

Federal Compliance Audit

Town of Livermore Falls, Maine

June 30, 2024



Proven Expertise & Integrity

TOWN OF LIVERMORE FALLS, MAINE

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JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Livermore Falls
Livermore Falls, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Livermore Falls, Maine, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Livermore Falls, 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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Livermore Falls, Maine as of June 30, 2024 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 Livermore Falls, 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

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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 Livermore Falls, 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 Livermore Falls, 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 Livermore Falls, 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 13 and 67 through 72 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 Livermore Falls, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and 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 April 8, 2026, on our consideration of the Town of Livermore Falls, 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 Livermore Falls, 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 Livermore Falls, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
April 8, 2026

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

(UNAUDITED)

The following management's discussion and analysis of the Town of Livermore Falls, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the above-mentioned financial statements have separate columns for the three different types of town activities. The types of activities presented for the Town of Livermore Falls, Maine are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, transfer station, buildings, library, grounds care, recreation, general assistance, education, insurance, other and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Livermore Falls, Maine include the sewer fund and the wastewater treatment upgrade.
- *Component units* - The Livermore Falls sewer treatment plant is included as part of the "Component Units".

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 Livermore Falls, Maine, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Livermore Falls, Maine can be divided into two categories: governmental funds and proprietary funds.

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

determining whether there will be adequate financial resources available to meet the current needs of the Town.

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

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

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

Proprietary Funds: The Town of Livermore Falls, Maine maintains two proprietary funds, the sewer fund and the wastewater treatment upgrade 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.

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 Cash Flows - Proprietary Funds.

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental activities increased by \$385,345 from \$5,805,767 to \$6,191,112. The business-type activities increased by \$224,994 from \$2,956,711 to \$3,181,705.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased to a balance of \$3,623,464 at the end of this year for the governmental activities. The business-type activities unrestricted net position increased to a deficit balance of \$436,476.

Table 1
Town of Livermore Falls, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2024	2023 (Restated)	2024	2023 (Restated)
Assets:				
Current Assets	\$ 4,187,023	\$ 4,209,081	\$ 2,409,309	\$ 1,802,405
Noncurrent Assets:				
Capital Assets	2,557,361	2,318,102	12,872,545	9,278,084
Other Assets	400,000	400,000	-	-
Total Assets	7,144,384	6,927,183	15,281,854	11,080,489
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	139,340	122,110	-	-
Deferred Outflows Related to OPEB	2,420	6,063	-	-
Total Deferred Outflows of Resources	141,760	128,173	-	-
Liabilities:				
Current Liabilities	92,585	119,043	3,041,483	2,019,840
Noncurrent Liabilities	837,769	780,125	4,317,666	4,517,668
Total Liabilities	930,354	899,168	7,359,149	6,537,508
Deferred Inflows of Resources:				
Prepaid Taxes	13,057	10,970	-	-
Deferred Revenue	102,120	263,043	-	-
Contributions in aid of construction	-	-	4,741,000	1,586,270
Deferred Inflows Related to Pensions	41,090	67,061	-	-
Deferred Inflows Related to OPEB	8,411	9,347	-	-
Total Deferred Inflows of Resources	164,678	350,421	4,741,000	1,586,270
Net Position:				
Net Investment in Capital Assets	1,986,127	1,730,111	3,618,181	4,552,933
Restricted	581,521	573,078	-	-
Unrestricted (Deficit)	3,623,464	3,502,578	(436,476)	(1,596,222)
Total Net Position	\$ 6,191,112	\$ 5,805,767	\$ 3,181,705	\$ 2,956,711

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 2.94%, while total expenses increased by 3.11%. The largest decrease in revenues was in tax revenues. The largest increases in expenses were in general government and public safety.

For the business-type activities revenues decreased by 78.27%, while total expenses decreased by 14.06%.

Table 2
Town of Livermore Falls, Maine
Change in Net Position
For The Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 158,016	\$ 132,769	\$ 755,860	\$ 790,470
Operating grants and contributions	9,601	49,261	-	-
Capital grants and contributions	-	-	-	2,773,418
<i>General Revenues:</i>				
Taxes	4,285,552	4,452,817	-	-
Grants and contributions not restricted to specific programs	1,295,211	1,287,088	3,000	-
Investment income	83,143	60,382	5,529	2,884
Miscellaneous	116,692	146,171	821	28,546
Total revenues	<u>5,948,215</u>	<u>6,128,488</u>	<u>765,210</u>	<u>3,595,318</u>
Expenses				
General government	581,297	469,931	-	-
Public safety	1,152,451	1,040,488	-	-
Public works	483,303	645,600	-	-
Transfer station	171,502	156,624	-	-
Buildings	85,193	102,734	-	-
Library	118,450	89,466	-	-
Grounds care	4,500	3,900	-	-
Recreation	54,643	62,689	-	-
General assistance	21,313	21,273	-	-
Education	2,294,568	2,323,950	-	-
County tax	255,645	231,352	-	-
Insurance	95,093	115,715	-	-
Other	55,402	17,281	-	-
Interest on long-term debt	19,031	19,520	-	-
Program expenses	170,479	94,758	540,216	628,562
Total expenses	<u>5,562,870</u>	<u>5,395,281</u>	<u>540,216</u>	<u>628,562</u>
Change in Net Position	<u>385,345</u>	<u>733,207</u>	<u>224,994</u>	<u>2,966,756</u>
Net Position - July 1, As Previously Reported	5,798,166	5,064,959	6,505,833	3,539,077
Net Position Corrections	<u>7,601</u>	<u>-</u>	<u>(3,549,122)</u>	<u>-</u>
Net Position - July 1, As Restated	<u>5,805,767</u>	<u>5,064,959</u>	<u>2,956,711</u>	<u>3,539,077</u>
Net Position - June 30	<u>\$ 6,191,112</u>	<u>\$ 5,798,166</u>	<u>\$ 3,181,705</u>	<u>\$ 6,505,833</u>

Financial Analysis of the Town's Fund Statements

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

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

	<u>2024</u>	<u>2023 (Restated)</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ -	\$ 20,196	\$ (20,196)
Assigned	319,886	319,886	-
Unassigned	2,862,876	2,708,628	154,248
Total General Fund	<u>\$ 3,182,762</u>	<u>\$ 3,048,710</u>	<u>\$ 134,052</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 538,409	\$ 538,355	\$ 54
Committed	7,569	7,569	-
Capital Projects Funds:			
Committed	283,857	262,065	21,792
Unassigned (Deficit)	(6,237)	-	(6,237)
Permanent Funds:			
Restricted	43,112	34,723	8,389
Total Nonmajor Funds	<u>\$ 866,710</u>	<u>\$ 842,712</u>	<u>\$ 23,998</u>

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

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 sewer fund had an operating income for the year of \$314,425. The wastewater treatment upgrade fund has no operating income but has significant capital upgrades occurring at the sewerage treatment plant involving grant proceeds.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$282,857. All revenue categories were receipted in excess of budgeted except for property taxes.

The general fund actual expenditures were under budgeted amounts by \$251,195. All expenditure categories were within or under budgeted amounts with the exception of general government, public works, library, grounds care, recreation and general assistance.

Capital Asset and Long-term Debt Administration

Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Town increased by \$3,820,881 from the prior fiscal year. This increase was a result of capital additions of \$4,093,773 less current year depreciation of \$272,892.

Table 4
Town of Livermore Falls, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2024</u>	<u>2023</u> <u>(Restated)</u>
Land	\$ 399,517	\$ 399,517
Construction in progress	12,579,158	8,912,798
Buildings and building improvements	664,328	734,818
Machinery, equipment and vehicles	726,850	584,433
Infrastructure	1,060,053	977,459
Total	<u>\$ 15,429,906</u>	<u>\$ 11,609,025</u>

Long-term Debt

At June 30, 2024, the Town had \$5,084,598 in bonds payable and a lease liability versus \$5,281,715 last year. Refer to Note 8 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

There was a restatement for 2024 related to the proper presentation of the contributions in aid of construction (CIAC) from prior years. This presentation allows the Town to allocate calculated annual CIAC revenue against annual operating expense appropriately over the life of the capital asset. On an annual basis, this will decrease the annual operating expense related to the depreciation of those capital assets so that the Town's users do not experience the increase in annual operating expense related to revenue that they have already received.

The Town has noted a subsequent event in the Notes to Financial Statements as Note 27.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately six months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer's Office at 2 Main Street, Livermore Falls, Maine 04254.

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,611,131	\$ 633,402	\$ 2,244,533	\$ -
Investments	458,998	-	458,998	-
Accounts receivable (net of allowance for uncollectibles):				
Taxes	376,803	156,509	533,312	-
Liens	94,757	57,816	152,573	-
Other	69,734	144,871	214,605	-
Due from other governments	-	2,992,311	2,992,311	38,271
Internal balances	1,575,600	(1,575,600)	-	-
Total current assets	<u>4,187,023</u>	<u>2,409,309</u>	<u>6,596,332</u>	<u>38,271</u>
Noncurrent assets:				
Capital assets:				
Land and other assets not being depreciated	399,517	12,579,158	12,978,675	62,035
Depreciable assets, net of accumulated depreciation	2,156,631	293,387	2,450,018	5,185,469
Right of use lease assets, net of accumulated depreciation	1,213	-	1,213	-
Other assets:				
Restricted cash	-	-	-	1,760,822
Notes receivable	400,000	-	400,000	-
Total noncurrent assets	<u>2,957,361</u>	<u>12,872,545</u>	<u>15,829,906</u>	<u>7,008,326</u>
TOTAL ASSETS	<u>7,144,384</u>	<u>15,281,854</u>	<u>22,426,238</u>	<u>7,046,597</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	139,340	-	139,340	-
Deferred outflows related to OPEB	2,420	-	2,420	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>141,760</u>	<u>-</u>	<u>141,760</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,286,144</u>	<u>\$ 15,281,854</u>	<u>\$ 22,567,998</u>	<u>\$ 7,046,597</u>

STATEMENT A (CONTINUED)

