

Maine Municipal Audit Services, PA

Mindy J. Cyr, CPA

Independent Auditors' Report

To the Board of Selectmen
Town of Levant
Levant, Maine

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of Town of Levant, Maine, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Town of Levant, Maine, as of June 30, 2021, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

The Town has not presented the Management's Discussion and Analysis that the accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that schedule of employer's pension contributions, schedule of employer's share of net pension liability, and budgetary comparison schedule, on pages 26-27, and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Levant, Maine's basic financial statements. The schedule of property valuation, and schedule of taxes receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of property valuation, and schedule of taxes receivable are the responsibility of management and were derived from and relate 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 schedule of property valuation, and schedule of taxes receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maine Municipal Audit Services, PA

Levant, Maine
July 28, 2021

Statement 1

Town of Levant, Maine
Statement of Net Position
June 30, 2021

		Total Governmental Activities
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ASSETS:		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 952,553	
Investments	347,394	
Taxes receivable	251,871	
Tax liens receivable	27,402	
<i>Total current assets</i>	<hr/>	\$ 1,579,220
<i>Non-current assets:</i>		
Capital assets, net of accumulated depreciation	4,284,603	
<i>Total non-current assets</i>	<hr/>	4,284,603
TOTAL ASSETS		5,863,823
DEFERRED OUTFLOWS OF RESOURCES:		
Defined benefit pension plan	10,368	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<hr/>	10,368
		<hr/>
		\$ 5,874,191
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LIABILITIES:		
<i>Current liabilities:</i>		
Accounts payable	\$ 14,900	
Accounts payable - technical escrow deposits	54,367	
Due to other governments	20,406	
Due to fiduciary fund	76,867	
Current portion of long-term debt	39,544	
<i>Total current liabilities</i>	<hr/>	\$ 206,085
<i>Non-current liabilities:</i>		
Non-current portion of long-term debt	235,456	
Accrued compensated absences	6,719	
Net pension liability	82,899	
<i>Total non-current liabilities</i>	<hr/>	325,074
TOTAL LIABILITIES		531,158
DEFERRED INFLOWS OF RESOURCES:		
Prepaid property taxes	2,707	
Defined benefit pension plan	30,650	
TOTAL DEFERRED INFLOWS OF RESOURCES		33,357
NET POSITION:		
Net investment in capital assets	4,009,603	
Restricted	264,569	
Unrestricted	1,035,503	
TOTAL NET POSITION		<hr/>
		5,309,675
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		\$ 5,874,191
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The accompanying notes are an integral part of this statement.

Town of Levant, Maine
Statement of Activities
For the Year Ended June 30, 2021

			Net (Expense) Revenue and Changes in Net Position					
			Program Revenues					
			Operating	Primary Government				
			Charges for	Grants and	Governmental			
Expenses			Services	Contributions	Activities			
					Total			
Governmental activities:								
General government	\$	216,808	\$	14,622	\$	(202,186)	\$	(202,186)
Fire and rescue		137,537		-		(137,537)		(137,537)
Public works		298,769		-		35,068		(263,701)
Town maintenance		231,613		-		-		(231,613)
Education		2,021,322		-		-		(2,021,322)
County tax		260,572		-		-		(260,572)
Recreation		27,990		-		1,298		(26,693)
General assistance		449		-		197		(252)
Interest expense		469		-		-		(469)
Animal control		8,000		-		-		(8,000)
Depreciation		592,281		-		-		(592,281)
Total government activities		3,795,810		14,622		36,563		(3,744,625)
Total primary government	\$	3,795,810	\$	14,622	\$	36,563	\$	(3,744,625)

General revenues:

Property taxes, levied for general purposes	\$ 2,626,107
Excise taxes	706,385
Interest and lien fees	14,967
Licenses and permits	15,257

Grants and contributions not restricted to specific programs:

Homestead exemption	163,173
State revenue sharing	211,982
Tree growth	3,571
Other	3,695
Unrestricted investment earnings	7,522
Unrealized gain (loss) on investments	(5,173)
Miscellaneous revenues	18,511
<i>Total general revenues and transfers</i>	<i>3,765,997</i>

Changes in net position 21,372

NET POSITION - BEGINNING 5,288,303

NET POSITION - ENDING \$ 5,309,675

The accompanying notes are an integral part of this statement.

