TOWN OF SULLIVAN, MAINE

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2023

TOWN OF SULLIVAN, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Sullivan
Sullivan, ME 04664

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Sullivan, Maine (the Town) as of and for the year ended June 30, 2023, including the related notes to the 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, each major fund and the aggregate remaining fund information of the Town of Sullivan, Maine as of June 30, 2023, and the respective changes in financial position 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. 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 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 out audit opinions.

Responsibilities of Management 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 Unites 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's ability to continue as a going concern for twelve months beyond the financial statements 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.

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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 the Town'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 the Town'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 and budgetary comparison information on pages 3 through 6 and page 20 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's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA
June 20, 2024

TOWN OF SULLIVAN, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The management of the Town of Sullivan, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2023 by $7,744,307 (presented as "net position"). Of this amount, $3,115,439 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position increased by $224,881 (a 3.0% increase) for the fiscal year ended June 30, 2023.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2023, the Town's governmental funds reported a combined ending fund balance of $3,281,887, an increase of $396,378 in comparison with the prior year. Of this total fund balance, $1,533,331 represents general unassigned fund balance. This unassigned fund balance represents approximately 48% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased $27,824 (49.4%) during the current fiscal year. There were no new debt obligations issued during the year. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of net position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements include statements for one category of activity – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 11 - 19 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). Required supplementary information can be found on page 20 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town's net position (54.9%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-type Activities	Total 2023	Total 2022
Current Assets	$ 3,570,180	$ 0	$ 3,570,180	$ 3,165,138
Other Assets	$ 53,060	$ 0	$ 53,060	$ 53,553
Capital Assets	$ 4,279,615	$ 0	$ 4,279,615	$ 4,474,815
Total Assets	$ 7,902,855	$ 0	$ 7,902,855	$ 7,693,507
Current Liabilities	$ 30,398	$ 0	$ 30,398	$ 75,904
Deferred Inflows	$ 99,619	$ 0	$ 99,619	$ 69,646
Other Liabilities	$ 28,531	$ 0	$ 28,531	$ 28,531
Net Position;				
Invested in Capital Assets	$ 4,251,084	$ 0	$ 4,251,084	$ 4,418,460
Restricted	$ 377,784	$ 0	$ 377,784	$ 387,332
Unrestricted	$ 3,115,439	$ 0	$ 3,115,439	$ 2,713,635
Total Liabilities, Deferred Inflows, and Net Position	$ 7,902,855	$ 0	$ 7,902,855	$ 7,693,507

An additional portion of the Town's net position (4.9%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (40.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

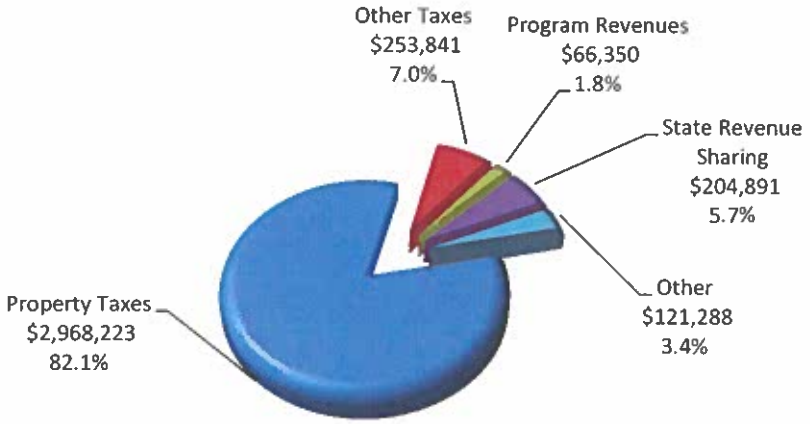
Changes in Net Position

Governmental activities increased the Town's net position by $224,881. This increase was primarily due to conservative budgeting and controlled costs offset by unbudgeted depreciation on capital assets.

