

February 9, 2023

To the Board of Selectpersons
Town of Belgrade, Maine

We have audited the financial statements of the governmental activities and each major fund of the Town of Belgrade, Maine for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our discussion with the chair of the Board of Selectpersons on January 11, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated January 25, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Town of Belgrade, Maine. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such on internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the Town of Belgrade, Maine's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Belgrade, Maine are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Town of Belgrade, Maine during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciation expense, which is based on estimated useful lives of assets.
- Management's estimate of unavailable tax revenues, which is based on estimated collections of taxes receivable.
- Management's estimate of the OPEB liability and related amounts, which are based on actuarial reports.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. See the attached "Adjusting Journal Entries" which reports misstatements detected as a result of audit procedures, some of which were material, and were corrected by management.

The attached schedule "Passed Adjusting Journal Entries" summarizes uncorrected misstatements of the financial statements. Management has determined that their effect is immaterial to the financial statements, either individually or in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2023. See the attached copy of the representation letter, which was signed by management.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Belgrade, Maine's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Belgrade, Maine's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedules related to the OPEB liability, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual fund financial statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Selectpersons serving as audit committee and management of the Town of Belgrade, Maine and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script, reading "Remy Heston Ouellette".

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
001			
	To adjust deferred taxes to current year projection.		
G-1-236-00	DEFERRED PROPERTY TAXES	-	28,000.00
R-1-01-11	PROPERTY TAX	28,000.00	-
Total		<u>28,000.00</u>	<u>28,000.00</u>
002			
	To reverse prepaid expenditure for Dispatch Expense for 1/22-3/22.		
G-1-150-00	PREPAID EXPENSE	-	7,131.55
1-05-10-99-99	EXPENSE	7,131.55	-
Total		<u>7,131.55</u>	<u>7,131.55</u>
003			
	To remove debit balance payroll related liabilities.		
1-01-01-10-13	BENEFITS	3,670.23	-
G-1-225-00	EMP SHARE HEALTH INS DEDUCT	-	3,670.23
Total		<u>3,670.23</u>	<u>3,670.23</u>
004			
	To move water quality and facilities capital receipts to the reserve accounts.		
3-108-00	WATER QUALITY	9,489.21	-
3-109-00	FACILITIES CAPITAL	7,496.21	-
3-594-00	WATER QUALITY	-	9,489.21
3-595-00	FACILITIES CAPITAL	-	7,496.21
Total		<u>16,985.42</u>	<u>16,985.42</u>
005			
	To post as accounts payable an invoice paid in January related to 2022.		
1-10-10-30-04	OPERATING	40,950.00	-
G-1-200-00	ACCOUNTS PAYABLE	-	40,950.00
Total		<u>40,950.00</u>	<u>40,950.00</u>
006			
	To move ARPA revenues to unearned revenues/liability.		
2-563-00	ARPA FUNDS	332,777.37	-
G-2-237-00	DEFERRED ARPA FUNDS	-	332,777.37
Total		<u>332,777.37</u>	<u>332,777.37</u>

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
007			
	To reverse transfers that were double booked.		
3-585-00	FACILITIES TRUCK	5,000.00	-
3-586-00	CEMETERY EQUIPMENT	5,000.00	-
3-587-00	CEMETERY WATER LINE	5,000.00	-
3-588-00	FIRE DEPARTMENT TRUCK	75,000.00	-
3-590-00	FIRE DEPARTMENT BUILDING	100,000.00	-
3-599-00	SOLID WASTE CAPITAL	65,000.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	255,000.00
1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	255,000.00	-
G-1-501-00	UNDESIGNATED FUND BALANCE	-	255,000.00
2-561-00	WELL CONTAMINATION	100,000.00	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	100,000.00
G-1-501-00	UNDESIGNATED FUND BALANCE	-	100,000.00
1-190-02	DUE TO/DUE FROM SPECIAL REVENU	100,000.00	-
3-601-00	MAINTENANCE GARAGE	55,000.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	55,000.00
G-1-501-00	UNDESIGNATED FUND BALANCE	-	55,000.00
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	55,000.00	-
Total		<u>820,000.00</u>	<u>820,000.00</u>
008			
	To post transfers to reserves for unexpended balances or excess revenues (solid waste).		
3-588-00	FIRE DEPARTMENT TRUCK	-	100,027.92
3-589-00	LIBRARY CAPITAL	-	8,907.04
3-591-00	PUBLIC WORKS ROAD MAINTENANCE	-	10,487.00
3-592-00	RECREATION CAPITAL	-	25,570.61
3-599-00	SOLID WASTE CAPITAL	-	10,000.00
3-190-01	DUE TO/DUE FROM GENERAL FUND	154,992.57	-
1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	-	154,992.57
1-35-99-99-99	TRANSFER OUT	154,992.57	-
Total		<u>309,985.14</u>	<u>309,985.14</u>
009			
	To move bond proceeds to a revenue account.		
3-103-00	ROAD BOND ANDRO	566,667.00	-
3-27-01	BOND	-	566,667.00
Total		<u>566,667.00</u>	<u>566,667.00</u>

