

Audited Financial Statements and  
Other Financial Information

**Town of Corinth, Maine**

December 31, 2022



*Proven Expertise & Integrity*

TOWN OF CORINTH, MAINE

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DECEMBER 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Corinth  
Corinth, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying 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 Corinth, Maine as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Corinth, 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 accompanying 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 Corinth, 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 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 GAAS 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 GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls 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 Corinth, 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 doubt about the Town of Corinth, 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 management's discussion and analysis, budgetary comparison information and OPEB information on pages 5 through 12 and 52 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Corinth, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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 January 9, 2024, on our consideration of the Town of Corinth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Corinth, 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 Corinth, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
January 9, 2024



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Corinth, Maine's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2022. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Corinth's basic financial statements include the following components: 1) government-wide financial statements and 2) notes to the financial statements. This report also includes required supplementary information which consists of other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in the entity-wide perspective as the Town only has one fund. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have one column for the Town's type of activity. The type of activity presented for the Town of Corinth, Maine is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, health and sanitation, recreation, education and other.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Corinth, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Corinth are categorized as one fund type: governmental funds.

*Governmental funds:* All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Corinth presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, the Jessie Smith trust fund, the Geneva Smith trust fund and the F.O. Brown trust fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position increased by \$116,627 from \$8,813,319 to \$8,929,946.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by obligations covenants, enabling legislation or other legal requirements - increased to a balance of \$1,428,118 at the end of this year.

**Table 1**  
**Town of Corinth, Maine**  
**Net Position**  
**December 31,**

	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Current Assets	\$ 5,595,859	\$ 5,556,326
Noncurrent Assets - Capital Assets	<u>3,412,189</u>	<u>3,345,700</u>
Total Assets	<u>9,008,048</u>	<u>8,902,026</u>
 <b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to OPEB	<u>16,772</u>	<u>10,517</u>
Total Deferred Outflows of Resources	<u>16,772</u>	<u>10,517</u>
 <b>Liabilities:</b>		
Current Liabilities	19,334	29,551
Noncurrent Liabilities	<u>33,290</u>	<u>47,267</u>
Total Liabilities	<u>52,624</u>	<u>76,818</u>
 <b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	3,724	1,257
Advance Payment of LRAP Funding	21,504	19,000
Deferred Inflows Related to OPEB	<u>17,022</u>	<u>2,149</u>
Total Deferred Inflows of Resources	<u>42,250</u>	<u>22,406</u>
 <b>Net Position:</b>		
Net Investment in Capital Assets	3,412,189	3,345,700
Restricted	4,089,639	4,447,875
Unrestricted	<u>1,428,118</u>	<u>1,019,744</u>
Total Net Position	<u>\$ 8,929,946</u>	<u>\$ 8,813,319</u>

### Revenues and Expenses

Revenues for the Town's governmental activities decreased by 16.03% while total expenses increased by 7.90%. The largest decrease in revenues was miscellaneous, primarily due to investment income, net of unrealized gains/(losses). All expenses increased except for recreation, health and sanitation and unallocated depreciation.

**Table 2**  
**Town of Corinth, Maine**  
**Change in Net Position**  
**For The Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 40,815	\$ 40,729
Operating grants and contributions	40,268	43,982
<i>General Revenues:</i>		
Taxes	2,840,414	2,812,266
Grants and contributions not restricted to specific programs	806,091	687,497
Miscellaneous	(62,871)	780,053
Total Revenues	<u>3,664,717</u>	<u>4,364,527</u>
<b>Expenses</b>		
General government	499,914	416,930
Public safety	297,644	236,611
Public works	628,515	565,932
Health and sanitation	95,476	96,923
Recreation	32,214	38,444
Education	1,546,605	1,543,498
County tax	260,933	245,790
Unallocated depreciation	805	805
Other	185,984	143,343
Total Expenses	<u>3,548,090</u>	<u>3,288,276</u>
Change in Net Position	116,627	1,076,251
Net Position - January 1	<u>8,813,319</u>	<u>7,737,068</u>
Net Position - December 31	<u><u>\$ 8,929,946</u></u>	<u><u>\$ 8,813,319</u></u>

### Financial Analysis of the Town's Fund Statements

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

**Table 3**  
**Town of Corinth, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 1,584	\$ 1,486	\$ 98
Restricted	-	133,424	(133,424)
Assigned	155,334	84,196	71,138
Unassigned	1,049,204	762,131	287,073
Total General Fund	<u>\$ 1,206,122</u>	<u>\$ 981,237</u>	<u>\$ 224,885</u>
Jessie Smith Trust Fund:			
Nonspendable	\$ 903,345	\$ 903,345	\$ -
Restricted	455,191	604,588	(149,397)
Total Jessie Smith Trust Fund	<u>\$ 1,358,536</u>	<u>\$ 1,507,933</u>	<u>\$ (149,397)</u>
Geneva Smith Trust Fund:			
Nonspendable	\$ 607,924	\$ 607,924	\$ -
Restricted	291,700	397,383	(105,683)
Total Geneva Smith Trust Fund	<u>\$ 899,624</u>	<u>\$ 1,005,307</u>	<u>\$ (105,683)</u>
F.O. Brown Trust Fund:			
Restricted	\$ 1,029,795	\$ 1,064,659	\$ (34,864)
Total F.O. Brown Smith Trust Fund	<u>\$ 1,029,795</u>	<u>\$ 1,064,659</u>	<u>\$ (34,864)</u>
Nonmajor Funds:			
Special revenue funds:			
Restricted	\$ 261,425	\$ 148,073	\$ 113,352
Unassigned	(6,205)	(5,004)	(1,201)
Capital project funds:			
Committed	76,000	66,000	10,000
Permanent funds:			
Nonspendable	78,125	77,417	708
Restricted	462,134	509,576	(47,442)
Total Nonmajor Funds	<u>\$ 871,479</u>	<u>\$ 796,062</u>	<u>\$ 75,417</u>

The changes to total fund balances for the general fund occurred due to the regular activity of operations. The changes to the Jessie Smith Trust fund, Geneva Smith Trust fund, F.O. Brown Trust fund and aggregate nonmajor funds occurred due to the regular activity of operations and due to investment income, net of unrealized gains/(losses).

