

Town of Embden, Maine

**Independent Auditors' Report
and
Management's Financial Statements**

December 31, 2023

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectpersons of
Town of Embden, Maine
Embden, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Embden, Maine, as of and for the year ended December 31, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Embden, Maine, as of December 31, 2023, and the respective changes in financial position 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 Town of Embden, Maine 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 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.

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 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 our 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.

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25 through 26 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2025 on our consideration of Town of Embden, Maine'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 Town of Embden, Maine'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 Town of Embden, Maine's internal control over financial reporting and compliance.

Ron L. Beaulieu & Co.

Portland, Maine
August 25, 2025

STATEMENT A

TOWN OF EMBDEN, MAINE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash	\$ 2,943,889
Taxes receivable (net)	168,020
Tax acquired property	2,859
Accounts receivable (net)	9,303
Capital assets (net)	1,753,386
TOTAL ASSETS	<u>4,877,457</u>
LIABILITIES	
Accounts payable	70,608
Accrued payroll	7,001
Accrued expenses	2,453
TOTAL LIABILITIES	<u>80,062</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid property taxes	3,432
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,432</u>
NET POSITION	
Net investment in capital assets	1,753,386
Restricted	-
Unrestricted	3,040,577
TOTAL NET POSITION	<u>\$ 4,793,963</u>

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

STATEMENT B

TOWN OF EMBDEN, MAINE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 361,127	\$ 33,980	\$ -	\$ -	\$ (327,147)
Public safety	88,056	-	-	-	(88,056)
Health & sanitation	53,428	-	-	-	(53,428)
Roads	1,128,901	-	-	-	(1,128,901)
Leisure services	5,446	-	-	-	(5,446)
Education	1,943,356	-	-	-	(1,943,356)
County tax	608,728	-	-	-	(608,728)
Miscellaneous expenses	17,526	-	-	-	(17,526)
Total governmental activities	<u>\$ 4,206,568</u>	<u>\$ 33,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,172,588)</u>

General revenues:	
Property taxes	3,390,703
Excise tax	238,208
Intergovernmental	319,744
Interest earned	35,946
Miscellaneous	3,356
Total general revenues	<u>3,987,957</u>

Change in net position (184,631)

Net position - January 1 4,978,594

Net position - December 31 \$ 4,793,963

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

**TOWN OF EMBDEN, MAINE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Major	
	General	Total
ASSETS		
Cash	\$ 2,943,889	\$ 2,943,889
Tax receivable (net)	168,020	168,020
Tax acquired property	2,859	2,859
Accounts receivable (net)	9,303	9,303
TOTAL ASSETS	\$ 3,124,071	\$ 3,124,071
LIABILITIES		
Accounts payable	\$ 70,608	\$ 70,608
Accrued expenses	2,453	2,453
Accrued payroll	7,001	7,001
TOTAL LIABILITIES	80,062	80,062
DEFERRED INFLOW OF RESOURCES		
Deferred property tax	124,392	124,392
Prepaid property taxes	3,432	3,432
TOTAL DEFERRED INFLOW OF RESOURCES	127,824	127,824
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	2,916,185	2,916,185
TOTAL FUND BALANCES	2,916,185	2,916,185
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,124,071	\$ 3,124,071

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

**TOWN OF EMBDEN, MAINE
RECONCILIATION OF THE BALANCE SHEET,
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Fund balances - total governmental funds	\$ 2,916,185
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets	1,753,386
Accrued interest	-
Short-term liabilities	-
Long-term liabilities	-
Deferred property tax	124,392
Net position of governmental activities	<u>\$ 4,793,963</u>

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

TOWN OF EMBDEN, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Major	
	General	Total
REVENUES		
Property taxes	\$ 3,434,511	\$ 3,434,511
Excise taxes	238,208	238,208
Intergovernmental	319,744	319,744
Charges for services	33,980	33,980
Interest earned	35,946	35,946
Miscellaneous	3,356	3,356
TOTAL REVENUES	4,065,745	4,065,745
EXPENDITURES		
Current:		
General government	348,638	348,638
Public safety	88,056	88,056
Health & sanitation	50,867	50,867
Roads	883,612	883,612
Leisure services	5,446	5,446
Education	1,943,356	1,943,356
County tax	608,728	608,728
Miscellaneous expenses	17,526	17,526
Debt service:		
Principal retirement	-	-
Interest expense	-	-
TOTAL EXPENDITURES	\$ 3,946,229	\$ 3,946,229