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
010			
To remove the differences in beginning fund balances for PY budget.			
2-501-00	FUND BALANCE	22,000.00	-
2-551-00	DALTON PROPERTY	-	20,000.00
2-556-00	ANIMAL CONTROL OFFICER	-	2,000.00
Total		<u>22,000.00</u>	<u>22,000.00</u>
011			
To adjust a transfer posted going the wrong way.			
4-109-00	FD MEMORIAL	-	24,000.00
4-190-01	DUE TO/DUE FROM GENERAL FUND	24,000.00	-
G-1-501-00	UNDESIGNATED FUND BALANCE	24,000.00	-
G-1-190-04	DUE TO/DUE FROM TRUST FUNDS	-	24,000.00
Total		<u>48,000.00</u>	<u>48,000.00</u>
012			
To adjust for prior year AJE #2 not posted.			
2-200-00	ACCOUNTS PAYABLE	1,343.26	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	1,343.26
G-1-501-00	UNDESIGNATED FUND BALANCE	-	1,343.26
G-1-190-02	DUE TO/DUE FROM SPECIAL REVENUE	1,343.26	-
Total		<u>2,686.52</u>	<u>2,686.52</u>
013			
To post June interest on the ICS MMA account.			
G-1-102-01	ICS SAVINGS	3,050.63	-
R-1-01-59	BANK INTEREST	-	3,050.63
Total		<u>3,050.63</u>	<u>3,050.63</u>
014			
To remove the adjustment to the Stevens account that should have gone to the General Fund.			
4-562-00	DC STEVENS- UNDESIGNATED	-	243,701.25
4-190-01	DUE TO/DUE FROM GENERAL FUND	243,701.25	-
G-1-501-00	UNDESIGNATED FUND BALANCE	243,701.25	-
G-1-190-04	DUE TO/DUE FROM TRUST FUNDS	-	243,701.25
Total		<u>487,402.50</u>	<u>487,402.50</u>

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
015			
	To adjust permanent funds for differences.		
4-561-00	CEMETERY INTEREST- UNDESIGNATE	24,987.14	-
4-561-01	CEMTERY LOT SALES- DESIGNATED	-	24,987.14
4-561-00	CEMETERY INTEREST- UNDESIGNATE	1,812.00	-
4-567-01	CEMETERY PERPETUAL CARE - U	-	1,812.00
Total		<u>26,799.14</u>	<u>26,799.14</u>

016

To adjust the Bar Harbor investment account to the December year end balance.

4-101-00	CEMETERY PORTFOLIO BHBT	-	12,927.28
4-102-00	DC STEVENS FOR SCHOOLS BHBT	-	29,547.77
4-103-00	PERPETUAL CARE BHBT	-	455.83
4-104-00	DON C STEVENS SCHOLARSHIP BHBT	-	100.52
4-105-00	GUY A YEATON CEMETERY TRUST	-	115.63
4-106-00	LACROIX CEMETERY CARE TRUST	-	416.23
4-107-00	ROBERT A GUPTILL HISTORICAL TR	-	399.17
4-108-00	ALICE MARY CRAM TRUST	-	132.04
4-62-02	INTEREST	19,455.82	-
4-63-02	INTEREST	57.52	-
4-64-02	INTEREST	115.64	-
4-65-02	INTEREST	416.23	-
4-66-02	INTEREST	399.17	-
4-67-02	INTEREST	455.83	-
4-68-02	INTEREST	132.04	-
4-61-01	REVENUE	12,927.28	-
4-190-01	DUE TO/DUE FROM GENERAL FUND	10,091.94	-
4-63-02	INTEREST	43.00	-
G-1-102-00	CHECKING	10,091.94	-
G-1-190-04	DUE TO/DUE FROM TRUST FUNDS	-	10,091.94
Total		<u>54,186.41</u>	<u>54,186.41</u>

017

To move a transfer to the correct reserve account.

3-84-98	TRANSFER IN	55,000.00	-
3-81-01	GARAGE CAPITAL TRANSFER	-	55,000.00
Total		<u>55,000.00</u>	<u>55,000.00</u>

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
018			
	To close budgetary amount from the prior year.		
3-501-00	FUND BALANCE	21,877.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	21,877.00
G-1-501-00	UNDESIGNATED FUND BALANCE	-	21,877.00
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	21,877.00	-
Total		<u>43,754.00</u>	<u>43,754.00</u>
019			
	To move amounts from the Holding Account to the income statement.		
G-1-550-00	HOLDING ACCOUNT FOR IN/OUT	-	4,624.05
R-1-01-11	PROPERTY TAX	1,889.05	-
1-01-10-25-04	MISC	2,735.00	-
Total		<u>4,624.05</u>	<u>4,624.05</u>
020			
	To book a transfer for amounts raised for the road bond project.		
1-35-91-99-99	Transfer Out	236,829.00	-
1-35-91-99-99	Transfer Out	46,504.00	-
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	-	283,333.00
3-190-01	DUE TO/DUE FROM GENERAL FUND	283,333.00	-
3-91-98	TRANSFER IN	-	283,333.00
Total		<u>566,666.00</u>	<u>566,666.00</u>
021			
	To post budgeted transfers from other funds to the General Fund.		
1-35-05	TRANSFER IN	-	20,000.00
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	20,000.00	-
3-594-00	WATER QUALITY	20,000.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	20,000.00
1-35-84	Transfer In	-	30,000.00
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	30,000.00	-
3-595-00	FACILITIES CAPITAL	30,000.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	30,000.00
1-35-51	Transfer In	-	30,000.00
G-1-190-02	DUE TO/DUE FROM SPECIAL REVENU	30,000.00	-
2-551-00	DALTON PROPERTY	30,000.00	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	30,000.00
1-35-52	Transfer In	-	5,000.00
G-1-190-02	DUE TO/DUE FROM SPECIAL REVENU	5,000.00	-
2-552-00	Emergency Fuel	5,000.00	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	5,000.00
Total		<u>170,000.00</u>	<u>170,000.00</u>

022

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
To remove tax overpayments that were paid out and posted to the incorrect account.			
G-1-151-00	OVERPAY/WASH	4,453.28	-
G-1-151-00	OVERPAY/WASH	2,914.51	-
R-1-01-57	DEPOSIT OVER/SHORT	-	7,367.79
Total		<u>7,367.79</u>	<u>7,367.79</u>

023

To post additional entries per the budget and move excess road expenditures to the PW reserve.