## **Budgetary Highlights**

The difference between the original and final budget for the general fund was due to use of unassigned fund balance.

The general fund actual revenues exceeded budgeted amounts by \$290,466. This was a result of all revenues being receipted over budgeted amounts with the exception of taxes - property taxes and transfers from other funds.

The general fund actual expenditures were under budgeted amounts by \$99,423. All expenditure categories were within or under budgeted amounts with the exception of health and sanitation and public works.

## **Capital Asset and Long-Term Debt Administration**

### **Capital Assets**

As of December 31, 2022, the net book value of capital assets recorded by the Town increased by \$66,489 from the prior year. This increase was the result of capital additions of \$346,123, less current year net disposals of \$7,941 and current year depreciation expense of \$271,693.

**Table 4**  
**Town of Corinth, Maine**  
**Capital Assets (Net of Depreciation)**  
**December 31,**

	<u>2022</u>	<u>2021</u>
Land	\$ 61,380	\$ 61,380
Buildings	657,973	701,584
Machinery, equipment and vehicles	244,653	258,423
Infrastructure	<u>2,448,183</u>	<u>2,324,313</u>
Total	<u>\$ 3,412,189</u>	<u>\$ 3,345,700</u>

### **Long-Term Debt**

At December 31, 2022, the Town had no long-term debt outstanding.

### **Currently Known Facts, Decisions or Conditions**

The 2022 - 2023 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2022 - 2023 as of the date this report was issued.

### **Economic Factors and Next Year's Budgets and Rates**

The Town has working on building a sufficient unassigned fund balance to sustain government operations for a period of approximately four months, while also maintaining significant reserve accounts for future capital and program needs.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer's Office at 31 Exeter Road, P.O. Box 309, Corinth, Maine 04427.



## TOWN OF CORINTH, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,470,596
Investments	2,933,505
Accounts receivable (net of allowance for uncollectibles):	
Taxes	153,443
Liens	36,663
Tax acquired property	1,584
Due from other governments	68
Total current assets	<u>5,595,859</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	61,380
Depreciable assets, net of accumulated depreciation	3,350,809
Total noncurrent assets	<u>3,412,189</u>
TOTAL ASSETS	<u>9,008,048</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	16,772
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>16,772</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,024,820</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 19,334
Total current liabilities	<u>19,334</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Net OPEB liability	33,290
Total noncurrent liabilities	<u>33,290</u>
TOTAL LIABILITIES	<u>52,624</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	3,724
Advance payment of LRAP funding	21,504
Deferred inflows related to OPEB	17,022
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>42,250</u>
NET POSITION	
Net investment in capital assets	3,412,189
Restricted	4,089,639
Unrestricted	1,428,118
TOTAL NET POSITION	<u>8,929,946</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 9,024,820</u>

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

## STATEMENT B

TOWN OF CORINTH, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 499,914	\$ 26,555	\$ -	\$ -	\$ (473,359)
Public safety	297,644	11,242	-	-	(286,402)
Public works	628,515	-	40,268	-	(588,247)
Health and sanitation	95,476	-	-	-	(95,476)
Recreation	32,214	18	-	-	(32,196)
Education	1,546,605	-	-	-	(1,546,605)
County tax	260,933	-	-	-	(260,933)
Unallocated depreciation (Note 4)*	805	-	-	-	(805)
Other	185,984	3,000	-	-	(182,984)
Total government	<u>\$ 3,548,090</u>	<u>\$ 40,815</u>	<u>\$ 40,268</u>	<u>\$ -</u>	<u>(3,467,007)</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)  
TOWN OF CORINTH, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(3,467,007)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	2,254,396
Excise taxes	586,018
Grants and contributions not restricted to specific programs	806,091
Miscellaneous	<u>(62,871)</u>
Total general revenues	<u>3,583,634</u>
Change in net position	116,627
NET POSITION - JANUARY 1	<u>8,813,319</u>
NET POSITION - DECEMBER 31	<u><u>\$ 8,929,946</u></u>

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

## TOWN OF CORINTH, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	General Fund	Jessie Smith Trust Fund	Geneva Smith Trust Fund	F.O. Brown Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,581,504	\$ 287,345	\$ 227,122	\$ 144,183	\$ 230,442	\$ 2,470,596
Investments	-	1,071,191	721,536	730,092	410,686	2,933,505
Accounts receivable (net of allowance for uncollectibles):						
Taxes	153,443	-	-	-	-	153,443
Liens	36,663	-	-	-	-	36,663
Tax acquired property	1,584	-	-	-	-	1,584
Due from other governments	68	-	-	-	-	68
Due from other funds	156,708	-	-	155,520	338,025	650,253
<b>TOTAL ASSETS</b>	<u>\$ 1,929,970</u>	<u>\$ 1,358,536</u>	<u>\$ 948,658</u>	<u>\$ 1,029,795</u>	<u>\$ 979,153</u>	<u>\$ 6,246,112</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 19,334	\$ -	\$ -	\$ -	\$ -	\$ 19,334
Due to other funds	493,545	-	49,034	-	107,674	650,253
<b>TOTAL LIABILITIES</b>	<u>512,879</u>	<u>-</u>	<u>49,034</u>	<u>-</u>	<u>107,674</u>	<u>669,587</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	3,724	-	-	-	-	3,724
Advance payment of LRAP funding	21,504	-	-	-	-	21,504
Deferred tax revenues	185,741	-	-	-	-	185,741
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>210,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,969</u>
<b>FUND BALANCES</b>						
Nonspendable	1,584	903,345	607,924	-	78,125	1,590,978
Restricted	-	455,191	291,700	1,029,795	723,559	2,500,245
Committed	-	-	-	-	76,000	76,000
Assigned	155,334	-	-	-	-	155,334
Unassigned	1,049,204	-	-	-	(6,205)	1,042,999
<b>TOTAL FUND BALANCES</b>	<u>1,206,122</u>	<u>1,358,536</u>	<u>899,624</u>	<u>1,029,795</u>	<u>871,479</u>	<u>5,365,556</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,929,970</u>	<u>\$ 1,358,536</u>	<u>\$ 948,658</u>	<u>\$ 1,029,795</u>	<u>\$ 979,153</u>	<u>\$ 6,246,112</u>