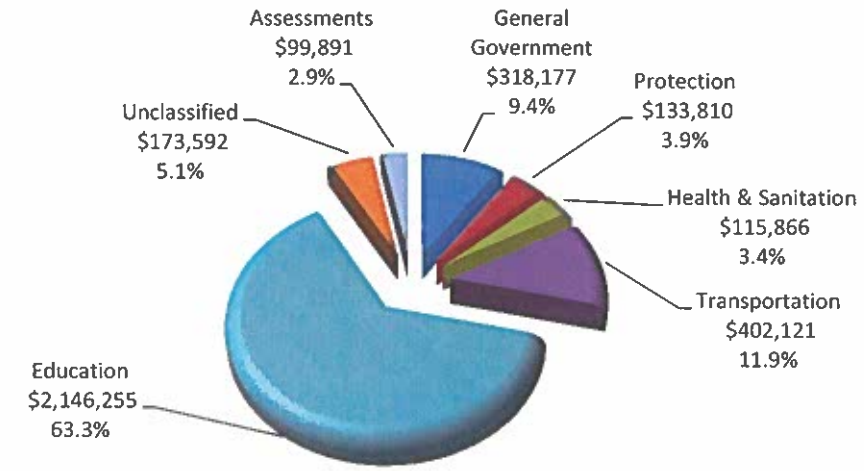
	Governmental Activities	Business-type Activities	Total 2023	Total 2022
Revenues;				
Tax Revenues	$ 3,222,064	$ 0	$ 3,222,064	$ 2,992,917
Program Revenues	$ 66,350	$ 0	$ 66,350	$ 98,400
Investments	$ 37,720	$ 0	$ 37,720	$ 382
Revenue Sharing	$ 204,891	$ 0	$ 204,891	$ 175,204
Other	$ 83,568	$ 0	$ 83,568	$ 265,145
Total Revenues	$ 3,614,593	$ 0	$ 3,614,593	$ 3,532,047

Expenses;				
General Government	$ 318,177	$ 0	$ 318,177	$ 332,314
Protection	$ 133,810	$ 0	$ 133,810	$ 118,483
Health/Sanitation	$ 115,866	$ 0	$ 115,866	$ 80,902
Transportation	$ 402,121	$ 0	$ 402,121	$ 358,076
Education	$ 2,146,255	$ 0	$ 2,146,255	$ 2,238,573
Unclassified	$ 173,592	$ 0	$ 173,592	$ 124,627
Assessments	$ 99,891	$ 0	$ 99,891	$ 97,011
Total Expenses	$ 3,389,712	$ 0	$ 3,389,712	$ 3,349,986
Changes in Net Position	$ 224,881	$ 0	$ 224,881	$ 182,062

Revenues by Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of $3,281,887, an increase of $396,378 in comparison with the prior year. Approximately 47 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- $2,319 positive variance in real estate and personal property tax. Actual collections were 91.8% of the levy as compared to 90.8% in the prior year. The variance resulted in a decrease of unavailable property tax revenue.
- $53,841 positive variance in excise tax revenues. This is primarily due to conservative budgeting.
- $91,858 positive variance in other revenues. This is primarily due to conservative budgeting.
- $85,779 positive variance in protection expenditures. This is primarily due to conservative budgeting, controlled costs and adding amount to reserves with no costs to offset.
- $91,703 positive variance in general government expenditures. This is primarily due to conservative budgeting and controlled costs.
- $147,610 positive variance in all other expenditures. This is due to conservative budgeting and costs being controlled and maintained within budget. The Town funded $100,000 to the paving reserve.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to $12,342,675, net of accumulated depreciation of $8,063,060, leaving a net book value of $4,279,615. Current year additions include $48,499 in septic replacement, $44,914 in equipment purchases and $17,373 in town road improvements. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on page 18 of this report.

Debt

The Town has total bonded debt outstanding of $0 and $28,531 of total outstanding loans that is backed by the full faith and credit of the Town. The outstanding debt decreased $27,824 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 18 - 19 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Sullivan, 1888 U.S. Highway 1, Sullivan, ME 04664.

TOWN OF SULLIVAN, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2023

(Exhibit I)

	Governmental Activities
Assets	
Cash and Cash Equivalents	$260,566
Investments, at Fair Market Value	$2,870,932
Accounts Receivable	$96,775
Lease Receivable	$29,953
Taxes Receivable	$311,954
Non-current Assets:	
Lease Receivable	$53,060
Capital Assets	
Land	$484,300
Other Capital Assets, net of Accumulated Depreciation	$3,795,315
Total Capital Assets	$4,279,615
Total Assets	$7,902,855
Liabilities, Deferred Inflows and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	$30,398
Loans Payable	
Due within one year	$28,531
Total Liabilities	$58,929
Deferred Inflows of Resources	
Property Taxes Received in Advance	$19,951
Leases	$79,667
Total Deferred Inflows of Resources	$99,619
Net Position	
Net Investment in Capital Assets	$4,251,084
Restricted	$377,784
Unrestricted	$3,115,439
Total Net Position	$7,744,307
Total Liabilities, Deferred Inflows and Net Position	$7,902,855

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF SULLIVAN, MAINE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Exhibit II)

