

Financial Statements

Northport Village Corporation

December 31, 2024

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Northport Village Corporation

December 31, 2024

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Independent Auditors' Report

**Board of Overseers
Northport Village Corporation
Northport, Maine**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Northport Village Corporation as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Northport Village Corporation'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, the business-type activities, and the aggregate remaining fund information, of the Northport Village Corporation, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northport Village Corporation 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 these 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 the Northport Village Corporation'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.

Auditors' 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 auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Northport Village Corporation'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 Northport Village Corporation'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 page 4-1 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northport Village Corporation's basic financial statements. The accompanying schedule of departmental expenditures and the schedule of valuation, assessment and collection of taxes are 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 schedule of departmental expenditures and the schedule of valuation, assessment and collection of taxes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025, on our consideration of the Northport Village Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northport Village Corporation's internal control over financial reporting and compliance.

Purdy Pownall & Company

Professional Association

Portland, Maine
September 15, 2025

Management's Discussion and Analysis

Northport Village Corporation

As management of the Northport Village Corporation, we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2024. The Corporation's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The Corporation's assets exceed liabilities by \$5,550,891 as of December 31, 2024, compared to \$5,452,948 as of December 31, 2023.

The Corporation's governmental funds General Fund Balance was \$376,627 as of December 31, 2024, compared to \$302,796 as of December 31, 2023.

Overview of the Financial Statements

The Management's Discussion and Analysis introduces the Corporation's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Corporation also includes in this report supplemental information to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements provide information about the activities of the Corporation as a whole and present both a long-term and short-term view of the Corporation's finances. Financial reporting at this level is similar to the accounting used by most private-sector companies.

The Statement of Net Position includes all assets and liabilities, with the difference reported as net position. Over time, increases or decreases in the Corporation's net position are one indicator of whether its financial health is improving or deteriorating. Evaluation of the overall economic health requires other non-financial factors, such as changes in the Corporation's property tax base and the condition of the Corporation's roads, as well as many others.

The Statement of Activities reports the current year change in net position. This statement includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities are divided into two kinds of activities:

- **Governmental activities:** Most of the Corporation's basic services are reported here, including the general administration, protection and safety, roads and storm drains, and community service. Property taxes and an annual allocation from the Town of Northport finance most of these activities.

Management’s Discussion and Analysis

Northport Village Corporation

- Business-type activities: if the Corporation charges a fee to customers to help it cover all or most of the cost of water and wastewater services it provides.

Fund Financial Statements

For governmental activities, these statements focus on how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Corporation's operations in more detail than the government-wide statements by providing information about the Corporation's most significant funds.

Financial Analysis of the Corporation as a Whole - Government-wide Financial Statements

The following schedule is a summary of net position for the years ended December 31, 2024 and 2023:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Current and other assets	\$ 482,179	\$ 374,928	\$ 107,251	\$ 316,785	\$ 310,538	\$ 6,247
Capital assets	<u>3,448,702</u>	<u>3,496,612</u>	<u>(47,910)</u>	<u>3,448,514</u>	<u>3,526,730</u>	<u>(78,216)</u>
Total Assets	3,930,881	3,871,540	59,341	3,765,299	3,837,268	(71,969)
						-
Long-term liabilities	1,536,845	1,642,590	(105,745)	494,923	539,601	(44,678)
Other liabilities	<u>90,452</u>	<u>56,432</u>	<u>34,020</u>	<u>23,068</u>	<u>17,237</u>	<u>5,831</u>
Total Liabilities	1,627,297	1,699,022	(71,725)	517,991	556,838	(38,847)
Net Position:						
Net investment in capital assets	1,911,857	1,854,022	57,835	2,953,590	2,987,129	(33,539)
Restricted, expendable	-	-	-	50,873	43,673	7,200
Unrestricted	<u>391,727</u>	<u>318,496</u>	<u>73,231</u>	<u>242,844</u>	<u>249,628</u>	<u>(6,784)</u>
	<u>\$ 2,303,584</u>	<u>\$ 2,172,518</u>	<u>\$ 131,066</u>	<u>\$ 3,247,307</u>	<u>\$ 3,280,430</u>	<u>\$ (33,123)</u>

Management's Discussion and Analysis

Northport Village Corporation

The following schedule is a summary of the statement of activities for the years December 31, 2024 and 2023:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ -	\$ 448,457	\$ 448,558	\$ (101)
Operating grants and contributions	-	-	-	34,205	19,404	14,801
General Revenues:						
Property taxes	486,062	439,366	46,696	-	-	-
Intergovernmental	-	-	-	-	-	-
Town appropriation	25,000	25,000	-	-	-	-
Other	29,742	10,015	19,727	13,946	1,614	12,332
Total Revenues	<u>540,804</u>	<u>474,381</u>	<u>66,423</u>	<u>496,608</u>	<u>469,576</u>	<u>27,032</u>
Expenses:						
General:						
General government	245,392	235,901	9,491	-	-	-
Protection and safety	20,493	25,292	(4,799)	-	-	-
Roads and storm drains	15,705	35,650	(19,945)	-	-	-
Community	83,952	58,763	25,189	-	-	-
Capital outlay	1,798	-	1,798	-	-	-
Miscellaneous	-	5,212	(5,212)	-	-	-
Interest on long-term debt	42,398	44,028	(1,630)	-	-	-
Water services	-	-	-	251,766	203,784	47,982
Wastewater services	-	-	-	277,965	208,089	69,876
Total Expenses	<u>409,738</u>	<u>404,846</u>	<u>4,892</u>	<u>529,731</u>	<u>411,873</u>	<u>117,858</u>
Change in Net Position	<u>\$ 131,066</u>	<u>\$ 69,535</u>	<u>\$ 61,531</u>	<u>\$ (33,123)</u>	<u>\$ 57,703</u>	<u>\$ (90,826)</u>