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

## TOWN OF CORINTH, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Total Governmental Funds
Total Fund Balances	\$ 5,365,556
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,412,189
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	185,741
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	16,772
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(17,022)
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Net OPEB liability	<u>(33,290)</u>
Net position of governmental activities	<u><u>\$ 8,929,946</u></u>

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

## TOWN OF CORINTH, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Jessie Smith Trust Fund	Geneva Smith Trust Fund	F.O. Brown Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ 2,219,975	\$ -	\$ -	\$ -	\$ -	\$ 2,219,975
Excise taxes	586,018	-	-	-	-	586,018
Intergovernmental revenues	690,761	-	-	-	155,598	846,359
Charges for services	40,815	-	-	-	-	40,815
Miscellaneous revenues	173,855	(98,243)	(64,411)	(34,864)	(31,267)	(54,930)
<b>TOTAL REVENUES</b>	<b>3,711,424</b>	<b>(98,243)</b>	<b>(64,411)</b>	<b>(34,864)</b>	<b>124,331</b>	<b>3,638,237</b>
<b>EXPENDITURES</b>						
Current:						
General government	497,743	-	-	-	-	497,743
Public safety	265,042	-	-	-	-	265,042
Public works	748,099	-	-	-	-	748,099
Health and sanitation	95,476	-	-	-	-	95,476
Culture and recreation	27,997	-	-	-	-	27,997
Education	1,546,605	-	-	-	-	1,546,605
County tax	260,933	-	-	-	-	260,933
Other	48,807	8,909	10,838	-	117,430	185,984
Debt service						
Principal	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,490,702</b>	<b>8,909</b>	<b>10,838</b>	<b>-</b>	<b>117,430</b>	<b>3,627,879</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>220,722</b>	<b>(107,152)</b>	<b>(75,249)</b>	<b>(34,864)</b>	<b>6,901</b>	<b>10,358</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	74,494	-	-	-	70,331	144,825
Transfers (out)	(70,331)	(42,245)	(30,434)	-	(1,815)	(144,825)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,163</b>	<b>(42,245)</b>	<b>(30,434)</b>	<b>-</b>	<b>68,516</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>224,885</b>	<b>(149,397)</b>	<b>(105,683)</b>	<b>(34,864)</b>	<b>75,417</b>	<b>10,358</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>981,237</b>	<b>1,507,933</b>	<b>1,005,307</b>	<b>1,064,659</b>	<b>796,062</b>	<b>5,355,198</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 1,206,122</b>	<b>\$ 1,358,536</b>	<b>\$ 899,624</b>	<b>\$ 1,029,795</b>	<b>\$ 871,479</b>	<b>\$ 5,365,556</b>

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

## TOWN OF CORINTH, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 10,358</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	346,123
Capital asset deletions	(7,941)
Depreciation expense	<u>(271,693)</u>
	<u>66,489</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>6,255</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>34,421</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(14,873)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Net OPEB liability	<u>13,977</u>
Change in net position of governmental activities (Statement B)	<u>\$ 116,627</u>

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

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Corinth was incorporated under the laws of the State of Maine. The Town operates under the selectboard-town manager form of government and provides the following services: general government, public safety, public works, health and sanitation, recreation, education and other.

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 Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended December 31, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 98 "The Annual Comprehensive Financial Report". This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial 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 governmental. The Town categorizes all activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and



TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous 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. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The 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.

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Town are reported in the 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 balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Jessie Smith Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures of income therefrom for the care of maintenance of Cemetery Lot No. 4. Any excess income shall be used as the Town of Corinth, Maine deems appropriate. Primary revenue sources are from interest income.
- c. The Geneva Smith Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures of income therefrom for general academic scholarships, based upon academic achievement for residents of the Town of Corinth, Maine who attend any college or post-high school institution of learning. Primary revenue sources are from interest income.
- d. The F.O. Brown Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures of income therefrom for the benefit of the less privileged residents of the Town of Corinth, Maine. Primary revenue sources are from interest income.

Nonmajor Funds

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment, other than those financed by proprietary or trust funds.
- g. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. 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 soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

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

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

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Corinth has no formal investment policy but instead follows the State of Maine Statutes.

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2022. Accounts receivable netted with allowances for uncollectibles were \$68 for the year ended December 31, 2022.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Tax Acquired Property**

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired the Selectboard is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by or the provisions of Article 51 of the 2021 Town Meeting Warrant.

**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 "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

**OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraint that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one type of this item - deferred outflows related to OPEB. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advanced payment of LRAP funding also qualify for reporting in this category. These items are reported in both the statement of net position and governmental funds balance sheet. Deferred inflows of resources related to OPEB qualify for this type of reporting. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.



TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied June 30, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due on August 9, 2022. Interest on unpaid taxes commenced on August 10, 2022, at 4.0% per annum.

