,845	$ 41,686
Total OPEB liability - ending	$ 23,746	$ 36,012	$ 27,363	$ 46,515	$ 48,845
Plan fiduciary net position					
Contributions - employer	310	207	1,771	1,483	1,358
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(310)	(207)	(1,771)	(1,483)	(1,358)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -
Net OPEB liability - ending	$ 23,746	$ 36,012	$ 27,363	$ 46,515	$ 48,845
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-
Covered payroll	$ 503,130	$ 350,597	$ 282,813	$ 236,231	$ 236,231
Net OPEB liability as a percentage of covered payroll	4.7%	10.3%	9.7%	19.7%	20.7%

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

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

TOWN OF LISBON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/21 (Reporting June 30, 2022)	$ 3,470,432	$ -	$ 3,470,432
Changes for the year:			
Service cost	53,460	-	53,460
Interest	74,871	-	74,871
Changes of benefits	-	-	-
Differences between expected and actual experience	277,966	-	277,966
Changes of assumptions	102,962	-	102,962
Contributions - employer	-	115,893	(115,893)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(115,893)	(115,893)	-
Administrative expense	-	-	-
Net changes	393,366	-	393,366
Balances at 6/30/22 (Reporting June 30, 2023)	$ 3,863,798	$ -	$ 3,863,798

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

TOWN OF LISBON, MAINE

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

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost (BOY)	$ 53,460	$ 60,295	$ 37,385	$ 31,955	$ 33,826
Interest (includes interest on service cost)	74,871	75,632	128,846	133,669	126,761
Changes of benefit terms	-	-	(277,873)	-	-
Differences between expected and actual experience	277,966	-	(600,958)	-	-
Changes of assumptions	102,962	23,646	550,029	178,121	(140,250)
Benefit payments, including refunds of member contributions	(115,893)	(101,621)	(136,606)	(107,203)	(103,498)
Net change in total OPEB liability	$ 393,366	$ 57,952	$ (299,177)	$ 236,542	$ (83,161)
Total OPEB liability - beginning	$ 3,470,432	$ 3,412,480	$ 3,711,657	$ 3,475,115	$ 3,558,276
Total OPEB liability - ending	$ 3,863,798	$ 3,470,432	$ 3,412,480	$ 3,711,657	$ 3,475,115
Plan fiduciary net position					
Contributions - employer	115,893	101,621	136,606	107,203	103,498
Contributions - member	-	-	-	-	(103,498)
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(115,893)	(101,621)	(136,606)	(107,203)	-
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -
Net OPEB liability - ending	$ 3,863,798	$ 3,470,432	$ 3,412,480	$ 3,711,657	$ 3,475,115
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-
Covered payroll	$ 7,024,583	$ 7,540,775	$ 7,356,853	$ 8,302,352	$ 8,080,148
Net OPEB liability as a percentage of covered payroll	55.0%	46.0%	46.4%	44.7%	43.0%

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

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

TOWN OF LISBON, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SET PLAN
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
SET Life Insurance:							
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the School	218,860	110,313	235,203	240,535	248,511	237,224	-
Total	$ 218,860	$ 110,313	$ 235,203	$ 240,535	$ 248,511	$ 237,224	$ -
Covered payroll	$ 9,146,740	$ 8,207,959	$ 7,910,775	$ 7,739,002	$ 6,965,737	$ 7,470,720	$ 7,150,470
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	55.40%	55.40%	49.51%	49.22%	48.04%	47.29%

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

TOWN OF LISBON, MAINE

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

MMEHT - TOWN:	2023	2022	2021	2020	2019
Employer contributions	$ (943)	$ (1,510)	$ (1,452)	$ 15,400	$ 14,808
Benefit payments	943	1,510	1,452	(15,400)	(14,808)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,448,332	$ 2,448,332	$ 2,459,479	$ 2,459,479	$ 2,358,508
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

MEABT SCHOOL DEPARTMENT:	2023	2022	2021	2020	2019
Employer contributions	$ 115,893	$ 101,621	$ 136,606	$ 107,203	$ 103,498
Benefit payments	(115,893)	(101,621)	(136,606)	(107,203)	(103,498)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,024,583	$ 7,540,775	$ 7,356,853	$ 8,302,352	$ 8,080,148
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

MMEHT LISBON WATER DEPARTMENT:	2022	2021	2020	2019	2018
Employer contributions	$ 310	$ 207	$ 1,771	$ 1,483	$ 1,358
Benefit payments	(310)	(207)	(1,771)	(1,483)	(1,358)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 503,130	$ 350,597	$ 282,813	$ 236,231	$ 236,231
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

TOWN OF LISBON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - SET PLAN
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
SET Life Insurance:							
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ -	$ 9,146,740	$ 8,207,959	$ 7,910,775	$ 7,739,002	$ 6,965,737	$ 7,470,720
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Changes of Assumptions

MEPERS PLD Plan:

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

MEPERS SET Plan:

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

MMEHT Health Plans:

Town Plan: There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

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

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

Mortality, termination, retirement and salary rates.

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

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

MEABT Health Plan:

There was a change in the discount rate from 2.16% to 3.54% per GASB 75 discount rate selection.