1-35-60-61	Transfer In	-	9,938.00
G-1-190-04	DUE TO/DUE FROM TRUST FUNDS	9,938.00	-
4-61-99	Transfer Out	9,938.00	-
4-190-01	DUE TO/DUE FROM GENERAL FUND	-	9,938.00
R-2-51-01	RENT	16,095.00	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	16,095.00
3-595-00	FACILITIES CAPITAL	-	16,095.00
3-190-01	DUE TO/DUE FROM GENERAL FUND	16,095.00	-
1-35-89	TRANSFER IN	-	8,524.00
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	8,524.00	-
3-589-00	LIBRARY CAPITAL	8,524.00	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	8,524.00
3-27-02-20-07	CONTRACTED	-	10,796.80
3-84-01-99-99	Expense	10,796.80	-
Total		<u>79,910.80</u>	<u>79,910.80</u>

024

To adjust journal entry #8 transfer to fire reserve for a late entry to AP by client.

3-588-00	FIRE DEPARTMENT TRUCK	40,306.86	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	40,306.86
1-35-99-99-99	TRANSFER OUT	-	40,306.86
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	40,306.86	-
Total		<u>80,613.72</u>	<u>80,613.72</u>

025

To move the expenditures from the dam budget to the dam reserve.

1-34-01-99-99	EXPENSE	-	26,654.50
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	26,654.50	-
3-96-01-99-99	DAMS CAPITAL RESERVE EXPENSE	26,654.50	-
3-190-01	DUE TO/DUE FROM GENERAL FUND	-	26,654.50
Total		<u>53,309.00</u>	<u>53,309.00</u>

BELGRADE, TOWN OF
Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
026			
	To move the local sources to the reserves.		
1-35-96-99-99	Transfer Out	18,168.00	-
1-35-96-99-99	Transfer Out	7,200.00	-
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	-	25,368.00
3-96-98	TRANSFER IN	-	25,368.00
3-190-01	DUE TO/DUE FROM GENERAL FUND	25,368.00	-
3-594-00	WATER QUALITY	-	10,515.75
3-190-01	DUE TO/DUE FROM GENERAL FUND	10,515.75	-
1-35-99-99-99	TRANSFER OUT	10,515.75	-
G-1-190-03	DUE TO/DUE FROM CAPITAL PROJEC	-	10,515.75
Total		<u>71,767.50</u>	<u>71,767.50</u>
027			
	To transfer back to the emergency fuel fund the unspent portion of that division.		
1-35-52	Transfer In	4,539.21	-
G-1-190-02	DUE TO/DUE FROM SPECIAL REVENU	-	4,539.21
2-552-00	Emergency Fuel	-	4,539.21
2-190-01	DUE TO/DUE FROM GENERAL FUND	4,539.21	-
Total		<u>9,078.42</u>	<u>9,078.42</u>
028			
	To move dog fees from the special revenue funds to the General Fund for public safety budget.		
R-1-05-56	Dog Fees	-	1,620.00
G-1-190-02	DUE TO/DUE FROM SPECIAL REVENU	1,620.00	-
R-2-56-01	DOG FEES	1,620.00	-
2-190-01	DUE TO/DUE FROM GENERAL FUND	-	1,620.00
Total		<u>3,240.00</u>	<u>3,240.00</u>

Town of Belgrade
Passed Adjusting Journal Entries
12/31/2022

Account	Description	Debit	Credit
200			
To book accrued payroll and related benefits			
1-01-01-10-11	SALARIES	450.00	-
1-01-01-10-13	BENEFITS	6.53	-
1-01-01-10-13	BENEFITS	27.90	-
1-01-10-10-12	WAGES	756.47	-
1-01-10-10-13	BENEFITS	57.88	-
1-01-15-10-11	SALARIES	-	100.80
1-01-15-10-13	BENEFITS	3.76	-
1-01-15-20-02	TRANSPORTATI	150.00	-
1-01-20-10-12	WAGES	480.00	-
1-01-20-10-13	BENEFITS	36.72	-
1-05-05-10-12	WAGES	-	425.70
1-05-05-10-13	BENEFITS	-	33.27
1-05-05-10-14	FULL TIME	287.70	-
1-13-01-10-12	WAGES	-	42.67
1-13-01-10-13	BENEFITS	19.87	-
1-15-05-10-12	WAGES	1,156.62	-
1-15-05-10-13	BENEFITS	88.08	-
1-25-30-10-11	SALARIES	880.00	-
1-25-30-10-12	WAGES	874.52	-
1-25-30-10-13	BENEFITS	134.24	-
1-30-01-10-12	WAGES	243.12	-
1-30-01-10-13	BENEFITS	-	21.58
G-1-220-00	Accrued Payroll	-	17,004.02
G-1-501-00	UNDESIGNATED FUND BALANCE	12,439.03	-
1-05-05-10-14	FULL TIME	-	464.40
Total		<u>18,092.44</u>	<u>18,092.44</u>
201			
To post a payable for unbilled legal services.			
1-01-10-15-02	Legal	4,074.79	
1-200-00	Accounts Payable	-	4,074.79
Total		<u>4,074.79</u>	<u>4,074.79</u>
202			
To recognize a financed purchase for the photocopier agreements.			
Entity-wide expenses	Debt Service	11,025.00	
Entity-wide liabilities	Financed Purchase Liability	-	11,025.00
Total		<u>11,025.00</u>	<u>11,025.00</u>



TOWN OF BELGRADE
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February 9, 2023

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of the Town of Belgrade, Maine, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and the disclosures (collectively the financial statements), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 9, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 25, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

Runyon Kersteen Ouellette

February 9, 2023

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- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Selectmen or summaries of actions of recent meetings for which minutes have not yet been prepared.