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

STATEMENT E (CONTINUED)

TOWN OF EMBDEN, MAINE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2023

	Major	
	General	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	\$ 119,516	\$ 119,516
OTHER FINANCING SOURCES (USES)		
Issuance of loans	-	-
Transfers in	-	-
Transfers out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCES	119,516	119,516
FUND BALANCE - JANUARY 1	2,796,669	2,796,669
FUND BALANCE - DECEMBER 31	\$ 2,916,185	\$ 2,916,185

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

TOWN OF EMBDEN, MAINE
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	\$	119,516
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p> <p style="padding-left: 40px;">This is the amount of capital outlays. -</p> <p style="padding-left: 40px;">This is the amount of contributed capital assets. -</p> <p style="padding-left: 40px;">This is the amount of depreciation expense. (260,339)</p> <p>Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. -</p> <p>Expenses for accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. -</p> <p>Change in deferred tax revenue <u>(43,808)</u></p> <p>Change in net position of governmental activities. <u>\$ (184,631)</u></p>		

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

STATEMENT G

TOWN OF EMBDEN, MAINE
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2023

	Private- purpose Trusts
ASSETS	
Cash	\$ 5,895
TOTAL ASSETS	5,895
 LIABILITIES	
Accounts Payable	-
TOTAL LIABILITIES	-
 NET POSITION	
Held in trust	\$ 5,895

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

TOWN OF EMBDEN, MAINE
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2023

	Private- purpose Trusts
ADDITIONS	
Donations	\$ -
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest income	15
Total investment earnings	<u>15</u>
Less investment expense	-
Net investment earnings	<u>15</u>
TOTAL ADDITIONS	<u>15</u>
DEDUCTIONS	
Benefits	<u>2</u>
TOTAL DEDUCTIONS	<u>2</u>
CHANGE IN NET POSITION	13
NET POSITION - JANUARY 1	<u>5,882</u>
NET POSITION - DECEMBER 31	<u><u>\$ 5,895</u></u>

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

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Town of Embden, Maine (the Town), was incorporated under the laws of the State of Maine. The Town operates under a Board of Selectpersons 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). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. REPORTING ENTITY

These financial statements present the Town (the primary government) and its component units, if any. As defined by GASB No. 14, component units are legally separate entities that are included in the Town's reporting entity because of the significance of the operating or financial relationships with the Town.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Statement of Net Position does not include fiduciary activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property, certain intergovernmental revenues, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants. The Statement of Activities does not include fiduciary activities.

The net cost (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc).

The Town does not allocate indirect costs.

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The governmental funds balance sheet is presented using the current financial resources measurement focus.

The emphasis in fund financial statements is on the major funds in either governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds and fund types:

- a. The general fund is the Town's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Funds:

The focus of proprietary funds 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. The Town does not report any enterprise funds.

The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The Town has one fiduciary fund.

The Town's fiduciary funds are presented in the fiduciary funds financial statements by type (pension, private purpose trust, and custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. 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. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified accrual:

The 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. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FINANCIAL STATEMENTS ACCOUNTS

1. Cash:

Nearly all of the cash balances of the Town's funds are pooled. The individual funds' portions of the pool's cash are reported as due from.

2. Cash and cash equivalents:

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the Town's use and are carried at cost using the first-in, first-out method.

4. Receivables:

All receivables are reported net of estimated uncollectible amounts.

5. Capital assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more and a useful life of greater than one year are capitalized. Contributed assets are reported at fair 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. The Town reports all major general infrastructure assets constructed or acquired in fiscal years ending after June 30, 1980, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	10-40 years
Machinery and Equipment	5-20 years
Vehicles	5-15 years
Infrastructure	15-40 years

6. Property Tax Calendar and Revenues:

Taxes were levied on August 21, 2023 based on assessed values at April 1, 2023. Property tax payments were due on October 5, 2023. Interest on unpaid taxes commenced on October 6, 2023, at 8% per annum. Tax liens are placed on real property within twelve months following tax commitment date.

TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Compensated Absences:

The Town accrues accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statement of net position and represents a reconciling item between the fund and government-wide presentations.

8. Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net positions are divided into three components:

- Net investments 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 plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the Town's creditors (for example, through debt covenants), by the State statutes (though restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

9. Governmental Fund Balances:

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

- **Nonspendable** – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of the Constitution provisions, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Board of Selectpersons.
- **Assigned** – Amounts that are designated by the Board of Selectpersons for a particular purpose.

TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Unassigned** – All amounts not included in other spendable classifications. There is no policy on minimum unassigned fund balance.

10. Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

11. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 2 - CASH

The total amount of the Town's cash, at December 31, 2023:

Government-Wide Cash	\$ 2,943,889
Fiduciary Cash	<u>5,895</u>
	<u><u>\$ 2,949,784</u></u>

The total amount of the Town's deposits in financial institutions, per the bank statements, at December 31, 2023 was \$3,142,401 of which \$255,893 was covered by federal depository insurance. Deposits of \$2,886,508 were collateralized by a bank. No deposits were uncollateralized. The Town has no policy regarding custodial credit risk or foreign currency risk. The Town has not formally adopted deposit and investment policies.

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible taxes receivable at December 31, 2023 is estimated to be:

General Fund	\$	-	
Governmental Activities	\$	-	

The allowance for uncollectible accounts receivable at December 31, 2023 is estimated to be:

General Fund	\$	-	
Governmental Activities	\$	-	

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES

	Balance 01/01/23	Additions	Deletions	Balance 12/31/23
Capital assets (non-depreciable):				
Land and easements	\$ 267,332	\$ -	\$ -	\$ 267,332
Capital assets (depreciable):				
Land improvements	38,415	-	-	38,415
Buildings	373,828	-	-	373,828
Equipment	6,000	-	-	6,000
Infrastructure	8,894,937	-	-	8,894,937
Total capital assets	9,580,512	-	-	9,580,512
Less Accumulated depreciation				
Land improvements	(22,037)	(2,561)	-	(24,598)
Buildings	(86,679)	(12,489)	-	(99,168)
Equipment	(6,000)	-	-	(6,000)
Infrastructure	(7,452,071)	(245,289)	-	(7,697,360)
Total accumulated depreciation	(7,566,787)	(260,339)	-	(7,827,126)
Net capital assets	\$ 2,013,725	\$ (260,339)	\$ -	\$ 1,753,386

Depreciation was charged to governmental functions as follows:

General Government	\$	12,489	
Roads		245,289	
Health & sanitation		2,561	
	\$	260,339	

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund.

Details related to the short-term debt activity for the fiscal year ended December 31, 2023, is as follows:

Type	Purpose	Rate	Due Date	Balance 01/01/23	Issued	Retired	Balance at 12/31/23
TAN	Cash flow	N/A	N/A	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2023 is as follows:

	Balance 01/01/23	Additions	Deletions	Balance 12/31/23	Current Portion
Governmental Activities					
Bonds and notes payable:	\$ -	\$ -	\$ -	\$ -	\$ -
Total bonds and notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities					
Compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	-	-	-	-	-
Total other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Governmental activities long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

The annual principal and interest requirements to maturity for loans & bonds payable are as follows:

2024	\$	-	\$	-	\$	-
2025		-		-		-
2026		-		-		-
2027		-		-		-
2028		-		-		-
	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>

NOTE 7 - CAPITAL LEASES

The Town is not leasing any vehicles or equipment. The liabilities under the capital leases are recorded at the present value of the minimum lease payments.

2024	\$	-
2025		-
2026		-
2027		-
2028		-
		<u>-</u>
Less interest		<u>-</u>
Present value	<u>\$</u>	<u>-</u>

Amortization of assets held under capital leases is included with depreciation expense.

The following is an analysis of the leased assets included in Capital Assets.