MEPERS Group Life Plan:

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

Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Net Position - Fiduciary Funds - Private-Purpose Trusts

TOWN OF LISBON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES:					
Taxes:					
Property taxes	$ 13,947,330	$ -	$ 13,947,330	$ 13,931,994	$ (15,336)
Excise taxes	1,727,802	-	1,727,802	1,847,294	119,492
Registration fees	-	-	-	43,407	43,407
Interest and costs on taxes	-	-	-	28,413	28,413
	15,675,132	-	15,675,132	15,851,108	175,976
Licenses and permits:					
Business permits and fees	42,000	-	42,000	54,522	12,522
All other construction fees	-	-	-	33,156	33,156
Town clerk	39,625	-	39,625	247	(39,378)
	81,625	-	81,625	87,925	6,300
Intergovernmental:					
State revenue sharing	2,225,912	-	2,225,912	2,428,874	202,962
General assistance	24,518	-	24,518	29,851	5,333
Tree growth reimbursement	-	-	-	16,866	16,866
BETE reimbursement	281,116	-	281,116	281,234	118
Homestead reimbursement	960,714	-	960,714	702,905	(257,809)
Miscellaneous state aid	-	-	-	21,728	21,728
Urban rural incentive program	-	-	-	101,096	101,096
	3,492,260	-	3,492,260	3,582,554	90,294
Charges for services:					
Public services	119,246	-	119,246	5,835	(113,411)
Public works	208,240	-	208,240	210,833	2,593
Public safety	130,908	-	130,908	130,441	(467)
Culture and recreation	260,323	-	260,323	376,981	116,658
	718,717	-	718,717	724,090	5,373
Interest income	-	-	-	162,407	162,407
Other revenues:					
Reimbursements	-	-	-	40,890	40,890
Other revenues	15,840	-	15,840	48,281	32,441
	15,840	-	15,840	89,171	73,331
Total revenues	$ 19,983,574	$ -	$ 19,983,574	$ 20,497,255	$ 513,681

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

SCHEDULE B

TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
General government:					
Elected officials	$ 27,907	$ -	$ 27,907	$ 25,927	$ 1,980
Town manager	469,881	-	469,881	429,678	40,203
Contingency	-	-	-	33,526	(33,526)
Insurance	107,401	-	107,401	108,210	(809)
Legal	70,000	-	70,000	43,757	26,243
Finance	261,835	-	261,835	260,758	1,077
Tax collector	192,714	-	192,714	188,352	4,362
Code enforcement	166,603	-	166,603	113,591	53,012
Town clerk	180,246	-	180,246	137,841	42,405
Assessing	100,511	-	100,511	165,568	(65,057)
Town buildings	263,684	-	263,684	242,593	21,091
Technology	279,661	-	279,661	287,425	(7,764)
Planning Board	22,216	-	22,216	7,605	14,611
Board of Appeals	1,340	-	1,340	1,819	(479)
Economic development	119,275	-	119,275	119,627	(352)
	2,263,274	-	2,263,274	2,166,277	96,997
Public safety:					
Police	2,214,005	-	2,214,005	2,087,310	126,695
Animal control officer	115,765	-	115,765	109,235	6,530
Fire	734,349	-	734,349	690,080	44,269
Emergency	336,426	-	336,426	22,973	313,453
Communication	376,331	-	376,331	347,372	28,959
	3,776,876	-	3,776,876	3,256,970	519,906
Public works:					
Public works	1,610,526	-	1,610,526	1,293,339	317,187
Snow removal	323,184	-	323,184	414,061	(90,877)
Hydrant rental	575,000	-	575,000	480,000	95,000
Street and traffic lights	-	-	-	81,288	(81,288)
Solid waste	521,869	-	521,869	382,551	139,318
	3,030,579	-	3,030,579	2,651,239	379,340

TOWN OF LISBON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Public services:					
Health officer	6,986	-	6,986	7,123	(137)
Community services - senior citizens	-	-	-	40,000	(40,000)
Lisbon Falls Library	432,172	-	432,172	397,763	34,409
Miscellaneous public services	59,487	-	59,487	13,515	45,972
Recreation department	877,748	-	877,748	838,793	38,955
	1,376,393	-	1,376,393	1,297,194	79,199
General assistance	35,026	-	35,026	34,043	983
Intergovernmental - county tax	859,265	-	859,265	836,292	22,973
Unclassified:					
Overlay/tax abatements	225,256	-	225,256	13,285	211,971
	225,256	-	225,256	13,285	211,971
Debt service - Town	1,889,514	-	1,889,514	538,289	1,351,225
Transfers to other funds:					
Education	7,732,882	-	7,732,882	7,770,450	(37,568)
Special revenue funds	221,011	-	221,011	730,825	(509,814)
Capital projects funds	161,000	-	161,000	211,000	(50,000)
	8,114,893	-	8,114,893	8,712,275	(597,382)
Total Departmental Operations	$ 21,571,076	$ -	$ 21,571,076	$ 19,505,864	$ 2,065,212