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 39,641	\$ 361,495	\$ 401,136	\$ 7,549
Accrued payroll	28,774	-	28,774	-
Accrued expenses	1,433	-	1,433	18,959
Due to other governments	-	341,613	341,613	2,665,882
Short-term note payable	-	2,141,156	2,141,156	-
Current portion of long-term obligations	22,737	197,219	219,956	-
Total current liabilities	92,585	3,041,483	3,134,068	2,692,390
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Bonds payable	553,972	4,316,906	4,870,878	-
Accrued compensated absences	21,901	760	22,661	-
Net pension liability	242,139	-	242,139	-
Net OPEB liability	19,757	-	19,757	-
Total noncurrent liabilities	837,769	4,317,666	5,155,435	-
TOTAL LIABILITIES	930,354	7,359,149	8,289,503	2,692,390
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	13,057	-	13,057	-
Deferred revenue	102,120	-	102,120	-
Contributions in aid of construction	-	4,741,000	4,741,000	-
Deferred inflows related to pensions	41,090	-	41,090	-
Deferred inflows related to OPEB	8,411	-	8,411	-
TOTAL DEFERRED INFLOWS OF RESOURCES	164,678	4,741,000	4,905,678	-
NET POSITION				
Net investment in capital assets	1,986,127	3,618,181	5,604,308	5,247,504
Restricted	581,521	-	581,521	430,901
Unrestricted (deficit)	3,623,464	(436,476)	3,186,988	(1,324,198)
TOTAL NET POSITION	6,191,112	3,181,705	9,372,817	4,354,207
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,286,144	\$ 15,281,854	\$ 22,567,998	\$ 7,046,597

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

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Governmental activities:								
General government	\$ 581,297	\$ 34,734	\$ 9,376	\$ -	\$ (537,187)	\$ -	\$ (537,187)	\$ -
Public safety	1,152,451	62,735	-	-	(1,089,716)	-	(1,089,716)	-
Public works	483,303	489	-	-	(482,814)	-	(482,814)	-
Transfer station	171,502	13,897	-	-	(157,605)	-	(157,605)	-
Buildings	85,193	-	-	-	(85,193)	-	(85,193)	-
Library	118,450	-	-	-	(118,450)	-	(118,450)	-
Grounds care	4,500	-	-	-	(4,500)	-	(4,500)	-
Recreation	54,643	28,267	225	-	(26,151)	-	(26,151)	-
General assistance	21,313	-	-	-	(21,313)	-	(21,313)	-
Education	2,294,568	-	-	-	(2,294,568)	-	(2,294,568)	-
County tax	255,645	-	-	-	(255,645)	-	(255,645)	-
Insurance	95,093	-	-	-	(95,093)	-	(95,093)	-
Other	55,402	-	-	-	(55,402)	-	(55,402)	-
Interest on long-term debt	19,031	-	-	-	(19,031)	-	(19,031)	-
Program expenditures	170,479	17,894	-	-	(152,585)	-	(152,585)	-
Total governmental activities	5,562,870	158,016	9,601	-	(5,395,253)	-	(5,395,253)	-
Business-type activities:								
Sewer department	540,216	755,860	-	-	-	215,644	215,644	-
Total business-type activities	540,216	755,860	-	-	-	215,644	215,644	-
Total government	\$ 6,103,086	\$ 913,876	\$ 9,601	\$ -	(5,395,253)	215,644	(5,179,609)	-
Component Units:								
Sewerage Treatment Plant	\$ 615,507	\$ 448,183	\$ -	\$ -	\$ -	-	-	(167,324)
Total component units	\$ 615,507	\$ 448,183	\$ -	\$ -	\$ -	-	-	(167,324)

STATEMENT B (CONTINUED)

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position:				
Net (expense) revenue	<u>(5,395,253)</u>	<u>215,644</u>	<u>(5,179,609)</u>	<u>(167,324)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes	3,854,089	-	3,854,089	-
Excise taxes	431,463	-	431,463	-
Grants and contributions not restricted to specific programs	1,295,211	3,000	1,298,211	-
Investment income	83,143	5,529	88,672	22,454
Miscellaneous	116,692	821	117,513	1,665
Total general revenues	<u>5,780,598</u>	<u>9,350</u>	<u>5,789,948</u>	<u>24,119</u>
Change in net position	<u>385,345</u>	<u>224,994</u>	<u>610,339</u>	<u>(143,205)</u>
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	5,798,166	6,505,833	12,303,999	4,829,245
NET POSITION CORRECTIONS	<u>7,601</u>	<u>(3,549,122)</u>	<u>(3,541,521)</u>	<u>(331,833)</u>
NET POSITION - JULY 1, AS RESTATED	<u>5,805,767</u>	<u>2,956,711</u>	<u>8,762,478</u>	<u>4,497,412</u>
NET POSITION - JUNE 30	<u>\$ 6,191,112</u>	<u>\$ 3,181,705</u>	<u>\$ 9,372,817</u>	<u>\$ 4,354,207</u>

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

TOWN OF LIVERMORE FALLS, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,360,099	\$ 251,032	\$ 1,611,131
Investments	458,998	-	458,998
Accounts receivable (net of allowance for uncollectibles):			
Taxes	376,803	-	376,803
Liens	94,757	-	94,757
Other	69,734	-	69,734
Notes receivable	-	400,000	400,000
Due from other funds	5,566,644	373,087	5,939,731
TOTAL ASSETS	\$ 7,927,035	\$ 1,024,119	\$ 8,951,154
LIABILITIES			
Accounts payable	\$ 39,641	\$ -	\$ 39,641
Accrued payroll	28,774	-	28,774
Accrued expenses	1,433	-	1,433
Due to other funds	4,308,842	55,289	4,364,131
TOTAL LIABILITIES	4,378,690	55,289	4,433,979
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	13,057	-	13,057
Deferred revenue	-	102,120	102,120
Deferred tax revenue	352,526	-	352,526
TOTAL DEFERRED INFLOWS OF RESOURCES	365,583	102,120	467,703
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	581,521	581,521
Committed	-	291,426	291,426
Assigned	319,886	-	319,886
Unassigned (deficits)	2,862,876	(6,237)	2,856,639
TOTAL FUND BALANCES	3,182,762	866,710	4,049,472
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,927,035	\$ 1,024,119	\$ 8,951,154

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

TOWN OF LIVERMORE FALLS, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds
Total Fund Balances	\$ 4,049,472
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	2,557,361
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	352,526
Deferred outflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	139,340
OPEB	2,420
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(570,021)
Lease liability	(1,213)
Accrued compensated absences	(27,376)
Net pension liability	(242,139)
Net OPEB liability	(19,757)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	(41,090)
OPEB	(8,411)
Net position of governmental activities	\$ 6,191,112

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

STATEMENT E

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 3,849,508	\$ -	\$ 3,849,508
Excise	431,463	-	431,463
Intergovernmental revenues	1,143,889	160,923	1,304,812
Charges for services	140,122	17,894	158,016
Investment income, net of unrealized gains/(losses)	81,020	2,123	83,143
Miscellaneous revenues	116,692	-	116,692
TOTAL REVENUES	<u>5,762,694</u>	<u>180,940</u>	<u>5,943,634</u>
EXPENDITURES			
Current:			
General government	531,118	-	531,118
Public safety	1,064,446	-	1,064,446
Public works	716,974	-	716,974
Transfer station	166,558	-	166,558
Buildings	85,193	-	85,193
Library	118,114	-	118,114
Grounds care	4,500	-	4,500
Recreation	54,643	-	54,643
General assistance	21,313	-	21,313
Education	2,294,568	-	2,294,568
County tax	255,645	-	255,645
Insurance	95,093	-	95,093
Other	55,402	-	55,402
Program expenditures	-	170,479	170,479
Debt service:			
Principal	15,544	-	15,544
Interest	19,031	-	19,031
Capital outlay	-	116,963	116,963
TOTAL EXPENDITURES	<u>5,498,142</u>	<u>287,442</u>	<u>5,785,584</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>264,552</u>	<u>(106,502)</u>	<u>158,050</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	130,500	130,500
Transfers (out)	(130,500)	-	(130,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(130,500)</u>	<u>130,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>134,052</u>	<u>23,998</u>	<u>158,050</u>
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	3,041,109	842,712	3,883,821
FUND BALANCE CORRECTION	<u>7,601</u>	<u>-</u>	<u>7,601</u>
FUND BALANCES - JULY 1, AS RESTATED	<u>3,048,710</u>	<u>842,712</u>	<u>3,891,422</u>
FUND BALANCES - JUNE 30	<u>\$ 3,182,762</u>	<u>\$ 866,710</u>	<u>\$ 4,049,472</u>

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

TOWN OF LIVERMORE FALLS, MAINE

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds (Statement E)	<u>\$</u>	<u>158,050</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:		
Capital asset acquisitions		420,828
Depreciation expense		<u>(181,569)</u>
		<u>239,259</u>
Deferred outflows of resources are consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:		
Pension		17,230
OPEB		<u>(3,643)</u>
		<u>13,587</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position		
		<u>16,757</u>
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:		
Pension		25,971
OPEB		<u>936</u>
		<u>26,907</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Taxes and liens receivable		<u>4,581</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued compensated absences		5,548
Net pension liability		(83,427)
Net OPEB liability		<u>4,083</u>
		<u>(73,796)</u>
Change in net position of governmental activities (Statement B)	<u>\$</u>	<u>385,345</u>

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

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise		Total
	Sewer Fund	Wastewater Treatment Upgrade	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 633,402	\$ -	\$ 633,402
Accounts receivable (net of allowance for uncollectibles):			
Taxes	156,509	-	156,509
Liens	57,816	-	57,816
Other	24,152	120,719	144,871
Due from other governments	2,665,882	326,429	2,992,311
Due from other funds	3,935,755	-	3,935,755
Total current assets	<u>7,473,516</u>	<u>447,148</u>	<u>7,920,664</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	64,740	12,514,418	12,579,158
Property and equipment	3,881,182	-	3,881,182
Less: accumulated depreciation	<u>(3,587,795)</u>	<u>-</u>	<u>(3,587,795)</u>
Subtotal capital assets	<u>358,127</u>	<u>12,514,418</u>	<u>12,872,545</u>
Total noncurrent assets	<u>358,127</u>	<u>12,514,418</u>	<u>12,872,545</u>
TOTAL ASSETS	<u><u>\$ 7,831,643</u></u>	<u><u>\$ 12,961,566</u></u>	<u><u>\$ 20,793,209</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 25,699	\$ 335,796	\$ 361,495
Due to other governments	341,613	-	341,613
Due to other funds	1,575,600	3,935,755	5,511,355
Short-term note payable	2,141,156	-	2,141,156
Current portion of long-term obligations	197,219	-	197,219
Total current liabilities	<u>4,281,287</u>	<u>4,271,551</u>	<u>8,552,838</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	4,316,906	-	4,316,906
Accrued compensated absences	760	-	760
Total noncurrent liabilities	<u>4,317,666</u>	<u>-</u>	<u>4,317,666</u>
TOTAL LIABILITIES	<u>8,598,953</u>	<u>4,271,551</u>	<u>12,870,504</u>
DEFERRED INFLOWS OF RESOURCES			
Contributions in aid of construction	-	4,741,000	4,741,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>4,741,000</u>	<u>4,741,000</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	(4,155,237)	7,773,418	3,618,181
Unrestricted	<u>3,387,927</u>	<u>(3,824,403)</u>	<u>(436,476)</u>
TOTAL NET POSITION (DEFICIT)	<u>(767,310)</u>	<u>3,949,015</u>	<u>3,181,705</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	<u><u>\$ 7,831,643</u></u>	<u><u>\$ 12,961,566</u></u>	<u><u>\$ 20,793,209</u></u>