Management's Discussion and Analysis

Northport Village Corporation

Financial Analysis of the Corporation's Funds - Fund Financial Statements

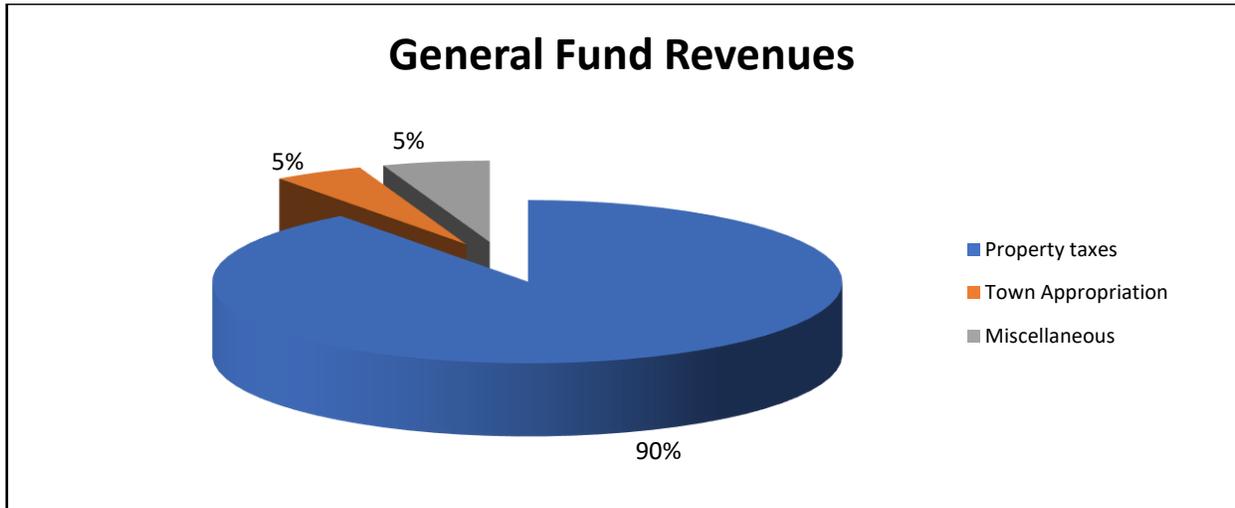
Our analysis of the Corporation's major funds begins with the fund financial statements and provides detailed information about the most significant funds-not the Corporation as a whole. Some funds are required to be established by State law. However, many other funds are established to help control and manage money for purposes or to show the Corporation is meeting legal responsibilities for using certain taxes, grants, and other money. The Corporation reports governmental funds and two proprietary funds.

- Governmental funds - Most of the Corporation's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Corporation's programs. We describe the relationship, or differences, between governmental activities, reported in the Statement of Net Position and the Statement of Activities, and governmental funds in reconciliation at the bottom of the fund financial statements.
- Proprietary funds -The Corporation maintains one type of proprietary fund, an Enterprise fund. Enterprise funds, as described above, are required to be used to account for operations for which a fee is charged to external users for goods or services. Enterprise funds are reported using the accrual basis of accounting. The Corporation uses Enterprise funds to account for its water and wastewater operations.

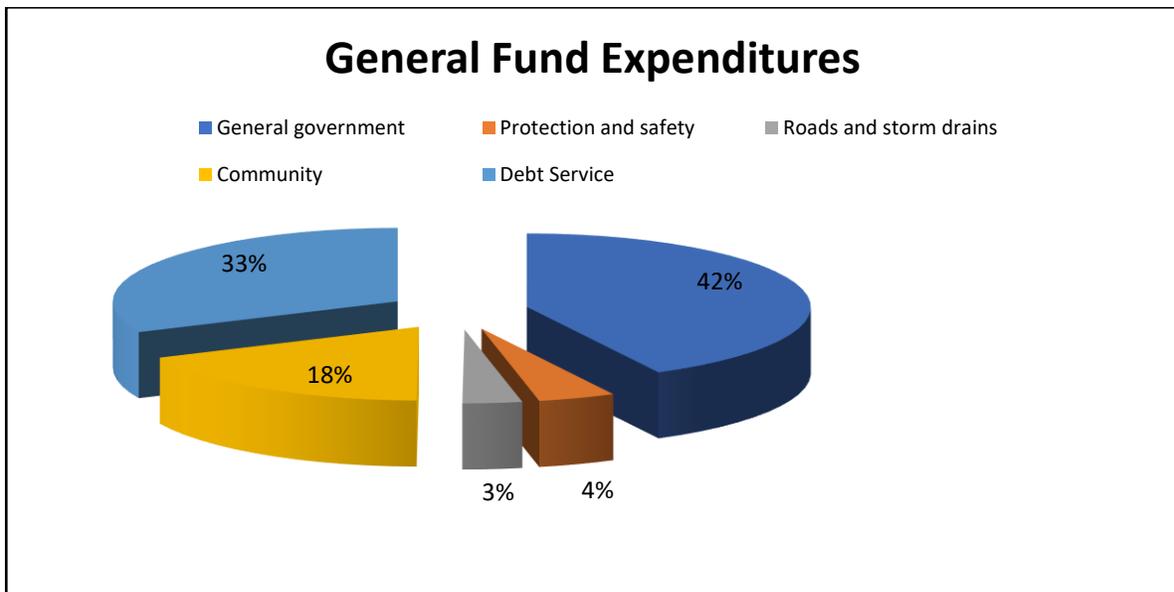
Management's Discussion and Analysis

Northport Village Corporation

Current year revenues in the general fund were made up of the following:



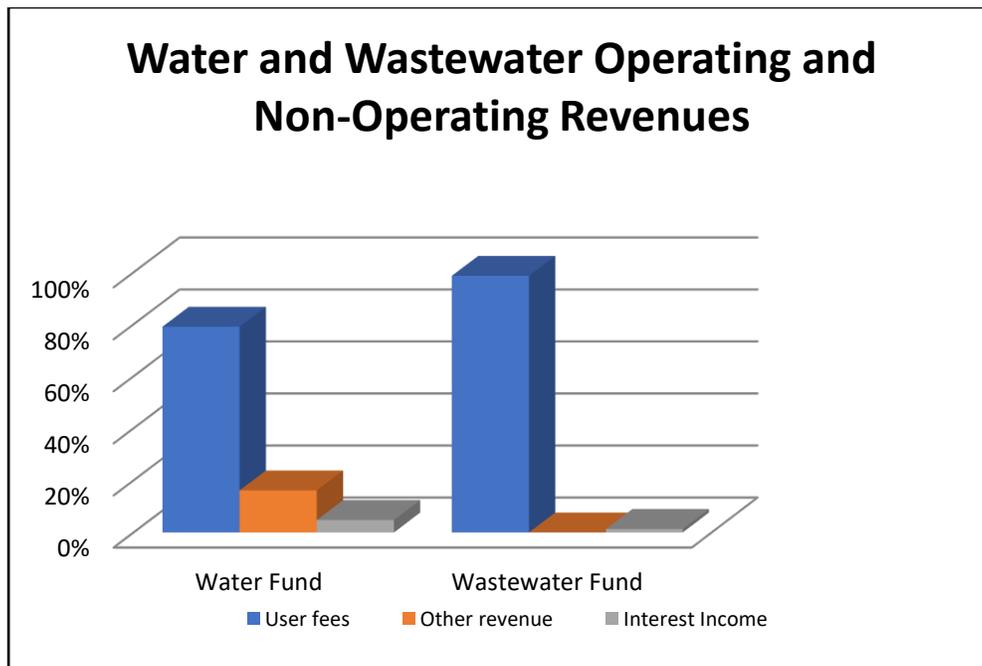
Current year expenditures in the general fund were made up of the following:



Management's Discussion and Analysis

Northport Village Corporation

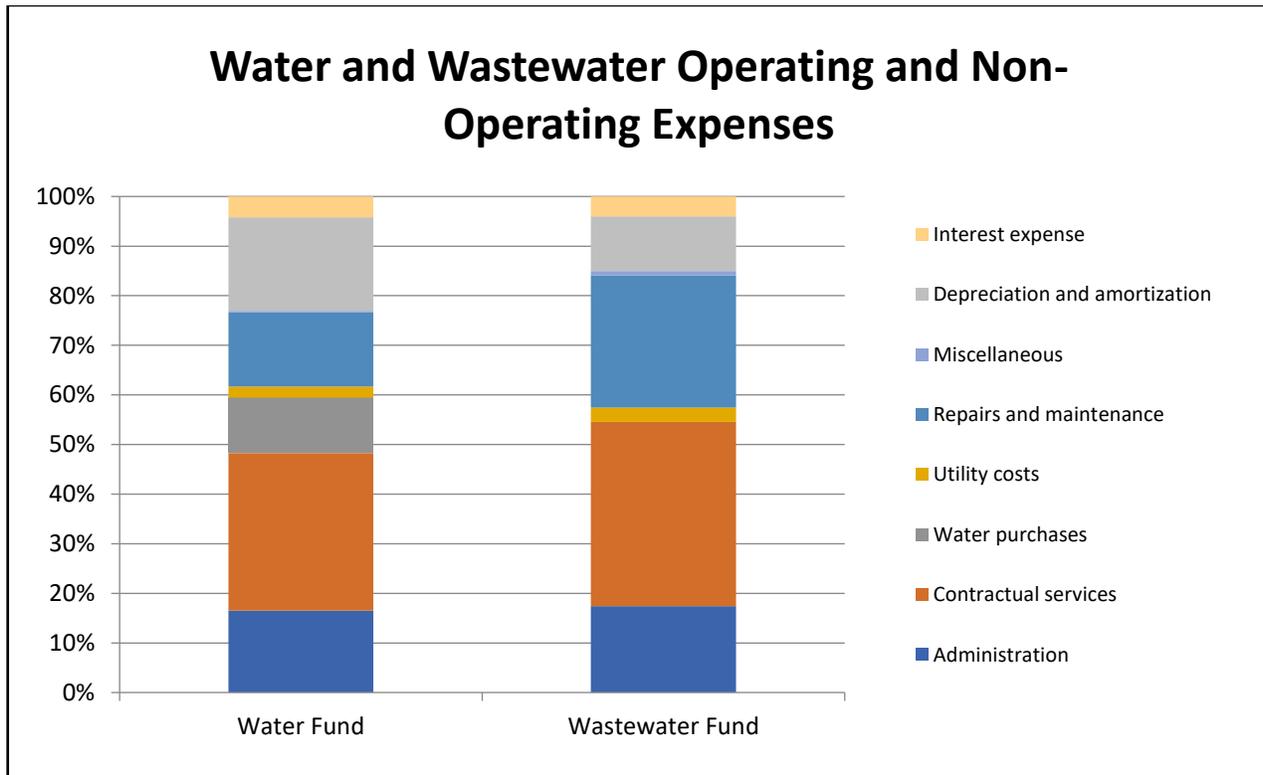
Operating and non-operating revenues in the Water and Wastewater funds were made up of the following:



Management’s Discussion and Analysis

Northport Village Corporation

Operating and non-operating expenses in the Water and Wastewater funds were made up of the following:



Water Fund and Wastewater Fund Budgetary Highlights

In January 2024, the Utilities Trustees identified the need to adjust the Water rates and engaged an outside consultant to help with evaluating and preparing a rate increase request to the PUC. In July 2024, based on the recommendations from the outside consultant, the Utilities Trustees approved pursuing a 25% rate increase from the PUC and scheduling a public hearing on the rate increase in September 2024. At the conclusion of the public hearing, the Utilities Trustees approved a 25% and a 1.5% water rate increase. In November 2024, the PUC approved an 1.5% increase, a standard operational cost increase and allowable annual percentage escalation as well as a 25% increase specifically tied to the significant vendor rate increase levied in 2024 by the Belfast Water District, and in consideration that NVC had not implemented any customer rate increases in recent years. The rate increases were approved to begin in December 2024, the next billing cycle.

The Utilities Trustees continued the sewer connection moratorium, that begun in 2022, through 2024. The moratorium on new sewer connections was to allow the sewer department to understand and control BOD in the sewer system.

Management's Discussion and Analysis

Northport Village Corporation

Capital Assets

At year-end, the Corporation had \$6,897,215 in net capital assets compared to \$7,023,342 last year. Below is a breakdown of capital assets between governmental activities and business-type activities.

	<u>2024</u>	<u>2023</u>
Governmental Activities		
General Fund	\$ 3,448,702	\$ 3,496,612
Total Governmental Activities	<u>\$ 3,448,702</u>	<u>\$ 3,496,612</u>
Business-type Activities		
Water	\$ 2,043,374	\$ 2,090,856
Wastewater	<u>1,405,140</u>	<u>1,435,874</u>
Total Business-type Activities	<u>3,448,514</u>	<u>3,526,730</u>
Total Net Capital Assets	<u>\$ 6,897,216</u>	<u>\$ 7,023,342</u>

Long Term Liabilities

At year-end, the Corporation had \$2,031,768 in outstanding bonds compared to \$2,182,191 last year. Below is a breakdown of outstanding bonds between governmental activities and business-type activities:

	<u>2024</u>	<u>2023</u>
Governmental Activities		
General Fund	\$ 1,536,845	\$ 1,642,590
Total Governmental Activities	<u>1,536,845</u>	<u>1,642,590</u>
Business-type Activities		
Water	241,012	262,553
Wastewater	<u>253,912</u>	<u>277,048</u>
Total Business-type Activities	<u>494,924</u>	<u>539,601</u>
Total Outstanding Bonds	<u>\$ 2,031,769</u>	<u>\$ 2,182,191</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The request water rate increase did not go into effect in until the end of 2024, thus the 2025 budget and user rates will reflect the approved rate increase of 25% and 1.5%.