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

SCHEDULE C

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 282,421	$ -	$ 9,654	$ 292,075
Investments	-	-	20,082	20,082
Due from other governments	228,314	-	-	228,314
Inventory	21,029	-	-	21,029
Due from other funds	3,117,465	272,185	-	3,389,650
TOTAL ASSETS	$ 3,649,229	$ 272,185	$ 29,736	$ 3,951,150
LIABILITIES				
Accounts payable	$ 96,965	$ -	$ -	$ 96,965
Accrued payroll	11,745	-	-	11,745
Due to other funds	669,463	123,951	-	793,414
TOTAL LIABILITIES	778,173	123,951	-	902,124
FUND BALANCES (DEFICITS)				
Nonspendable	21,029	-	1,118	22,147
Restricted	2,277,251	-	28,618	2,305,869
Committed	1,037,852	272,185	-	1,310,037
Assigned	381,533	-	-	381,533
Unassigned	(846,609)	(123,951)	-	(970,560)
TOTAL FUND BALANCES (DEFICITS)	2,871,056	148,234	29,736	3,049,026
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 3,649,229	$ 272,185	$ 29,736	$ 3,951,150

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

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ 2,029,730	$ -	$ -	$ 2,029,730
Investment income	943	-	-	943
Other income	284,909	-	-	284,909
TOTAL REVENUES	2,315,582	-	-	2,315,582
EXPENDITURES				
Capital outlay	279,337	821,528	-	1,100,865
General government	278,071	-	-	278,071
Public services and payments	75,986	3,737	-	79,723
Education	1,394,942	-	-	1,394,942
Food service	957,856	-	-	957,856
Other	395,486	-	-	395,486
TOTAL EXPENDITURES	3,381,678	825,265	-	4,206,943
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,066,096)	(825,265)	-	(1,891,361)
OTHER FINANCING SOURCES (USES)				
Transfers in	961,825	211,000	-	1,172,825
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	961,825	211,000	-	1,172,825
NET CHANGE IN FUND BALANCES (DEFICITS)	(104,271)	(614,265)	-	(718,536)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	2,975,327	762,499	29,736	3,767,562
FUND BALANCES (DEFICITS) - JUNE 30	$ 2,871,056	$ 148,234	$ 29,736	$ 3,049,026

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

Special Revenue Funds

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

SCHEDULE E

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	Contracted Professional Services	Waste Diversion Grant	Sale of Surplus Prop	2023 Full Plate	School Nutrition Program	School Federal and Other Programs
ASSETS										
Cash and cash equivalents	$ 6,030	$ 30,048	$ 82,601	$ -	$ -	$ -	$ -	$ -	$ -	$ 163,742
Due from other governments	-	82	450	75	-	-	-	-	-	227,707
Inventory	-	-	-	-	-	-	-	-	21,029	-
Due from other funds	-	-	-	1,675	36,375	-	138,273	-	499,360	-
TOTAL ASSETS	$ 6,030	$ 30,130	$ 83,051	$ 1,750	$ 36,375	$ -	$ 138,273	$ -	$ 520,389	$ 391,449
LIABILITIES										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 654	$ 96,311
Accrued payroll	-	-	-	-	-	-	-	-	-	11,745
Due to other funds	3,531	4,846	43,710	-	-	911	-	10,196	-	406,987
TOTAL LIABILITIES	3,531	4,846	43,710	-	-	911	-	10,196	654	515,043
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	21,029	-
Restricted	-	25,284	39,341	1,750	36,375	-	138,273	-	-	348,887
Committed	2,499	-	-	-	-	-	-	-	498,706	-
Assigned	-	-	-	-	-	-	-	-	-	163,739
Unassigned	-	-	-	-	-	(911)	-	(10,196)	-	(636,220)
TOTAL FUND BALANCES (DEFICITS)	2,499	25,284	39,341	1,750	36,375	(911)	138,273	(10,196)	519,735	(123,594)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 6,030	$ 30,130	$ 83,051	$ 1,750	$ 36,375	$ -	$ 138,273	$ -	$ 520,389	$ 391,449

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	LL Summer Read	LL Patrick Memorial	LL Barron Memorial	LL Library Adult Program	LL Erna Smith Memorial	LL Huston Memorial	LL Spear Memorial	LL Alison Ross Memorial	PD 2017 HSG
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	2,811	761	205	3,395	1,200	890	-	9,085	-
TOTAL ASSETS	$ 2,811	$ 761	$ 205	$ 3,395	$ 1,200	$ 890	$ -	$ 9,085	$ -
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	65	-	410
TOTAL LIABILITIES	-	-	-	-	-	-	65	-	410
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	2,811	761	205	3,395	1,200	890	-	9,085	-
Unassigned	-	-	-	-	-	-	(65)	-	(410)
TOTAL FUND BALANCES (DEFICITS)	2,811	761	205	3,395	1,200	890	(65)	9,085	(410)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 2,811	$ 761	$ 205	$ 3,395	$ 1,200	$ 890	$ -	$ 9,085	$ -