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

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 \$7,894 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 tax liens and associated costs remain unpaid.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town follows state statutes for the investment of funds, which authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At December 31, 2022, the Town's cash balance of \$2,470,596 was comprised of bank deposits and cash and cash equivalents amounting to \$2,581,198. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these deposits, \$439,896 were fully insured by federal depository insurance and consequently not exposed to custodial credit risk. Of the cash and cash equivalents, \$250,000 were fully insured by Securities Investor Corporation (SIPC) and consequently not exposed to custodial credit risk. The remaining deposits of \$1,891,302 were uncollateralized and uninsured.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,564,415
Savings accounts	263,620
Cash and cash equivalents	753,163
	<u>\$ 2,581,198</u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. Of the Town's investments of \$2,933,505, \$60,104 were fully insured by federal depository insurance and consequently not exposed to custodial credit risk. In addition, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. As such, of the Town's investments in mutual funds, fixed income exchange traded fund-other and equities of \$2,776,387, \$1,702,297, was covered by the Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk. The remaining balance of \$2,009,274 was uninsured and uncollateralized and therefore exposed to custodial credit risk.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$157,118 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>	<u>&gt; 5 Years</u>
Mutual funds	\$ 482,625	\$ 482,625	\$ -	\$ -	\$ -
US securities	200,814	200,814	-	-	-
Corporate bonds	120,453	-	33,677	39,934	46,842
Exchange traded fund - other	22,407	22,407	-	-	-
Equities	1,950,088	1,950,088	-	-	-
	<u>\$ 2,776,387</u>	<u>\$ 2,655,934</u>	<u>\$ 33,677</u>	<u>\$ 39,934</u>	<u>\$ 46,842</u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Fair Value Hierarchy**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements at December 31, 2022:

		Fair Value Measurements Using		
	December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
	Total			
<u>Investments by fair value level</u>				
Debt securities:				
U.S. Agency Securities	\$ 200,814	\$ -	\$ 200,814	\$ -
Corporate bonds	120,453	-	120,453	-
Total debt securities	321,267	-	321,267	-
Equity securities:				
Preferred stock - domestic	69,226	69,226	-	-
Common stock - domestic	1,880,862	1,880,862	-	-
Mutual funds - domestic and foreign	482,625	482,625	-	-
Exchange traded fund - other	22,407	22,407	-	-
Total equity securities	2,455,120	2,455,120	-	-
Total investments by fair value level	2,776,387	2,455,120	321,267	-
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	753,163			
Total cash equivalents measured at the NAV	753,163			
Total investments and cash equivalents measured at fair value	\$ 3,529,550			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of December 31, 2022 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. The Town's investments in corporate bonds were rated A3 (\$12,038), Baa1 (\$73,611) and Baa2 (\$34,804).

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 156,708	\$ 493,545
Geneva Smith Trust Fund	-	49,034
F.O. Brown Trust Fund	155,520	-
Nonmajor Special Revenue Funds	261,425	-
Nonmajor Capital Projects Funds	76,000	-
Nonmajor Permanent Funds	600	107,674
	<u>\$ 650,253</u>	<u>\$ 650,253</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 74,494	\$ 70,331
Jessie Smith Trust Fund	-	42,245
Geneva Smith Trust Fund	-	30,434
Special Revenue Funds	5,004	-
Nonmajor Capital Projects Funds	10,000	-
Nonmajor Permanent Funds	55,327	1,815
	<u>\$ 144,825</u>	<u>\$ 144,825</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	Balance, 1/1/22	Additions	Disposals	Balance, 12/31/22
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 61,380	\$ -	\$ -	\$ 61,380
	<u>61,380</u>	<u>-</u>	<u>-</u>	<u>61,380</u>
Depreciated assets:				
Buildings	1,205,236	-	-	1,205,236
Machinery and equipment	336,025	28,246	(19,851)	344,420
Vehicles	609,129	-	-	609,129
Infrastructure	3,199,798	317,877	-	3,517,675
	<u>5,350,188</u>	<u>346,123</u>	<u>(19,851)</u>	<u>5,676,460</u>
Less: accumulated depreciation	<u>(2,065,868)</u>	<u>(271,693)</u>	<u>11,910</u>	<u>(2,325,651)</u>
	<u>3,284,320</u>	<u>74,430</u>	<u>(7,941)</u>	<u>3,350,809</u>
Net capital assets	<u>\$ 3,345,700</u>	<u>\$ 74,430</u>	<u>\$ (7,941)</u>	<u>\$ 3,412,189</u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 7,530
Public safety	60,848
Public works	198,293
Recreation	2,980
Community facilities	1,237
Town-wide	805
Total depreciation expense	<u>\$ 271,693</u>

NOTE 6 - SHORT-TERM DEBT

On August 31, 2021, Maine Savings Federal Credit Union issued a line of credit to provide liquidity for governmental operations financed by property taxes. The tax/revenue anticipation note allowed principal draws up to \$500,000 at a variable interest rate, 1.50% below the highest prime rate published in the Monday Rates Section of the Wall Street Journal, Eastern Edition, the lowest being 4.00%. There were no drawdowns for the fiscal year. The line of credit is through August 31, 2022.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended December 31, 2022:

	Balance, 1/1/22	Additions	Deletions	Balance, 12/31/22	Current Portion
Net OPEB Liability	<u>\$ 47,267</u>	<u>\$ 6,534</u>	<u>\$ (20,511)</u>	<u>\$ 33,290</u>	<u>\$ -</u>

Please see Note 15 for detailed information on the other long-term obligations.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at December 31, 2022:

Invested in capital assets	\$ 5,737,840
Accumulated depreciation	<u>(2,325,651)</u>
	<u>\$ 3,412,189</u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 9 - RESTRICTED NET POSITION

The Town had the following restricted net position at December 31, 2022:

Jessie Smith Trust - nonspendable	\$ 903,345
Jessie Smith Trust Fund	455,191
Geneva Smith Trust Fund - nonspendable	607,924
Geneva Smith Trust Fund	291,700
F. O. Brown Trust Fund	1,029,795
Nonmajor special revenue (Schedule F)	
ARPA	261,425
Nonmajor permanent funds (Schedule H)	
Elsie Junkins	1,019
Ministerial - nonspendable	3,008
Thelma Foster - nonspendable	20,000
Edith Twombly - nonspendable	2,820
Edith Twombly	27,263
Russell Smith - nonspendable	52,297
Russell Smith	30,703
F.O. Brown Income	304,701
Kiwanis Scholarship	14,200
Farrar fund	25,363
Perpetual care	58,885
	<u>\$ 4,089,639</u>

