

NASHVILLE PLANTATION, MAINE

FINANCIAL STATEMENTS

JUNE 30, 2022

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Chester M. Kearney

Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Selectmen of
Nashville Plantation, Maine

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Nashville Plantation, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Nashville Plantation, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of Nashville Plantation, Maine, as of June 30, 2022, and the respective changes in financial position 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. 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 Nashville Plantation, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nashville Plantation, 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 the 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 generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 control 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 Nashville Plantation, 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 substantial doubt about Nashville Plantation, 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 budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nashville Plantation, Maine's basic financial statements. The accompanying supplementary information on pages 19 through 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by the Maine School Finance Act

In accordance with the Maine School Finance Act, we have also issued our report dated August 22, 2022 on our consideration of Nashville Plantation, Maine's compliance with the requirements of the Maine School Finance Act. The purpose of that report is solely to describe the scope of our testing of compliance with the Maine School Finance Act and the results of that testing, and not to provide an opinion on the effectiveness of Nashville Plantation, Maine's internal control over financial reporting or on compliance.

Chester M. Kearney

Presque Isle, Maine
August 22, 2022

BASIC FINANCIAL STATEMENTS

NASHVILLE PLANTATION, MAINE

STATEMENT OF NET POSITION

JUNE 30, 2022

	Primary Government Governmental Activities
ASSETS	
Current Assets	
Cash and equivalents	228,672
Total Current Assets	<u>228,672</u>
Non-Current Assets	
Investments	1,164,874
Capital assets, net of accumulated depreciation	8,195
Total Non-Current Assets	<u>1,173,069</u>
TOTAL ASSETS	<u>1,401,741</u>
LIABILITIES	
Accounts payable	30,421
Due to other governments	40
Total liabilities	<u>30,461</u>
NET POSITION	
Invested in capital assets	8,195
Restricted for:	
Education	1,254
ARPA	4,438
Septic grant funds	2,012
Unrestricted	<u>1,355,381</u>
Total net position	<u><u>1,371,280</u></u>

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

NASHVILLE PLANTATION, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Capital</u>	<u>Net (expense) Revenues</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Grants and</u>	<u>and Changes in Net Position</u>
<u>Primary Government:</u>		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Primary Government</u>
<u>Governmental activities:</u>			<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
Education	66,889		7,634		(59,255)
County tax	76,334				(76,334)
Administration	26,669		4,438		(22,231)
Ambulance service	3,762				(3,762)
Fire protection	1,247				(1,247)
Police protection	4,614				(4,614)
Solid waste disposal	9,928				(9,928)
L.U.R.C.	9,585				(9,585)
Town roads	100		236		136
Ashland recreation	1,661				(1,661)
Outside agencies	2,181				(2,181)
Septic grant	16,374			17,240	866
Total governmental activities	<u>219,344</u>	<u>-</u>	<u>12,308</u>	<u>17,240</u>	<u>(189,796)</u>
<u>General revenues:</u>					
Property taxes					49,337
Excise taxes					18,257
State assistance					113,660
Interest and investment income					14,627
Other revenues					11,397
Unrealized loss on investments					(30,853)
Total general revenues					<u>176,425</u>
Change in net assets					(13,371)
Net Position - beginning of year					<u>1,384,651</u>
Net Position - end of year					<u>1,371,280</u>

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

NASHVILLE PLANTATION, MAINE

BALANCE SHEET

GOVERNMENTAL FUNDS AND RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS		
Current Assets		
Cash	228,672	228,672
	<u>228,672</u>	<u>228,672</u>
Non-Current Assets		
Investments	1,164,874	1,164,874
	<u>1,164,874</u>	<u>1,164,874</u>
Total Assets	<u><u>1,393,546</u></u>	<u><u>1,393,546</u></u>
LIABILITIES		
Accounts payable	30,421	30,421
Due to other governments	40	40
Total Liabilities	<u>30,461</u>	<u>30,461</u>
FUND BALANCES		
Restricted:		
Education	1,254	1,254
ARPA	4,438	4,438
Septic grant funds	2,012	2,012
Assigned:		
Capital projects	6,025	6,025
Fire control	33,266	33,266
Town hall repairs	3,278	3,278
Unassigned	1,312,812	1,312,812
Total Fund Balance	<u>1,363,085</u>	<u>1,363,085</u>
	<u>1,393,546</u>	<u>1,393,546</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
TO THE STATEMENT OF NET POSITION