Management's Discussion and Analysis

Northport Village Corporation

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Corporation's office at (207) 338-0751 and ask for the Corporation's Treasurer. Citizens are welcome to visit with the appropriate staff on any financial matters.

Statement of Net Position

Northport Village Corporation

As of December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 423,044	\$ 255,762	\$ 678,806
Restricted cash	-	44,682	44,682
Grants receivable	-	16,515	16,515
Accounts receivable	-	30,459	30,459
Taxes receivable	26,077	-	26,077
Tax liens	2,425	-	2,425
Internal balances	30,633	(30,633)	-
Capital assets, net of accumulated depreciation	<u>3,448,702</u>	<u>3,448,514</u>	<u>6,897,216</u>
Total Assets	3,930,881	3,765,299	7,696,180
Liabilities			
Accounts payable	81,009	15,609	96,618
Accrued expenses	2,543	4,159	6,702
Accrued interest	6,900	3,300	10,200
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	72,323	46,174	118,497
Portion due or payable after one year:			
Bonds payable	<u>1,464,522</u>	<u>448,750</u>	<u>1,913,272</u>
Total Liabilities	<u>1,627,297</u>	<u>517,992</u>	<u>2,145,289</u>
Net Position			
Net investment in capital assets	1,911,857	2,953,590	4,865,447
Restricted, expendable	-	50,873	50,873
Unrestricted	<u>391,727</u>	<u>242,844</u>	<u>634,571</u>
Total Net Position	<u>\$ 2,303,584</u>	<u>\$ 3,247,307</u>	<u>\$ 5,550,891</u>

See accompanying independent auditors' report and notes to financial statements.

Statement of Activities

Northport Village Corporation

For the Year Ended December 31, 2024

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:							
General government	\$ 245,392	\$ -	\$ -	\$ (245,392)		\$ (245,392)	
Protection and safety	20,493	-	-	(20,493)		(20,493)	
Roads and storm drains	15,705	-	-	(15,705)		(15,705)	
Community	83,952	-	-	(83,952)		(83,952)	
Capital outlay	1,798	-	-	(1,798)		(1,798)	
Interest on long-term debt	42,398	-	-	(42,398)		(42,398)	
	<u>409,738</u>	<u>-</u>	<u>-</u>	<u>(409,738)</u>		<u>(409,738)</u>	
Business-type Activities:							
Water services	251,766	167,496	34,205		\$ (50,065)	(50,065)	
Wastewater services	277,965	280,961	-		2,996	2,996	
	<u>529,731</u>	<u>448,457</u>	<u>34,205</u>		<u>(47,069)</u>	<u>(47,069)</u>	
	<u>\$ 939,469</u>	<u>\$ 448,457</u>	<u>\$ 34,205</u>	(409,738)	(47,069)	(456,807)	
General Revenues:							
Property taxes				486,062	-	486,062	
Town appropriations				25,000	-	25,000	
Interest income				12,435	13,946	26,381	
Miscellaneous				17,307	-	17,307	
Total General Revenues and Transfers				<u>540,804</u>	<u>13,946</u>	<u>554,750</u>	
				Change in Net Position	131,066	(33,123)	97,943
				Net position at beginning of year	<u>2,172,518</u>	<u>3,280,430</u>	<u>5,452,948</u>
				Net Position at End of Year	<u>\$ 2,303,584</u>	<u>\$ 3,247,307</u>	<u>\$ 5,550,891</u>

See accompanying independent auditors' report and notes to financial statements.

Balance Sheet - Governmental Funds

Northport Village Corporation

As of December 31, 2024

	General Fund
Assets	
Cash	\$ 423,044
Taxes receivable	26,077
Tax liens	2,425
Due from other funds	<u>30,633</u>
Total Assets	\$ <u>482,179</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 81,009
Accrued expenses	<u>2,543</u>
Total Liabilities	83,552
Deferred Inflows of Resources	
Unavailable revenue - property taxes	<u>22,000</u>
Total Deferred Inflows of Resources	22,000
Fund Balances	
Nonspendable	210
Assigned	40,446
Unassigned	<u>335,971</u>
Total Fund Balances	<u>376,627</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>482,179</u>

See accompanying independent auditors' report and notes to financial statements.

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position**

Northport Village Corporation

As of December 31, 2024

Total Fund Balances - Governmental Funds \$ 376,627

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of capital assets, net of accumulated depreciation is: 3,448,702

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The balance in unavailable revenue - property taxes in the governmental funds as a deferred inflow is: 22,000

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and related liabilities at year-end consist of:

Bonds payable	\$ (1,536,845)	
Accrued interest payable	<u>(6,900)</u>	
		<u>(1,543,745)</u>

Total Net Position - Governmental Activities \$ 2,303,584

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

Northport Village Corporation

For the Year Ended December 31, 2024

	<u>General Fund</u>
Revenues	
Property taxes	\$ 487,062
Town appropriation	25,000
Miscellaneous	<u>29,742</u>
Total Revenues	541,804
Expenditures	
Current	
General government	197,482
Protection and safety	20,493
Roads and storm drains	15,705
Community	83,952
Debt service - principal	105,745
- interest	42,798
Capital outlay	<u>1,798</u>
Total Expenditures	<u>467,973</u>
Revenues Over Expenditures	73,831
Fund balance at beginning of year	<u>302,796</u>
Fund Balance at End of Year	<u><u>\$ 376,627</u></u>

See accompanying independent auditors' report and notes to financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

Northport Village Corporation

As of December 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 73,831

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital asset additions as expenditures.
However, in the Statement of Activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which capital asset additions differed from
depreciation expense in the current period:

Capital asset additions	\$ 20,117	
Depreciation expense	<u>(68,027)</u>	(47,910)

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the Statement
of Net Position. Proceeds from borrowing provide current resources to
governmental funds, but issuing debt increases long-term liabilities in the
Statement of Net Position. This is the amount for repayment of long-term
debt in the current period: 105,745

Property tax revenues are presented on the modified accrual basis
of accounting in the governmental funds but in the Statement of
Activities, property tax revenue is reported under the accrual method.
The current year change in unavailable revenue - property tax revenue
reported in the governmental funds and not in the Statement of Activities is: (1,000)

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported
as expenditures in the governmental funds:

Change in accrued interest payable	<u>400</u>
------------------------------------	------------

Change in Net Position of Governmental Activities **\$ 131,066**

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)**

Northport Village Corporation

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 485,924	\$ 485,924	\$ 487,062	\$ 1,138
Town appropriation	25,000	25,000	25,000	-
Miscellaneous	8,300	8,300	29,742	21,442
Total Revenues	<u>519,224</u>	<u>519,224</u>	<u>541,804</u>	<u>22,580</u>
Expenditures				
Current				
General government	229,214	229,214	197,482	31,732
Protection and safety	37,820	37,820	20,493	17,327
Roads and storm drains	21,000	21,000	15,705	5,295
Community	75,800	75,800	83,952	(8,152)
Debt service - principal	105,320	105,320	105,745	(425)
- interest	23,558	23,558	42,798	(19,240)
Capital outlay	26,374	26,374	1,798	24,576
Total Expenditures	<u>519,086</u>	<u>519,086</u>	<u>467,973</u>	<u>51,113</u>
Revenues Over Expenditures	\$ 138	\$ 138	73,831	\$ 73,693
Budgetary fund balance at beginning of year			<u>302,796</u>	
Budgetary Fund Balance at End of Year			<u>\$ 376,627</u>	

See accompanying independent auditors' report and notes to financial statements.

Statement of Net Position
Proprietary Funds - Business-type Activities - Enterprise Funds

Northport Village Corporation

As of December 31, 2024

	Water Fund	Wastewater Fund	Total
Assets			
Current Assets			
Cash	\$ 170,153	\$ 85,609	\$ 255,762
Restricted cash	-	44,682	44,682
Due from other funds	7,222	190	7,412
Interfund loan receivable	61,428	-	61,428
Grants receivable	16,515	-	16,515
Accounts receivable	14,763	15,696	30,459
Total Current Assets	<u>270,081</u>	<u>146,177</u>	<u>416,258</u>
Other Assets			
Property, plant and equipment, net	2,043,374	1,405,140	3,448,514
Total Other Assets	<u>2,043,374</u>	<u>1,405,140</u>	<u>3,448,514</u>
Total Assets	2,313,455	1,551,317	3,864,772
Liabilities			
Current Liabilities			
Accounts payable	10,798	4,811	15,609
Accrued interest	1,700	1,600	3,300
Accrued expenses	3,159	1,000	4,159
Due to other funds	21,989	16,056	38,045
Current portion of interfund loan payable	-	18,497	18,497
Current portion of long-term debt	22,246	23,928	46,174
Total Current Liabilities	<u>59,892</u>	<u>65,892</u>	<u>125,784</u>
Long-Term Liabilities			
Interfund loan payable, less current portion	-	42,931	42,931
Long-term debt, less current portion	218,766	229,984	448,750
Total Long-Term Liabilities	<u>218,766</u>	<u>272,915</u>	<u>491,681</u>
Total Liabilities	278,658	338,807	617,465
Net Position			
Net investment in capital assets	1,802,362	1,151,228	2,953,590
Restricted, expendable	-	50,873	50,873
Unrestricted:			
Water reserve	230,435	-	230,435
Wastewater reserve	-	6,409	6,409
Village truck	2,000	4,000	6,000
Total Net Position	<u>\$ 2,034,797</u>	<u>\$ 1,212,510</u>	<u>\$ 3,247,307</u>

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - Business-type Activities - Enterprise Funds**

Northport Village Corporation

For the Year Ended December 31, 2024

	Water Fund	Wastewater Fund	Total
Operating Revenues			
User fees	\$ 167,496	\$ 280,961	\$ 448,457
Other revenue	34,205	-	34,205
Total Operating Revenues	<u>201,701</u>	<u>280,961</u>	<u>482,662</u>
Operating Expenses			
Administration	41,652	48,339	89,991
Contractual services	79,934	103,354	183,288
Water purchases	27,989	-	27,989
Utility costs	5,733	8,032	13,765
Repairs and maintenance	37,538	73,884	111,422
Miscellaneous	819	2,562	3,381
Depreciation	47,482	30,734	78,216
Total Operating Expenses	<u>241,147</u>	<u>266,905</u>	<u>508,052</u>
Net Operating Income (Loss)	(39,446)	14,056	(25,390)
Non-Operating Revenues (Expenses)			
Interest income	10,105	3,841	13,946
Interest expense	(10,619)	(11,060)	(21,679)
Net Non-Operating Expenses	<u>(514)</u>	<u>(7,219)</u>	<u>(7,733)</u>
Change in Net Position	(39,960)	6,837	(33,123)
Net position at beginning of the year	<u>2,074,757</u>	<u>1,205,673</u>	<u>3,280,430</u>
Net Position at End of Year	<u>\$ 2,034,797</u>	<u>\$ 1,212,510</u>	<u>\$ 3,247,307</u>

See accompanying independent auditors' report and notes to financial statements.