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February 9, 2023

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- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Town and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the Town's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with the calculation of OPEB expense and depreciation expense, and prepared the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those calculations, financial statements and disclosures.
- 27) The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASBS No. 84.
- 31) The financial statements properly classify all funds and activities, in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

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February 9, 2023

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- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities are properly classified as to risk and are properly disclosed
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the combining and individual fund financial statements and schedules:

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- a) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements and schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If the combining and individual fund financial statements and schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.



Signed



Signed

TOWN OF BELGRADE, MAINE

**Reports Required by *Government*
*Auditing Standards***

For the Year Ended December 31, 2022

TOWN OF BELGRADE, MAINE
Schedule of Findings and Other Comments, Continued
December 31, 2022

OTHER COMMENTS, CONTINUED

Town Transfers

Each year, the Town posts a large number of interfund transfers between the Town's General Fund and its reserves. Although the Town has started posting some of the budgeted transfers between the General Fund and the reserves, there are still many transfers that are not posted until after year end. Some of the transfers are based on final budget-to-actual amounts and cannot be determined until all year-end adjustments have been posted. Due to the number of interfund transfers, the process of reconciling the transfers and the reserve balances is time consuming and complex. To streamline the reconciliation process, we recommend that the Town consider reducing the number of transfers between the General Fund and the reserves. The Town could either post certain expenditures and revenues directly to reserves or retain some of the balances in the General Fund as carry forwards to be used in the next year's budget (to be shown as assigned fund balance).

Management's response: In 2022 we tried to post more expenditures directly to the Funds that they effect. In 2023 there have been a couple of other areas that we can post to the funds directly. 2023 we will try and make sure any entries that effect funds will be post directly to them to help with reconciling.

TOWN OF BELGRADE, MAINE

Annual Financial Report

For the Year Ended December 31, 2022

TOWN OF BELGRADE, MAINE
Annual Financial Report
For the Year Ended December 31, 2022

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Independent Auditor's Report

Board of Selectmen
Town of Belgrade, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Belgrade, Maine, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Belgrade, 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 and each major fund, of the Town of Belgrade, Maine, as of December 31, 2022, the respective changes in financial position, and the respective budgetary comparison for the General Fund 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Belgrade, 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 the Town of Belgrade, 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Town of Belgrade, 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 the Town of Belgrade, 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

Accounting principles generally accepted in the United States of America require that the schedules related to the OPEB liability, as listed in the table of contents, 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.

Management has omitted the 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Belgrade, Maine's basic financial statements. The combining and individual fund financial statements 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 combining and individual fund financial statements 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 February 9, 2023, on our consideration of the Town of Belgrade, 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 the Town of Belgrade, 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 the Town of Belgrade, Maine's internal control over financial reporting and compliance.



February 9, 2023
South Portland, Maine

TOWN OF BELGRADE, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis - General Fund
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 9,747,073	9,747,073	9,828,597	81,524
Intergovernmental revenues	619,787	619,787	735,933	116,146
Charges for services	87,912	87,912	249,204	161,292
Other revenues	66,475	66,475	100,893	34,418
Interest	13,520	13,520	15,794	2,274
Total revenues	10,534,767	10,534,767	10,930,421	395,654
Expenditures:				
Current:				
General government	727,980	727,980	644,346	83,634
Public safety	393,325	393,325	329,585	63,740
Public works	893,985	893,985	879,298	14,687
Solid waste	328,500	328,500	282,157	46,343
Public services	59,841	59,841	49,374	10,467
Recreation and culture	292,650	292,650	271,876	20,774
Education	6,639,958	6,639,958	6,639,957	1
County tax	817,777	817,777	817,777	-
Unclassified	117,819	117,819	14,186	103,633
Capital outlay	59,000	59,000	57,828	1,172
Debt service	64,893	64,893	53,432	11,461
Total expenditures	10,395,728	10,395,728	10,039,816	355,912
Excess (deficiency) of revenues over (under) expenditures	139,039	139,039	890,605	751,566
Other financing sources (uses):				
Budgeted use of carryforward balance	491,000	491,000	-	(491,000)
Transfers from other funds	103,462	103,462	98,923	(4,539)
Transfers to other funds	(733,501)	(733,501)	(866,965)	(133,464)
Total other financing sources (uses)	(139,039)	(139,039)	(768,042)	(629,003)
Net change in fund balance	-	-	122,563	
Fund balance, beginning of year			3,652,541	
Fund balance, end of year			\$ 3,775,104	

See accompanying notes to the basic financial statements.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Belgrade, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

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. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are typically reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Town currently does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset 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 as general revenues.

C. Basis of Presentation – Financial Statements

While separate government-wide and fund financial statements are represented, they are interrelated. The governmental activities column incorporates data from governmental funds. For the most part, the effect of interfund activity has been removed from these statements.

