

TOWN OF UNITY, MAINE

ANNUAL FINANCIAL REPORT  
with Independent Auditors Report

For the Year Ending January 31, 2020

TOWN OF UNITY, MAINE  
ANNUAL FINANCIAL REPORT  
Year Ended January 31, 2020  
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# KEEL J. HOOD

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## INDEPENDENT AUDITORS REPORT

May 29, 2020

Board of Selectmen  
Town of Unity  
Unity, Maine

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of Town of Unity, Maine, as of and for the year ended January 31, 2020, 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 the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Unity, Maine as of January 31, 2020 and the respective changes in financial position, and where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has omitted Management's Discussion & 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. My opinion of the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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. I 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 for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtain during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Julie Hood CPA*

Statement 1

TOWN OF UNITY, MAINE  
Statement of Net Position  
January 31, 2020

<b>ASSETS</b>	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 1,123,210
Receivables:	
Taxes	231,325
Liens	73,362
Accounts	2,328
Tax acquired property	214
Total Current Assets	<u>1,430,439</u>
Noncurrent Assets:	
Capital assets net	3,150,160
Total Assets	<u>4,580,599</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	20,000
Notes payable, current portion	25,000
Bonds payable, current portion	326,403
Total Current Liabilities	<u>371,403</u>
Noncurrent Liabilities:	
Notes payable, noncurrent portion	65,000
Bonds payable, noncurrent portion	1,312,906
Total Noncurrent Liabilities	<u>1,377,906</u>
Total Liabilities	<u>1,749,309</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,420,851
Unrestricted	1,410,439
Total net position	<u>\$ 2,831,290</u>

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

TOWN OF UNITY, MAINE  
Statement of Activities  
For the Year Ended January 31, 2020

Function/Programs	Program Revenues				Net (Expense) Revenues
	Expenses	Charges for Services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:	\$				
General government	187,819	13,655			(174,164)
Protection	214,307				(214,307)
Public works	711,354		35,324		(676,030)
Health and sanitation	151,615	68,587	4,185		(78,843)
Leisure services	15,161	3,182	6,232		(5,747)
Special assessments	1,719,226				(1,719,226)
Cemeteries	16,382				(16,382)
Social services	13,501		811		(12,690)
Unclassified	5,111				(5,111)
<b>Total governmental activities</b>	<b>3,034,476</b>	<b>85,424</b>	<b>46,552</b>	<b>0</b>	<b>(2,902,500)</b>

	<u>Governmental Activities</u>
Net (expense) / revenue	
General revenues:	
Property taxes	2,245,845
Excise taxes	296,629
Interest and costs on taxes	19,567
Intergovernmental:	
State revenue sharing	157,192
Homestead exemption	98,873
Tree growth	7,646
US Wildlife	93
Veterans reimbursement	1,638
BETE reimbursement	1,594
Miscellaneous	58,287
Unrestricted interest	8,377
Restricted interest	11,763
Cable franchise fees	5,635
<b>Total general revenues</b>	<b>2,913,139</b>
<b>Change in Net position</b>	<b>10,639</b>
Net position - beginning	2,820,651
Net position - ending	<u>2,831,290</u>

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

TOWN OF UNITY, MAINE  
Balance Sheet  
Governmental Funds  
January 31, 2020

Statement 3

<b>ASSETS</b>	General Fund	Total Governmental Funds
Cash	\$ 1,123,210	\$ 1,123,210
Receivables		
Taxes	231,325	231,325
Liens	73,362	73,362
Accounts	2,328	2,328
Tax acquired property	214	214
Total Assets	1,430,439	1,430,439
<b>LIABILITIES</b>		
Accounts payable	20,000	20,000
Total Liabilities	20,000	20,000
<b>UNEARNED REVENUE</b>		
Unearned property taxes	240,000	240,000
Total Liabilities and Unearned Revenue	260,000	260,000
<b>FUND BALANCES</b>		
Fund Balances		
Capital purchases	80,334	80,334
Assigned revenues	7,531	7,531
Assigned expenditures	176,199	176,199
Unassigned	906,376	906,376
Total Fund Equity	1,170,440	1,170,440
Total Liabilities and Fund Equity	\$ 1,430,440	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities not financial resources and, therefore, are reported in the funds.	3,150,160
Other long-term assets are not available to pay current-periods expenditures and therefore are deferred in the funds.	240,000
Long-term liabilities, including bonds payable not due and payable in the current period and therefore are not reported in the funds.	
Notes payable	(90,000)
Bonds payable	(1,639,310)
Net position of governmental	\$ 2,831,290

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

TOWN OF UNITY, MAINE  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended January 31, 2020

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>		
Taxes	\$ 2,555,041	\$ 2,555,041
Intergovernmental	309,403	309,403
Interest	20,140	20,140
Charges for services	85,424	85,424
Miscellaneous	68,107	68,107
Total Revenues	3,038,115	3,038,115
<b>Expenditures:</b>		
Current:		
General government	182,990	182,990
Protection	173,861	173,861
Public works	570,719	570,719
Health and sanitation	151,615	151,615
Leisure services	15,161	15,161
Special assessments	1,719,226	1,719,226
Cemeteries	16,382	16,382
Social services	13,501	13,501
Unclassified	5,111	5,111
Total Expenditures	2,848,566	2,848,566
Excess of Revenues Over (Under) Expenditures	189,549	189,549
Net Change in Fund Balances	189,551	189,551
Fund Balances - beginning	980,891	980,891
Fund Balances - ending	\$ 1,170,440	\$ 1,170,440

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



TOWN OF UNITY, MAINE  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances  
 Of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended January 31, 2020

Net change in fund balances - total governmental funds	\$	189,549
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. While governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense		(537,345)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Capital bond obligation principal payments		351,435
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
Deferred property tax revenue		7,000
Change in Net position of Governmental Activities	\$	10,639

Statement 6

TOWN OF UNITY, MAINE  
Statement of Net Position  
Fiduciary Fund  
January 31, 2020

	Private Purpose <u>Trust</u> <u>Fund</u>
<b>ASSETS</b>	
Cash certificate of deposits	\$ 7,283
Investments	140,674
Total Assets	<u>147,957</u>
<b>NET POSITION</b>	
Held in Trust	147,958
Total Net position	<u>\$ 147,958</u>