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Library ARPA	Playground Donations	Giving Tree	Claire Paquette Memorial	Heating Assistance
ASSETS										
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Due from other funds	3,413	-	-	1,883	384	14	1,876	6,566	706	644
TOTAL ASSETS	$ 3,413	$ -	$ -	$ 1,883	$ 384	$ 14	$ 1,876	$ 6,566	$ 706	$ 644
LIABILITIES										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	3,787	48,265	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	3,787	48,265	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	3,413	-	-	-	384	14	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	1,883	-	-	1,876	6,566	706	644
Unassigned	-	(3,787)	(48,265)	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	3,413	(3,787)	(48,265)	1,883	384	14	1,876	6,566	706	644
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 3,413	$ -	$ -	$ 1,883	$ 384	$ 14	$ 1,876	$ 6,566	$ 706	$ 644

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Hatch Road Escrow	Health Insurance Reserve
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	5,905	9,404	2,611	106,767	-	-	431	12,810	69,800
TOTAL ASSETS	$ 5,905	$ 9,404	$ 2,611	$ 106,767	$ -	$ -	$ 431	$ 12,810	$ 69,800
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	63,469	48,609	-	-	-
TOTAL LIABILITIES	-	-	-	-	63,469	48,609	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	106,767	-	-	-	-	-
Committed	-	-	2,611	-	-	-	431	12,810	69,800
Assigned	5,905	9,404	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(63,469)	(48,609)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	5,905	9,404	2,611	106,767	(63,469)	(48,609)	431	12,810	69,800
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 5,905	$ 9,404	$ 2,611	$ 106,767	$ -	$ -	$ 431	$ 12,810	$ 69,800

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	285,943	101,596	28,189	79	9,819	-	620,136	192,186	181,323
TOTAL ASSETS	$ 285,943	$ 101,596	$ 28,189	$ 79	$ 9,819	$ -	$ 620,136	$ 192,186	$ 181,323
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	1,466	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	1,466	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	620,136	192,186	181,323
Committed	285,943	101,596	28,189	-	-	-	-	-	-
Assigned	-	-	-	79	9,819	-	-	-	-
Unassigned	-	-	-	-	-	(1,466)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	285,943	101,596	28,189	79	9,819	(1,466)	620,136	192,186	181,323
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 285,943	$ 101,596	$ 28,189	$ 79	$ 9,819	$ -	$ 620,136	$ 192,186	$ 181,323

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	Façade Grant	49 Frost Hill	ARPA	Sabattus Law Grant
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	-	27,861	-	32,932	7,173	-	-	506,093	-
TOTAL ASSETS	$ -	$ 27,861	$ -	$ 32,932	$ 7,173	$ -	$ -	$ 506,093	$ -
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	2,198	-	452	-	-	-	3,093	-	2,760
TOTAL LIABILITIES	2,198	-	452	-	-	-	3,093	-	2,760
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	506,093	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	27,861	-	32,932	7,173	-	-	-	-
Unassigned	(2,198)	-	(452)	-	-	-	(3,093)	-	(2,760)
TOTAL FUND BALANCES (DEFICITS)	(2,198)	27,861	(452)	32,932	7,173	-	(3,093)	506,093	(2,760)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ -	$ 27,861	$ -	$ 32,932	$ 7,173	$ -	$ -	$ 506,093	$ -

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Healthy Androscoggin PD Grant	MDF Entrepreneurship Grant	Brownfields Grant	16 Downtown Grant	18 Downtown Grant	Donations	Park and Rec Vehicle Ins Receipt	BYRNE/ JAG Grant	Lisbon Beautification
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	33	59,661	-	2,782	5,290	500	14,595	225	5,749
TOTAL ASSETS	$ 33	$ 59,661	$ -	$ 2,782	$ 5,290	$ 500	$ 14,595	$ 225	$ 5,749
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	22,010	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	22,010	-	-	-	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	33	59,661	-	2,782	5,290	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	500	14,595	225	5,749
Unassigned	-	-	(22,010)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	33	59,661	(22,010)	2,782	5,290	500	14,595	225	5,749
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 33	$ 59,661	$ -	$ 2,782	$ 5,290	$ 500	$ 14,595	$ 225	$ 5,749

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	DHHS Grant Exp	Renewable Energy	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Community Resilience Grant	Town Clerk Book	Totals
ASSETS									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 282,421
Due from other governments	-	-	-	-	-	-	-	-	228,314
Inventory	-	-	-	-	-	-	-	-	21,029
Due from other funds	9,259	445	-	34,822	2,375	6,867	49,608	14,680	3,117,465
TOTAL ASSETS	$ 9,259	$ 445	$ -	$ 34,822	$ 2,375	$ 6,867	$ 49,608	$ 14,680	$ 3,649,229
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 96,965
Accrued payroll	-	-	-	-	-	-	-	-	11,745
Due to other funds	-	-	2,698	-	-	-	-	-	669,463
TOTAL LIABILITIES	-	-	2,698	-	-	-	-	-	778,173
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	21,029
Restricted	9,259	-	-	-	-	-	-	-	2,277,251
Committed	-	445	-	34,822	-	-	-	-	1,037,852
Assigned	-	-	-	-	2,375	6,867	49,608	14,680	381,533
Unassigned	-	-	(2,698)	-	-	-	-	-	(846,609)
TOTAL FUND BALANCES (DEFICITS)	9,259	445	(2,698)	34,822	2,375	6,867	49,608	14,680	2,871,056
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 9,259	$ 445	$ -	$ 34,822	$ 2,375	$ 6,867	$ 49,608	$ 14,680	$ 3,649,229