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

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise		Total
	Sewer Fund	Wastewater Treatment Upgrade	
OPERATING REVENUES			
Charges for services	\$ 755,860	\$ -	\$ 755,860
Other income	821	-	821
TOTAL OPERATING REVENUES	<u>756,681</u>	<u>-</u>	<u>756,681</u>
OPERATING EXPENSES			
Treatment plant costs	219,206	-	219,206
Payroll and benefits	34,587	-	34,587
Professional services	32,901	-	32,901
Outside labor	10,608	-	10,608
Supplies	12,549	-	12,549
Utilities	6,594	-	6,594
Repairs and maintenance	34,488	-	34,488
Depreciation and amortization	91,323	-	91,323
TOTAL OPERATING EXPENSES	<u>442,256</u>	<u>-</u>	<u>442,256</u>
OPERATING INCOME (LOSS)	<u>314,425</u>	<u>-</u>	<u>314,425</u>
NONOPERATING REVENUES (EXPENSES)			
Grant revenue	3,000	-	3,000
Interest income	5,529	-	5,529
Interest expense	(97,960)	-	(97,960)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(89,431)</u>	<u>-</u>	<u>(89,431)</u>
CHANGE IN NET POSITION (DEFICIT)	<u>224,994</u>	<u>-</u>	<u>224,994</u>
NET POSITION (DEFICIT) - JULY 1, AS PREVIOUSLY REPORTED	970,548	5,535,285	6,505,833
NET POSITION CORRECTIONS	<u>(1,962,852)</u>	<u>(1,586,270)</u>	<u>(3,549,122)</u>
NET POSITION (DEFICIT) - JULY 1, AS RESTATED	<u>(992,304)</u>	<u>3,949,015</u>	<u>2,956,711</u>
NET POSITION (DEFICIT) - JUNE 30	<u><u>\$ (767,310)</u></u>	<u><u>\$ 3,949,015</u></u>	<u><u>\$ 3,181,705</u></u>

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

TOWN OF LIVERMORE FALLS, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise		Total
	Sewer Fund	Wastewater Treatment Upgrade	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 444,901	\$ -	\$ 444,901
Other income	821	(210,444)	(209,623)
Internal activity - receipts (payments) from/to other funds	(495,651)	495,651	-
Payments to employees and suppliers	476,546	174,522	651,068
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	426,617	459,729	886,346
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	5,529	-	5,529
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,529	-	5,529
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Grant revenue	3,000	-	3,000
Contributions in aid of construction	-	3,154,730	3,154,730
Capital purchases	(27,059)	(3,614,459)	(3,641,518)
Principal paid on capital debt	(180,360)	-	(180,360)
Interest paid on capital debt	(97,960)	-	(97,960)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(302,379)	(459,729)	(762,108)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	129,767	-	129,767
CASH AND CASH EQUIVALENTS - JULY 1	503,635	-	503,635
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 633,402	\$ -	\$ 633,402
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 314,425	\$ -	\$ 314,425
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	91,323	-	91,323
Changes in operating assets and liabilities:			
(Increase) decrease in taxes receivable	65,856	-	65,856
(Increase) decrease in liens receivable	(42,288)	-	(42,288)
(Increase) decrease in other receivables	(19,792)	(120,719)	(140,511)
(Increase) decrease in due from other funds	(495,651)	-	(495,651)
(Increase) decrease in due from other governments	(314,735)	(89,725)	(404,460)
Increase (decrease) in accounts payable	7,126	174,522	181,648
Increase (decrease) in accrued compensated absences	(6,995)	-	(6,995)
Increase (decrease) in due to other governments	336,192	-	336,192
Increase (decrease) in due to other funds	-	495,651	495,651
Increase (decrease) in short-term note payable	491,156	-	491,156
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 426,617	\$ 459,729	\$ 886,346

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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Livermore Falls was incorporated under the laws of the State of Maine. The Town operates under the selectboard-manager form of government and provides the following services: general government, public safety, public works, transfer station, buildings, library, grounds care, recreation, general assistance, education, insurance, other and program expenses.

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).

In accordance with Governmental Accounting Standards Board Statement No. 14 (as amended by Number 39 and 61), the Town has evaluated all potential component units. The financial statements include the Livermore Falls Sewer Treatment Plant as a discreetly presented component unit. This component unit does have separately issued financial statements.

Implementation of New Accounting Standards

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is 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 sewer fund and wastewater treatment upgrade are categorized as business-type activities. All other activities of the Town are categorized as governmental.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 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, protection, 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.

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. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements. The following fund types are used by the Town:

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Fund:

- 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.

Nonmajor Funds:

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. 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:

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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.

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.

2. Modified Accrual

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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

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

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

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. 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 Livermore Falls, Maine has no formal investment policy but instead follows the State of Maine Statutes.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$3,206,916 for the year ended June 30, 2024.

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 both Governmental and Proprietary Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 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 fixed assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized on a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

Certain assets were purchased for the Town with contributions in aid of construction. The depreciation/amortization amount on the Statement of Revenues, Expenses and Changes in Net Position will be reduced to recognize the annual amortization of those contributions. Currently, there is no depreciation recognized on these assets as they are construction in progress.

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

Long-term Obligations

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, a lease liability, 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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated 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.

Other Postemployment Benefits (OPEB)

For purposes of measuring the Town's 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 Maine Public Employees Retirement System OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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 assigned funds and then unassigned funds, as needed unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 pension 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 and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions, deferred inflows related to OPEB and contributions in aid of construction 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.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 12, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due on in two installments on October 22, 2023 and March 25, 2024. Interest on unpaid taxes commenced on October 23, 2023 and March 26, 2024, at 7% 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 \$27,830 for the year ended June 30, 2024.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 revenue 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.

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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits:

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

At June 30, 2024, the Town's deposits amounting to \$2,244,533 were comprised of bank deposits of \$2,330,121. 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. All off these deposits, were fully covered by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
NOW Checking accounts	\$ 147,708
ICS accounts	2,180,203
Cash equivalents	2,210
	<u>\$ 2,330,121</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. Of the Town's investments of \$458,998, \$359,009 were covered by the Securities Investor Protection Corporation (SIPC) and therefore not exposed to custodial credit risk. The remaining investments of \$99,989 of mutual funds were registered in the client's name through the Direct Registration System and consequently was 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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2024, the Town had the following investments:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years	> 5 Years
Equity securities:					
Mutual funds:					
Equities	\$ 15,533	\$ 15,533	\$ -	\$ -	\$ -
Exchange traded funds	325,664	325,664	-	-	-
Debt securities:					
Mutual funds	99,989	-	-	49,998	49,991
Fixed income	17,812	17,812	-	-	-
	<u>\$ 458,998</u>	<u>\$ 359,009</u>	<u>\$ -</u>	<u>\$ 49,998</u>	<u>\$ 49,991</u>

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2024:

	June 30, 2024 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Mutual funds	\$ 99,989	\$ -	\$ 99,989	\$ -
Total debt securities	<u>99,989</u>	<u>-</u>	<u>99,989</u>	<u>-</u>
Equity securities:				
Mutual funds and exchange traded funds	\$ 359,009	\$ 359,009	\$ -	\$ -
Total equity securities	<u>359,009</u>	<u>359,009</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>458,998</u>	<u>\$ 359,009</u>	<u>\$ 99,989</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	2,210			
Total cash equivalents measured at the NAV	<u>2,210</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 461,208</u>			

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2024 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
	<u> </u>	<u> </u>
General fund	\$ 5,566,644	\$ 4,308,842
Nonmajor special revenue funds	241,940	369
Nonmajor capital projects funds	94,213	54,909
Nonmajor permanent funds	36,934	11
Enterprise funds	3,935,755	5,511,355
	<u>\$ 9,875,486</u>	<u>\$ 9,875,486</u>

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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	Transfers In	Transfers Out
	<u> </u>	<u> </u>
General fund	\$ -	\$ 130,500
Nonmajor capital projects funds	130,500	-
	<u>\$ 130,500</u>	<u>\$ 130,500</u>

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, 2024:

	Balance, 7/1/23	Additions	Disposals	Balance, 6/30/24
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 399,517	\$ -	\$ -	\$ 399,517
Depreciated assets:				
Buildings	866,200	-	-	866,200
Building improvements	799,005	-	-	799,005
Machinery and equipment	1,184,005	115,953	-	1,299,958
Vehicles	1,319,120	108,493	-	1,427,613
Infrastructure	1,317,014	196,382	-	1,513,396
Right of use lease asset	4,851	-	-	4,851
	<u>5,490,195</u>	<u>420,828</u>	<u>-</u>	<u>5,911,023</u>
Less: accumulated depreciation	<u>(3,571,610)</u>	<u>(181,569)</u>	<u>-</u>	<u>(3,753,179)</u>
	<u>1,918,585</u>	<u>239,259</u>	<u>-</u>	<u>2,157,844</u>
Net capital assets	<u>\$ 2,318,102</u>	<u>\$ 239,259</u>	<u>\$ -</u>	<u>\$ 2,557,361</u>

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/23 (Restated)	Additions	Disposals	Balance, 6/30/24
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ 8,912,798	\$ 3,666,360	\$ -	\$ 12,579,158
Depreciated assets:				
Buildings and improvements	1,398,500	-	-	1,398,500
Machinery and equipment	1,511,679	-	-	1,511,679
Vehicles	45,439	6,585	-	52,024
Infrastructure	918,979	-	-	918,979
	<u>3,874,597</u>	<u>6,585</u>	<u>-</u>	<u>3,881,182</u>
Less: accumulated depreciation	<u>(3,496,472)</u>	<u>(91,323)</u>	<u>-</u>	<u>(3,587,795)</u>
	<u>378,125</u>	<u>(84,738)</u>	<u>-</u>	<u>293,387</u>
Net capital assets	<u>\$ 9,290,923</u>	<u>\$ 3,581,622</u>	<u>\$ -</u>	<u>\$ 12,872,545</u>
<u>Current year depreciation</u>				
Administration				\$ 15,895
Library				336
Public Safety				88,005
Public Works				70,194
Transfer Station				4,944
Town-wide				2,195
Subtotal governmental activities depreciation expense				<u>181,569</u>
Sewer				<u>91,323</u>
Total depreciation expense				<u>\$ 272,892</u>

NOTE 6 - LONG-TERM NOTE RECEIVABLES

On January 8, 2014, the Town issued a promissory note to Lamb Block Associates, LLC in the amount of \$400,000 for the redevelopment of Lamb Block. The note was issued at a 0% interest rate with a maturity date of January 8, 2042.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - SHORT-TERM DEBT

The following is a summary of changes in short-term debt for the year ended June 30, 2024:

	Balance, 7/1/23 (Restated)	Additions	Deletions	Balance, 6/30/24
<u>Business-type activities</u>				
Note payable - short term	\$ 1,650,000	\$ 491,156	\$ -	\$ 2,141,156

On October 21, 2021, the Town entered into a \$1,650,000 loan agreement with the Maine Municipal Bond Bank in anticipation of bond funds and financial assistance for the Wastewater project under the Clean Water State Revolving Loan Fund. The loan is eligible for principal forgiveness of \$1,030,000 at closing. The original maturity date of this loan was twelve months from the date of the loan. This loan was formally extended twice, each for an additional twelve month, bringing the final maturity date to October 18, 2024. As of June 30, 2024, the full note has been drawn down.