LEASED CAPITAL ASSETS

	Balance 01/01/23	Additions	Deletions	Balance 12/31/23
Vehicles	\$ -	\$ -	\$ -	\$ -
Total capital assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Net capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2023, consisted of the following individual fund receivables and payables:

		Due From:		
		General Fund	Private-Purpose Trust Fund	Total
Due To:	General Fund	\$ -	\$ -	\$ -
	Private-Purpose Trust Fund	-	-	-
	Total	\$ -	\$ -	\$ -

Interfund balances represent amounts for pooled cash.

Interfund transfers at December 31, 2023 consisted of the following:

		Transfers In:		
		General Fund	Private-Purpose Trust Fund	Total
Transfers Out:	General Fund	\$ -	\$ -	\$ -
	Private-Purpose Trust Fund	-	-	-
	Total	\$ -	\$ -	\$ -

NOTE 9 - FUND BALANCE COMPONENTS

At December 31, 2023, the components of fund balances consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Capital Improvements	\$ -	\$ -	\$ -	\$ -
Facilities Maintenance	-	-	-	-
Summer Roads	-	-	-	-
Youth Recreation	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town is a member of the Maine Municipal Association (MMA) Property and Casualty Pool. The pools provide coverage for worker's compensation, unemployment insurance, and property liability insurance. There were no unpaid contributions at year-end. There were no deductible claims for the fiscal year.

The pool agreement permits the pool to make additional assessments to members should there be deficiency in pool assets to meet its liabilities. At this time, the pool foresees no likelihood of an additional assessment for past years.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2023 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective agents; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 12 – SUBSEQUENT EVENTS

Adoption of New Pronouncements –

The GASB has issued the following statements, which may be applicable to the Town, and if so, will require adoption subsequent to December 31, 2023. The Town has not yet adopted these statements, and the implication on the Town's fiscal practices and financial reports is being evaluated.

Statement No.	Title	Effective Date (FY begins after)
99	<i>Omnibus 2022</i>	06/15/23
100	<i>Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62</i>	06/15/23
101	<i>Compensated Absences</i>	12/15/23
102	<i>Certain Risk Disclosures</i>	06/15/24

**TOWN OF EMBDEN, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of August 25, 2025, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

SCHEDULE A

TOWN OF EMBDEN, MAINE
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL – GENERAL FUND
 YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 3,388,107	\$ 3,388,107	\$ 3,434,511	\$ 46,404
Excise taxes	-	-	238,208	238,208
Intergovernmental	214,694	214,694	319,744	105,050
Charges for services	-	-	33,980	33,980
Interest earned	-	-	35,946	35,946
Miscellaneous revenues	478,214	478,214	3,356	(474,858)
TOTAL REVENUES	4,081,015	4,081,015	4,065,745	(15,270)
EXPENDITURES				
Current:				
General government	516,701	516,701	348,638	168,063
Public safety	106,500	106,500	88,056	18,444
Health & sanitation	52,000	52,000	50,867	1,133
Roads	943,776	943,776	883,612	60,164
Leisure services	8,093	8,093	5,446	2,647
Education	1,943,356	1,943,356	1,943,356	-
County tax	602,379	602,379	608,728	(6,349)
Miscellaneous expenses	17,527	17,526	17,526	-
Debt service:				
Principle retirement	-	-	-	-
Interest expense	-	-	-	-
TOTAL EXPENDITURES	4,190,332	4,190,331	3,946,229	244,102
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(109,317)	(109,316)	119,516	228,832
OTHER FINANCING SOURCES (USES)				
Prior year fund balance utilization	-	-	-	-
Issuance of loans	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (109,317)	\$ (109,316)	\$ 119,516	\$ 228,832

See accompanying independent auditors' report and management's notes to required supplementary information.

TOWN OF EMBDEN, MAINE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Town is required to have a budget for the General Fund.

Basis of Accounting

The modified accrual basis of accounting is used in preparing budgets except when non-cash items are involved. In that case, the non-cash items are omitted from the budget.

NOTE 2 – ACTUAL (BUDGET BASIS) TO GAAP BASIS RECONCILIATION

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 4,065,745
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Differences - budget to GAAP:

None	<u>-</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,065,745</u>
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Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 3,946,229
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Differences - budget to GAAP:

None	<u>-</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,946,229</u>
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NOTE 3 – OVERSPENT APPROPRIATIONS

The following are materially overspent appropriations:

None