Fund Balance	1,363,085
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	8,195
Net position of government activities	<u>1,371,280</u>

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

NASHVILLE PLANTATION, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUND AND RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	GENERAL FUND
REVENUES	
Property taxes	49,337
State assistance	138,770
Other revenues	48,719
TOTAL REVENUES	236,826
EXPENDITURES	
Current	
Education	66,889
County tax	76,334
Administration	25,599
Ambulance service	3,762
Fire protection	1,247
Police protection	4,614
Solid waste disposal	9,928
L.U.R.C.	9,585
Town roads	100
Ashland recreation	1,661
Outside agencies	2,181
Septic grant	16,374
TOTAL EXPENDITURES	218,274
OTHER ITEMS	
Unrealized loss on investments	(30,853)
EXCESS OF EXPENDITURES OVER REVENUES	(12,301)
NET CHANGE IN FUND BALANCE	(12,301)
FUND BALANCE - JULY 1, 2021	1,375,386
FUND BALANCE - JUNE 30, 2022	1,363,085
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES	
NET CHANGE IN FUND BALANCE	(12,301)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation expense	(1,070)
Change in net position of governmental activities	(13,371)

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

NASHVILLE PLANTATION, MAINE
NOTES TO FINANCIAL STATEMENTS
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NASHVILLE PLANTATION, MAINE
NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Nashville Plantation, Maine, is incorporated under the laws of the State of Maine. The Plantation is a municipal corporation that operates under the Plantation meeting, and board of selectmen form of government. The accompanying financial statements present the activities of Nashville Plantation, Maine.

The financial statements of the Plantation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The financial statements of the Plantation consist of all funds of the Plantation and government entities that are considered to be controlled by or dependent on the Plantation. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Plantation has no entities that are controlled or dependent on the Plantation.

Basis of Presentation – Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information about the Plantation as a whole. These statements include the financial activities of the overall government, except the fiduciary activities. These statements distinguish between the governmental and business-type activities, if any, of the Plantation. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external users.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Plantation's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Plantation does not allocate indirect expenses to functions in the statement of activities. Program revenues include (a) fees, fines, and charges paid by those recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Separate financial statements are provided for governmental funds, propriety funds, if any, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Basis of Presentation – Government-Wide and Fund Financial Statements (cont'd.)

Fund financial statements provide information about the Plantation's funds including its fiduciary fund. Each individual fund is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate statements for each fund category – governmental, propriety, if any, and fiduciary, if any, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Plantation reports the following major governmental funds:

General Fund - To account for all financial resources except those required to be accounted for in another fund. The general fund is the Plantation's operating fund.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Plantation gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenues are recognized in the fiscal period for which the items have been levied. This policy is believed to be in conformity with the policy of other local governments in Maine. Property taxes and inter-governmental revenues and grants are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Measurement Focus and Basis of Accounting (cont'd.)

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, 2) operating or capital grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Deposits and Investments

Available cash is deposited in interest-bearing accounts to as great a degree as possible. These residual investments are classified for reporting purposes as cash. Earnings from these investments are reported by the applicable funds generating the investments. All deposits are carried at cost plus accrued interest.

The laws of the State of Maine under 30-A M.R.S.A. Sections 5706-5719 limit investment of municipal funds to investments described within that law. The law authorizes the Plantation to invest in various financial institutions insured by Federal Deposit Insurance Corporation and the National Credit Union Association.