Town of Levant, Maine
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 952,553	\$ 952,553
Investments	347,394	347,394
Taxes receivable, net	251,871	251,871
Tax liens receivable	27,402	27,402
TOTAL ASSETS	\$ 1,579,220	\$ 1,579,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts payable	\$ 14,900	\$ 14,900
Accounts payable - technical escrow deposits	54,367	54,367
Due to other governments	20,406	20,406
Interfund payable	76,867	76,867
<i>Total liabilities</i>	<i>166,541</i>	<i>166,541</i>
<i>Deferred inflows of resources:</i>		
Prepaid property taxes	2,707	2,707
Deferred property tax revenue	223,418	223,418
<i>Total deferred inflows of resources</i>	<i>226,125</i>	<i>226,125</i>
<i>Fund balances:</i>		
Committed	264,569	264,569
Assigned	128,790	128,790
Unassigned	793,195	793,195
<i>Total fund balances</i>	<i>1,186,554</i>	<i>1,186,554</i>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,579,220	
<i>Amounts reported for governmental activities in the statement of net position (Stmnt. 1) are different because:</i>		
Depreciable and non-depreciable capital assets as reported in Stmnt. 1		4,284,603
Long-term liabilities, including bonds payable, as reported on Stmnt. 1		(275,000)
Accrued compensated absences, as reported on Stmnt. 1		(6,719)
Net pension liability, as reported on Stmnt. 1		(82,899)
Deferred outflows related to pension plans		10,368
Deferred inflows related to pension plans		(30,650)
Deferred property taxes not reported on Stmnt. 1		223,418
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	5,309,675

The accompanying notes are an integral part of this statement.

Town of Levant, Maine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Total Governmental Funds
REVENUES:		
Property taxes	\$ 2,586,919	\$ 2,586,919
Excise taxes	706,385	706,385
Intergovernmental revenue	418,984	418,984
Charges for services	14,622	14,622
Licenses and permits	15,257	15,257
Investment income	7,522	7,522
Interest and lien fees	14,967	14,967
Other revenue	18,511	18,511
<i>Total revenues</i>	<i>3,783,167</i>	<i>3,783,167</i>
EXPENDITURES:		
General government	224,243	224,243
Fire and rescue	137,537	137,537
Public works	579,105	579,105
Town maintenance	507,598	507,598
Education	2,021,322	2,021,322
County tax	260,572	260,572
Debt service	469	469
Capital reserve expenditures	48,049	48,049
Recreation	27,990	27,990
General assistance	449	449
Animal control	8,000	8,000
<i>Total expenditures</i>	<i>3,815,334</i>	<i>3,815,334</i>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(32,167)</i>	<i>(32,167)</i>
OTHER FINANCING SOURCES (USES):		
Proceeds from issuance of long-term debt	275,000	275,000
Unrealized gain (loss) on investments	(5,173)	(5,173)
<i>Total other financing sources (uses)</i>	<i>269,827</i>	<i>269,827</i>
<i>Net change in fund balances</i>	<i>237,659</i>	<i>237,659</i>
FUND BALANCES - BEGINNING	948,895	948,895
FUND BALANCES - ENDING	\$ 1,186,554	\$ 1,186,554

The accompanying notes are an integral part of this statement.

(Continued)

Town of Levant, Maine
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds (Statement 4)	\$	237,659
Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:		
Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on Governmental Funds Report		(592,281)
Capital outlays expensed on the Governmental Funds Report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)		604,370
Revenues in the Statement of Activities (Stmt 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes and other deferred revenue.		39,188
Issuance of long-term debt recognized as revenue for purposes of the fund financial statements (Stmt 4) yet not recognized as revenue on government-wide financial statements (Stmt 2)		(275,000)
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. Specifically, this represents the change in deferred pension liability and changes in deferred inflows/outflows related to pensions		8,088
Change in accrued compensated absences as reported on the Statement of Net Position (Stmt. 1)		(652)
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Changes in net position of governmental activities (see Stmt. 2)	\$	21,372