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

SCHEDULE F

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Recreation Land Use	DARE Program	Moxie Donations	Rec Summer Camp Scholarship	Contracted Professional Services	Waste Diversion Grant	Sale of Surplus Prop	2023 Full Plate	School Nutrition Program	School Federal and Other Programs
REVENUES										
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 922,695	$ 1,101,120
Investment income	-	943	-	-	-	-	-	-	-	-
Other income	-	3,393	47,817	900	30,000	-	-	-	-	31,671
TOTAL REVENUES	-	4,336	47,817	900	30,000	-	-	-	922,695	1,132,791
EXPENDITURES										
Capital outlay	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	10,196	-	-
Public services and payments	-	10,184	65,802	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	1,394,942
Food service	-	-	-	-	-	-	-	-	957,856	-
TOTAL EXPENDITURES	-	10,184	65,802	-	-	-	-	10,196	957,856	1,394,942
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,848)	(17,985)	900	30,000	-	-	(10,196)	(35,161)	(262,151)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	231,000	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	231,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(5,848)	(17,985)	900	30,000	-	-	(10,196)	195,839	(262,151)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	2,499	31,132	57,326	850	6,375	(911)	138,273	-	323,896	138,557
FUND BALANCES (DEFICITS) - JUNE 30	$ 2,499	$ 25,284	$ 39,341	$ 1,750	$ 36,375	$ (911)	$ 138,273	$ (10,196)	$ 519,735	$ (123,594)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	LL Summer Read	LL Patrick Memorial	LL Barron Memorial	LL Library Adult Program	LL Erna Smith Memorial	LL Huston Memorial	LL Spear Memorial	LL Alison Ross Memorial	PD 2017 HSG
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	2,647	-	-	820	-	-	-	-	-
TOTAL REVENUES	2,647	-	-	820	-	-	-	-	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	-
General government	2,421	165	-	494	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,421	165	-	494	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	226	(165)	-	326	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	226	(165)	-	326	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	2,585	926	205	3,069	1,200	890	(65)	9,085	(410)
FUND BALANCES (DEFICITS) - JUNE 30	$ 2,811	$ 761	$ 205	$ 3,395	$ 1,200	$ 890	$ (65)	$ 9,085	$ (410)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Police State Forfeiture	Police Federal Asset Forfeiture	PW Dually Truck	JR Firefighter Reserve	Cemetery Donation	Library ARPA	Playground Donations	Giving Tree	Claire Paquette Memorial	Heating Assistance
REVENUES										
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	2,690	50	-
TOTAL REVENUES	-	-	-	-	-	-	-	2,690	50	-
EXPENDITURES										
Capital outlay	-	-	-	-	-	-	-	-	-	-
General government	2,842	-	-	-	-	-	-	1,629	-	-
Public services and payments	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,842	-	-	-	-	-	-	1,629	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,842)	-	-	-	-	-	-	1,061	50	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,842)	-	-	-	-	-	-	1,061	50	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	6,255	(3,787)	(48,265)	1,883	384	14	1,876	5,505	656	644
FUND BALANCES (DEFICITS) - JUNE 30	$ 3,413	$ (3,787)	$ (48,265)	$ 1,883	$ 384	$ 14	$ 1,876	$ 6,566	$ 706	$ 644

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Thanksgiving Basket	Assessing	Rt. 196 / Davis	DOT Match	Generator Pad Reserve	Town Buildings	PW Skid Steer	Hatch Road Escrow	Health Insurance Reserve
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	5,370	-	-	-	-	-	-	12,810	-
TOTAL REVENUES	5,370	-	-	-	-	-	-	12,810	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	214,000	-	-	-
General government	2,989	-	-	-	490	-	-	-	-
Public services and payments	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,989	-	-	-	490	214,000	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,381	-	-	-	(490)	(214,000)	-	12,810	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	2,381	-	-	-	(490)	(214,000)	-	12,810	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	3,524	9,404	2,611	106,767	(62,979)	165,391	431	-	69,800
FUND BALANCES (DEFICITS) - JUNE 30	$ 5,905	$ 9,404	$ 2,611	$ 106,767	$ (63,469)	$ (48,609)	$ 431	$ 12,810	$ 69,800

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Fire Truck Replacement	FD Equip Reserve	Technology MUNIS	Elected Officials	HRA Reserve	HSG PD Grant	Dingley TIF	Kelly Park TIF	Downtown TIF
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	17,731	-	-	-
TOTAL REVENUES	-	-	-	-	-	17,731	-	-	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	12,678	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public services and payments	-	-	-	-	-	-	195,147	85,200	115,139
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	12,678	195,147	85,200	115,139
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	5,053	(195,147)	(85,200)	(115,139)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	447,903	136,073	132,722
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	447,903	136,073	132,722
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	5,053	252,756	50,873	17,583
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	285,943	101,596	28,189	79	9,819	(6,519)	367,380	141,313	163,740
FUND BALANCES (DEFICITS) - JUNE 30	$ 285,943	$ 101,596	$ 28,189	$ 79	$ 9,819	$ (1,466)	$ 620,136	$ 192,186	$ 181,323