On May 13, 2024, the Town entered into a \$2,749,968 loan agreement with the Maine Municipal Bond Bank in anticipation of bond funds and financial assistance for the Wastewater project under the Clean Water State Revolving Loan Fund. The loan is eligible for principal forgiveness of \$1,000,000 at closing. The original maturity date of this loan was twelve months from the date of the loan. As of June 30, 2024 only \$491,156 has been drawn down.

NOTE 8 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
<u>Governmental activities</u>					
Bond payable	\$ 585,565	\$ -	\$ (15,544)	\$ 570,021	\$ 16,049
Lease liability	2,426	-	(1,213)	1,213	1,213
	<u>\$ 587,991</u>	<u>\$ -</u>	<u>\$ (16,757)</u>	<u>\$ 571,234</u>	<u>\$ 17,262</u>
 <u>Business-type activities</u>					
Bonds payable	\$ 4,693,724	\$ -	\$ (180,360)	\$ 4,513,364	\$ 196,458

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the bonds outstanding as of June 30, 2024:

Governmental activities:

\$643,000, 2018 General Obligation Bond due in annual principal and interest payments of \$34,575 through September of 2047 with a final payment of \$33,349 by September 2048. Interest is at a fixed rate of 3.25% per annum. \$ 570,021

Business-type activities:

\$103,000, 2011 General Obligation Bond due in annual principal and interest payments of \$5,369 through 2040. Interest is charged at a fixed rate of 3.00% per annum. \$ 70,610

\$924,564, 2015A General Obligation Bond due in varying annual principal payments of \$8,525 to \$67,811 through November of 2040. Interest varies from a fixed rate of 0.35% to 3.97% per annum. 382,074

\$1,008,032, 2022 General Obligation Bond of \$1,008,032 with principal forgiveness awarded at closing of \$702,800, due in varying annual principal payments of \$5,448 to \$17,687 through October of 2043. Interest varies from a fixed rate of 1.00% per annum. 305,232

\$3,972,000, 2022 General Obligation Bond due in annual principal and interest payments of \$186,644 through June of 2050. Interest varies from a fixed rate of 2.00% per annum. 3,755,448

4,513,364

Total bonds payable \$ 5,083,385

The following is a summary of the lease liability outstanding as of June 30, 2024:

Governmental activities:

\$4,851, Lease liability for copier equipment due in monthly principal and interest payments of \$99 through June of 2025. Interest is at a fixed rate per annum. \$ 1,213

The right of use lease asset associated with this lease liability (including amortization/depreciation applicable to the same) is presented as a separate category of Capital Assets and is grouped accordingly on the Statement of Net Position.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds payable and lease liability are as follows:

Year Ending June 30,	Governmental Activities				
	Bond Payable		Lease Liability		Total
	Principal	Interest	Principal	Interest	
2025	\$ 16,049	\$ 18,526	\$ 1,213	\$ -	\$ 35,788
2026	16,571	18,004	-	-	34,575
2027	17,109	17,466	-	-	34,575
2028	17,666	16,909	-	-	34,575
2029	18,240	16,335	-	-	34,575
2030-2034	100,485	72,389	-	-	172,874
2035-2039	117,910	54,965	-	-	172,875
2040-2044	138,357	34,518	-	-	172,875
2045-2049	127,634	10,529	-	-	138,163
	<u>\$ 570,021</u>	<u>\$ 259,641</u>	<u>\$ 1,213</u>	<u>\$ -</u>	<u>\$ 830,875</u>

Year Ending June 30,	Business-type Activities		
	Bonds Payable		Total
	Principal	Interest	
2025	\$ 196,458	\$ 92,363	\$ 288,821
2026	198,925	88,071	286,996
2027	201,440	83,588	285,028
2028	204,006	78,863	282,869
2029	147,336	74,976	222,312
2030-2034	777,788	329,119	1,106,907
2035-2039	851,465	247,220	1,098,685
2040-2044	890,506	159,495	1,050,001
2045-2049	862,493	70,727	933,220
2050-2054	182,947	3,659	186,606
	<u>\$ 4,513,364</u>	<u>\$ 1,228,081</u>	<u>\$ 5,741,445</u>

All bonds payable and lease liabilities 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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2024 is as follows:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
<u>Governmental activities</u>					
Accrued compensated absences	\$ 32,924	\$ -	\$ (5,548)	\$ 27,376	\$ 5,475
Net pension liability	158,712	147,708	(64,281)	242,139	-
Net OPEB liability	23,840	936	(5,019)	19,757	-
Totals	<u>\$ 215,476</u>	<u>\$ 148,644</u>	<u>\$ (74,848)</u>	<u>\$ 289,272</u>	<u>\$ 5,475</u>
<u>Business-type activities</u>					
Accrued compensated absences	<u>\$ 8,516</u>	<u>\$ -</u>	<u>\$ (6,995)</u>	<u>\$ 1,521</u>	<u>\$ 761</u>

Please see Notes 10, 20 and 21 for detailed information on each of the other long-term obligations.

NOTE 10 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term obligation 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, 2024, the Town's liability for compensated absences is \$28,897.

NOTE 11 - CONTRIBUTIONS IN AID OF CONSTRUCTION

The Town receives contributions in aid of construction (CIAC) from customers and other third parties for the purpose of financing the construction and installation of utility infrastructure and other capital assets.

These contributions are typically non-refundable and are recognized as a liability upon receipt. The amounts are amortized to expense over the estimated useful life of the related asset.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 - CONTRIBUTIONS IN AID OF CONSTRUCTION (CONTINUED)

As of June 30, 2024, the balance of the CIAC is as follows:

Beginning balance	\$ 1,586,270
Contributions received during the fiscal year	3,154,730
Amortization of contributions in aid of construction	-
Ending balance	<u>\$ 4,741,000</u>

NOTE 12 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024:

Governmental activities:	
Invested in capital assets	\$ 6,310,540
Accumulated depreciation	(3,753,179)
Outstanding capital related debt	(571,234)
	<u>\$ 1,986,127</u>
Business-type activities:	
Invested in capital assets	\$ 16,460,340
Accumulated depreciation	(3,587,795)
Outstanding capital related debt	(4,513,364)
Capital related deferred inflows - CIAC	(4,741,000)
	<u>\$ 3,618,181</u>

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2024, the Town had the following restricted net position and fund balances:

Nonmajor special revenue funds (Schedule E):	
D.A.R.E.	\$ 5,700
CDBG fund	458
TIF	120,477
Homeland security grant	11,774
Pass through LAMB grant	400,000
Permanent funds (Schedule I):	
Haines corner cemetery	407
Richardson cemetery	410
Ministerial school fund	5,361
Library trust	36,934
	<u>\$ 581,521</u>

NOTE 14 - COMMITTED FUND BALANCES

At June 30, 2024, the Town had the following committed fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 7,569
Nonmajor capital projects funds (Schedule G)	283,857
	<u>\$ 291,426</u>

NOTE 15 - ASSIGNED FUND BALANCES

At June 30, 2024, the Town had the following assigned fund balances:

General fund:	
Summer recreation	\$ 6,592
Paving	225,294
Solid waste	73,000
Revaluation	15,000
	<u>\$ 319,886</u>

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFICIT NET POSITION AND FUND BALANCES

At June 30, 2024, the Town had the following deficit net position and fund balances:

Nonmajor capital projects funds:	
Transfer station	\$ 6,237
Enterprise fund:	
Sewer fund	\$ 767,310

NOTE 17 - OVERSPENT APPROPRIATIONS

At June 30, 2024, the Town had the following overspent appropriations:

General government	\$ 72,453
Administration	3,778
Health officer	151
Paving	43,361
Library	4,155
Grounds care	600
Recreation	40,028
General assistance	11,960
	<u>\$ 176,486</u>

NOTE 18 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and School District debt. As of June 30, 2024, the County of Androscoggin had no outstanding debt. The Town's share of school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU No. 73	\$ 5,870,195	25.38%	<u>\$ 1,489,855</u>

NOTE 19 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 19 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK
POOL (CONTINUED)

actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2024.

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a "claims made" form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

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

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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 19 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK
POOL (CONTINUED)

The Maine Department of Labor classifies MMA's UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on the Town's behalf only when the Town has unemployment claims from present or former employees.

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

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2024. 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 20 - DEFINED BENEFIT PENSION PLAN

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.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 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, 2023, there were 327 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 3.88%.

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 AN plan members are required to contribute 6.9% of their annual covered salary. The Town is required to contribute at an actuarially determined rate. The current rate is 8.9% for the AN 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, 2024 was \$64,281.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities

PLD Consolidated Plan

At June 30, 2024, the Town reported a liability of \$242,139 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was 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, 2023, the Town's proportion was 0.07588%, which was an increase of 0.01618% from its proportion measured as of June 30, 2022.

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

For the year ended June 30, 2024, the Town recognized total pension expense of \$40,226 for the PLD plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,953	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	41,090
Changes in proportion and differences between contributions and proportionate share of contributions	30,106	-
Contributions subsequent to the measurement date	64,281	-
Total	<u>\$ 139,340</u>	<u>\$ 41,090</u>

\$64,281 for the PLD plan was 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan
Plan year ended June 30:	
2024	\$ 12,346
2025	(21,963)
2026	41,676
2027	1,910
2028	-
Thereafter	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

Investment Rate of Return - 6.50% per annum for the years ended June 30, 2023 and 2022, compounded annually.