NOTE 10 - NONSPENDABLE FUND BALANCES

The Town had the following nonspendable fund balances at December 31, 2022:

General Fund:	
Tax acquired property	\$ 1,584
Jessie Smith Trust Fund	903,345
Geneva Smith Trust Fund	607,924
Nonmajor permanent funds (Schedule H)	78,125
	<u>\$ 1,590,978</u>



TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 11 - RESTRICTED FUND BALANCES

The Town had the following restricted fund balances at December 31, 2022:

Jessie Smith Trust Fund	\$ 455,191
Geneva Smith Trust Fund	291,700
F. O. Brown Trust Fund	1,029,795
Nonmajor special revenue (Schedule F)	
ARPA	261,425
Nonmajor permanent funds (Schedule H)	
Elsie Junkins	1,019
Edith Twombly	27,263
Russell Smith	30,703
F.O. Brown Income	304,701
Kiwanis Scholarship	14,200
Farrar fund	25,363
Perpetual care	58,885
	<u>\$ 2,500,245</u>

NOTE 12 - COMMITTED FUND BALANCES

The Town had the following committed fund balances at December 31, 2022:

Nonmajor capital projects (Schedule F)	<u>\$ 76,000</u>
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TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 13 - ASSIGNED FUND BALANCES

The Town had the following assigned fund balances at December 31, 2022:

General Fund:	
Cemetery	\$ 13,871
Assesor	59,501
Comprehensive plan	6,120
Legal	1,979
Town road improvement	21,129
Fire dept. revenue carry forward	28,391
Morrison recreation playground	492
Recreation revenue	5,176
Old home days	6,778
Road clean up	70
Brown Fund general assistance	7,512
Dog fees	2,620
Walking path	1,695
	<u>\$ 155,334</u>

NOTE 14 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. The Town's share of the County of Penobscot and RSU No. 64's obligations as of December 31, 2022 is as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
Regional School Unit No. 64	\$ 1,583,004	50.00%	<u>\$ 791,502</u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

**Plan Description**

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. 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*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

**Employees Covered by Benefit Terms**

At January 1, 2022, the following employees were covered by the benefit terms:

Active members	3
Retirees and spouses	<u>1</u>
Total	<u><u>4</u></u>

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts**

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
PPO 550	\$1,086	\$2,436
<u>Medicare</u>		
Medicare-Eligible Retirees	\$601	\$1,201

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

At December 31, 2022, the Town reported a liability of \$33,290 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended December 31, 2022, the Town recognized OPEB revenue of \$5,359. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 919	\$ 15,726
Changes of assumptions	7,467	1,296
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	8,386	-
Total	<u>\$ 16,772</u>	<u>\$ 17,022</u>

\$8,386 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2023	\$ (711)
2024	(624)
2025	(2,099)
2026	(2,600)
2027	(2,602)
Thereafter	-

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2022. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.06% per annum for June 30, 2022 was based upon a measurement date of December 31, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	\$ 37,085	\$ 33,290	\$ 30,115
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 37,085</u>	<u>\$ 33,290</u>	<u>\$ 30,115</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 30,071	\$ 33,290	\$ 37,204
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 30,071</u>	<u>\$ 33,290</u>	<u>\$ 37,204</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2022, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Assumptions*

The actuarial assumptions used in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2021, they are as follows:

Discount Rate - 2.06% per annum for year end 2022 reporting. 2.12% per annum for 2021 year end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2022\_fa was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capital 2031	1.10%
Extra Trend due to Taste/Technology 2031	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The trends selected from 2022 to 2025 were based on plan design, population weighting, renewal projections and market analysis. For years 2026 to 2030, these are interpolated from 2025 to 2031 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.



TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Rate of Mortality:

Healthy Annuitant- Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended December 31, 2022 with the following exceptions:

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The net difference between expected and actual experience as of January 1, 2022 was \$14,807.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at P.O. Box 309, Corinth, Maine 04427-0309.

NOTE 16 - 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 participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 16 - RISK MANAGEMENT (CONTINUED)

obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at December 31, 2022.

The Town is a member of the Maine Municipal Association – Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a “claims made” form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain low costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of \$1,000,000.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of December 31, 2022. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 17 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town’s financial position.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 17 - CONTINGENCIES (CONTINUED)

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 18 - DEFINED CONTRIBUTION PENSION PLAN

**Plan Description**

The Town offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 403(b), administered by Freedom Financial Group, American Funds. The plan, available to all eligible Town employees, permits them to defer a portion of their salary until retirement. Employer contributions and the deferred salary amount of the participating employees are not available to the employee until retirement or death or in case of other life events as allowed by law. For participation in the plan, employees must have attained a minimum age of 18 years, have been employed by the Town for a minimum of 26 consecutive weeks and have worked an average of 20 hours or more during that 26 week period or have worked 1,000 hours or more during the previous calendar year or are projected to work 1,000 hours or more during the current calendar year.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

**Funding Policy**

Plan provisions and contribution requirements are established and may be amended by the Town's Selectboard. Under the defined contribution plan, the Town will make a regular contribution (at least quarterly) of 3.00% of each eligible employee's compensation. Compensation shall consist of wages and/or salary only and will not include benefits or expense reimbursements. Employee participation in the plan is voluntary. Contributions of participating employees are tax deferred for federal and state taxes until the withdrawal date. For the year ended December 31, 2022, the Town recognized pension expense of \$0.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 18 - DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Employees are immediately vested in their own and the Town's contributions and earnings on those contributions.

NOTE 19 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Corinth's landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town's annual operating budget.