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Condemned Building	Beaver Park	Wellness Reserve	Animal Control	Accrued Comp Reserve	Façade Grant	49 Frost Hill	ARPA	Sabattus Law Grant
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	11,531	-	2,651	-	25,766	-	-	-
TOTAL REVENUES	-	11,531	-	2,651	-	25,766	-	-	-
EXPENDITURES									
Capital outlay	-	7,801	-	-	-	11,850	-	-	-
General government	-	-	558	-	-	-	-	247,086	-
Public services and payments	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	7,801	558	-	-	11,850	-	247,086	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	3,730	(558)	2,651	-	13,916	-	(247,086)	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	3,730	(558)	2,651	-	13,916	-	(247,086)	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	(2,198)	24,131	106	30,281	7,173	(13,916)	(3,093)	753,179	(2,760)
FUND BALANCES (DEFICITS) - JUNE 30	$ (2,198)	$ 27,861	$ (452)	$ 32,932	$ 7,173	$ -	$ (3,093)	$ 506,093	$ (2,760)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Healthy Androscoggin PD Grant	MDF Entrepreneurship Grant	Brownfields Grant	16 Downtown Grant	18 Downtown Grant	Donations	Park and Rec Vehicle Ins Receipt	BYRNE/ JAG	Lisbon Beautification
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,915	$ -
Investment income	-	-	-	-	-	-	-	-	-
Other income	-	12,202	-	-	25	-	14,595	-	-
TOTAL REVENUES	-	12,202	-	-	25	-	14,595	5,915	-
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	14,596	5,690	-
General government	-	-	-	-	-	-	-	-	227
Public services and payments	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	14,596	5,690	227
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	12,202	-	-	25	-	(1)	225	(227)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	12,202	-	-	25	-	(1)	225	(227)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	33	47,459	(22,010)	2,782	5,265	500	14,596	-	5,976
FUND BALANCES (DEFICITS) - JUNE 30	$ 33	$ 59,661	$ (22,010)	$ 2,782	$ 5,290	$ 500	$ 14,595	$ 225	$ 5,749

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	DHHS Grant Exp	Renewable Energy	Maine Community Foundation	Technology Reserve	Local Entertain	MTM Seniors Program	Community Resilience Grant	Town Clerk Book	Totals
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,029,730
Investment income	-	-	-	-	-	-	-	-	943
Other income	-	-	-	-	-	12,342	49,898	-	284,909
TOTAL REVENUES	-	-	-	-	-	12,342	49,898	-	2,315,582
EXPENDITURES									
Capital outlay	-	-	-	-	-	12,722	-	-	279,337
General government	7,134	-	-	-	1,550	-	290	-	278,071
Public services and payments	-	-	-	-	-	-	-	-	471,472
Education	-	-	-	-	-	-	-	-	1,394,942
Food service	-	-	-	-	-	-	-	-	957,856
TOTAL EXPENDITURES	7,134	-	-	-	1,550	12,722	290	-	3,381,678
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,134)	-	-	-	(1,550)	(380)	49,608	-	(1,066,096)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	14,127	961,825
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	14,127	961,825
NET CHANGE IN FUND BALANCES (DEFICITS)	(7,134)	-	-	-	(1,550)	(380)	49,608	14,127	(104,271)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	16,393	445	(2,698)	34,822	3,925	7,247	-	553	2,975,327
FUND BALANCES (DEFICITS) - JUNE 30	$ 9,259	$ 445	$ (2,698)	$ 34,822	$ 2,375	$ 6,867	$ 49,608	$ 14,680	$ 2,871,056

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

Capital Projects Funds

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

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Police Dept Safety and Equipment	Fire Station Study	Solid Waste Equipment	Parks and Recreation Equipment Replacement
ASSETS				
Due from other funds	$ 19,028	$ 5,033	$ 32,555	$ -
TOTAL ASSETS	$ 19,028	$ 5,033	$ 32,555	$ -
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ 87,880
TOTAL LIABILITIES	-	-	-	87,880
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	19,028	5,033	32,555	-
Assigned	-	-	-	-
Unassigned	-	-	-	(87,880)
TOTAL FUND BALANCES (DEFICITS)	19,028	5,033	32,555	(87,880)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 19,028	$ 5,033	$ 32,555	$ -