Statement of Cash Flows
Proprietary Funds - Business-type Activities - Enterprise Funds

Northport Village Corporation

For the Year Ended December 31, 2024

	Water Fund	Wastewater Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 137,196	\$ 276,512	\$ 413,708
Receipts from other sources	34,205	-	34,205
Payments to suppliers	(125,126)	(168,345)	(293,471)
Payments to employees	(57,079)	(65,291)	(122,370)
Net Cash Provided (Used) by Operating Activities	<u>(10,804)</u>	<u>42,876</u>	<u>32,072</u>
Cash Flows from Capital and Related Financing Activities			
Interfund loan	17,770	(17,770)	-
Principal payments on long-term debt	(21,541)	(23,136)	(44,677)
Interest payments	(10,719)	(11,760)	(22,479)
Net Cash Used by Capital and Related Financing Activities	<u>(14,490)</u>	<u>(52,666)</u>	<u>(67,156)</u>
Cash Flows from Investing Activities			
Interest income	10,105	3,841	13,946
Decrease in Cash and Cash Equivalents	<u>(15,189)</u>	<u>(5,949)</u>	<u>(21,138)</u>
Cash and cash equivalents at beginning of year	<u>185,342</u>	<u>136,240</u>	<u>321,582</u>
Cash and Cash Equivalents at End of Year	<u>\$ 170,153</u>	<u>\$ 130,291</u>	<u>\$ 300,444</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (39,446)	\$ 14,056	\$ (25,390)
Adjustment to reconcile changes in operating income to net cash provided by operating activities:			
Depreciation	47,482	30,734	78,216
(Increase) Decrease in operating assets:			
Grants receivable	(16,515)	-	(16,515)
Accounts receivable	(6,592)	(4,575)	(11,167)
Due from other funds	(7,190)	160	(7,030)
Increase (Decrease) in operating liabilities:			
Accounts payable	9,175	(4,534)	4,641
Due to other funds	13	7,314	7,327
Accrued expenses	2,269	(279)	1,990
Net Cash Provided (Used) by Operating Activities	<u>\$ (10,804)</u>	<u>\$ 42,876</u>	<u>\$ 32,072</u>
Supplemental Disclosure of Cash Flow Information			
Interest paid	<u>\$ 10,719</u>	<u>\$ 11,760</u>	<u>\$ 22,479</u>

See accompanying independent auditors' report and notes to financial statements.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies

The Northport Village Corporation (the “Corporation”) was incorporated on March 29, 1915 and given the authority to raise money for the operation and maintenance of the Corporation as set forth under the provisions of the State of Maine. The Corporation operates as a village corporation under a Council-Committee form of government and provides the following services to its property owners and residents: public safety (police), streetlights, streets, sanitation, culture-recreation, and general administrative services. The accounting policies of the Corporation conform to United States generally accepted accounting principles (GAAP). The Corporation applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies established in GAAP and used by the Corporation are discussed below.

Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Corporation operations. The criteria for including organizations as component units within the Corporation's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Corporation holds the corporate powers of the organization
- the Corporation appoints a voting majority of the organization's board
- the Corporation is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Corporation
- there is fiscal dependency by the organization on the Corporation

Based on the aforementioned criteria, the Northport Village Corporation has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support.

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. The Corporation does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges 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 as general revenues.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

Government-wide Financial Statements - Continued

Separate financial statements are provided for governmental funds and fiduciary funds, 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.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Corporation and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary (Business-type) Activities

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Corporation's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Cash and Cash Equivalents

The Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Certain prior year amounts have been reclassified for comparative purposes in the accompanying statement of cash flows.

Accounts Receivable

Accounts receivable represents amounts due to the Corporation for user fees. The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and the credit worthiness of customers in determining the allowance for doubtful accounts. Management has determined an allowance for doubtful accounts is not necessary at December 31, 2024.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: land improvements, 40 years; buildings and improvements, 40 years; and infrastructure, 25 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Budget

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

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

- Early in the first half of the last fiscal year for the General Fund and in the second half of the last fiscal year for the Water and Wastewater Funds, the Corporation prepared a budget for this fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
- A vote of the inhabitants of the Northport Village Corporation was then called for the purpose of approving the proposed budget after public notice of the meeting was given.
- The budget was adopted subsequent to passage by the inhabitants of the Corporation.

Estimates

The preparation of 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.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement section represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, unavailable revenue from property taxes, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Government-wide Fund Net Position

Government-wide net positions are divided into three components:

Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position - consist of net assets that are restricted by the Corporation's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - All other net assets are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned - resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Overseers or a body or official to which the Board of Overseers has designated the authority to assign amounts for specific purposes.

Unassigned - resources which cannot be properly classified in one of the other four categories.

Use of Restricted Resources

The Corporation has no formal fund balance policy. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Revenue Recognition - Property Taxes

The Corporation's property tax for the current year was levied August 1, 2024, on the assessed value listed as of April 1, 2024, for all real and personal property located in the Corporation. Taxes were due September 1, 2024. Interest on unpaid taxes commenced on September 2, 2024, at 8.5% per annum.

Notes to Financial Statements

Northport Village Corporation

Note A - Summary of Significant Accounting Policies - Continued

Revenue Recognition - Property Taxes - Continued

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as unavailable revenue from property taxes.

The Corporation is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$138 for the year ended December 31, 2024.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Corporation has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

New Accounting Pronouncement

During the year ended December 31, 2024, the Corporation implemented Governmental Accounting Standards Board Statement (GASBS) No. 101, *Compensated Absences*. This new standard redefines compensated absences and gives users of the financial statements more simplified disclosures, by presenting the net change of the liability in the roll forward. The implementation of this accounting standard did not have an effect on the accounting records for the Corporation.

Note B - Cash

The Corporation conducts all its banking transactions with its depository banks.

Custodial Credit Risk - Deposits

At December 31, 2024, the carrying amount of the Corporation's deposits was \$723,488 and the bank balance was \$705,465. The difference between these balances relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. The Corporation has a deposit policy on custodial credit risk. At December 31, 2024, none of the Corporation's bank balance of \$705,465 was exposed to credit risk.

Restricted Cash

As a condition of the Corporation's debt with the United States Department of Agriculture - Rural Development, the Corporation maintains a cash account specifically established as a reserve for the replacement of short-lived assets. The required reserve balance at December 31, 2024 was \$50,873 and the cash balance was \$44,682.

Notes to Financial Statements

Northport Village Corporation

Note B - Cash - Continued

Restricted Cash - Continued

The Corporation's restricted cash account amounted to \$44,682 as of December 31, 2024. At December 31, 2024, the Corporation's reserve cash account was underfunded by \$6,191. The underfunding of the reserve cash account could be considered a default of the terms of this agreement. However, the Corporation's default has been known by the USDA and the USDA has not taken any steps to declare the loan immediately due and payable. The Corporation believes that it is unlikely that the USDA will declare this loan due and payable. Consequently, the debt associated with this loan has been classified as noncurrent in the statement of net position.

