

TOWN OF EMBDEN, MAINE  
ANNUAL FINANCIAL REPORT  
with Independent Auditor's Report  
For the Year Ending December 31, 2022

TOWN OF EMBDEN, MAINE  
ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2022

Table of Contents

	Statement
Independent Auditor's Report	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Notes to the Financial Statements	
	Schedule
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	1

KEEL J. HOOD

Certified Public Accountant

P.O. Box 302 - Fairfield, Maine 04937 - (207)453-2006

INDEPENDENT AUDITOR'S REPORT

January 17, 2023

Board of Selectmen  
Town of Embden  
Embden, Maine

**Opinion**

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Embden, Maine as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Town of Embden, Maine's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the other remaining fund information of the Town of Embden, Maine, as of December 31, 2022, 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**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Town of Embden, Maine, and to meet my ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Embden, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my opinions. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or

in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Town of Embden, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Embden, Maine's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Required Supplementary Information**

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Thelma Wood, CPA*

Statement 1

TOWN OF EMBDEN, MAINE  
Statement of Net Position  
December 31, 2022

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 2,788,419
Receivables:	
Taxes	160,217
Liens	37,989
Total Current Assets	<u>2,986,625</u>
Noncurrent Assets:	
Capital assets, net	2,013,725
Total Assets	<u>5,000,350</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	21,757
Total Current Liabilities	<u>21,757</u>
Total Liabilities	<u>21,757</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	2,013,725
Unrestricted	2,964,868
Total net position \$	<u><u>4,978,593</u></u>

TOWN OF EMBDEN, MAINE  
Statement of Activities  
For the Year Ended December 31, 2022

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenues
		Charges for Services	Operating grants and contributions	
Governmental activities:	\$			
General government	319,834	4,660		(315,174)
Public safety	79,996	7,060		(72,936)
Public works	1,070,129		64,004	(1,006,125)
Leisure services	2,500	12,000	821	10,321
Health & sanitation	46,839			(46,839)
Social services	15,339			(15,339)
Special Assessments	2,336,752			(2,336,752)
Unclassified	0	509		509
Total governmental activities	3,871,389	24,229	64,825	0

	<u>Governmental Activities</u>
Net (expense) / revenue	
General revenues:	
Property taxes	3,373,294
Excise taxes	223,846
Interest and costs on taxes	10,575
Intergovernmental:	
State revenue sharing	146,954
Homestead exemption	74,560
Tree growth	30,659
Septic grant	11,769
Veterans reimbursement	1,332
BETE	26
ARPA	50,284
Miscellaneous	3,556
Unrestricted interest	10,418
Total general revenues	<u>3,937,273</u>
Change in Net Position	154,938
Net position - beginning	4,852,939
Prior period adjustment	(29,284)
Beginning net position - restated	<u>4,823,655</u>
Net Position - ending	<u><u>4,978,593</u></u>

TOWN OF EMBDEN, MAINE  
Balance Sheet  
Governmental Funds  
December 31, 2022

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash	\$ 2,788,419	\$ 2,788,419
Receivables:		
Taxes	160,217	160,217
Liens	37,989	37,989
Total Assets	<u>2,986,625</u>	<u>2,986,625</u>
<b>LIABILITIES</b>		
Accounts payable	21,757	21,757
Total Liabilities	<u>21,757</u>	<u>21,757</u>
<b>UNEARNED REVENUE</b>		
Unearned property taxes	168,200	168,200
Total Liabilities and Unearned Revenue	<u>189,957</u>	<u>189,957</u>
<b>FUND BALANCES</b>		
Assigned revenues	56,258	56,258
Assigned expenditures	230,632	230,632
Unassigned	2,509,778	2,509,778
Total Fund Equity	<u>2,796,668</u>	<u>2,796,668</u>
Total Liabilities and Fund Equity \$	<u>2,986,625</u>	<u>\$</u>

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 in the funds.

2,013,725

Other long-term assets are not available to pay for current-periods expenditures and therefore are deferred in the funds.

168,200

Net assets of governmental activities \$ 4,978,593

TOWN OF EMBDEN, MAINE  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2022

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Total Governmental <u>Funds</u>
<b>Revenues:</b>			
Taxes	\$ 3,633,406	\$	\$ 3,633,406
Intergovernmental	380,408		380,408
Interest	10,418		10,418
Charges for services	24,229		24,229
Miscellaneous	3,556		3,556
Total Revenues	<u>4,052,017</u>	<u>0</u>	<u>4,052,017</u>
<b>Expenditures:</b>			
Current:			
General government	310,982		310,982
Public safety	79,996		79,996
Public works	821,202		821,202
Leisure services	2,500		2,500
Health & Sanitation	44,278		44,278
Social services	15,339		15,339
Special assessments	2,336,752		2,336,752
Total Expenditures	<u>3,611,049</u>	<u>0</u>	<u>3,611,049</u>
Excess of Revenues Over (Under) Expenditures	<u>440,968</u>	<u>0</u>	<u>440,968</u>
<b>Other Financing Sources (Uses):</b>			
Operating transfer in (out)	199,475	(199,475)	0
Total Other Financing Sources (Uses)	<u>199,475</u>	<u>(199,475)</u>	<u>0</u>
Net change in fund balances	<u>640,443</u>	<u>(199,475)</u>	<u>440,968</u>
Fund Balances - beginning	2,185,509	199,475	2,384,984
Prior period adjustment	(29,284)	0	(29,284)
Fund Balances - beginning restated	2,156,225	199,475	2,355,700
Fund Balances - ending	<u>\$ 2,796,668</u>	<u>\$ 0</u>	<u>\$ 2,796,668</u>