D. Basis of Presentation – Fund Financial Statements

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

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following major governmental funds:

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

The Capital Projects Fund is used to account for debt proceeds and other sources used in significant capital projects or used to acquire capital assets and the related expenditures.

The Permanent Fund is used to account for amounts donated to the Town for which a portion of the balance is nonspendable or restricted for specific purposes.

The Special Revenue Fund is used to account for amounts contributed to the Town through grants and special programs and the related expenditures.

E. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenue 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 certain compensated absences and claims and judgments, are recorded only when the payment is due.

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.

Amounts reported as program revenues on the Statement of Activities 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.

F. Cash and Investments

The Town considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Investments are reported at their market value.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. 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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal repairs and maintenance 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 are depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

I. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report one deferred inflow of resources: unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows of resources that relate to the total OPEB liability. They include changes in assumptions and differences between expected and actual experience, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. 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.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Municipal Association Health Trust (MMEHT) OPEB plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Use of Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

M. Accrued Compensated Absences

Under the terms of personnel policies, vacation and sick leave are granted in varying amounts according to length of service. The Town accrues accumulated vacation leave and vested sick leave. Accumulated vacation and sick time has been recorded in the Statement of Net Position for the governmental activities. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. Fund Balance/Net Position

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are 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 which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Town Manager has authority to assign fund balance.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The voters have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town does not have a formal fund balance policy.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Town utilizes a formal budgetary accounting system to control operations accounted for in the General Fund. This budget is established through the passage of a Town warrant at the annual Town meeting. It is prepared on a basis consistent with generally accepted accounting principles (GAAP). The level of control (level at which expenditures may not exceed appropriations) is the warrant article. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year with the exception of some non-lapsing accounts and ongoing projects which are carried forward to the next fiscal year.

DEPOSITS

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2022, the Town reported deposits of \$5,979,671 with a bank balance of \$5,949,655. Of the Town's bank balances of \$5,949,655, none was exposed to custodial credit risk as it was covered by FDIC or additional insurance.

INVESTMENTS

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Town's investments are valued using level 1 inputs, as applicable.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

INVESTMENTS, CONTINUED

At December 31, 2022, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
Corporate bonds	\$ 327,447	19,967	198,293	109,187
U.S. Treasury	47,067	47,067	-	-
Corporate stock	856,687	N/A	N/A	N/A
Mutual funds (1)	22,634	N/A	N/A	N/A
Total investments	\$ 1,253,835	67,034	198,293	109,187

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted below.

Interest Rate Risk: The Town does not have a policy related to interest rate risk.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town does not have a formal policy related to credit risk.

The Town's investment policy requires investment portfolios to be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity or security type. Corporate bonds are rated BBB- to A+ by Standard and Poor's, and the U.S. Treasury bond is rated Aaa by Moody's as of December 31, 2022.

PROPERTY TAX

Property taxes for the current year were committed on July 6, 2022 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 83% of assumed market value. The Town 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 \$117,819 for the year ended December 31, 2022.

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 the 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.

The following summarizes the levy:

	<u>2022</u>	<u>2021</u>
Assessed value	\$ 566,702,600	559,678,804
Tax rate (per \$1,000)	15.38	15.38
Commitment	8,715,886	8,607,860
Supplemental taxes assessed	12,066	-
	8,727,952	8,607,860
Less:		
Collections and abatements	8,419,205	8,353,404
Current year taxes receivable at end of year	\$ 308,747	254,456

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX, CONTINUED

Due date	September 2, 2022	September 3, 2021
Interest rate on delinquent taxes	2.05%	2.79%
Collection rate	96.46%	97.04%

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Construction progress	\$ -	72,389	-	72,839
Land	788,000	-	-	788,000
Total capital assets not being depreciated	788,000	72,389	-	860,389
Capital assets, being depreciated:				
Artwork	-	23,796	-	23,796
Land improvements	116,999	-	-	116,999
Buildings and building improvements	2,102,991	23,250	-	2,126,241
Equipment	229,922	117,013	-	346,935
Vehicles	1,274,895	-	-	1,274,895
Infrastructure	17,745,863	-	-	17,745,863
Total capital assets being depreciated	21,470,670	164,059	-	21,634,729
Less accumulated depreciation for:				
Artwork	-	595	-	595
Land improvements	22,013	6,842	-	28,855
Buildings and building improvements	857,400	58,520	-	915,920
Equipment	202,397	16,369	-	218,766
Vehicles	732,118	77,298	-	809,416
Infrastructure	11,789,351	315,131	-	12,104,482
Total accumulated depreciation	13,603,279	474,755	-	14,078,034
Total capital assets being depreciated, net	7,867,391	(310,696)	-	7,556,695
Governmental activities capital assets, net	\$ 8,655,391	(238,307)	-	8,417,084

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

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

General government	\$ 53,575
Solid waste	8,891
Recreation and culture	9,337
Public safety	52,656
Public works, including depreciation of infrastructure assets	350,296

<u>Total depreciation expense – governmental activities</u>	<u>\$ 474,755</u>
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STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At December 31, 2022, the Town was in compliance with these limitations.