Note C - Capital Assets

A summary of capital asset transactions for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land and easements	\$ 1,333,067	\$ -	\$ -	\$ 1,333,067
Depreciable Assets:				
Land improvements	34,107	20,117	-	54,224
Buildings and improvements	138,077	-	-	138,077
Wharf	484,574	-	-	484,574
Office equipment	590	-	-	590
Vehicles	31,347	-	-	31,347
Infrastructure	<u>2,198,663</u>	<u>-</u>	<u>-</u>	<u>2,198,663</u>
Totals at historical cost	4,220,425	20,117	-	4,240,542
Less Accumulated Depreciation:				
Land improvements	2,018	1,355	-	3,373
Buildings and improvements	79,801	2,643	-	82,444
Wharf	217,142	11,918	-	229,060
Office equipment	590	-	-	590
Vehicles	22,620	5,189	-	27,809
Infrastructure	<u>401,642</u>	<u>46,922</u>	<u>-</u>	<u>448,564</u>
Total accumulated depreciation	<u>723,813</u>	<u>68,027</u>	<u>-</u>	<u>791,840</u>
Capital Assets, Net	<u>\$ 3,496,612</u>	<u>\$ (47,910)</u>	<u>\$ -</u>	<u>\$ 3,448,702</u>

Notes to Financial Statements

Northport Village Corporation

Note C - Capital Assets - Continued

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Business-type Activities:				
Depreciable Assets:				
Water main and equipment	\$ 2,934,528	\$ -	\$ -	\$ 2,934,528
Sewer main and equipment	2,596,672	-	-	2,596,672
Vehicles	<u>25,946</u>	<u>-</u>	<u>-</u>	<u>25,946</u>
Total depreciable assets	5,557,146	-	-	5,557,146
Less Accumulated Depreciation:				
Water main and equipment	848,036	44,887	-	892,923
Sewer main and equipment	1,165,162	28,140	-	1,193,302
Vehicles	<u>17,218</u>	<u>5,189</u>	<u>-</u>	<u>22,407</u>
Total accumulated depreciation	<u>2,030,416</u>	<u>78,216</u>	<u>-</u>	<u>2,108,632</u>
Capital Assets, Net	<u>\$ 3,526,730</u>	<u>\$ (78,216)</u>	<u>\$ -</u>	<u>\$ 3,448,514</u>

Depreciation expense was charged to the following functions:

Governmental activities:

General government \$ 68,027

Business-type activities:

Water \$ 47,482

Sewer 30,734

Total business-type activities depreciation expense \$ 78,216

Notes to Financial Statements

Northport Village Corporation

Note D - Interfund Receivables and Payables

Interfund balances at December 31, 2024, consisted of the following individual fund receivables and payables:

	<u>Receivables</u> <u>Due from</u>	<u>Payables</u> <u>Due to</u>	<u>Net Internal</u> <u>Balances</u>
Governmental Activities			
General Fund:			
Enterprise Fund:			
Wastewater	\$ 15,155	\$ -	
Water	<u>21,989</u>	<u>(6,511)</u>	
Net Governmental Activities	37,144	(6,511)	\$ 30,633
Business-type Activities			
Enterprise Funds:			
Wastewater:			
General Fund	-	(15,155)	
Water	190	(901)	
Water interfund loan	-	(61,428)	
Water:			
General Fund	6,511	(21,989)	
Wastewater	711	-	
Wastewater interfund loan	<u>61,428</u>	<u>-</u>	
Net Business-type Activities	<u>68,840</u>	<u>(99,473)</u>	<u>(30,633)</u>
	<u>\$ 105,984</u>	<u>\$ (105,984)</u>	<u>\$ -</u>

Included in the interfund receivable and payable transactions between the Water Fund and Wastewater Fund is a loan from the Water Fund to the Wastewater Fund of \$96,000, due in quarterly installments of \$5,209, which includes interest at 4%, due through March 2028. The ending balance for the loan as of December 31, 2024 is \$61,428.

The annual requirements to amortize the loan payable are as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,497	\$ 2,339	\$ 20,836
2026	19,248	1,588	20,836
2027	20,030	806	20,836
2028	<u>3,653</u>	<u>100</u>	<u>3,753</u>
	<u>\$ 61,428</u>	<u>\$ 4,833</u>	<u>\$ 66,261</u>

Notes to Financial Statements

Northport Village Corporation

Note E - Long-Term Debt

The following is a summary of changes in the long-term debt for the year ended December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds payable	\$ 1,642,590	\$ -	\$ 105,745	\$ 1,536,845	\$ 72,323
Business-type Activities:					
Bonds payable	\$ 539,601	\$ -	\$ 44,677	\$ 494,924	\$ 46,174

The following is a summary of the outstanding bonds December 31, 2024:

	<u>Governmental</u>	<u>Business-type</u>
<u>Bonds Payable:</u>		
\$100,000 - 2008 Sewer Bond payable with Maine Municipal Bond Bank. Due in annual principal installments ranging from \$3,483 to \$7,317 and semi-annual interest installments at interest rates ranging from 2.1% to 5.5% through October 2028.	\$ -	\$ 27,243
\$813,369 - 2013 Municipal Bond payable with Maine Municipal Bond Bank. Due in annual installments of \$58,656 and semi-annual interest installments at interest ranging from 0.45% to 4.57% through November 2033.	62,861	365,687
\$1,586,248 - 2021 Bond payable with Maine Municipal Bond Bank. Due in annual principal installments ranging from \$44,436 to \$80,237 with semi-interest installments at a rate of 0.61% to 3.49% through November 2049.	1,452,748	-
\$198,000 - 2015 Bond payable with Bar Harbor Bank & Trust. Due in annual installments of \$22,065 which includes interest at 1.99% through 2025.	21,236	-
\$159,874 - 2012 Sewer Bond with USDA Rural Development. Due in annual installments of \$7,513 which include interest at 2% through 2040.	-	101,994
Total bonds payable	<u>\$ 1,536,845</u>	<u>\$ 494,924</u>

Notes to Financial Statements

Northport Village Corporation

Note E - Long-Term Debt - Continued

The annual requirements to amortize bonds payable are as follows:

Year ending December 31,	<u>Governmental</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 72,323	\$ 41,175	\$ 113,498
2026	51,715	40,118	91,833
2027	52,441	39,392	91,833
2028	53,298	38,535	91,833
2029	54,244	37,589	91,833
2030-2034	278,843	170,103	448,946
2035-2039	278,737	136,440	415,177
2040-2044	320,192	94,982	415,174
2045-2049	<u>375,052</u>	<u>40,119</u>	<u>415,171</u>
	<u>\$ 1,536,845</u>	<u>\$ 638,453</u>	<u>\$ 2,175,298</u>

Year ending December 31,	<u>Business-type</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,174	\$ 18,586	\$ 64,760
2026	47,837	16,891	64,728
2027	49,641	15,193	64,834
2028	51,602	13,240	64,842
2029	45,994	11,377	57,371
2030-2034	211,611	26,806	238,417
2035-2039	34,720	2,845	37,565
2040-2044	<u>7,345</u>	<u>147</u>	<u>7,492</u>
	<u>\$ 494,924</u>	<u>\$ 105,085</u>	<u>\$ 600,009</u>

All notes from bonds are direct obligations of the Corporation, for which its full faith and credit are pledged. The Corporation is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Corporation.