Repurchase agreements are allowed to the extent secured by the obligations of the United States Government, as defined in Section 5712, Subsection 1, provided that the market value of the underlying obligation is equal to or greater than the amount of the municipality's investment and that the municipality's security interest is perfected.

Investments in mutual funds are limited to bonds and other direct obligations of the United States Government or repurchase agreements secured by bonds and other direct obligations of the United States Government.

For other securities, including the above-mentioned investment vehicles, minimum security quality grade requirements are mandated in conjunction with percentage limitations of reserve amounts or portfolio balances, depending upon the type of the applicable securities purchased.

Tax acquired property

The Plantation records all tax acquired property at the lesser of fair market value or the taxes due on the property at the time of foreclosure. As of June 30, 2022, the Plantation did not have any tax acquired property.

Cash and Cash Equivalents

Nashville Plantation considers all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased to be cash equivalents.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Receivables and Payables

All outstanding uncollected taxes are considered fully collectible by management of the Plantation. Thus, no reserve for uncollectable taxes has been established.

Property Taxes

Property taxes are levied as of April 1, 2021 and are used to finance the operations of the Plantation for the fiscal year beginning July 1, 2021. Taxes are committed for collection on November 2, 2021 and are due and payable on or before December 31, 2021. In accordance with Maine law, taxes not collected within 8 months following the date of commitment are secured by liens.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues. Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Plantation has the authority to foreclose on property eighteen months after the filing of the lien if the tax lien and associated costs remain unpaid.

Capital Assets

All purchased or constructed capital assets are reported at cost or estimated historical cost. Subsequently, purchased or constructed capital assets are reported at cost or estimated historical cost and donated fixed assets are recorded at their estimated fair value at the date of donation. Due to the Plantation's size, the Plantation is not required to report major general infrastructure assets retroactively. It is the Plantation's policy to report major general infrastructure assets prospectively. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Plantation as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of 2 years. These capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20
Equipment	5
Land and Office Improvements	15

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Equity

The Plantation follows Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). GASB 54 establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds and defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

Under the GASB #54 reporting format, fund balance is reported as follows:

- Non-spendable-Items that are either not in spendable form or legally or contractually required to remain intact.
- Restricted fund balance-Resources that have constraints imposed by creditors, grantors, contributors or laws and regulations of other governments; or amounts that have very stringent conditions imposed by external parties or law.
- Unrestricted fund balance-Has 3 components;
 - Committed fund balance-Amounts with internally imposed restrictions mandated by the government's highest level of decision making authority which require action from that authority to be redeployed. In the case of Nashville Plantation, this action requires a vote at a town meeting.
 - Assigned fund balance-Amounts that are constrained by the government's intent that they will be used for specific purposes. Decision making authority with respect to these amounts lies with a committee or other government official (board of selectpersons) but not the highest level authority.
 - Unassigned fund balance-This is the residual balance of the general fund which represents the remaining fund balance after allocation to the other fund balance categories. It reflects resources that are available for further appropriation and expenditure for general governmental purposes.

Net Position

Net position represents the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Plantation or through external restrictions.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Other General Items

The Plantation is exposed to various risks of loss related to torts; theft of, damages to and destruction of assets; errors and omissions; and natural disasters for which the Plantation carries commercial insurance. Settled claims, if any, resulting from these risks, have not exceeded commercial insurance coverage.

Minimum Fund Balance

The council has not adopted a financial policy to maintaining a minimum level of unrestricted fund balance in the general fund.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Abatements

The Plantation negotiates property tax abatement agreements on an individual taxpayer basis. The Plantation had \$0 of tax abatements in the year ending June 30, 2022.

Compensated Absences

The Plantation does not provide any post-employment benefits or paid time off for its employees.

(2) BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except for special revenue funds and the capital projects funds, which adopt project-length budgets.