OVERLAPPING DEBT

The Town's proportionate share of Regional School Unit No. 18's debt of \$12,459,018 is \$3,369,010 (27.04%) as of June 30, 2022, which is the most readily available information. This debt service is included in the annual assessments to the Town.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2022 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Notes from direct borrowings	\$ 344,817	566,667	38,301	873,183	318,459
Accrued compensated absences	57,798	50,794	57,798	50,794	-
Other postemployment liability	20,160	-	3,575	16,585	-
Governmental activity					
long-term liabilities	<u>\$ 422,775</u>	<u>617,461</u>	<u>99,674</u>	<u>940,562</u>	<u>318,459</u>

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Notes payable at December 31, 2022 are comprised of the following:

<u>Notes from Direct Borrowings</u>	<u>Amount originally issued</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance</u>
2015 Town office	\$ 550,000	3.36%	2029	306,516
2022 Road Paving	566,667	3.21%	2024	566,667
Total				\$ 873,183

The annual requirements to amortize these notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 318,459	28,494	346,953
2024	328,709	18,244	346,953
2025	42,299	7,594	49,893
2026	43,714	6,178	49,892
2027	45,183	4,709	49,892
2028-2029	94,819	4,814	99,633
Totals	\$ 873,183	70,033	943,216

Long-term liabilities are liquidated by the General Fund.

SHORT-TERM DEBT

The Town issued a tax anticipation note in 2022, which had a maturity date of December 16, 2022 and an interest rate of 1.90%. Tax anticipation note activity for the year ended December 31, 2022 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation notes	\$ -	1,000,000	1,000,000	-

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES

Individual interfund receivable and payables at December 31, 2022 were as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	2,014,592
Capital Projects Fund	1,377,445	-
Permanent Fund	306	-
Special Revenue Fund	636,841	-
Total	\$ 2,014,592	2,014,592

During FY 2022, the Town reported the following interfund transfers:

	General Fund	Town Capital Reserves	Town Special Revenues	Town Permanent Fund
\$	(765,902)	765,902	-	-
	58,524	(58,524)	-	-
	(101,063)	-	101,063	-
	30,461	-	(30,461)	-
	9,938	-	-	(9,938)
\$	(768,042)	707,378	70,602	(9,938)

Most of the transfers were annual budgeted transfers to fund reserves, budgeted use of balances in other funds, or amounts determined by "forever" articles, which dictate that certain unexpended balances or excess revenues be transferred to reserves.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

As of December 31, 2022, the General Fund had unassigned fund balance that carried forward to the next fiscal year to be used for any purpose of \$3,775,104.

As of December 31, 2022, fund balance components consisted of the following:

	Nonspendable	Restricted	Committed
Capital Projects Fund:			
Capital projects	\$ -	-	1,374,406
Permanent Fund:			
Fund principal	277,715	-	-
Cumulative earnings	-	1,035,550	-
Special Revenue Fund:			
Grants and donations	-	248,184	-
Town special programs	-	-	55,880
Total	\$ 277,715	1,283,734	1,430,286

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of notes payable and adding back any unspent debt proceeds. The Town's net investment in capital assets was calculated as follows at December 31, 2022:

Capital assets	\$ 22,495,118
Accumulated depreciation	(14,078,034)
Notes payable	(873,183)
Total invested in capital assets net of related debt	\$ 7,543,901

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, and natural disasters, for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in several public entity and self-insured pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2022.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Town Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Select Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided – Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employee entitled to but not yet receiving benefits	-
Active employees	7
Total	<u>7</u>

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Town's total Health Plan OPEB liability of \$16,585 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	\$ 20,160
Changes for the year:	
Service cost	8,122
Interest	600
Changes of benefit terms	-
Differences between expected and actual experience	(10,655)
Changes in assumptions or other inputs	(1,632)
Benefit payments	-
Net changes	<u>(3,575)</u>
Balance at December 31, 2022	\$ <u>16,585</u>

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

For the year ended December 31, 2022, the Town recognized an OPEB expense of \$4,423 related to the Town Health Plan. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	24,918
Changes of assumption or other inputs	1,172	-
Total	\$ 1,172	24,918

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2023	\$(4,499)
2024	(4,499)
2025	(4,499)
2026	(4,502)
2027	(1,174)
Thereafter	(4,573)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 actuarial valuation for the Town Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40% per year
Salary increases	2.75% per year
Discount rate	2.06%
Healthcare cost trend rates	Non-Medicare 7.67% for 2022, grading to 3.53% in 2042
	Medicare 8.60% for 2022, grading to 3.53% in 2042
Retirees' share of the benefit related costs	100%

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2022 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

TOWN OF BELGRADE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Discount Rate - The rate used to measure the total OPEB liability for the Town Health Plan was 2.06%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Town Health Plan calculated using the discount rate of 2.06%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 20,861	16,585	13,268

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 12,471	16,585	22,417

TOWN OF BELGRADE, MAINE
Required Supplementary Information

Schedule of Changes in the Town's Total MMEHT Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 8,122	7,201	2,779	3,085	2,779
Interest	600	498	434	298	1,395
Changes of benefit terms	-	-	(211)	-	-
Differences between expected and actual experience	(10,665)	-	(2,369)	-	(30,915)
Changes of assumptions or other inputs	(1,632)	1,493	2,526	(1,160)	996
Benefit payments	-	-	-	-	(5,551)
Net change in total OPEB Liability	<u>(3,575)</u>	<u>9,192</u>	<u>3,159</u>	<u>2,223</u>	<u>(31,296)</u>
Total OPEB liability - beginning	<u>20,160</u>	<u>10,968</u>	<u>7,809</u>	<u>5,586</u>	<u>36,882</u>
Total OPEB liability - ending	<u>\$ 16,585</u>	<u>20,160</u>	<u>10,968</u>	<u>7,809</u>	<u>5,586</u>
Covered-employee payroll	\$ 322,568	363,638	363,638	215,987	215,987
Total OPEB liability as a percent of covered-employee payroll	5.14%	5.54%	3.02%	3.62%	2.59%