Notes to Financial Statements

Northport Village Corporation

Note F - Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Corporation either carries commercial insurance, or is effectively self-insured. Currently, the Corporation carries commercial insurance for any risks of loss to which it may be exposed.

Based on the coverage provided by commercial insurance purchased, the Corporation is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2024.

Note G - Commitments

The Corporation has an agreement to purchase water from the Belfast Water Corporation, which is the Corporation's sole source of water. The agreement extends for an indefinite period. Costs incurred under the agreement are based upon a rate of \$0.25 per 100 gallons of water with annual usage of approximately 7 million gallons per year. Approximately \$28,000 was paid under this agreement during 2024.

The Corporation has an agreement with an independent contractor to provide property maintenance and lawn care services for the period November 2022 through October 2025. The Corporation has another agreement with an independent contractor to provide curbside trash and recycling pickup for the period September 2023 through September 2026. Under these contracts, the Corporation made payments totaling \$36,550 during the year ended December 31, 2024.

Future payments under this contract is as follows:

<u>Year ending December 31</u>	
2025	\$ 36,550
2026	<u>18,000</u>
	<u>\$ 54,550</u>

Note H - Restricted Net Position

At December 31, 2024 restricted net position consisted of the following:

USDA maintenance reserve	<u>\$ 50,873</u>
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The balance is expendable within its designated constraint.

Notes to Financial Statements

Northport Village Corporation

Note I - Assigned Fund Balance

At December 31, 2024 the assigned fund balance consisted of the following:

Governmental Activities:	
Park Bench	\$ 610
Library	100
Playground	19,386
Village truck	<u>20,350</u>
	<u>\$ 40,446</u>

Note J - Expenditures Over Appropriation

The following appropriations were exceeded by actual expenditures:

Community	\$ 8,152
Debt service	19,665

Note K - Subsequent Event

Subsequent to year-end, the Corporation entered into two grant agreements with the Maine Department of Environmental Protection. As a condition for receiving grant funding, the Corporation entered into two loan agreements with the Maine Municipal Bond Bank totaling \$45,000. The first loan, in the amount of \$20,000, is designated to fund the completion of the Wastewater Fiscal Sustainability Plan, while the second loan, in the amount of \$25,000, is designated to fund the Wastewater Climate Adaptation Plan. Upon the successful completion of these plans, the Maine Department of Environmental Protection will authorize forgiveness of the outstanding principal balances of the loans, paying them in full on behalf of the Corporation.

Schedule of Departmental Expenditures (1 of 2)

Northport Village Corporation

For the Year Ended December 31, 2024

	Budget	Actual	Variance Positive (Negative)
Expenditures			
General Government:			
Village Officials	\$ 650	\$ 533	\$ 117
Payroll processing	2,200	2,727	(527)
Village Agent	40,997	37,887	3,110
Office personnel	25,170	22,438	2,732
Winter roads wages	-	4,998	(4,998)
Tax Collector	9,724	11,604	(1,880)
Professional services	10,307	33,170	(22,863)
Legal	2,500	-	2,500
Engineering fees	36,000	-	36,000
Building and utilities	45,422	52,019	(6,597)
Insurance and bonds	9,195	2,218	6,977
MMA membership	750	230	520
Office expense	5,000	1,432	3,568
Payroll taxes	5,500	5,718	(218)
Miscellaneous	35,799	22,508	13,291
Total General Government	<u>229,214</u>	<u>197,482</u>	<u>31,732</u>
Protection and Safety:			
Police	18,970	2,111	16,859
Hydrant rentals	6,500	6,429	71
Lifeguards	12,350	11,925	425
Protection and safety - other	-	28	(28)
Total Protection and Safety	<u>37,820</u>	<u>20,493</u>	<u>17,327</u>
Roads and Storm Drains:			
Road maintenance	21,000	15,705	5,295
Total Roads and Storm Drains	<u>21,000</u>	<u>15,705</u>	<u>5,295</u>

See accompanying independent auditors' report.

Schedule of Departmental Expenditures (2 of 2)

Northport Village Corporation

For the Year Ended December 31, 2024

	Budget	Actual	Variance Positive (Negative)
Community:			
Library	\$ 400	\$ 155	\$ 245
Community events	600	134	466
Information	3,250	1,437	1,813
Trash collection	24,000	24,261	(261)
Wharfs/Floats	35,000	45,415	(10,415)
Tree service	12,550	12,550	-
Total Community	<u>75,800</u>	<u>83,952</u>	<u>(8,152)</u>
Debt Service:			
Principal	105,320	105,745	(425)
Interest	23,558	42,798	(19,240)
Total Debt Service	<u>128,878</u>	<u>148,543</u>	<u>(19,665)</u>
Capital outlay	26,374	1,798	24,576
Total Capital Outlay	<u>26,374</u>	<u>1,798</u>	<u>24,576</u>
Total Departmental Expenditures	<u>\$ 519,086</u>	<u>\$ 467,973</u>	<u>\$ 51,113</u>

See accompanying independent auditors' report.

Schedule of Valuation, Assessment and Collection of Taxes

Northport Village Corporation

For the Year Ended December 31, 2024

Valuation

Real estate \$ 92,231,900

Total Valuation \$ 92,231,900

Assessment

Valuation x Rate $\$92,231,900 \times .005270$ \$ 486,062

Cash collections (459,985)

2024 Taxes Receivable - December 31, 2024 \$ 26,077

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

**To the Board of Overseers
Northport Village Corporation
Northport, Maine**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Northport Village Corporation, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purdy Pownall & Company

Professional Association

Portland, Maine
September 15, 2025