TOWN OF EMBDEN, MAINE  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances  
 Of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$	440,968
--	----	---------

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Depreciation expense		(260,336)
----------------------	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred property tax revenue		(25,694)
-------------------------------	--	----------

Change in Net Position of Governmental Activities \$		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">154,938</td> </tr> </table>	154,938
154,938			

TOWN OF EMBDEN, MAINE  
Statement of Net Position  
Fiduciary Fund - Cemeteries  
December 31, 2022

		Private Purpose <u>Trust Fund</u>
<b>ASSETS</b>		
Cash - certificates of deposit	\$	5,880
	Total Assets	<u>5,880</u>
<b>NET POSITION</b>		
Held in Trust		5,880
	Total Net Position \$	<u><u>5,880</u></u>

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

Statement 7

TOWN OF EMBDEN, MAINE  
Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2022

		<u>Private Purpose Trust Fund</u>
Additions:		
Interest income	\$	20
		20
Deductions:		
Cemetery		2
		2
Change in Net Position		18
Net Position - beginning		5,862
Net Position - ending	\$	5,880

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

TOWN OF EMBDEN, MAINE  
Notes to Combined Financial Statements  
December 31, 2022

1. Summary of Significant Accounting Policies

The Town of Embden was incorporated under the laws of the State of Maine. The Town operates under the Board of Selectmen form of government.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

**A. Reporting Entity**

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit is made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

**B. Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset

1. Summary of Significant Accounting Policies, continued

by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. 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 and fiduciary funds, even though the latter is excluded from the government-wide financial statements. 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 economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned 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 for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 government 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, fees, excise taxes and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income and charges for services are recorded as revenues when earned, since they are measurable and available.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

1. Summary of Significant Accounting Policies, continued

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 needed.

The Town reports the following major governmental fund:

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.

Additionally, the Town reports the following fund types:

**Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, 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.

**D. Capital Assets**

Capital assets, which include property, plant, and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is

1. Summary of Significant Accounting Policies, continued

depreciated using the straight line method over the following estimated useful lives ranging from 3 to 50 years.

**E. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

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 issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**F. Short-term Interfund Receivables/Payables**

During the course of operation, numerous transactions occur between individual funds primarily for cash flow purposes. These interfund receivables and payables are classified as "due from other funds or due to other funds" on the balance sheets.

**G. Fund Equity**

Committed fund balance indicates that a portion of the fund balance is constrained for a specific future use, and is indicated by the title of each purpose listed in the balance sheet. Committed fund balances are voted on at Town Meetings. Assigned fund balances indicate amounts which either are intended to be carried forward by law or contractual agreement, or which the Board of Selectmen has voted to carry forward.

**H. Use of 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.

2. Budgetary Accounting

A budget is formally adopted for the General Fund, only, through the passage of a Town warrant, and is prepared on a basis consistent with generally accepted accounting principles.

Commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control. These encumbrances lapse at the end of the year and become part of the following year's budgetary amounts. These balances are recorded as Designated for Subsequent Year's Expenditures at December 31, 2022. In the General Fund, the level of control (level at which expenditures may not exceed budget and applied revenues) is the accounts within each department. Generally, unexpended appropriations are lapsed at the close of the year, as are unexpended revenues. Once adopted, the budget can only be amended by the townspeople at a special Town meeting.

3. Deposits and Investments

The Town's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

At year end, the Town's carrying amount of deposits was \$2,794,299. The bank balances for all funds totaled \$2,919,786. Custodial credit risk is the risk that, in the event of a bank failure the Town's deposits might not be recovered. As of December 31, 2022, none of the Town's deposits were uninsured and uncollateralized.

4. Property Tax

Property taxes for the year were committed on August 25, 2022, on the assessed value listed as of April 1, 2022, for all taxable real and personal property located in the Town. Payment of taxes is due on October 9, 2022, and November 1, 2022 with interest at 6% on all tax bills unpaid as of those dates.

Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2022 upon which the levy for the year ended December 31, 2022 was based was \$253,349,300. This assessed value was 100% of the estimated market value.