Salary Increases, Merit and Inflation - 2.75% to 11.48% per year

Mortality Rates - For the 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 - 1.91%

The long-term expected rate of return on pension plan investments 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 estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2023 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%	2.6%
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%	5.0%

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the collective total pension liability/(asset) was 6.50% for 2023 for the Plan. 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 the Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ 663,478	\$ 242,139	\$ (105,432)

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, 2023 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, 2023 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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

resources or deferred inflows of resource. For 2023 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.

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, 2023 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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2023 Annual Comprehensive Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

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

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

Town employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS)), a cost-sharing multiple-employer defined benefit 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 Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2023, there were 146 employers participating in the plan. 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.maineopers.org or by contacting the System at (207) 512-3100.

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' Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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. PLD employers are required to remit a premium of \$0.48 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.48 per \$1,000 of coverage per month during the post-employment retired period. The Town's contribution to the Plan for the year ended June 30, 2024 was \$0.

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

At June 30, 2024, the Town reported a liability of \$19,757 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2023 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liabilities were based on a projection of the Town's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2023, the Town's proportion was 0.14480%, which was a decrease of 0.01981% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized net OPEB revenue of \$1,376. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PLD Life Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 351	\$ 155
Changes of assumptions	966	4,366
Net difference between projected and actual earnings on OPEB plan investments	636	-
Changes in proportion and differences between contributions and proportionate share of contributions	467	3,890
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 2,420</u>	<u>\$ 8,411</u>

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

\$0 was reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>PLD Life Insurance</u>	
Plan year ended June 30:		
2024	\$	(2,067)
2025		(2,696)
2026		375
2027		(903)
2028		(699)
Thereafter		-

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2023, 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 employee is the product of his or her pay and his or her 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.

Asset Valuation Method

Investments are reported at fair value.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2023, there were 7 years remaining for the Plan.

The actuarial assumptions used in the June 30, 2023 actuarial valuation was based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

Investment Rate of Return - For the PLD Plan, 6.50% per annum, compounded annually.

Inflation Rate - 2.75%

Annual Salary Increases including Inflation - For the PLD Plan, 2.75% to 11.48% per year.

Mortality Rates - For active members and non-disabled retirees of the Plan, the 2010 Public Plan General Benefits - Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model is used.

Participation Rate for Future Retirees - 100% of those currently enrolled.

Conversion Charges - Apply to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	15.00%	3.20%
US Government securities	10.00%	2.30%
Total	100.00%	

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.50% for 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability as of June 30, 2023 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 the PLD Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net OPEB benefits liability	\$ 27,403	\$ 19,757	\$ 13,611

Changes in Net OPEB Liability

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2023 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors 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.

Differences between Projected and Actual Investment 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.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic 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 first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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 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. 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. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2023.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2023 Annual Comprehensive Financial Report available online at www.mainePers.org or by contacting the System at (207) 512-3100.

NOTE 22 - COMPONENT UNIT

The Town of Livermore Falls, Maine has shown the following component unit separately in the financial statements:

The Livermore Falls Sewer Treatment Plant was created through an interlocal agreement between the Towns of Livermore Falls and Jay, Maine for the purpose of constructing, operating and maintaining sewerage treatment facilities. A joint committee, comprised of three residents from each municipality, is responsible for the administration of the interlocal agreement. Together, both towns are obligated by contract to fund a reserve account to cover the cost of major repairs or replacements at the facilities. As of the fiscal year ended June 30, 2024, the most recent information available, the balance in the reserve account was \$430,901. Operating, maintenance and administrative costs for the sewerage treatment plant and disposal facilities are prorated between the towns based on metered volume of flow.

The sewer treatment plant's audited financial statements are available at Livermore Falls Sewerage Treatment Plant, 2 Main Street, Livermore Falls, Maine 04254.

NOTE 23 - TAX INCREMENT FINANCING DISTRICT

Tax Increment Financing District

The Town has established a tax increment financing district in accordance with Maine statutes to finance economic development programs located in the Town of Livermore Falls, Maine. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the town's 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.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 23 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

Omnibus Development Municipal Tax Increment Financing District and Development Program

On March 21, 2014, the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy. The area of the District is approximately 125 acres. The potential projects that will be implemented under this Development Program include infrastructure improvements, environmental improvements and planning and administrative expenses associated with the development effort. The original assessed value of the property is \$7,358,840. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$8,600,000 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$3,200,000. The Development Program provides for 100% of the increase in assessed value of the District to be captured and designated as captured assessed value for 30 years. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 20 years or the remainder of the term of the District designation, whichever is less. No more than 60% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Selectboard shall determine, in its discretion, whether it is necessary or appropriate to enter any Credit Enhancement Agreement to grant these abatements. The state law does not provide for the recapture of abated taxes in the event an abatement recipient does not fill the commitment it makes in return for the tax abatement. The Town reserves the right to incur indebtedness to finance, in part or in whole, the projects within the Development Program. Any projects financed through municipal bonded indebtedness must be completed by March 31, 2044.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 24 - 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 25 - INTERLOCAL AGREEMENT

On May 1, 2021, the Town of Livermore Falls, Maine entered into a Sewer Supervisory Services Agreement with the Town of Jay, Maine which provides Sewer Supervisory Services by Jay's Sewer Superintendent to both the Town of Livermore Falls Sewer Department and the Livermore Falls Sewerage Treatment Plant. Jay's Sewer Superintendent provides these services as an independent contractor to the Town of Livermore Falls, Maine and remains an employee of the Town of Jay, Maine. The terms of this agreement were for one year with an automatic renewal for additional one-year terms unless terminated in writing. The Town of Livermore Falls and the Livermore Falls Sewerage Treatment Plant proportionately pay monthly fees to the Town of Jay, Maine which are calculated for the prior months' labor costs for services provided, including employment costs or expenses and any additional cost of insurance required per the terms of the agreement.

NOTE 26 - RESTATEMENTS

In 2024, the Town determined that certain transactions in prior years had been recorded incorrectly or omitted, therefore, restatements to the 2024 beginning government-wide and fund financial statements were required. The beginning general fund balance and governmental activities net position were restated to correct various balance sheet accounts. The business-type activities net position was restated for capital assets and short-term debt in the sewer fund. The wastewater treatment upgrade beginning net position was restated for capital assets and contributions in aid of construction. The component unit was restated for capital asset corrections.

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 26 - RESTATEMENTS (CONTINUED)

	6/30/23 As Previously Reported	Net Position/ Fund Balance Corrections	6/30/23 As Restated
Governmental Activities	\$ 5,798,166	\$ 7,601	\$ 5,805,767
Business-Type Activities	6,505,833	(3,549,122)	2,956,711
Component Unit	4,829,245	(331,833)	4,497,412
	<u>\$ 17,133,244</u>	<u>\$ (3,873,354)</u>	<u>\$ 13,259,890</u>
Major Fund:			
General Fund	\$ 3,041,109	\$ 7,601	\$ 3,048,710
Other Governmental Funds	842,712	-	842,712
	<u>\$ 3,883,821</u>	<u>\$ 7,601</u>	<u>\$ 3,891,422</u>
Enterprise Funds:			
Sewer Fund	\$ 970,548	\$ (1,962,852)	\$ (992,304)
Wastewater Treatment Upgrade	5,535,285	(1,586,270)	3,949,015
	<u>\$ 6,505,833</u>	<u>\$ (3,549,122)</u>	<u>\$ 2,956,711</u>

NOTE 27 - SUBSEQUENT EVENT

On October 18, 2024, the Town issued a General Obligation Bond with Maine Municipal Bond Bank through the Clean Water State Revolving Fund in the amount of \$620,000 for the wastewater treatment facility upgrades project. This bond converted the short-term financing of \$1,650,000 and received principal forgiveness at closing of \$1,030,000. This loan has an interest rate of 1.83% with a maturity date of October 1, 2044.

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the Net OPEB Liability
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

TOWN OF LIVERMORE FALLS, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, As Restated	\$ 3,048,710	\$ 3,048,710	\$ 3,048,710	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	3,854,085	3,854,085	3,849,508	(4,577)
Excise taxes	421,200	421,200	431,463	10,263
Intergovernmental revenues	1,095,013	1,095,013	1,143,889	48,876
Charges for services	43,750	43,750	140,122	96,372
Investment income	-	-	81,020	81,020
Miscellaneous revenues	65,789	65,789	116,692	50,903
Amounts Available for Appropriation	<u>8,528,547</u>	<u>8,528,547</u>	<u>8,811,404</u>	<u>282,857</u>
Charges to Appropriations (Outflows)				
General government	471,378	471,378	531,118	(59,740)
Public safety	1,256,163	1,256,163	1,064,446	191,717
Public works	700,200	700,200	716,974	(16,774)
Transfer station	180,185	180,185	166,558	13,627
Buildings	103,455	103,455	85,193	18,262
Library	113,959	113,959	118,114	(4,155)
Grounds care	3,900	3,900	4,500	(600)
Recreation	14,615	14,615	54,643	(40,028)
General assistance	9,353	9,353	21,313	(11,960)
Education	2,378,619	2,378,619	2,294,568	84,051
County tax	255,645	255,645	255,645	-
Insurance	118,000	118,000	95,093	22,907
Other	89,290	89,290	55,402	33,888
Debt service:				
Principal	15,544	15,544	15,544	-
Interest	39,031	39,031	19,031	20,000
Transfers to other funds	130,500	130,500	130,500	-
Total Charges to Appropriations (Outflows)	<u>5,879,837</u>	<u>5,879,837</u>	<u>5,628,642</u>	<u>251,195</u>
Budgetary Fund Balance, June 30	<u>\$ 2,648,710</u>	<u>\$ 2,648,710</u>	<u>\$ 3,182,762</u>	<u>\$ 534,052</u>
Utilization of unassigned fund balance	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ (400,000)</u>

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

TOWN OF LIVERMORE FALLS, MAINE

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>										
Proportion of the net pension liability/(asset)	0.08%	0.06%	0.06%	0.06%	0.07%	0.07%	0.06%	0.07%	0.07%	0.06%
Proportionate share of the net pension liability	\$ 242,139	\$ 158,712	\$ (18,998)	\$ 236,401	\$ 208,151	\$ 181,380	\$ 255,210	\$ 382,277	\$ 207,617	\$ 87,571
Covered payroll	\$ 652,340	\$ 554,782	\$ 491,472	\$ 519,371	\$ 570,179	\$ 795,757	\$ 495,161	\$ 607,892	\$ 640,937	\$ 545,672
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	37.12%	28.61%	-3.87%	45.52%	36.51%	22.79%	51.54%	62.89%	32.39%	16.05%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	92.34%	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.