**Only five years of information available.*

TOWN OF BELGRADE, MAINE
Notes to Required Supplementary Information

Total OPEB Liabilities - Health Insurance

MMEHT Health Plan

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%

From 2017 - 2021, mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females. In 2022 and going forward, the mortality rates were based on the 2010 Public Plan General Benefits - Weighted Employee Mortality Table, for males and females.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

TOWN OF BELGRADE, MAINE

General Fund

Balance Sheet

December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 5,903,613	5,207,201
Receivables:		
Taxes	307,886	257,101
Tax liens	54,301	45,758
Prepaid expenditures	-	7,132
Total assets	6,265,800	5,517,192
LIABILITIES		
Accounts payable and other liabilities	169,993	78,911
Taxes paid in advance	13,723	8,917
Unearned revenue	22,388	22,388
Interfund loan payable	2,014,592	1,512,435
Total liabilities	2,220,696	1,622,651
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property tax	270,000	242,000
Total deferred inflows of resources	270,000	242,000
FUND BALANCE		
Nonspendable	-	7,132
Unassigned	3,775,104	3,645,409
Total fund balances	3,775,104	3,652,541
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,265,800	5,517,192

TOWN OF BELGRADE, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2022

	2022		Variance positive (negative)	2021 Actual
	budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 8,715,886	8,715,886	-	8,606,990
Supplemental taxes	-	12,066	12,066	-
Change in unavailable taxes	-	(28,000)	(28,000)	73,000
Excise taxes	1,015,312	1,118,089	102,777	1,082,104
Interest on taxes	15,875	10,556	(5,319)	16,710
Total taxes	9,747,073	9,828,597	81,524	9,778,804
Intergovernmental revenue:				
State Revenue Sharing	315,080	418,672	103,592	331,664
Local road assistance	46,504	46,756	252	46,504
Homestead exemption	208,633	216,007	7,374	227,991
BETE	27,245	27,269	24	16,352
Other	22,325	27,229	4,904	24,188
Total intergovernmental revenue	619,787	735,933	116,146	646,699
Charges for services:				
Licenses and fees	8,248	10,916	2,668	12,195
Town fees	49,664	99,828	50,164	30,730
Solid waste management	30,000	58,548	28,548	62,749
Recreation program fees	-	79,912	79,912	61,469
Total charges for services	87,912	249,204	161,292	167,143
Other revenues:				
Fire department revenues	15,294	45,391	30,097	37,794
Cable franchise fees	47,803	49,717	1,914	50,319
Miscellaneous income	3,378	5,785	2,407	532
Total other revenues	66,475	100,893	34,418	88,645
Interest:				
Interest income	13,520	15,794	2,274	14,233
Total interest	13,520	15,794	2,274	14,233
Total revenues	10,534,767	10,930,421	395,654	10,695,524

TOWN OF BELGRADE, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2022		Variance positive (negative)	2021 Actual
	Original budget	Actual		
Expenditures:				
Current:				
General government:				
Selectpersons	\$ 14,855	18,513	(3,658)	18,095
Appeals board	1,300	280	1,020	160.00
Administration	426,010	385,232	40,778	350,026
Town Manager	112,490	103,056	9,434	104,269
Code Enforcement	56,325	41,332	14,993	34,795
Planning board	6,350	817	5,533	5,280
Elections	11,950	9,207	2,743	5,371
Historian	500	-	500	400
Insurance	98,200	85,909	12,291	114,478
Total general government	727,980	644,346	83,634	632,874
Public safety:				
EMA	550	-	550	-
Fire/rescue departments	325,025	266,690	58,335	254,847
Dispatch services	52,500	50,644	1,856	49,376
Street lights	1,500	1,382	118	11,538
Animal control	13,200	10,869	2,331	11,304
Health officer	550	-	550	-
Total public safety	393,325	329,585	63,740	327,065
Public works:				
Roads	155,675	157,210	(1,535)	149,307
Plowing and sanding	399,000	386,978	12,022	329,041
Cemetery	23,675	23,626	49	18,901
Facilities and grounds	315,635	311,484	4,151	259,007
Dams	-	-	-	20,192
Total public works	893,985	879,298	14,687	776,448

TOWN OF BELGRADE, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2022		Variance positive (negative)	2021 Actual
	Original budget	Actual		
Expenditures, continued:				
Current, continued:				
Solid waste	\$ 328,500	282,157	46,343	247,913
Public services:				
Social services	4,780	2,181	2,599	260
General assistance	10,000	2,132	7,868	3,938
Other agencies (special requests)	45,061	45,061	-	44,617
Total public services	59,841	49,374	10,467	48,815
Recreation and culture:				
Recreation	190,625	178,758	11,867	122,569
Library	102,025	93,118	8,907	75,830
Snowmobile	-	-	-	4,521
Total recreation and culture	292,650	271,876	20,774	202,920
Education	6,639,958	6,639,957	1	6,625,225
County tax	817,777	817,777	-	743,132
Unclassified:				
Overlay/abatements	117,819	14,186	103,633	18,352
Total unclassified	117,819	14,186	103,633	18,352
Capital outlay	59,000	57,828	1,172	-
Debt service	64,893	53,432	11,461	485,613
Total expenditures	10,395,728	10,039,816	355,912	10,108,357
Excess (deficiency) of revenues over (under) expenditures	139,039	890,605	751,566	587,167
Other financing sources (uses):				
Use of fund balance/carry forwards	491,000	-	(491,000)	-
Transfers from capital reserves	58,524	58,524	-	101,565
Transfer from permanent funds	9,938	9,938	-	-
Transfers from special revenue funds	35,000	30,461	(4,539)	-
Transfers to other funds	(733,501)	(866,965)	(133,464)	(588,985)
Total other financing sources (uses)	(139,039)	(768,042)	(629,003)	(487,420)
Net change in fund balance	-	122,563	122,563	99,747
Fund balance, beginning of year		3,652,541		3,552,794
Fund balance, end of year	\$	3,775,104		3,652,541