Functions/Programs		*Program Revenues*		*Net (Expense) Revenue and Changes in Net Position*
Primary Government	*Expenses*	*Charges for Services*	*Operating Grants*	*Governmental Activities*
Governmental Activities				
General Government	$318,177	$6,051	$5,000	($307,126)
Protection	$133,810	$648		($133,162)
Health & Sanitation	$115,866	$20,649	$3,000	($92,217)
Public Transportation	$402,121		$20,352	($381,769)
Education	$2,146,255			($2,146,255)
Unclassified	$173,592	$10,650		($162,942)
Assessments and Debt Service	$99,891			($99,891)
Total Governmental Activities	$3,389,712	$37,998	$28,352	($3,323,362)
Total Primary Government	$3,389,712	$37,998	$28,352	($3,323,362)
General Revenues:				
Tax Revenues, Including Homestead Exemption				$2,948,706
Excise Taxes				$253,841
State Revenue Sharing				$204,891
Interest on Delinquent Taxes				$19,517
Investment Earnings				$37,720
Fundraisers and Donations				$4,739
Other Revenues				$78,829
Total Revenues				$3,548,243
Changes in Net Position				$224,881
Net Position - Beginning				$7,519,426
Net Position - Ending				$7,744,307

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF SULLIVAN, MAINE *(Exhibit III)*
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	*Special Revenue Fund*	*Permanent Fund*	*Total Governmental Funds*
Assets				
Cash	$156,421	$34,240	$69,905	$260,566
Investments, at Fair Market Value	$2,783,266	$67,613	$20,054	$2,870,932
Accounts Receivable	$96,775			$96,775
Lease Receivable	$83,013			$83,013
Taxes Receivable	$311,954			$311,954
Due from Other Funds			$975	$975
Total Assets	$3,431,428	$101,853	$90,934	$3,624,215
Liabilities, Deferred Inflows & Fund Balances				
Liabilities:				
Accounts Payable	$30,398			$30,398
Due to Other Funds	$975			$975
Total Liabilities	$31,373	$0	$0	$31,373
Deferred Inflows of Resources				
Property Taxes Received in Advance	$19,951			$19,951
Leases	$79,667			$79,667
Unavailable Property Tax Revenue	$211,336			$211,336
Total Deferred Inflows of Resources	$310,954	$0	$0	$310,954
Fund Balances:				
Nonspendable		$53,142	$7,119	$60,261
Restricted	$268,812	$48,711		$317,523
Committed	$1,084,038			$1,084,038
Assigned	$202,920		$83,815	$286,734
Unassigned	$1,533,331			$1,533,331
Total Fund Balances	$3,089,100	$101,853	$90,934	$3,281,887
Total Liabilities, Deferred Inflows & Fund Balances	$3,431,428	$101,853	$90,934	$3,624,215

Total Fund Balance - Governmental Funds	$3,281,887
Net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	$4,279,615
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds	$211,336
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds, including loans payable	($28,531)
Net Position of Governmental Activities	$7,744,307

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF SULLIVAN, MAINE *(Exhibit IV)*

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Permanent Fund	Total Governmental Funds
Revenues:				
Tax Revenues, Including Homestead Exemption	$2,952,827			$2,952,827
Excise Taxes	$253,841			$253,841
State Revenue Sharing	$204,891			$204,891
State Road Assistance	$20,352			$20,352
Interest on Delinquent Taxes	$19,517			$19,517
Investment Earnings	$32,860	$4,557	$302	$37,720
Fundraisers, Grants and Donations	$12,739			$12,739
Other Revenues	$78,829			$78,829
Total Revenues	$3,575,857	$4,557	$302	$3,580,716
Expenditures (Net of Departmental Revenues):				
Current				
General Government	$302,668			$302,668
Protection	$84,364			$84,364
Health & Sanitation	$91,935			$91,935
Public Transportation	$172,529			$172,529
Education	$2,146,255			$2,146,255
Unclassified	$146,496	$1,519	$72	$148,087
Assessments	$92,608			$92,608
Debt Service	$35,107			$35,107
Capital Outlay	$110,785			$110,785
Total Expenditures	$3,182,747	$1,519	$72	$3,184,338
Excess Revenues Over Expenditures	$393,110	$3,038	$230	$396,378
Beginning Fund Balances	$2,695,990	$98,815	$90,704	$2,885,509
Ending Fund Balances	$3,089,100	$101,853	$90,934	$3,281,887

Reconciliation to Statement of Activities, change in Net Position:	
Net Change in Fund Balances - Above	$396,378
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable revenue (a deferred inflow) in governmental funds	($4,121)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position	
This amount represents long-term debt payments	$27,824
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	$110,785
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	($305,985)
Changes in Net Position of Governmental Activities	$224,881

The Notes to the Financial Statements are an Integral Part of this Statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Sullivan, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Sullivan, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*. The Town is governed under a Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. The material effect of interfund activity has been removed from these statements. *Governmental activities* are normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

In the Statement of Activities, amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both 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. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports unavailable revenue on its governmental fund financial statements. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and the revenue is recognized.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Fund Equity

Deposits

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. These investments are not specifically identified with any other fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Accounts Receivable and Accounts Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. 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 defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	*Years*
Buildings	50
Infrastructure	50
Equipment	7-10

Interfund Activity

Interfund receivables and payables arise from interfund activity and is recorded by all funds effected in the period in which transactions are executed.

Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows or resources represent and acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The Town has no items that qualify as deferred outflows of resources, but it does have an item that qualifies as deferred inflows. This amount is considered unavailable and will be recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has identified June 30, 2023 fund balances on the balance sheet as follows:

	General Fund	*Special Revenue Fund*	*Permanent Fund*	*Total*
Nonspendable				
Simpson Trust Principal			$1,000	$1,000
Gordon/Blaisdell Cemetery Principal			$6,119	$6,119
Jewell Russell Memorial Tennis Court		$33,142		$33,142
Sullivan Harbor Field		$20,000		$20,000
Restricted				
ARPA Fund	$45,190			$45,190
CARES Act	$7,500			$7,500
State Revenue Sharing	$124,108			$124,108
Local Road Assistance	$50,848			$50,848
Christmas for Seniors	$3,278			$3,278
Pet Pantry	$285			$285
Tennis Court	$1,575			$1,575
New Electric Sign	$5,000			$5,000
Flag Fund	$270			$270
S/S Bic Book	$100			$100
Fire Dept Watercraft	$20,000			$20,000
AARP AED Grant	$3,000			$3,000
FEMA Grant	$3,217			$3,217
Blaisdell Cemetery	$2,600			$2,600
Gordon Cemetery	$200			$200
York Hill Cemetery	$400			$400
Birchtree Cemetery	$200			$200
Gordon Cemetery Trust	$840			$840
Johnson Cemetery	$200			$200

		General Fund	*Special Revenue Fund*	*Permanent Fund*	*Total*
	Pet Pantry/Pet Project and Bingo		$34,240		$34,240
	Jewell Russell Memorial Tennis Court		$9,061		$9,061
	Sullivan Harbor Field		$5,410		$5,410
Committed					
	Sullivan Memorial Park Reserve	$163			$163
	Bicentennial Reserve	$2,427			$2,427
	Emergency Fund Reserve	$2,762			$2,762
	Playground Fund Reserve	$17,635			$17,635
	Comprehensive Plan	$30,000			$30,000
	Fire Truck Reserve	$415,640			$415,640
	Ambulance Transport	$5,893			$5,893
	New Building Reserve	$256,840			$256,840
	Flanders Bay Boat Ramp	$3,230			$3,230
	Gordon's Wharf	$35,561			$35,561
	Harbor Boat Ramp	$8,990			$8,990
	Paving Reserve	$304,897			$304,897
Assigned					
	Tax Maps	$22,453			$22,453
	Fire Works - Sullivan Daze	$15,797			$15,797
	EMT	$43,041			$43,041
	Transfer Station	$10,000			$10,000
	Municipal Building	$12,617			$12,617
	Sand & Salt Shed	$6,917			$6,917
	Sumner Memorial Park	$13,851			$13,851
	Road Maintenance/Culverts	$60,046			$60,046
	Animal Control Officer	$2,000			$2,000
	Age Friendly Sullivan	$3,003			$3,003
	Perpetual Care	$160			$160
	Friends for a Warmer Town	$7,244			$7,244
	Food Pantry	$5,791			$5,791
	Simpson Trust			$303	$303
	York Hill Cemetery			$52,421	$52,421
	Gordon/Blaisdell Cemetery			$22,879	$22,879
	Birchtree Cemetery			$8,212	$8,212
Unassigned		$1,533,331			$1,533,331
Total Fund Balances		$3,089,100	$101,853	$90,934	$3,281,887

In accordance with GASB Statement 54, the Town classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted or Committed.

Unassigned - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The Town considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The Board of Selectmen are authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $377,784 of restricted net position, of which enabling legislation restricts $0.