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

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>										
Contractually required contribution	\$ 64,281	\$ 59,310	\$ 46,049	\$ 37,131	\$ 38,368	\$ 41,861	\$ 34,705	\$ 31,810	\$ 34,175	\$ 5,849
Contributions in relation to the contractually required contribution	<u>(64,281)</u>	<u>(59,310)</u>	<u>(46,049)</u>	<u>(37,131)</u>	<u>(38,368)</u>	<u>(41,861)</u>	<u>(34,705)</u>	<u>(31,810)</u>	<u>(34,175)</u>	<u>(5,849)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 774,263	\$ 652,340	\$ 554,782	\$ 491,472	\$ 519,371	\$ 570,179	\$ 795,757	\$ 495,161	\$ 607,892	\$ 640,937
Contributions as a percentage of covered payroll	8.30%	9.09%	8.30%	7.56%	7.39%	7.34%	4.36%	6.42%	5.62%	0.91%

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

TOWN OF LIVERMORE FALLS, MAINE

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

	2024	2023	2022	2021	2020	2019	2018
<u>PLD Life Insurance:</u>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 774,263	\$ 652,340	\$ 554,782	\$ 491,472	\$ 519,371	\$ 570,179	\$ 795,757
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.

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

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
<u>PLD Life Insurance:</u>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 774,263	\$ 652,340	\$ 554,782	\$ 491,472	\$ 519,371	\$ 570,179	\$ 795,757	\$ 495,161
Contributions as a percentage of covered payroll	0.00%	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.

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

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Changes in Assumptions

MEPERS Pension Plan:

There were no changes of assumptions.

MEPERS OPEB Plan:

There were no changes to assumptions.

Other Supplementary Information

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

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

TOWN OF LIVERMORE FALLS, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 3,854,085	\$ 3,854,085	\$ 3,849,508	\$ (4,577)
Vehicle excise taxes	420,000	420,000	430,141	10,141
Boat excise taxes	1,200	1,200	1,322	122
Intergovernmental revenues:				
State revenue sharing	803,000	803,000	834,241	31,241
Homestead exemption	215,795	215,795	215,795	-
Veteran's exemption	-	-	2,103	2,103
Tree growth	-	-	5,879	5,879
BETE reimbursement	76,218	76,218	76,270	52
General assistance	-	-	9,376	9,376
Other	-	-	225	225
Charges for services:				
Admin fees	12,000	12,000	14,332	2,332
Clerk fees	25,750	25,750	3,615	(22,135)
Vital stats	6,000	6,000	4,249	(1,751)
Police department	-	-	48,538	48,538
Fire department	-	-	14,197	14,197
Code enforcement	-	-	12,538	12,538
Public works	-	-	489	489
Recreation	-	-	28,267	28,267
Municipal solid waste	-	-	13,897	13,897
Investment income:				
Investment income, net of unrealized gains/(losses)	-	-	81,020	81,020
Misc. other income:				
Interest/fees on taxes	-	-	46,467	46,467
Misc. income	65,789	65,789	70,225	4,436
TOTAL REVENUES	\$ 5,479,837	\$ 5,479,837	\$ 5,762,694	\$ 282,857

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

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expended	Variance Positive (Negative)
General Government -					
General government	\$ 46,343	\$ -	\$ 46,343	\$ 118,796	\$ (72,453)
Administration	361,800	-	361,800	365,578	(3,778)
Assessing	28,000	-	28,000	20,813	7,187
Health officer	1,292	-	1,292	1,443	(151)
Code enforcement	30,143	-	30,143	20,642	9,501
MMA dues	3,800	-	3,800	3,846	(46)
Subtotal General Government	<u>471,378</u>	<u>-</u>	<u>471,378</u>	<u>531,118</u>	<u>(59,740)</u>
Public Safety -					
Police	690,920	-	690,920	534,716	156,204
Fire	152,955	-	152,955	144,158	8,797
Andro County dispatch	46,207	-	46,207	41,176	5,031
Ambulance	38,412	-	38,412	35,351	3,061
Animal control	14,000	-	14,000	13,526	474
Street lights	57,800	-	57,800	39,650	18,150
Hydrant rental	255,869	-	255,869	255,869	-
Subtotal Public Safety	<u>1,256,163</u>	<u>-</u>	<u>1,256,163</u>	<u>1,064,446</u>	<u>191,717</u>
Public Works -					
Highway	580,200	-	580,200	553,613	26,587
Paving	120,000	-	120,000	163,361	(43,361)
Subtotal Public Works	<u>700,200</u>	<u>-</u>	<u>700,200</u>	<u>716,974</u>	<u>(16,774)</u>
Transfer Station	<u>180,185</u>	<u>-</u>	<u>180,185</u>	<u>166,558</u>	<u>13,627</u>
Buildings	<u>103,455</u>	<u>-</u>	<u>103,455</u>	<u>85,193</u>	<u>18,262</u>
Library	<u>113,959</u>	<u>-</u>	<u>113,959</u>	<u>118,114</u>	<u>(4,155)</u>
Grounds Care	<u>3,900</u>	<u>-</u>	<u>3,900</u>	<u>4,500</u>	<u>(600)</u>
Recreation	<u>14,615</u>	<u>-</u>	<u>14,615</u>	<u>54,643</u>	<u>(40,028)</u>

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expended	Variance Positive (Negative)
General Assistance	9,353	-	9,353	21,313	(11,960)
Education	2,378,619	-	2,378,619	2,294,568	84,051
County Tax	255,645	-	255,645	255,645	-
Insurance	118,000	-	118,000	95,093	22,907
Debt Service -					
Principal	15,544	-	15,544	15,544	-
Interest	39,031	-	39,031	19,031	20,000
Subtotal Debt Service	54,575	-	54,575	34,575	20,000
Other -					
Overlay	27,830	-	27,830	12,666	15,164
Ministerial	1,000	-	1,000	1,000	-
AVCOG	3,500	-	3,500	3,523	(23)
Rural Community Action	1,500	-	1,500	1,500	-
Kennebec Humane Society	5,400	-	5,400	(13,875)	19,275
Chamber of Commerce	60	-	60	60	-
Town clock	1,000	-	1,000	1,030	(30)
Senior Plus	1,500	-	1,500	1,500	-
AYS Heat and Insurance	2,000	-	2,000	2,000	-
Spruce Mountain Ski Area	500	-	500	500	-
Contingency	45,000	-	45,000	45,498	(498)
Subtotal Other	89,290	-	89,290	55,402	33,888
Transfers to Other Funds -					
Reserves	130,500	-	130,500	130,500	-
Subtotal Transfers to Other Funds	130,500	-	130,500	130,500	-
Total Departmental Operations	\$ 5,879,837	\$ -	\$ 5,879,837	\$ 5,628,642	\$ 251,195

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

TOWN OF LIVERMORE FALLS, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,527	\$ 238,316	\$ 6,189	\$ 251,032
Note receivable	400,000	-	-	400,000
Due from other funds	241,940	94,213	36,934	373,087
TOTAL ASSETS	<u>\$ 648,467</u>	<u>\$ 332,529</u>	<u>\$ 43,123</u>	<u>\$ 1,024,119</u>
LIABILITIES				
Due to other funds	\$ 369	\$ 54,909	\$ 11	\$ 55,289
TOTAL LIABILITIES	<u>369</u>	<u>54,909</u>	<u>11</u>	<u>55,289</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred tax revenues	102,120	-	-	102,120
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>102,120</u>	<u>-</u>	<u>-</u>	<u>102,120</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	538,409	-	43,112	581,521
Committed	7,569	283,857	-	291,426
Assigned	-	-	-	-
Unassigned (deficits)	-	(6,237)	-	(6,237)
TOTAL FUND BALANCES	<u>545,978</u>	<u>277,620</u>	<u>43,112</u>	<u>866,710</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 648,467</u>	<u>\$ 332,529</u>	<u>\$ 43,123</u>	<u>\$ 1,024,119</u>

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

TOWN OF LIVERMORE FALLS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 160,923	\$ -	\$ -	\$ 160,923
Charges for services	-	-	17,894	17,894
Interest income	54	2,018	51	2,123
TOTAL REVENUES	<u>160,977</u>	<u>2,018</u>	<u>17,945</u>	<u>180,940</u>
EXPENDITURES				
Capital outlay	-	116,963	-	116,963
Other	160,923	-	9,556	170,479
TOTAL EXPENDITURES	<u>160,923</u>	<u>116,963</u>	<u>9,556</u>	<u>287,442</u>
NET CHANGE IN FUND BALANCES	54	15,555	8,389	23,998
FUND BALANCES - JULY 1	<u>545,924</u>	<u>262,065</u>	<u>34,723</u>	<u>842,712</u>
FUND BALANCES - JUNE 30	<u>\$ 545,978</u>	<u>\$ 277,620</u>	<u>\$ 43,112</u>	<u>\$ 866,710</u>

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 fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF LIVERMORE FALLS, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2024

	D.A.R.E.	CDBG Fund	TIF	Homeland Security Grant	Dangerous Buildings	Pass Through LAMB Grant	ARPA	Total
ASSETS								
Cash and cash equivalents	\$ 6,069	\$ 458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,527
Note receivable	-	-	-	-	-	400,000	-	400,000
Due from other funds	-	-	120,477	11,774	7,569	-	102,120	241,940
TOTAL ASSETS	\$ 6,069	\$ 458	\$ 120,477	\$ 11,774	\$ 7,569	\$ 400,000	\$ 102,120	\$ 648,467
LIABILITIES								
Due to other funds	\$ 369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369
TOTAL LIABILITIES	369	-	-	-	-	-	-	369
DEFERRED INFLOWS OF RESOURCES								
Deferred revenues	-	-	-	-	-	-	102,120	102,120
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	102,120	102,120
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	5,700	458	120,477	11,774	-	400,000	-	538,409
Committed	-	-	-	-	7,569	-	-	7,569
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	5,700	458	120,477	11,774	7,569	400,000	-	545,978
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,069	\$ 458	\$ 120,477	\$ 11,774	\$ 7,569	\$ 400,000	\$ 102,120	\$ 648,467

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

TOWN OF LIVERMORE FALLS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUES FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	D.A.R.E.	CDBG Fund	TIF	Homeland Security Grant	Dangerous Buildings	Pass Through LAMB Grant	ARPA	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,923	\$ 160,923
Interest income	51	3	-	-	-	-	-	54
TOTAL REVENUES	<u>51</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,923</u>	<u>160,977</u>
EXPENDITURES								
Other	-	-	-	-	-	-	160,923	160,923
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,923</u>	<u>160,923</u>
NET CHANGE IN FUND BALANCES	51	3	-	-	-	-	-	54
FUND BALANCES - JULY 1	<u>5,649</u>	<u>455</u>	<u>120,477</u>	<u>11,774</u>	<u>7,569</u>	<u>400,000</u>	<u>-</u>	<u>545,924</u>
FUND BALANCES - JUNE 30	<u>\$ 5,700</u>	<u>\$ 458</u>	<u>\$ 120,477</u>	<u>\$ 11,774</u>	<u>\$ 7,569</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 545,978</u>