NOTE 20 - JOINT VENTURE

The Town is a participant with the Towns of Bradford and Charleston in a joint venture to operate the Central Penobscot Solid Waste Facility (the Facility). The purpose of the joint venture is to provide solid waste disposal facilities for domestic, industrial and farm solid wastes generated within their respective territories. The agreement states that acquisitions, improvements, operations and items incidental thereto be prorated between the three municipalities. The responsibility for the administration of the joint venture agreement is delegated to a joint board comprised of one director and one alternate for each Town. Members of the joint board are appointed by the municipal officers of each municipality for a term of one year. The Towns pay annual appropriations to the Facility and are financially responsible for the Facility's operation. On dissolution of the agreement, the net assets of the Facility will be shared proportionately by the three municipalities. As of December 31, 2022, the Town of Corinth's last audited share of the joint venture's net position was \$90,531. Complete financial statements may be obtained from the Central Penobscot Solid Waste Facility, P.O. Box 405, Corinth, Maine 04427.

NOTE 21 - COMMITMENTS

The Town of Corinth, Maine, has entered into a contract for snow removal and sanding services with Terry D. Grant. The contract term is for three years beginning October 1, 2022 and ending September 30, 2025. The annual contract cost is calculated on a per mile basis on 29.65 miles of road.

The Town of Corinth, Maine, has entered into a contract for snow removal and sanding services with Jason Grant. The contract term is for three years beginning October 1, 2022 and ending September 30, 2025. The annual contract cost is calculated on a per mile basis on 16 miles of road.

TOWN OF CORINTH, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 21 - COMMITMENTS (CONTINUED)

Future annual contract costs for each of these services is as follows:

<u>Fiscal Years Ending December 31,</u>	<u>Terry D Grant (Plowing and Sanding)</u>	<u>Jason Grant (Plowing and Sanding)</u>
2023	\$ 174,000	\$ 92,800
2024	180,000	96,000
2025	186,000	99,200

All future contract amounts are subject to annual appropriation by the Town of Corinth.

NOTE 22 - RELATED PARTIES

The Deputy Clerk is related to one of the Town's Selectboard members. The Selectboard member is recused from personnel decisions regarding this employee.

NOTE 23 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

## TOWN OF CORINTH, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, January 1	\$ 981,237	\$ 981,237	\$ 981,237	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	2,254,238	2,254,238	2,219,975	(34,263)
Excise taxes	540,000	540,000	586,018	46,018
Intergovernmental revenues:				
State revenue sharing	95,000	95,000	380,769	285,769
Homestead exemption	219,744	219,744	232,134	12,390
BETE	17,534	17,534	17,552	18
Local road assistance	40,000	40,000	40,268	268
Other income	10,000	10,000	20,038	10,038
Charges for services	37,626	37,626	40,815	3,189
Interest on taxes/lien fees	-	-	19,531	19,531
Miscellaneous revenues	213,424	213,424	154,324	(59,100)
Transfers from other funds	67,886	67,886	74,494	6,608
Amounts Available for Appropriation	<u>4,476,689</u>	<u>4,476,689</u>	<u>4,767,155</u>	<u>290,466</u>
Charges to Appropriations (Outflows)				
General government	585,628	585,628	497,743	87,885
Public safety	281,178	281,178	265,042	16,136
Health and sanitation	91,731	91,731	95,476	(3,745)
Public works	730,600	730,600	748,099	(17,499)
Recreation	32,335	32,335	27,997	4,338
Education	1,546,605	1,546,605	1,546,605	-
County tax	260,933	260,933	260,933	-
Debt service:				
Interest	2,000	2,000	-	2,000
Unclassified	59,115	59,115	48,807	10,308
Transfers to other funds	65,327	70,331	70,331	-
Total Charges to Appropriations (Outflows)	<u>3,655,452</u>	<u>3,660,456</u>	<u>3,561,033</u>	<u>99,423</u>
Budgetary Fund Balance, December 31	<u>\$ 821,237</u>	<u>\$ 816,233</u>	<u>\$ 1,206,122</u>	<u>\$ 389,889</u>
Utilization of unassigned fund balance	<u>\$ 160,000</u>	<u>\$ 165,004</u>	<u>\$ -</u>	<u>\$ (165,004)</u>

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



## TOWN OF CORINTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/21 (Reporting December 31, 2021)	\$ 47,267	\$ -	\$ 47,267
Changes for the year:			
Service cost	2,233	-	2,233
Interest	1,032	-	1,032
Changes of benefits	-	-	-
Differences between expected and actual experience	(18,871)	-	(18,871)
Changes of assumptions	3,269	-	3,269
Contributions - employer	-	1,640	(1,640)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,640)	(1,640)	-
Administrative expense	-	-	-
Net changes	(13,977)	-	(13,977)
Balances at 1/1/22 (Reporting December 31, 2022)	<u>\$ 33,290</u>	<u>\$ -</u>	<u>\$ 33,290</u>

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

## TOWN OF CORINTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS\*

	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>					
Service cost (BOY)	\$ 2,233	\$ 1,939	\$ 1,374	\$ 1,507	1,411
Interest (includes interest on service cost)	1,032	1,215	1,391	1,226	1,321
Changes of benefit terms	-	-	(877)	-	-
Differences between expected and actual experience	(18,871)	-	1,497	-	1,909
Changes of assumptions	3,269	2,505	8,100	(2,666)	(2,451)
Benefit payments, including refunds of member contributions	(1,640)	(1,577)	(1,689)	(1,624)	(1,571)
Net change in total OPEB liability	\$ (13,977)	\$ 4,082	\$ 9,796	\$ (1,557)	\$ 619
Total OPEB liability - beginning	\$ 47,267	\$ 43,185	\$ 33,389	\$ 34,946	\$ 34,327
Total OPEB liability - ending	\$ 33,290	\$ 47,267	\$ 43,185	\$ 33,389	\$ 34,946
<u>Plan fiduciary net position</u>					
Contributions - employer	1,640	1,577	1,689	1,624	1,571
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,640)	(1,577)	(1,689)	(1,624)	(1,571)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	<u>\$ 33,290</u>	<u>\$ 47,267</u>	<u>\$ 43,185</u>	<u>\$ 33,389</u>	<u>\$ 34,946</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-
Covered payroll	\$ 145,754	\$ 129,380	\$ 129,380	\$ 125,611	\$ 125,611
Net OPEB liability as a percentage of covered payroll	22.8%	36.5%	33.4%	26.6%	27.8%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

## TOWN OF CORINTH, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>					
Employer contributions	\$ 1,640	\$ 1,577	\$ 1,689	\$ 1,624	\$ 1,571
Benefit payments	(1,640)	(1,577)	(1,689)	(1,624)	(1,571)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 145,754	\$ 129,380	\$ 129,380	\$ 125,611	\$ 125,611
Contributions as a percentage of covered payroll	1.13%	1.22%	1.31%	1.29%	1.25%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF CORINTH, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Changes of Assumptions**

MMEHT OPEB Plan:

The discount rate was updated to reflect the December 30, 2021 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was reduced to reflect the reduction in the Bond Buyer 20-Bond GO Index.