Unrestricted - This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Endowments

In the permanent funds, there are established endowment funds of $1,000 for the Simpson Trust Fund and $6,119 for the Gordon/ Blaisdell Cemetery Trust Fund. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is $303 from the Simpson Trust Fund and $22,879 from the Gordon/ Blaisdell Cemetery Trust Fund, which is reported as unrestricted net position in the statements of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

In the special revenue funds, there are established endowment funds of $33,142 for the Jewell Russel Memorial Tennis Court Fund and $20,000 for the Sullivan Harbor Field Fund. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is $9,061 from the Jewell Russell Memorial Tennis Court Fund and $5,410 from the Sullivan Harbor Field Fund, which is reported as restricted net position in the statements of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. Under the program, all accounts, including non-interest bearing accounts, are aggregated and are insured up to $250,000 in total by the FDIC. Any cash deposits, including certificates of deposit, in excess of the $250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to avoid leaving deposits in excess of the $250,000 FDIC limits unprotected, the Town has had one of the financial institutions in which they have deposits with purchase collateral in the name of the Town through the Federal Reserve.

At year end, the carrying value of the Town's deposits was $260,416 and the bank balance was $260,416. The Town has no uninsured and uncollateralized deposits as of June 30, 2023.

Investments

Investments are separated into short-term and long-term categories. Within the investment accounts, the short-term investments are held in an account containing certificates of deposit. The long-term investments are held in a brokerage account containing a bond fund. All short-term and long-term investments are recorded based on level 1 inputs and measure on a recurring basis.

Short-term investments	
Certificates of Deposit	$2,783,266
Total short-term investments	$2,783,266
Long-term investments	
Bond fund	$20,054
Total long-term investments	$20,054

The investments are managed by a broker to maximize long-term gain while minimizing volatility. These investments are maintained as a funding source for the cemetery and the Town. Of the total $2,803,320 held in these investment accounts, $2,783,266 represents fund balances for the general fund and $20,054 represents permanent fund reserves.

Investment returns were as follows:

	General Fund	*Permanent Fund*	*Total*
Investment income (loss)	$32,139	$51	$32,190

Return Objectives

In support of the mission of the Town, the investment assets are to be invested to provide sufficient growth in the form of total return from dividends, income, earnings and price appreciation to meet the Town's requirements and to maintain a balance within the investment account for growth and earnings to fund the reserve funds within the Town.

Risk Parameters

To meet the stated objectives, the entirety of the Town's portfolio is dedicated to an equity position in order to produce long-term appreciation of principal. The allocation of holdings should reasonably attempt to reduce overall portfolio volatility.

Fair Value

Certain assets are recorded at fair value to provide additional insight into the Town's financial position. These certain assets are measured on a recurring basis. Assets are grouped in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine value. A brief description of each follows:

Level 1 - Valuation is based on quoted prices for identical instruments in active markets

Level 2 - Valuation is based on quoted prices for similar instruments or on prices determined from inactive markets or on model-based techniques

Level 3 - Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market.

Fair values of assets at June 30, 2023 measured on a recurring basis are as follows:

	2023 Fair Value
Quoted prices in active markets (Level 1)	
Certificates of Deposit and Bond Funds	$2,803,320
Total certificates of deposit and bond funds	$2,803,320

Investment - Funds held by Maine Community Foundation

The Town has transferred assets to the Maine Community Foundation (the Foundation), which is holding them as an invested fund for the benefit of the Jewell Russell Memorial Tennis Court and the Sullivan Harbor Field. The Town has granted the Foundation variance power which give the Foundation's Board of Directors (the Board) the power to modify, consistent with State law, including seeking approval of the appropriate court of Attorney General, where applicable, any restriction or condition on the distribution of funds for any specified organization it, in the sole judgment of the Board, (without the necessity of the approval of any participating trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The Town reports the fair value of the fund as Investments, at Fair Market Value in the Balance Sheet - Governmental Funds and the Statement of Net Position. Changes in the fund for the year ended June 30, 2023 are as follows:

	Jewell Russell Memorial Tennis Court	*Sullivan Harbor Field Fund*	*Total*
Balance at July 1:	$40,091	$24,138	$64,229
Additional amounts invested in fund	$0	$0	$0
Dividend and Interest Earned	$193	$116	$309
Gain (Losses)	$2,603	$1,568	$4,172
Share of expenses of fund	($684)	($413)	($1,097)
Distributions received	$0	$0	$0
Balance at June 30:	$42,203	$25,410	$67,613

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2022 and committed on December 12, 2022. Interest of 4.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only

property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, $211,336 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
Governmental Activities:				
Capital assets not being depreciated				
Land	$600,300			$600,300
Capital assets being depreciated				
Buildings & Improvements	$987,666	$48,499		$1,036,165
Equipment	$1,441,254	$44,914		$1,486,168
Infrastructure	$9,202,669	$17,373		$9,220,042
Total capital assets being depreciated	$11,631,590	$110,785	$0	$11,742,375
Less accumulated depreciation for				
Buildings & Improvements	$358,262	$23,256		$381,518
Equipment	$766,938	$56,517		$823,456
Infrastructure	$6,631,875	$226,212		$6,858,087
Total accumulated depreciation	$7,757,075	$305,985	$0	$8,063,060
Net capital assets being depreciated	$3,874,515	($195,200)	$0	$3,679,315
Governmental Activities, Capital Assets, net	$4,474,815	($195,200)	$0	$4,279,615