The budget is prepared by the Board of Assessors. From this information, warrant articles are prepared for the annual Plantation meeting. The warrant articles include budget recommendations of the Board of Assessors as well as the prior years appropriated amounts.

The 2021-2022 fiscal budget was approved at the annual Plantation meeting held on October 20, 2021.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(3) CASH AND INVESTMENTS

The Plantation's deposits at year end were covered in full by Federal Depository Insurance Corporation (FDIC) and collateralized in the amount of \$228,612.

The Plantation's cash is categorized to give an indication of the level of risk assumed by the Plantation at year end. These categories are defined as follows:

- Category #1 - Insured or collateralized with securities held by the Plantation or by its agent in the Plantation's name.
- Category #2 - Collateralized with securities held by the pledging financial institutions Trust department or agent in the Plantation's name.
- Category #3 - Uncollateralized, which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Plantation's name.

At June 30, 2022, the Plantation's funds were on deposit with the banks listed below:

<u>BANK - TYPE OF ACCOUNT</u>	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>	<u>CATEGORY</u>		
			<u>#1</u>	<u>#2</u>	<u>#3</u>
Katahdin Trust Company Checking account	228,572	228,612	228,612		
Petty Cash	100				
	<u>228,672</u>	<u>228,612</u>	<u>228,612</u>	<u>None</u>	<u>None</u>

The Plantation's investments carried at fair market value as of June 30 are:

	<u>Temporary Cash and Equivalents</u>	<u>Government and Agency Issues</u>	<u>Total</u>
June 30, 2022			
Fair Value	=	1,164,874	1,164,874
Cost	=	<u>1,170,846</u>	<u>1,170,846</u>
Unrealized loss	=	<u>(5,972)</u>	<u>(5,972)</u>
June 30, 2021			
Fair Value	=	1,182,024	1,182,024
Cost	=	<u>1,157,218</u>	<u>1,157,218</u>
Unrealized gain	=	<u>24,806</u>	<u>24,806</u>

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(3) CASH AND INVESTMENTS (cont'd.)

The following summarizes the relationship between cost and market values of invested assets:

	<u>Cost</u>	<u>Market</u>	<u>Deficit of Market Over Cost</u>
Balance at end of year	1,170,846	1,164,874	(5,972)
Unrealized losses from prior years			<u>(24,881)</u>
Total unrealized loss for the year			<u>(30,853)</u>
Investments consist of:			
Fixed income government bonds			157,846
CD's			237,311
Insured money market account			<u>769,717</u>
			<u>1,164,874</u>

(4) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Buildings	8,000			8,000
Equipment	2,712			2,712
Office Improvements	9,206			9,206
Land Improvements	<u>6,837</u>			<u>6,837</u>
Total capital assets being depreciated	<u>26,755</u>			<u>26,755</u>
Less accumulated depreciation for:				
Buildings	8,000			8,000
Equipment	2,712			2,712
Office Improvements	5,525	614		6,139
Land Improvements	<u>1,253</u>	<u>456</u>		<u>1,709</u>
Total accumulated depreciation	<u>17,490</u>	<u>1,070</u>		<u>18,560</u>
Capital assets, net	<u>9,265</u>	<u>(1,070)</u>	<u>-0-</u>	<u>8,195</u>

(5) LEGAL DEBT LIMIT

The maximum legal debt limit for the Plantation is \$1,245,000, 7.5% of the 2021 state valuation of the Plantation, which amounted to \$16,606,360.

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(6) PROPERTY TAXES - GENERAL FUND

Property taxes are made up of the following:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Commitment	47,507	49,487	1,980
Discounts and Abatements	<u>(2,000)</u>	<u>(150)</u>	<u>1,850</u>
	<u>45,507</u>	<u>49,337</u>	<u>3,830</u>

For the fiscal year ended June 30, 2022 Nashville Plantation received approximately 50% of its property tax revenue from one taxpayer.