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

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

5. Operating Property

Operating and nonoperating property are recorded at cost or, in the case of contributed property, at the fair market value at the date of acquisition. Depreciation is computed on the straight line method based



5. Operating Property, continued

upon the estimated useful lives of the assets as follows:

Governmental Activities:	Balance January 1 <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31 <u>2022</u>
Assets not being depreciated				
Land and easements	\$ 267,332	\$	\$	\$ 267,332
Assets being depreciated				
Land improvements	38,415			38,415
Buildings	373,828			373,828
Equipment	6,000			6,000
Infrastructure	8,894,937			8,894,937
	<u>9,580,512</u>	<u>0</u>	<u>0</u>	<u>9,580,512</u>
Less accumulated depreciation				
Land improvements	19,476	2,561		22,037
Buildings	74,190	12,489		86,679
Equipment	6,000			6,000
Infrastructure	7,206,785	245,286		7,452,071
	<u>7,306,451</u>	<u>260,336</u>	<u>0</u>	<u>7,566,787</u>
Capital Assets, net	\$ <u>2,274,061</u>	\$ <u>(260,336)</u>	\$ <u>0</u>	\$ <u>2,013,725</u>
Depreciation Expense:				
General government		\$ 8,852		
Public works		248,923		
Health & Sanitation		2,561		
		<u>\$ 260,336</u>		

6. Debt Limitations

In accordance with 30-A MRSA, Section 5702, as amended, no municipality shall incur debt for specified purposes in excess of 15 percent of the state valuation of such municipality. At December 31, 2022, the Town was in compliance with these regulations.

7. Undesignated General Fund Fund Equity

The undesignated General Fund fund equity reflected a change for the current year as follows:

Balance - January 1, 2022	\$ 2,014,462
Increase (Decrease):	
Actual over budgeted revenues	600,183
Actual under budgeted expenditures	213,751
Budgeted utilization of fund equity	<u>(318,618)</u>
Net Increase (Decrease)	495,316
Balance - December 31, 2022	<u>\$ 2,509,778</u>

8. Assigned Expenditures

The portion of the General Fund fund equity which has been assigned for future expenditures represents amounts budgeted during the current accounting period that are to be expended as in the subsequent year or are required to be carried forward by legislation. These accounts were as follows at December 31, 2022:

Capital improvement fund	\$ 38,541
Facilities maintenance	10,160
Summer roads	176,838
Youth recreation	5,093
	<u>\$ 230,632</u>

9. Assigned Revenues

The portion of the General Fund fund equity which has been designated for subsequent year's revenues represents amounts received during the current accounting period that are to be budgeted as revenues in the subsequent year. These accounts were as follows at December 31, 2022:

State Revenue Sharing	\$	46,343
ARPA		9,915
	\$	<u>56,258</u>

10. Risk Management

The Town is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several years the Town has obtained coverage from the Maine Municipal Association risk pool. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims but for which none have been reported, are considered.

The Town's Management estimates that the amount of actual or potential claims against the Town as of December 31, 2022 are unknown. Therefore, the General Fund contains no provision for estimated claims.

11. Economic Dependency

The Town of Embden is economically dependent upon Brookfield White Pine Hydro LLC. Approximately \$289,695 (9%) of the Town's annual tax commitment was assessed to Brookfield White Pine Hydro LLC for the year ended December 31, 2022.

12. Subsequent Events

The Town's management has evaluated subsequent events through January 17, 2023, the date the financial statements were available to be issued, and determined there were no subsequent events that would require disclosure.

13. Prior Period Adjustment

A prior period adjustment was made to correct the prior years bank reconciliation and to remove various other general ledger balances that had been allowed to be carried forward in error.

TOWN OF EMBDEN, MAINE  
Budget Comparison Schedule  
General Fund  
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>			Variance with final budget positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Taxes	3,382,213	3,382,213	3,633,406	251,193
Intergovernmental	208,896	208,896	380,408	171,512
Interest			10,418	10,418
Charges for services			24,229	24,229
Miscellaneous			3,556	3,556
Total revenues	<u>3,591,109</u>	<u>3,591,109</u>	<u>4,052,017</u>	<u>460,908</u>
Expenditures:				
Current:				
General government	429,713	429,713	310,982	118,731
Public safety	94,500	94,500	79,996	14,504
Public works	993,490	993,490	821,202	172,288
Leisure services	7,593	7,593	2,500	5,093
Health & sanitation	47,000	47,000	44,278	2,722
Social services	15,265	15,265	15,339	(74)
Special assessments	2,320,166	2,320,166	2,336,752	(16,586)
Unclassified	2,000	2,000		2,000
Total expenditures	<u>3,909,727</u>	<u>3,909,727</u>	<u>3,611,049</u>	<u>298,678</u>
Excess (deficiency) of revenues over (under) expenditures	(318,618)	(318,618)	440,968	14,504
Other Financing Sources (Uses):				
Transfer in (out)			199,475	199,475
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>199,475</u>	<u>199,475</u>
Net change in fund balances	(318,618)	(318,618)	640,443	959,061
Fund Balance - beginning	2,185,509	2,185,509	2,185,509	0
Prior period adjustment			(29,284)	(29,284)
Fund Balance - beginning restated	2,185,509	2,185,509	2,156,225	(29,284)
Fund Balance - ending	<u>\$ 1,866,891</u>	<u>\$ 1,866,891</u>	<u>\$ 2,796,668</u>	<u>\$ 929,777</u>