Depreciation expense was charged to functions/programs of the primary government as follows;

Governmental Activities	
General Government	$9,458
Protection	$48,798
Health and Sanitation	$3,282
Public Transportation, including depreciation of general infrastructure assets	$229,592
Unclassified	$14,855
Total Depreciation Expense - Governmental Activities	$305,985

Note 5 - Interfund Activity

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. The payables are classified as Due to Other Funds with offsetting receivables classified as Due from Other Funds. At June 30, 2023, the offsetting receivable and payable balances were $975. This balance represents an amount owed to the cemetery trust account from the general fund. The balance for the cemetery trust is expected to be repaid upon need of the funds.

Note 6 - Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the fiscal year ended June 30, 2023:

Long-Term Debt payable at July 1, 2022	$56,355
Long-Term Debt Issued	$0
Long-Term Debt Retired	($27,824)
Long-Term Debt payable June 30, 2023	$28,531

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Sullivan. Outstanding bonds at June 30, 2023 are as follows:

In July 2013, the Town secured a business loan with Machias Savings Bank for the purpose of purchasing a fire truck. The loan is for $260,000 and will be repaid over ten years with annual payments of $29,255.76, including interest at 2.54%. The balance at June 30, 2023 was $28,531.

Presented below is a summary of debt service requirements along with estimated interest:

Year	*Principal*	*Interest*	*Total*
2024	$28,531	$725	$29,256
	$28,531	$725	$29,256

Note 7 - Restricted Net Position

The Town reports restricted net position totaling $377,784 on its statements of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

Note 8 - Risk Management

The Town participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Unemployment Compensation. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for participation in the respective programs.

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries municipal and commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2023.

Note 9 - Lease and Service Based Information Technology Agreement (SBITA) Reporting

Governmental Accounting Standards Board (GASB) Statement No. 87 related to lease reporting became effective during the fiscal year ended June 30, 2022. This Statement requires the recognition of certain leas assets and liabilities, deferred inflows and outflows related to lease activity previously classified as operating leases by governmental entities. During the fiscal year ended June 30, 2023 the Town had an operating lease in effect with Gordon's Wharf and another one in effect in the Town Office with RSU 24.

The lessees have annual lease payments based on the space being leased by the Town. The lease receivables are measured as the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 3.0% which such rate is not expressly stated in the leases but deemed a reasonable rate of return.

In fiscal year ending June 30, 2023, the Town recognized $32,001 of lease and interest revenue under the leases.

Governmental Accounting Standards Board (GASB) Statement No. 96 related to service based information technology agreements (SBITA) became effective during the fiscal year ended June 30, 2023. The Town has no material SBITA activity to report. The Town has immaterial SBITA agreements in effect related to accounting software and other software in use.

Note 10 - Pending Litigation

According to management, there are no matters that would result in material adverse losses, claims or assessments against the Town of Sullivan, Maine through the date of the audit report.

TOWN OF SULLIVAN, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Exhibit V)

	Original Budget	*Final Budget*	*Actual*	*Variance Favorable (Unfavorable)*
Revenues:				
Tax Revenues, Including Homestead Exemption	$2,950,508	$2,950,508	$2,952,827	$2,319
Excise Taxes	$200,000	$200,000	$253,841	$53,841
State Revenue Sharing	$187,111	$187,111	$204,891	$17,780
State Road Assistance	$0	$0	$20,352	$20,352
Interest on Delinquent Taxes	$13,000	$13,000	$19,517	$6,517
Investment Interest	$2,600	$2,600	$32,860	$30,260
Fundraisers, Grants and Donations	$0	$0	$12,739	$12,739
Other Revenues	$74,619	$74,619	$78,829	$4,210
Total Revenues	$3,427,838	$3,427,838	$3,575,857	$148,018
Expenditures (Net of Departmental Revenues):				
General Government	$442,869	$442,869	$351,166	$91,703
Protection	$203,455	$203,455	$117,676	$85,779
Health & Sanitation	$131,902	$131,902	$91,935	$39,967
Public Transportation	$251,050	$251,050	$189,902	$61,149
Education	$2,146,255	$2,146,255	$2,146,255	($0)
Unclassified	$125,962	$125,962	$158,098	($32,136)
Assessments and Debt Service	$206,345	$206,345	$127,715	$78,630
Total Expenditures	$3,507,838	$3,507,838	$3,182,747	$325,092
Excess Revenues Over Expenditures	($80,000)	($80,000)	$393,110	$473,110
Beginning Fund Balances	$2,695,990	$2,695,990	$2,695,990	$0
Ending Fund Balances	$2,615,990	$2,615,990	$3,089,100	$473,110