TOWN OF BELGRADE, MAINE
Capital Projects Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Fund balances beginning of year	Revenues		Bond proceeds	Expenditures		Transfers In	Transfers out	Fund balances end of year
		Charges for services	Other		Capital outlay	Other			
84 Facilities	\$ 21,315	7,495	16,095	-	10,797	-	-	(30,000)	4,108
85 Facilities truck	30,656	-	-	-	-	-	5,000	-	35,656
86 Cemetery equipment	9,705	-	-	-	-	-	5,000	-	14,705
87 Cemetery water line	23,423	-	-	-	-	-	5,000	-	28,423
88 Fire department equipment	201,111	-	-	-	5,083	-	134,721	-	330,749
89 Library	23,046	-	-	-	-	-	8,907	(8,524)	23,429
90 Fire department facility	230,000	-	-	-	-	-	100,000	-	330,000
91 Road maintenance	315,856	-	-	566,667	900,154	2,850	293,820	-	273,339
92 Recreation	105,842	-	-	-	6,300	-	25,571	-	125,113
93 Sidewalks	75	-	-	-	-	-	-	-	75
94 Water quality	24,210	9,490	-	-	-	-	10,515	(20,000)	24,215
96 Dams	482	27,481	-	-	-	43,978	25,368	-	9,353
97 Cemetery expansion (plan 5)	13,311	-	-	-	-	6,981	-	-	6,330
98 Old town meeting house	1,000	-	-	-	-	-	-	-	1,000
99 Solid waste	53,010	-	-	-	18,850	-	75,000	-	109,160
19 Maintenance garage	46,969	-	-	-	72,389	-	55,000	-	29,580
06 Tower fund	-	-	300	-	-	415	10,000	-	9,885
07 Planning board reserve	-	-	-	-	-	1,201	12,000	-	10,799
62 Village lights escrow	10,000	-	13,612	-	-	15,125	-	-	8,487
Total	\$ 1,110,011	44,466	30,007	566,667	1,013,573	70,550	765,902	(58,524)	1,374,406

TOWN OF BELGRADE, MAINE

Permanent Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Beginning of year				Revenues			Transfers	Fund balances end of year	End of year	
	fund balances		Restricted earnings		Investment		Nonspendable principal			Restricted earnings	
	Nonspendable principal	Restricted earnings	Income (loss)	Other	Expenditures						
09 Fire Department memorial	\$ -	-	-	26,045	23,796	-	-	2,249	-	2,249	
61 Cemetery portfolio	196,863	379,830	(75,970)	-	14,054	(9,938)	-	476,731	196,863	279,868	
62 Don C. Stevens school enrichment	53,108	814,896	(119,572)	3,723	-	-	-	752,155	53,108	699,047	
63 Don C. Stevens school scholarship	2,005	(1,190)	(389)	-	-	-	-	426	2,005	(1,579)	
64 Guy A. Yeaton cemetery trust	1,009	4,239	(686)	-	-	-	-	4,562	1,009	3,553	
65 Lacroix cemetery care	10,031	8,859	(2,469)	-	-	-	-	16,421	10,031	6,390	
66 Robert A. Guptill historical trust	11,199	7,717	(2,402)	-	-	-	-	16,514	11,199	5,315	
67 Cemetery perpetual care	3,500	34,894	(3,326)	3,937	-	-	-	39,005	3,500	35,505	
68 Alice Cram	-	5,363	(161)	-	-	-	-	5,202	-	5,202	
Total	\$ 277,715	1,254,608	(204,975)	33,705	37,850	(9,938)	-	1,313,265	277,715	1,035,550	

TOWN OF BELGRADE, MAINE
Special Revenue Funds
Special Grants and Programs
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Fund balances (deficits) end of year	Revenues		Expenditures	Transfers	Fund balances end of year
		Other	Donations			
01 Sandra Fowler	\$ -	-	1,230	906	100	424
42 Library donations	4,466	-	840	-	-	5,306
43 Library trustees	1,060	-	-	-	(100)	960
44 Maggie Schneider	4,653	-	-	-	-	4,653
45 Library carryforward	987	-	-	-	-	987
46 Library fees	7,606	530	-	-	-	8,136
47 Labun estate	8,473	-	-	250	-	8,223
49 FD grant	6,000	-	-	-	-	6,000
50 Bottle redemption	12,087	-	3,815	-	-	15,902
51 Dalton property	46,872	-	-	15,951	(30,000)	921
52 Emergency fuel	11,086	-	1,500	-	(461)	12,125
53 United way	32	-	-	-	-	32
54 Tree committee	5,009	-	-	-	-	5,009
55 CFAS donations	6,359	-	-	-	-	6,359
56 Animal control officer	16,779	-	-	-	-	16,779
58 Town office beautification	80	-	-	-	-	80
59 Audio books	2,421	-	-	-	-	2,421
60 Weinberg adult nonfiction	825	-	-	705	-	120
61 Well contamination remediation	109,077	3,006	-	2,456	100,000	209,627
62 Village lights	(1,063)	-	-	-	1,063	-
Total	\$ 242,809	3,536	7,385	20,268	70,602	304,064

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