TOWN OF LISBON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Public Works Vehicles and Equipment	Public Works Guardrail	Public Works Salt Shed	Code Enforcement Storage	Revaluation	Pinewood Road Fund	Police Cruiser	Capital Projects Reserve	School Capital Fund	Totals
ASSETS										
Due from other funds	$ 40,491	$ 2,176	$ -	$ 848	$ 30,000	$ 36,185	$ -	$ 68,803	$ 37,066	$ 272,185
TOTAL ASSETS	$ 40,491	$ 2,176	$ -	$ 848	$ 30,000	$ 36,185	$ -	$ 68,803	$ 37,066	$ 272,185
LIABILITIES										
Due to other funds	$ -	$ -	$ 35,500	$ -	$ -	$ -	$ 571	$ -	$ -	$ 123,951
TOTAL LIABILITIES	-	-	35,500	-	-	-	571	-	-	123,951
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	40,491	2,176	-	848	30,000	36,185	-	68,803	37,066	272,185
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(35,500)	-	-	-	(571)	-	-	(123,951)
TOTAL FUND BALANCES (DEFICITS)	40,491	2,176	(35,500)	848	30,000	36,185	(571)	68,803	37,066	148,234
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 40,491	$ 2,176	$ -	$ 848	$ 30,000	$ 36,185	$ -	$ 68,803	$ 37,066	$ 272,185

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

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Police Dept Safety and Equipment	Fire Station Study	Solid Waste Equipment	Parks and Recreation Equipment Replacement
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Capital outlay	-	24,967	147,445	68,130
Public services and payments	-	-	-	-
TOTAL EXPENDITURES	-	24,967	147,445	68,130
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(24,967)	(147,445)	(68,130)
OTHER FINANCING SOURCES (USES)				
Transfers in	16,000	-	145,000	-
Transfers (out)	-	-	-	-
TOTAL OTHER SOURCES (USES)	16,000	-	145,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	16,000	(24,967)	(2,445)	(68,130)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	3,028	30,000	35,000	(19,750)
FUND BALANCES (DEFICITS) - JUNE 30	$ 19,028	$ 5,033	$ 32,555	$ (87,880)

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Public Works Vehicles and Equipment	Public Works Guardrail	Public Works Salt Shed	Code Enforcement Storage	Revaluation	Pinewood Road Fund	Police Cruiser	Capital Projects Reserve	School Capital Fund	Totals
REVENUES										
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-
EXPENDITURES										
Capital outlay	30,821	-	477,500	-	-	10,058	6,242	-	56,365	821,528
Public services and payments	-	-	-	-	-	-	-	3,737	-	3,737
TOTAL EXPENDITURES	30,821	-	477,500	-	-	10,058	6,242	3,737	56,365	825,265
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,821)	-	(477,500)	-	-	(10,058)	(6,242)	(3,737)	(56,365)	(825,265)
OTHER FINANCING SOURCES (USES)										
Transfers in	50,000	-	-	-	-	-	-	-	-	211,000
Transfers (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	50,000	-	-	-	-	-	-	-	-	211,000
NET CHANGE IN FUND BALANCES (DEFICITS)	19,179	-	(477,500)	-	-	(10,058)	(6,242)	(3,737)	(56,365)	(614,265)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	21,312	2,176	442,000	848	30,000	46,243	5,671	72,540	93,431	762,499
FUND BALANCES (DEFICITS) - JUNE 30	$ 40,491	$ 2,176	$ (35,500)	$ 848	$ 30,000	$ 36,185	$ (571)	$ 68,803	$ 37,066	$ 148,234

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

Permanent Funds

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

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Balances Beginning of Year		Revenues		Expenditures	Balances End of Year	
	Principal (Nonspendable)	Unexpended Income	Investment Income	Contributions and Other Receipts	Disbursements	Principal (Nonspendable)	Unexpended Income
Potter Patten Cemetery	$ 75	$ 321	$ -	$ -	$ -	$ 75	$ 321
Davis Cemetery Perpetual Care	-	26,084	-	-	-	-	26,084
Curtis Scholarship	413	24	-	-	-	413	24
Maine Research Company Charity Fund	630	2,189	-	-	-	630	2,189
Totals	$ 1,118	$ 28,618	$ -	$ -	$ -	$ 1,118	$ 28,618

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

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

TOWN OF LISBON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Balances Beginning of Year		Additions		Deductions	Balances End of Year	
	Principal (Nonspendable)	Unexpended Income	Investment Income	Contributions and Other Receipts	Disbursements	Principal (Nonspendable)	Unexpended Income
Arthur E. Baron	$ -	$ 603	$ -	$ 326	$ -	$ -	$ 929
Blanche M. Jalbert Fund	3,365	1,698	34	7	100	3,365	1,639
Bryce McEwen Rotary Scholarship	-	12,403	44	-	707	-	11,740
Class of 1941 Scholarship Fund	-	23,160	56	400	-	-	23,616
Dunton Memorial	-	2,927	-	-	197	-	2,730
Earl Higgins Memorial	3,281	13	-	-	144	3,281	(131)
Farmer	-	16,544	-	-	1,854	-	14,690
Frank Wimmer Trust	-	16,797	36	-	1,280	-	15,553
Leon E. Bard, Sr. Memorial Music Scholarship Fund	1,952	672	-	-	86	1,952	586
Lisbon High School Memorial Scholarship Fund	7,482	926	125	-	-	7,482	1,051
Marion T. Morse Secretarial Award	1,000	(40)	1	-	-	1,000	(39)
Michael F. Strout Memorial Scholarship Fund	3,109	604	-	-	18	3,109	586
Richard S. Lander Scholarship Fund	4,924	7,440	24	-	509	4,924	6,955
Sugg Middle School Trust Fund	-	2,708	104	-	-	-	2,812
Walter Huston Memorial Scholarship	-	19,034	-	-	814	-	18,220
Totals	$ 25,113	$ 105,489	$ 424	$ 733	$ 5,709	$ 25,113	$ 100,937