The following demographic assumptions were updated based on the June 30, 2021 experience study:

Mortality, termination, retirement and salary rates.

The enrollment participation for plans with no employer subsidy was updated for ages 65-70.

There was a change in the discount rate from 2.12% to 2.06% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

### Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## TOWN OF CORINTH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expended	Variance Positive (Negative)
General Government -					
Administration	\$ 488,242	\$ -	\$ 488,242	\$ 401,512	\$ 86,730
Insurance	35,480	-	35,480	41,124	(5,644)
Planning board	2,500	-	2,500	200	2,300
Elections	4,405	-	4,405	2,737	1,668
Selectboard	10,810	-	10,810	10,765	45
Municipal building	7,500	-	7,500	7,782	(282)
Code enforcement	5,921	-	5,921	5,494	427
Town office computer	23,970	-	23,970	21,039	2,931
Grounds	6,800	-	6,800	7,090	(290)
Subtotal General Government	585,628	-	585,628	497,743	87,885
Public Safety -					
Fire and rescue	246,300	-	246,300	231,663	14,637
Fire building	18,650	-	18,650	17,305	1,345
Street light	7,000	-	7,000	7,385	(385)
Animal control	9,228	-	9,228	8,689	539
Subtotal Public Safety	281,178	-	281,178	265,042	16,136
Health and Sanitation -					
Solid waste	90,531	-	90,531	90,531	-
Health officer	1,200	-	1,200	1,200	-
General assistance	-	-	-	3,745	(3,745)
Subtotal Health and Sanitation	91,731	-	91,731	95,476	(3,745)

## TOWN OF CORINTH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expended	Variance Positive (Negative)
Public Works -					
Summer roads	82,500	-	82,500	68,258	14,242
Winter roads	360,100	-	360,100	361,721	(1,621)
Local roads	-	-	-	30,877	(30,877)
Town road improvements	287,000	-	287,000	287,000	-
Sand/salt	1,000	-	1,000	243	757
Subtotal Public Works	<u>730,600</u>	<u>-</u>	<u>730,600</u>	<u>748,099</u>	<u>(17,499)</u>
Recreation -					
Recreation	17,105	-	17,105	13,928	3,177
Summer recreation	13,030	-	13,030	12,069	961
Senior trip	2,000	-	2,000	2,000	-
Cleanup	200	-	200	-	200
Subtotal Recreation	<u>32,335</u>	<u>-</u>	<u>32,335</u>	<u>27,997</u>	<u>4,338</u>
Education	<u>1,546,605</u>	<u>-</u>	<u>1,546,605</u>	<u>1,546,605</u>	<u>-</u>
County Tax	<u>260,933</u>	<u>-</u>	<u>260,933</u>	<u>260,933</u>	<u>-</u>
Debt Service -					
Interest	2,000	-	2,000	-	2,000
Subtotal Debt Service	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>

## TOWN OF CORINTH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expended	Variance Positive (Negative)
Other -					
Comprehensive plan	3,000	-	3,000	-	3,000
Cemetery	27,990	-	27,990	29,902	(1,912)
Tree care	1,250	-	1,250	-	1,250
Historical society	6,875	-	6,875	6,256	619
Contingency	10,000	-	10,000	4,728	5,272
Overlay	10,000	-	10,000	7,921	2,079
Subtotal Other	<u>59,115</u>	<u>-</u>	<u>59,115</u>	<u>48,807</u>	<u>10,308</u>
Transfers to Other Funds -					
Special revenue funds	-	5,004	5,004	5,004	-
Capital projects funds	10,000	-	10,000	10,000	-
Permanent funds	55,327	-	55,327	55,327	-
Subtotal Transfers to Other Funds	<u>65,327</u>	<u>5,004</u>	<u>70,331</u>	<u>70,331</u>	<u>-</u>
Total Departmental Operations	<u>\$ 3,655,452</u>	<u>\$ 5,004</u>	<u>\$ 3,660,456</u>	<u>\$ 3,561,033</u>	<u>\$ 99,423</u>

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



## TOWN OF CORINTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 230,442	\$ 230,442
Investments	-	-	410,686	410,686
Due from other funds	261,425	76,000	600	338,025
TOTAL ASSETS	<u>\$ 261,425</u>	<u>\$ 76,000</u>	<u>\$ 641,728</u>	<u>\$ 979,153</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 107,674	\$ 107,674
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>107,674</u>	<u>107,674</u>
FUND BALANCES				
Nonspendable	-	-	78,125	78,125
Restricted	261,425	-	462,134	723,559
Committed	-	76,000	-	76,000
Assigned	-	-	-	-
Unassigned	-	-	(6,205)	(6,205)
TOTAL FUND BALANCES	<u>261,425</u>	<u>76,000</u>	<u>534,054</u>	<u>871,479</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 261,425</u>	<u>\$ 76,000</u>	<u>\$ 641,728</u>	<u>\$ 979,153</u>