Total Available	Net Expenditures	Audit Adjustments	Lapsed Unexpended (Overdraft)	Ending Balance
$141,196	$77,187	($3,705)	$60,304	$0
$17,000	$2,700	($14,300)	$0	$0
$208,539	$200,916	$1,264	$8,887	$0
$29,000	$24,105	$0	$4,895	$0
$22,453	$0	$0	$0	$22,453
$5,000	$0	$0	$0	$5,000
$77,147	$78,418	$13,888	$0	$12,617
$5,000	$338	($4,662)	($0)	$0
$505,336	$383,664	($7,516)	$74,086	$40,070
$5,908	$721	$26	$3,213	$2,000
$192,198	$116,505	($75,693)	$0	$0
$333,709	$0	$81,931	$0	$415,640
$20,000	$0	$0	$0	$20,000
$7,997	$7,555	$193	$635	$0
$559,812	$124,781	$6,457	$3,848	$437,640
$18,749	$12,856	$0	$0	$5,893
$3,000	$0	$0	$0	$3,000
$4,500	$4,149	$0	$351	$0
$108,321	$64,709	($571)	$0	$43,041
$72,421	$39,645	$2,607	$25,383	$10,000
$206,991	$121,359	$2,036	$25,734	$61,934
$0	$231	$231	$0	$0
$3,217	$0	$0	$0	$3,217
$309,352	$4,455	$0	$0	$304,897
$110,000	$109,415	$0	$585	$0
$81,347	$23,077	$1,776	$0	$60,046
$7,443	$526	$0	$0	$6,917
$21,244	$54,296	$0	($33,052)	$0
$532,604	$192,000	$2,007	($32,467)	$375,078
$2,146,255	$2,146,255	$0	($0)	$0
$2,146,255	$2,146,255	$0	($0)	$0
$92,609	$92,608	$0	$1	$0
$56,000	$35,107	$0	$20,893	$0
$57,736	$0	$0	$57,736	$0
$206,345	$127,715	$0	$78,630	$0
$101,365	$70,475	$14,300	$0	$45,190
$7,500	$0	$0	$0	$7,500
$8,867	$7,391	$100	$0	$1,575
$3,278	$0	$0	$0	$3,278
$285	$0	$0	$0	$285
$12,860	$3,000	$0	$9,860	$0
$500	$32	$0	$468	$0
$15,797	$0	$0	$0	$15,797
$671	$0	($401)	$0	$270
$100	$0	$0	$0	$100
$30,000	$0	$0	$0	$30,000
$256,840	$0	$0	$0	$256,840
$7,820	$5,503	($2,317)	$0	$0
$2,310	$675	($15)	$1,620	$0
$3,450	$220	$0	$0	$3,230
$37,629	$2,193	$125	$0	$35,561
$8,990	$0	$0	$0	$8,990
$16,173	$1,744	($578)	$0	$13,851

Total Available	*Net Expenditures*	*Audit Adjustments*	*Lapsed Unexpended (Overdraft)*	*Ending Balance*
$10,000	$0	$0	$10,000	$0
$3,000	$3,000	$0	$0	$0
$1,586	$5,624	$7,041	$0	$3,003
$21,985	$34,912	$0	($12,927)	$0
$160	$0	$0	$0	$160
$2,600	$0	$0	$0	$2,600
$200	$0	$0	$0	$200
$400	$0	$0	$0	$400
$200	$0	$0	$0	$200
$840	$0	$0	$0	$840
$200	$0	$0	$0	$200
$1,000	$1,000	$0	$0	$0
$200	$200	$0	$0	$0
$4,500	$4,500	$0	$0	$0
$250	$250	$0	$0	$0
$2,000	$2,000	$0	$0	$0
$900	$900	$0	$0	$0
$1,000	$1,000	$0	$0	$0
$750	$750	$0	$0	$0
$6,000	$6,000	$0	$0	$0
$800	$800	$0	$0	$0
$500	$500	$0	$0	$0
$2,000	$2,000	$0	$0	$0
$1,000	$1,000	$0	$0	$0
$250	$250	$0	$0	$0
$250	$250	$0	$0	$0
$100	$100	$0	$0	$0
$1,000	$1,000	$0	$0	$0
$20,000	$20,000	$0	$0	$0
$1,500	$1,500	$0	$0	$0
$100	$100	$0	$0	$0
$750	$750	$0	$0	$0
$9,493	$2,249	$0	$0	$7,244
$5,841	$50	$0	$0	$5,791
$5,000	$0	$0	$5,000	$0
$620,789	$181,917	$18,254	$14,022	$443,105
$4,778,132	$3,277,692	$21,239	$163,853	$1,357,827