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

Federal Compliance

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

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

TOWN OF LISBON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or ClusterTitle	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through State of Maine - Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	013-3022	$ 113,411	$ -
National School Lunch Program	10.555	013-3024	213,045	-
School Breakfast Program	10.553	013-3014	132,129	-
Subtotal Child Nutrition Cluster:			458,585	-
State Administrative Expenses for Child Nutrition	10.560	013-6670	41,061	-
Pandemic EBT Administrative Costs	10.649	013-6184	1,884	-
Direct Award:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	919,058	-
Total U.S. Department of Agriculture			1,420,588	-
U.S. Department of the Treasury				
Passed through State of Maine - Department of Economic Development:				
State and Local Fiscal Recovery Funds	21.027	N/A	247,085	-
Total U.S. Department of the Treasury			247,085	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or ClusterTitle	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Passed through State of Maine - Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	6334	309,722	-
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	3046	334,097	-
Special Education Grants to States ARP	84.027X	7170	8,864	
Special Education Preschool Grants ARP	84.173X	7171	649	-
Subtotal Special Education Cluster (IDEA)			343,610	-
Rural Education	84.358	013-3305	9,011	-
Supporting Effective Instruction State Grants	84.367A	013-3042	78,813	-
Student Suppor and Academic Enrichment Program	84.424	013-3345	26,206	-
Education Stabilization Fund	84.425D	013-7006	105,461	-
Education Stabilization Fund	84.425D	013-7041	27,250	
Education Stabilization Fund	84.425U	025-7071	376,795	
Education Stabilization Fund	84.425U	025-3161	3,601	
			513,107	-
Total U.S. Department of Education			1,280,469	-
TOTAL FEDERAL ASSISTANCE			$ 2,948,142	$ -

TOWN OF LISBON, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Lisbon, Maine under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Lisbon, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Lisbon, Maine.

2. Summary of Significant Accounting Policies

a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b. The Town of Lisbon, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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

Town Council
Town of Lisbon, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Lisbon, Maine, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Lisbon, Maine's basic financial statements and have issued our report thereon dated July 11, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lisbon, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lisbon, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lisbon, Maine's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lisbon, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Lisbon, Maine in a separate letter dated July 10, 2024.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
July 11, 2024

RHR SMITH & COMPANY
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Town Council
Town of Lisbon, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Lisbon, Maine's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of Town of Lisbon, Maine's major federal programs for the year ended June 30, 2023. Town of Lisbon, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Lisbon, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

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

Management's Responsibility

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Lisbon, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Town of Lisbon, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Lisbon, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
July 11, 2024

TOWN OF LISBON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? ____yes __X__no
- Noncompliance material to financial statements noted? ____yes __X__no

- *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? ____yes __X__no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____yes __X__no

Identification of major programs:

AL Numbers	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities
84.425D/84.425U	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ____yes __X__no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

State Compliance

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

- Independent Auditor's Report on State Requirements

- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System

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INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Town Council
Town of Lisbon, Maine

We have audited the financial statements of the Town of Lisbon for the year ended June 30, 2023 and have issued our report thereon dated July 11, 2024. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the State for accuracy. In addition, we have reviewed the Town's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Lisbon, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Lisbon, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the School Department.

This report is intended solely for the information of the Town Council, management and the Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
July 11, 2024

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TOWN OF LISBON, MAINE

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund (1000)	Special Revenue Funds (2000) & (9000)	Capital Projects Fund (4000)	Total
June 30 Balance per MEFS	$ -	$ -	$ -	$ -
Other Adjustments:				
Fund Balances Not Reported on MEFS:				-
General Fund	2,385,947	-	-	2,385,947
Title IA (84.010)	-	96,160	-	96,160
Title IA Program Improvement (84.010)	-	(7,059)	-	(7,059)
ARPA - Local Entitlement	-	(1,229)	-	(1,229)
Local Entitlement (84.027)	-	(241,376)	-	(241,376)
ARPA - Local Entitlement Pre-K	-	(9,121)	-	(9,121)
Preschool (84.173)	-	(6,121)	-	(6,121)
CRF Grant	-	9,752	-	9,752
ARPA - HCY II	-	-	-	-
ESSERF II	-	216,214	-	216,214
ESSERF/CARES Act	-	(89,613)	-	(89,613)
ESSERF III	-	(249,496)	-	(249,496)
Title IIA Teacher Quality (84.367)	-	(29,646)	-	(29,646)
E-Rate	-	1,296	-	1,296
Title V	-	2,061	-	2,061
Adult Education	-	29,525	-	29,525
Adult Ed Enrichment	-	(8,680)	-	(8,680)
School Nutrition Program	-	519,735	-	519,735
School Capital Fund	-	-	37,066	37,066
Student Activities	-	186,783	-	186,783
Audited GAAP Basis Fund Balance June 30	$ 2,385,947	$ 419,185	$ 37,066	$ 2,842,198