(7) STATE ASSISTANCE - GENERAL FUND

These revenues, at June 30, 2022, are as follows:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenue Sharing	316	408	92
Education subsidy	-0-	7,634	7,634
Tree Growth	-0-	2,943	2,943
BETE Reimbursement	109,598	109,608	10
Homestead Exemption	626	701	75
Septic Grant	-0-	17,240	17,240
Other	<u>-0-</u>	<u>236</u>	<u>236</u>
	<u>110,540</u>	<u>138,770</u>	<u>28,230</u>

(8) OTHER REVENUES - GENERAL FUND

These revenues, at June 30, 2022, are as follows:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Interest	-0-	820	820
Investment income	-0-	13,807	13,807
Excise taxes	18,000	18,257	257
Other	<u>-0-</u>	<u>15,835</u>	<u>15,835</u>
	<u>18,000</u>	<u>48,719</u>	<u>30,719</u>

NASHVILLE PLANTATION, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(9) RISK MANAGEMENT

Nashville Plantation is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Plantation maintains insurance coverage for part of its risk management. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. The Plantation's management estimates that the amount of actual or potential claims against the Plantation as of June 30, 2022 will not materially affect the financial condition of the Plantation.

(10) SUBSEQUENT EVENTS

Management has evaluated all subsequent events through August 22, 2022, the date the financial statements were available to be issued, and determined that no additional disclosures are required in order for these financial statements to be fairly stated.

(11) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2022, expenditures exceeded appropriations in the administration and septic grant functions.

(12) TAXES

As a municipal entity, the Plantation is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

The Plantation's payroll tax returns are subject to review and examination by federal and state authorities. No examinations have been conducted by the federal or state taxing authorities and no correspondence has been received from these authorities.

(13) COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closings. Management is presently evaluating the effect of the disruptions on operations. The related financial impact and duration cannot be reasonably estimated at this time by management.

REQUIRED SUPPLEMENTARY INFORMATION

NASHVILLE PLANTATION, MAINE

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Property taxes				
Commitment	47,507	47,507	49,487	1,980
Discounts and abatement	(2,000)	(2,000)	(150)	1,850
Net property taxes	<u>45,507</u>	<u>45,507</u>	<u>49,337</u>	<u>3,830</u>
State assistance				
Revenue sharing	316	316	408	92
Education subsidy	-	-	7,634	7,634
Tree growth	-	-	2,943	2,943
BBTB reimbursement	109,598	109,598	109,608	10
Homestead exemption	626	626	701	75
Miscellaneous State assistance	-	-	236	236
Septic grant	-	-	17,240	17,240
Other revenues				
Interest	-	-	820	820
Investment income	-	-	13,807	13,807
Other	18,000	18,000	34,092	16,092
TOTAL REVENUES	<u>174,047</u>	<u>174,047</u>	<u>236,826</u>	<u>62,779</u>
EXPENDITURES				
Education	90,038	90,038	66,889	23,149
County tax	76,334	76,334	76,334	-
Administration	25,518	25,518	25,599	(81)
Ambulance service	3,762	3,762	3,762	-
Fire protection	1,247	1,247	1,247	-
Police protection	4,614	4,614	4,614	-
Solid waste disposal	11,193	11,193	9,928	1,265
L.U.R.C.	9,585	9,585	9,585	-
Town roads	2,000	2,000	100	1,900
Ashland recreation	1,661	1,661	1,661	-
Outside agencies	2,831	2,831	2,181	650
Septic grant	-	-	16,374	(16,374)
TOTAL EXPENDITURES	<u>228,783</u>	<u>228,783</u>	<u>218,274</u>	<u>10,509</u>
OTHER ITEMS				
Unrealized loss on investments	-	-	(30,853)	(30,853)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(54,736)</u>	<u>(54,736)</u>	<u>(12,301)</u>	<u>42,435</u>
NET CHANGE IN FUND BALANCE	<u>(54,736)</u>	<u>(54,736)</u>	<u>(12,301)</u>	<u>42,435</u>
FUND BALANCE - JULY 1, 2021			1,375,386	
FUND BALANCE - JUNE 30, 2022			<u>1,363,085</u>	