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 LIVERMORE FALLS, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	Highway Equipment	Skate Park	Mower	Town Clock	Police Cruiser	Capital Improvement Fund
ASSETS						
Cash and cash equivalents	\$ 60,494	\$ 1,922	\$ -	\$ 833	\$ 2,406	\$ 80,406
Due from other funds	-	-	303	59	5,172	15,704
TOTAL ASSETS	<u>\$ 60,494</u>	<u>\$ 1,922</u>	<u>\$ 303</u>	<u>\$ 892</u>	<u>\$ 7,578</u>	<u>\$ 96,110</u>
LIABILITIES						
Due to other funds	\$ 41,581	\$ 9	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>41,581</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	18,913	1,913	303	892	7,578	96,110
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>18,913</u>	<u>1,913</u>	<u>303</u>	<u>892</u>	<u>7,578</u>	<u>96,110</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 60,494</u>	<u>\$ 1,922</u>	<u>\$ 303</u>	<u>\$ 892</u>	<u>\$ 7,578</u>	<u>\$ 96,110</u>

TOWN OF LIVERMORE FALLS, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	Minni Luciano Youth Fund	Recreation Field Improvement	Transfer Station	Geneva Hodgkins Memorial Park	Fire Dept Air Packs	Substation	Total
ASSETS							
Cash and cash equivalents	\$ 4,830	\$ 20,003	\$ -	\$ -	\$ 67,422	\$ -	\$ 238,316
Due from other funds	-	-	-	156	69,819	3,000	94,213
TOTAL ASSETS	\$ 4,830	\$ 20,003	\$ -	\$ 156	\$ 137,241	\$ 3,000	\$ 332,529
LIABILITIES							
Due to other funds	\$ 23	\$ 7,059	\$ 6,237	\$ -	\$ -	\$ -	\$ 54,909
TOTAL LIABILITIES	23	7,059	6,237	-	-	-	54,909
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	4,807	12,944	-	156	137,241	3,000	283,857
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(6,237)	-	-	-	(6,237)
TOTAL FUND BALANCES (DEFICITS)	4,807	12,944	(6,237)	156	137,241	3,000	277,620
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 4,830	\$ 20,003	\$ -	\$ 156	\$ 137,241	\$ 3,000	\$ 332,529

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

TOWN OF LIVERMORE FALLS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Highway Equipment	Skate Park	Mower	Town Clock	Police Cruiser	Capital Improvement Fund
REVENUES						
Interest income	\$ 513	\$ 16	\$ -	\$ 7	\$ 20	\$ 681
TOTAL REVENUES	<u>513</u>	<u>16</u>	<u>-</u>	<u>7</u>	<u>20</u>	<u>681</u>
EXPENDITURES						
Capital outlay	82,282	-	6,697	-	-	10,247
TOTAL EXPENDITURES	<u>82,282</u>	<u>-</u>	<u>6,697</u>	<u>-</u>	<u>-</u>	<u>10,247</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(81,769)</u>	<u>16</u>	<u>(6,697)</u>	<u>7</u>	<u>20</u>	<u>(9,566)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	7,000	-	-	12,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(81,769)</u>	<u>16</u>	<u>303</u>	<u>7</u>	<u>20</u>	<u>2,434</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>100,682</u>	<u>1,897</u>	<u>-</u>	<u>885</u>	<u>7,558</u>	<u>93,676</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 18,913</u>	<u>\$ 1,913</u>	<u>\$ 303</u>	<u>\$ 892</u>	<u>\$ 7,578</u>	<u>\$ 96,110</u>

TOWN OF LIVERMORE FALLS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Minni Luciano Youth Fund	Recreation Field Improvement	Transfer Station	Geneva Hodgkins Memorial Park	Fire Dept Air Packs	Substation	Total
REVENUES							
Interest income	\$ 41	\$ 169	\$ -	\$ -	\$ 571	\$ -	\$ 2,018
TOTAL REVENUES	<u>41</u>	<u>169</u>	<u>-</u>	<u>-</u>	<u>571</u>	<u>-</u>	<u>2,018</u>
EXPENDITURES							
Capital outlay	-	-	17,737	-	-	-	116,963
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>17,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,963</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>41</u>	<u>169</u>	<u>(17,737)</u>	<u>-</u>	<u>571</u>	<u>-</u>	<u>(114,945)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	11,500	-	100,000	-	130,500
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>11,500</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>130,500</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	41	169	(6,237)	-	100,571	-	15,555
FUND BALANCES (DEFICITS) - JULY 1	<u>4,766</u>	<u>12,775</u>	<u>-</u>	<u>156</u>	<u>36,670</u>	<u>3,000</u>	<u>262,065</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 4,807</u>	<u>\$ 12,944</u>	<u>\$ (6,237)</u>	<u>\$ 156</u>	<u>\$ 137,241</u>	<u>\$ 3,000</u>	<u>\$ 277,620</u>

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 Livermore Falls, 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 LIVERMORE FALLS, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS

JUNE 30, 2024

	Haines Corner Cemetery	Richardson Cemetery	Ministerial School Fund	Library Trust	Total
ASSETS					
Cash and cash equivalents	\$ 407	\$ 410	\$ 5,372	\$ -	\$ 6,189
Due from other funds	-	-	-	36,934	36,934
TOTAL ASSETS	<u>\$ 407</u>	<u>\$ 410</u>	<u>\$ 5,372</u>	<u>\$ 36,934</u>	<u>\$ 43,123</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 11	\$ -	\$ 11
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	407	410	5,361	36,934	43,112
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>407</u>	<u>410</u>	<u>5,361</u>	<u>36,934</u>	<u>43,112</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 407</u>	<u>\$ 410</u>	<u>\$ 5,372</u>	<u>\$ 36,934</u>	<u>\$ 43,123</u>

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

TOWN OF LIVERMORE FALLS, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Haines Corner Cemetery	Richardson Cemetery	Ministerial School Fund	Library Trust	Total
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 17,894	\$ 17,894
Interest income	3	3	45	-	51
TOTAL REVENUES	<u>3</u>	<u>3</u>	<u>45</u>	<u>17,894</u>	<u>17,945</u>
EXPENDITURES					
Other	-	-	-	9,556	9,556
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,556</u>	<u>9,556</u>
NET CHANGE IN FUND BALANCES	3	3	45	8,338	8,389
FUND BALANCES - JULY 1	<u>404</u>	<u>407</u>	<u>5,316</u>	<u>28,596</u>	<u>34,723</u>
FUND BALANCES - JUNE 30	<u>\$ 407</u>	<u>\$ 410</u>	<u>\$ 5,361</u>	<u>\$ 36,934</u>	<u>\$ 43,112</u>

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

General Capital Assets

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

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
Administration	\$ 32,200	\$ 362,200	\$ 25,400	\$ -	\$ 419,800
Dispatch	-	3,000	50,723	-	53,723
Public safety	21,500	857,348	1,136,454	-	2,015,302
Public works	23,200	88,631	1,430,162	1,427,879	2,969,872
Library	19,600	304,826	-	-	324,426
Parks and recreation	50,000	-	-	-	50,000
Sewer	12,579,158	1,398,500	1,563,703	918,979	16,460,340
Transfer station	114,800	24,200	77,737	85,517	302,254
Town wide	138,217	25,000	11,946	-	175,163
Total General Capital Assets	12,978,675	3,063,705	4,296,125	2,432,375	22,770,880
Less: Accumulated Depreciation	-	(2,399,377)	(3,569,275)	(1,372,322)	(7,340,974)
Net General Capital Assets	\$ 12,978,675	\$ 664,328	\$ 726,850	\$ 1,060,053	\$ 15,429,906

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

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23 (Restated)	Additions	Deletions	General Capital Assets 6/30/24
Administration	\$ 419,800	\$ -	\$ -	\$ 419,800
Dispatch	53,723	-	-	53,723
Public safety	1,926,367	88,935	-	2,015,302
Public works	2,655,716	314,156	-	2,969,872
Library	324,426	-	-	324,426
Parks and recreation	50,000	-	-	50,000
Sewer	12,787,395	3,672,945	-	16,460,340
Transfer station	284,517	17,737	-	302,254
Town wide	175,163	-	-	175,163
Total General Capital Assets	18,677,107	4,093,773	-	22,770,880
Less: Accumulated Depreciation	(7,068,082)	(272,892)	-	(7,340,974)
Net General Capital Assets	<u>\$ 11,609,025</u>	<u>\$ 3,820,881</u>	<u>\$ -</u>	<u>\$ 15,429,906</u>

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 LIVERMORE FALLS, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal ALN	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture Passed-through the State of Maine Department of Environmental Protection:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 1,355,773	\$ -
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	<u>3,864,796</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>5,220,569</u>	<u>-</u>
U.S. Department of Environmental Protection Agency Passed-through the State of Maine Department of Environmental Protection:				
Congressionally Mandated Projects	66.202	N/A	<u>1,700,000</u>	<u>-</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	C230094-06	<u>1,489</u>	<u>-</u>
Total U.S. Department of Environmental Protection Agency			<u>1,701,489</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 6,922,058</u></u>	<u><u>\$ -</u></u>

TOWN OF LIVERMORE FALLS, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Livermore Falls, Maine under programs of the federal government for the year ended June 30, 2024. 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 Livermore Falls, Maine it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Livermore Falls, 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 Livermore Falls, Maine has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Expenditures to Subrecipients

Town of Livermore Falls did not subgrant any federal awards during the fiscal year ended June 30, 2024.



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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

Selectboard
Town of Livermore Falls
Livermore Falls, 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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Livermore Falls, Maine, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Livermore Falls, Maine's basic financial statements and have issued our report thereon dated April 8, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Livermore Falls, Maine's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Livermore Falls, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization'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.

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Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Livermore Falls, 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 financial statements. 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*.

Additionally, as part of obtaining reasonable assurance about whether the Town of Livermore Falls, Maine's financial statements are free of material misstatement, we considered the Town of Livermore Falls, Maine's internal controls. We did this for the purpose of determining our auditing procedures but not for the purpose of expressing an opinion on the effectiveness of the Town of Livermore Falls, Maine's internal control over financial reporting or compliance. We provided a separate letter reporting the results of our consideration of internal control to the management of the Town of Livermore Falls, Maine dated April 8, 2026.