TOWN OF SULLIVAN, MAINE
SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Exhibit A-2)

Beginning Unassigned Fund Balance		$1,353,581
Additions:		
Lapsed Accounts (Exhibit A-1)	$163,853	
Decrease in Unavailable Property Tax Revenue	$4,121	
Supplemental Taxes	$7,882	
Excise Taxes (Net of Appropriations)	$50,732	
Boat Excise	$3,109	
Interest and Lien Costs on Delinquent Taxes (Net of Appropriation)	$6,517	
Interest Earned (Net of Appropriation)	$30,126	
Tree Growth	$6,053	
Other Revenues	$9,041	
Total Additions		$281,434
Reductions:		
Appropriations from Unassigned Fund Balance	$80,000	
Tree Growth Penalties (Net of Appropriation)	$12,000	
Abatements and Discounts Granted (Net of Appropriation)	$9,684	
Total Reductions		$101,684
Ending Unassigned Fund Balance		$1,533,331

TOWN OF SULLIVAN, MAINE
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Exhibit A-3)

Valuation;		
Real Property	$201,673,060	
Personal Property	$1,239,700	
Total Valuation		$202,912,760
Mill Rate		$0.01410
Tax Commitment		$2,861,070
Collections and Adjustments:		
Cash Collections	$2,619,633	
Supplemental Taxes	($7,882)	
Abatements Granted	$14,684	
Total Collections and Adjustments		$2,626,435
Uncollected Taxes June 30		$234,635

TOWN OF SULLIVAN, MAINE
SCHEDULE OF APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Exhibit A-4)

Revenues:		
Tax Commitment	$2,856,070	
Motor Vehicle Excise	$200,000	
State Revenue Sharing	$187,111	
BETE	$819	
Tree Growth	$47,500	
Tree Growth Penalties	$12,000	
Homestead Exemption	$94,438	
Agent Fees	$4,500	
Interest on Delinquent Taxes	$13,000	
Interest Earned	$2,600	
Veterans Reimbursement	$1,800	
Unassigned Fund Balance	$80,000	
Other Revenues	$8,000	
Total Revenues		$3,507,838
Expenditures (See Exhibit A-1 for Detail):		
General Government	$442,869	
Protection	$203,455	
Health & Sanitation	$131,902	
Public Transportation	$251,050	
Education	$2,146,255	
Unclassified	$125,962	
Assessments and Debt Service	$206,345	
Total Expenditures		$3,507,838

TOWN OF SULLIVAN, MAINE *(Exhibit B-1)*

COMBINED BALANCE SHEET - PERMANENT FUNDS

JUNE 30, 2023

Assets	*York Hill Cemetery Trust*	*Gordon/Blaisdell Cemetery Trust*	*Birchtree Cemetery Trust*	*Simpson Trust*	*Total*
Cash	$31,392	$28,998	$8,212	$1,303	$69,905
Investments, at Fair Market Value	$20,054				$20,054
Due from Other Funds	$975				$975
Total Assets	$52,421	$28,998	$8,212	$1,303	$90,934
Fund Balances					
Restricted for Endowment		$6,119		$1,000	$7,119
Unrestricted	$52,421	$22,879	$8,212	$303	$83,815
Total Fund Balances	$52,421	$28,998	$8,212	$1,303	$90,934

TOWN OF SULLIVAN, MAINE *(Exhibit B-2)*

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - PERMANENT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	York Hill Cemetery Trust	*Gordon/Blaisdell Cemetery Trust*	*Birchtree Cemetery Trust*	*Simpson Trust*	*Total*
Revenues					
Unrealized Gain/(Loss) on Marketable Securities	$0				$0
Interest and Dividends	$204	$56	$39	$3	$302
Other Revenues	$0				$0
Total Revenues	$204	$56	$39	$3	$302
Expenditures					
Expenses	$72				$72
Total Expenditures	$72	$0	$0	$0	$72
Excess Revenues Over Expenditures	$132	$56	$39	$3	$230
Beginning Fund Balances	$52,289	$28,942	$8,173	$1,300	$90,704
Ending Fund Balances	$52,421	$28,998	$8,212	$1,303	$90,934