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

SUPPLEMENTARY INFORMATION

NASHVILLE PLANTATION, MAINE
 SCHEDULE OF GENERAL FUND EXPENDITURES
 YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Administration			
Salaries	8,150	9,420	(1,270)
Town services	5,820	6,412	(592)
Professional fees	3,200	3,400	(200)
M.M.A.	1,414	1,457	(43)
General government	1,600	1,390	210
Worker's compensation	500	472	28
Property and casualty insurance	2,634	2,471	163
General assistance	200	-	200
Incidental	2,000	-	2,000
Building and property repairs	-	239	(239)
Other	-	338	(338)
	<u>25,518</u>	<u>25,599</u>	<u>(81)</u>
Outside Agencies			
A.C.A.P.	9	9	-
Aroostook Agency on Aging	50	50	-
Ashland Library	1,034	1,034	-
Ashland Summerfest	-	100	(100)
Central Aroostook Humane Society	88	88	-
Homeless Services of Aroostook	100	100	-
Northern Maine Veterans Cemetery	500	500	-
Patten Lumberman's Museum	100	100	-
Central Aroostook Soil and Water	100	100	-
Maine Public Broadcasting	100	100	-
Nashville Cemetery	750	-	750
	<u>2,831</u>	<u>2,181</u>	<u>650</u>

The notes to the financial statements are an integral part of this statement

NASHVILLE PLANTATION, MAINE
 SCHEDULE OF CHANGES IN ASSIGNED FUND BALANCES - GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	BALANCE JULY 1	APPRO- PRIATION	RECEIPTS	DISBURSE- MENTS	TRANSFERS FROM (TO) SURPLUS	BALANCE JUNE 30
Assigned for Subsequent years'						
expenditures						
Capital projects	\$ 6,025	\$ -	\$ -	\$ -	\$ -	\$ 6,025
Fire control	33,266	-	-	-	-	33,266
Town hall repairs	3,278	-	-	-	-	3,278
	<u>\$ 42,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,569</u>

The notes to the financial statements are an integral part of this statement

NASHVILLE PLANTATION, MAINE

SCHEDULE OF PROPERTY VALUATION AND ASSESSMENT - GENERAL FUND

YEAR ENDED JUNE 30, 2022

	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TOTAL</u>
ASSESSED VALUATION	15,743,760	862,600	16,606,360
TAX RATE PER \$1,000			<u>2,980</u>
			<u>49,487</u>

COMPUTATION OF ASSESSMENT

TAX COMMITMENT	49,487	
Less: Abatements and discounts	<u>(2,000)</u>	
	47,487	
ESTIMATED REVENUES		
State Municipal Revenue Sharing	316	
Homestead Reimbursement	626	
BETE Reimbursement	109,598	
Other Revenue	18,000	
	<u>128,540</u>	176,027
APPROPRIATIONS		
Municipal	62,410	
Education	35,303	
County tax	76,334	
		<u>174,047</u>
OVERLAY		<u>1,980</u>

The notes to the financial statements are an integral part of this statement

Chester M. Kearney, Certified Public Accountants

NASHVILLE PLANTATION, MAINE

SCHEDULE OF CHANGES IN PROPERTY TAXES - GENERAL FUND

YEAR ENDED JUNE 30, 2022

	<u>TOTAL</u>	<u>2021/22 TAXES</u>	<u>2020/21 TAXES</u>
UNCOLLECTED AT JULY 1, 2021	5,625	-	5,625
2021 COMMITMENT	49,487	49,487	-
2021 SUPPLEMENTAL	-	-	-
	<u>55,112</u>	<u>49,487</u>	<u>5,625</u>
COLLECTIONS	54,962	49,337	5,625
ABATEMENTS AND DISCOUNTS	150	150	-
	<u>55,112</u>	<u>49,487</u>	<u>5,625</u>
UNCOLLECTED AT JUNE 30, 2022	<u>-</u>	<u>-</u>	<u>-</u>
REPRESENTED BY			
Personal property taxes		-	-
Real estate taxes (liens)		-	-
		<u>-</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement

NASHVILLE PLANTATION, MAINE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SCHOOL DEPARTMENT
YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Property taxes	35,303	35,303	-
State assistance	5,455	7,634	2,179
	<u>40,758</u>	<u>42,937</u>	<u>2,179</u>
EXPENDITURES			
Instruction			
Regular	62,805	44,596	18,209
Special	15,000	9,931	5,069
Administration	5,951	4,951	1,000
Transportation	6,283	6,283	-
Local entitlement	-	1,128	(1,128)
	<u>90,039</u>	<u>66,889</u>	<u>23,150</u>
TOTAL EXPENDITURES	<u>90,039</u>	<u>66,889</u>	<u>23,150</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(49,281)</u>	<u>(23,952)</u>	<u>25,329</u>
NET CHANGE IN FUND BALANCE	<u>(49,281)</u>	<u>(23,952)</u>	<u>25,329</u>
FUND BALANCE - JULY 1, 2021		<u>25,206</u>	
FUND BALANCE - JUNE 30, 2022		<u>1,254</u>	

The notes to the financial statements are an integral part of this statement

NASHVILLE PLANTATION, MAINE
RECONCILIATION OF FINANCIAL STATEMENTS TO STATE MEDMS INFORMATION
YEAR ENDED JUNE 30, 2022

	<u>Education</u>
June 30 balance as per MEDMS Financial System	\$ -
Due from Town adjustments	1,382
Expenditure adjustments	(128)
Audited GAAP Basis Fund Balance	<u>\$ 1,254</u>

The notes to the financial statements are an integral part of this statement

NASHVILLE PLANTATION, MAINE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Department of Education Pass through the State of Maine Department of Education			
IDEA/School Age	84.027	013-05A-3046-13	\$ 1,486
Total Federal Awards Expended			\$ 1,486

Footnotes:

-- This schedule is presented on the accrual basis

The notes to the financial statements are an integral part of this statement

ADDITIONAL REPORT



Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Selectmen
of Nashville Plantation, Maine

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE REQUIREMENTS OF THE MAINE SCHOOL FINANCE ACT

We have audited the financial statements of Nashville Plantation, Maine as of and for the year ended June 30, 2022, and have issued our report thereon dated August 22, 2022.

The management of Nashville Plantation, Maine is responsible for the Plantation's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the Plantation's compliance with laws and regulations noncompliance with which could have a material effect on the financial statements of Nashville Plantation, Maine.

Title 20-A Sec 6051 requires certain written assurances with respect to plantation audits. Our audit of compliance with the laws and regulations consisted as a minimum the following:

1. A determination of whether or not the Plantation has complied with budget content requirements pursuant to section 15693.
2. A determination of whether or not the Plantation has complied with transfer limitations between budget cost centers pursuant to section 1485.
3. A determination of whether or not the Plantation has exceeded its authority to expend funds.
4. A determination as to whether or not the annual financial data submitted to the department is correct.
5. A determination of whether or not the Plantation was in compliance with applicable provisions of the Essential Programs and Services Funding Act.

The results of our tests indicate that, for the items tested, Nashville Plantation, Maine complied with those provisions of Maine laws and regulations. Nothing came to our attention that caused us to believe that for the items not tested, Nashville Plantation, Maine was not in compliance with Maine laws or regulations.

Chester M. Kearney

Presque Isle, Maine
August 22, 2022