Town of Livermore Falls, Maine's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Livermore Falls, Maine's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Livermore Falls, Maine's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
April 8, 2026



Proven Expertise & Integrity

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

Selectboard
Town of Livermore Falls
Livermore Falls, Maine

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited the Town of Livermore Falls, Maine's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Livermore Falls, Maine's major federal programs for the year ended June 30, 2024. Town of Livermore Falls, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Water and Waste Disposal Systems for Rural Communities (10.760) and Congressionally Mandated Projects (66.202)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, the Town of Livermore Falls, Maine complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Water and Waste Disposal Systems for Rural Communities (10.760) and Congressionally Mandated Projects (66.202) for the year ended June 30, 2024.

Basis for Qualified Opinions

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.

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We are required to be independent of the Town of Livermore Falls, 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 the Town of Livermore Falls, Maine's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Water and Waste Disposal Systems for Rural Communities (10.760) Congressionally Mandated Projects (66.202)

As described in the accompanying schedule of findings and questioned costs, the Town of Livermore Falls, Maine did not comply with requirements regarding 2024-002 for Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the Town of Livermore Falls, Maine to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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 the Town of Livermore Falls, Maine's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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 the Town of Livermore Falls, 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 for 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 the Town of Livermore Falls, 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 the Town of Livermore Falls, 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 the Town of Livermore Falls, 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 the Town of Livermore Falls, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Town of Livermore Falls's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Town of Livermore Falls's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs (2024-002) to be a material weakness. 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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Livermore Falls, Maine's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town of Livermore Falls, Maine's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

RHR Smith & Company

Buxton, Maine
April 8, 2026

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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? X yes 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? X yes no
- Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR section 200.516(a)? X yes no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
66.202	Congressionally Mandated Projects

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

Auditee qualified as low-risk auditee? yes X no

TOWN OF LIVERMORE FALLS, MAINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

MATERIAL WEAKNESSES

2024-001 - Material Audit Adjustments:

Criteria: As part of the audit process, the auditors use and rely on reports provided by management to prepare the financial statements. When the auditors prepare the financial statements, management must take responsibility for the financial statements and the records used to prepare them. If it is likely that misstatements may occur in the records and go undetected by management, and these misstatements are more than inconsequential, a significant deficiency exists in the entity's control system.

Condition: Our audit procedures detected significant misstatements and we provided audit entries to correct these misstatements.

Cause: During our audit, we identified material amounts that were not posted correctly or not posted at all and therefore, adjusting entries were required.

Effect: If the Town's accounting records are not materially correct, the Town could rely on incomplete or incorrect information. In addition, the likelihood that a significant error will not be detected or corrected in a timely manner is increased.

Identification of Questioned Costs: None identified.

Context: During the audit of the financial records, there were significant misstatements identified requiring adjusting entries.

Repeat Finding: This is a repeat finding of 2022-002 and 2023-002.

Recommendation: The Town should conduct a thorough review of its balances after the fiscal year end and before the audit commences. The Town should reconcile such items as interfund transfers, the pooled cash system, debt service payments, debt service proceeds, grant balances and all balance sheet accounts.

Views of Responsible Officials and Corrective Action Plan: Client agrees with finding and a version of their response can be found in the Corrective Action Plan. Please see the Corrective Action Plan issued by the Town of Livermore Falls.

TOWN OF LIVERMORE FALLS, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section III - Findings and Questioned Costs for Federal Awards

MATERIAL WEAKNESSES

2024-002 - Allowable Costs/Cost Principles

Federal Program Information:

ALN - 10.760 - Water and Waste Disposal Systems for Rural Communities

ALN - 66.202 - Congressionally Mandated Projects

Criteria: The following CFR(s) apply to this finding: 2 CRF 200.303

Condition: During audit procedures, it was identified that the Town does not have invoices and board warrants approved before issuing checks.

Cause: The Town does not have the necessary internal controls over compliance.

Effect: Expenses may not be properly allocated to the grant; this could result in unallowable expenses being charged and subsequently improperly reimbursed by federal funds

Identification of Questioned Costs: None identified.

Context: The sample selection consisted of 11 out of 34 transactions. Of the 11 samples, 2 did not have consistent documented approvals from the Town Manager to ensure that only allowable costs were being charged to the program and 4 out of 11 were lacking Select Board approvals.

Repeat Finding: This is a repeat finding of 2022-003 and 2023-003

Recommendation: It is recommended that the Town develop and implement policies and procedures for documented approval process to ensure that only allowable costs are charged to the program.

Views of Responsible Officials and Corrective Action Plan: Client agrees with finding and a version of their response can be found in the Corrective Action Plan. Please see the Corrective Action Plan issued by the Town of Livermore Falls.



Town of Livermore Falls

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Town of Livermore Falls

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2024

Financial Statement Findings

MATERIAL WEAKNESS

2023-001- Cash Account Reconciliations

Status: The corrective action was taken, and this finding is considered closed.

2023-002 – Material Audit Adjustments

Reason for Recurrence: The current town manager was hired by the Select Board on August 14, 2023, and had no knowledge of this material weakness. She is an experienced manager that has implemented training for clerks, the treasurer and the Select Board. She has corrected items.

Corrective Action Taken: Manager has contracted with RHR Smith to provide training and on journal entries. Additionally, the town has implemented effective on July 1, 2024, a new chart of accounts using the Maine Model Chart of Accounts for Municipal and County Budgets. RHR Smith facilitated the transition to the new chart of accounts.

Anticipated Completion Date: On-going training on journal entries and adjustments through Fiscal Year 2025 and 2026 The new chart of accounts is in effect and use as of July 1, 2024.

Findings and Questioned Costs for Federal Awards

MATERIAL WEAKNESS

2023-003 Allowable Cost/Cost Principles

Federal Program Information:
ALN - 10.760 - Water and Waste Disposal Systems for Rural Communities

Town of Livermore Falls

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Reason for Recurrence: The warrant was not signed by three or more select board members, was filed and checks released as an oversight. This was brought to the town's attention in the fall of 2024.

Corrective Action Taken: The Treasurer notifies board members when a warrant is completed and ready for review. Board members review and sign warrants either before or at the next regular meeting. The Treasurer verifies at least three signatures are present before releasing the checks.

Views of Responsible Officials and Corrective Action Plan: Treasurer, town manager, and select board all have responsibility for implementing and adhering to this action plan.

Anticipated Completion Date: This corrective action has been implemented as of January 2025.

SIGNIFICANT DEFICIENCY

2023-004 Procurement, Suspension & Debarment

Federal Program Information:

ALN - 10.760 - Water and Waste Disposal Systems for Rural Communities

Status: The corrective action was taken, and this finding is considered closed.

MATERIAL WEAKNESS

2023-005 Allowable Cost/Cost Principles

Federal Program Information:

ALN – 66.458 – Clean Water State Revolving Funds

Contact Person Responsible for Corrective Action: Carrie Castonguay, Town Manager

Corrective Action: The Treasurer, Town Manager and Select Board will take the following actions to address finding 2023-003

Town of Livermore Falls

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The prior Town Manager processed pay requisitions herself and approved disbursements without select board approval or signatures. There was one instance of checks being distributed with only two select board signatures, but has been addressed between the treasurer and town manager.

The current Town Manager was appointed by the Select Board on August 14, 2023, and had no knowledge of this material weakness. She is an experienced Manager that has implemented training for the Treasurer and the Select Board. She has implemented a process of having the Treasurer complete a warrant each week. The Select Board meets bi-monthly and the Town Manager has the Select Board review and approve all warrants as a regular action item in their meeting.

Additionally, Department Heads are required to turn in no later than Thursday by 9 am, invoices to be paid on that week's warrant. The Treasurer has been given authority by the Town Manager to contact Department Heads and request that they come to the office weekly to turn in invoices. All invoices must have the appropriate expense code and be signed by the Department Head.

Anticipated Completion Date: This corrective action has been implemented as of October 2025.

SIGNIFICANT DEFICIENCY

2023-006 Cash Management

Federal Program Information:
ALN – 66.458 – Clean Water State Revolving Funds

Status: The corrective action was taken, and this finding is considered closed.

2023-007 Procurement, Suspension & Debarment

Federal Program Information:
ALN – 66.458 – Clean Water State Revolving Funds

Status: The corrective action was taken, and this finding is considered closed.



Town of Livermore Falls

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CORRECTIVE ACTION PLAN (Concerning Finding 2024-001)

Contact Person Responsible for Corrective Action: Carrie Castonguay, Town Manager

Corrective Action: The Treasurer and Town Manager will take the following actions to address finding 2022-001

The current Town Manager was appointed by the Select Board on August 14, 2023, and had no knowledge of this material weakness. She is an experienced Manager that has implemented training for clerks, the Treasurer, and the Select Board.

RHR Smith has been contracted and has completed bank reconciliations through June 2024. The Town's Treasurer has received training on bank reconciliation using manual formats from RHR Smith personnel and will be trained on using TRIO to do the same. The town has contracted with RHR Smith for training support for the Treasurer, Tax Collector and Town Manager. Completion of this plan is dependent upon the intermittent availability of the limited RHR Smith staff.

Anticipated Completion Date: On-going through Fiscal Year 2027.



Town of Livermore Falls

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CORRECTIVE ACTION PLAN (Concerning Finding 2024-002)

Contact Person Responsible for Corrective Action: Carrie Castonguay, Town Manager

Corrective Action: The Treasurer and Town Manager will take the following actions to address finding 2023-002

The current Town Manager was appointed by the Select Board on August 14, 2023, and had no knowledge of this material weakness. She is an experienced Manager that has implemented training for clerks, the Treasurer, and the Select Board. She has corrected items such as abatements being posted to a revenue account and LRAP funds being posted to an expense account.

The prior Town Manager processed pay requisitions herself and approved disbursements without select board approval or signatures. There was one instance of checks being distributed with only two select board signatures, but has been addressed between the treasurer and town manager.

Additionally, Department Heads are required to turn in no later than Thursday by 9 am, invoices to be paid on that week's warrant. The Treasurer has been given authority by the Town Manager to contact Department Heads and request that they come to the office weekly to turn in invoices. All invoices must have the appropriate expense code and be signed by the Department Head.

RHR Smith has been contracted to provide training with the Town's Treasurer on using TRIO for journal entries from RHR Smith personnel. Additionally, the Town has implemented on July 1, 2025, a new chart of accounts using the Maine Model Chart of Accounts for Municipal and County Budgets. RHE Smith facilitated the transition to the new chart of accounts.

Anticipated Completion Date: On-going training on journal entries and adjustments through Fiscal Year 2027 as the town is reliant on the intermittent availability of RHR Smith staff for training purposes. The new chart of account is in use as of July 1, 2024.