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

## TOWN OF CORINTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Other Governmental Funds
REVENUES				
Intergovernmental	\$ 155,598	\$ -	\$ -	\$ 155,598
Investment income, net of realized gains/(losses)	-	-	(31,267)	(31,267)
Other income	-	-	-	-
TOTAL REVENUES	<u>155,598</u>	<u>-</u>	<u>(31,267)</u>	<u>124,331</u>
EXPENDITURES				
Other	<u>42,246</u>	<u>-</u>	<u>75,184</u>	<u>117,430</u>
TOTAL EXPENDITURES	<u>42,246</u>	<u>-</u>	<u>75,184</u>	<u>117,430</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>113,352</u>	<u>-</u>	<u>(106,451)</u>	<u>6,901</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,004	10,000	55,327	70,331
Transfers (out)	<u>-</u>	<u>-</u>	<u>(1,815)</u>	<u>(1,815)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,004</u>	<u>10,000</u>	<u>53,512</u>	<u>68,516</u>
NET CHANGE IN FUND BALANCES	118,356	10,000	(52,939)	75,417
FUND BALANCES - JANUARY 1	<u>143,069</u>	<u>66,000</u>	<u>586,993</u>	<u>796,062</u>
FUND BALANCES - DECEMBER 31	<u>\$ 261,425</u>	<u>\$ 76,000</u>	<u>\$ 534,054</u>	<u>\$ 871,479</u>

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

## Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

## TOWN OF CORINTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2022

	Snowmobile Grants	ARPA	Total
ASSETS			
Due from other funds	\$ -	\$ 261,425	\$ 261,425
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 261,425</u>	<u>\$ 261,425</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	261,425	261,425
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>261,425</u>	<u>261,425</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 261,425</u>	<u>\$ 261,425</u>

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

## TOWN OF CORINTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Snowmobile Grants	ARPA	Total
REVENUES			
Intergovernmental	\$ 6,729	\$ 148,869	\$ 155,598
TOTAL REVENUES	<u>6,729</u>	<u>148,869</u>	<u>155,598</u>
EXPENDITURES			
Other	6,729	35,517	42,246
TOTAL EXPENDITURES	<u>6,729</u>	<u>35,517</u>	<u>42,246</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>113,352</u>	<u>113,352</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,004	-	5,004
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,004</u>	<u>-</u>	<u>5,004</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	5,004	113,352	118,356
FUND BALANCES (DEFICITS) - JANUARY 1	<u>(5,004)</u>	<u>148,073</u>	<u>143,069</u>
FUND BALANCES (DEFICITS) - DECEMBER 31	<u>\$ -</u>	<u>\$ 261,425</u>	<u>\$ 261,425</u>

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

## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

## TOWN OF CORINTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2022

	<u>Town Truck</u>	<u>Fire Reserve</u>	<u>Total</u>
ASSETS			
Due from other funds	\$ 16,000	\$ 60,000	\$ 76,000
TOTAL ASSETS	<u>\$ 16,000</u>	<u>\$ 60,000</u>	<u>\$ 76,000</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	16,000	60,000	76,000
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>16,000</u>	<u>60,000</u>	<u>76,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,000</u>	<u>\$ 60,000</u>	<u>\$ 76,000</u>

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

## TOWN OF CORINTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Town Truck	Fire Reserve	Total
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	10,000	10,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	10,000	10,000
NET CHANGE IN FUND BALANCES	-	10,000	10,000
FUND BALANCES - JANUARY 1	16,000	50,000	66,000
FUND BALANCES - DECEMBER 31	\$ 16,000	\$ 60,000	\$ 76,000

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



### Permanent Funds

Permanent funds are used to account for assets held by the Town of Corinth, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

## TOWN OF CORINTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2022

	Elsie Junkins	Ministerial	Thelma Foster	Edith Twombly	Russell Smith
ASSETS					
Cash and cash equivalents	\$ 1,019	\$ -	\$ 6	\$ 35	\$ 3,356
Investments	-	-	16,797	29,448	79,644
Due from other funds	-	-	-	600	-
TOTAL ASSETS	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ 16,803</u>	<u>\$ 30,083</u>	<u>\$ 83,000</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	3,008	20,000	2,820	52,297
Restricted	1,019	-	-	27,263	30,703
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(3,008)	(3,197)	-	-
TOTAL FUND BALANCES	<u>1,019</u>	<u>-</u>	<u>16,803</u>	<u>30,083</u>	<u>83,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ 16,803</u>	<u>\$ 30,083</u>	<u>\$ 83,000</u>

## TOWN OF CORINTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2022

	F. O. Brown Income	Kiwanis Scholarship	Farrar Fund	Perpetual Care	Total
ASSETS					
Cash and cash equivalents	\$ 220,936	\$ 11	\$ 3,692	\$ 1,387	\$ 230,442
Investments	191,439	14,189	21,671	57,498	410,686
Due from other funds	-	-	-	-	600
TOTAL ASSETS	<u>\$ 412,375</u>	<u>\$ 14,200</u>	<u>\$ 25,363</u>	<u>\$ 58,885</u>	<u>\$ 641,728</u>
LIABILITIES					
Due to other funds	\$ 107,674	\$ -	\$ -	\$ -	\$ 107,674
TOTAL LIABILITIES	<u>107,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,674</u>
FUND BALANCES					
Nonspendable	-	-	-	-	78,125
Restricted	304,701	14,200	25,363	58,885	462,134
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(6,205)
TOTAL FUND BALANCES	<u>304,701</u>	<u>14,200</u>	<u>25,363</u>	<u>58,885</u>	<u>534,054</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 412,375</u>	<u>\$ 14,200</u>	<u>\$ 25,363</u>	<u>\$ 58,885</u>	<u>\$ 641,728</u>

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

## TOWN OF CORINTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Elsie Junkins	Ministerial	Thelma Foster	Edith Twombly	Russell Smith
REVENUES					
Investment income, net of realized gains/(losses)	\$ 2,878	\$ 1	\$ 180	\$ 641	\$ (15,154)
Other income	-	-	-	-	-
TOTAL REVENUES	<u>2,878</u>	<u>1</u>	<u>180</u>	<u>641</u>	<u>(15,154)</u>
EXPENDITURES					
Other	2,360	3,009	4,300	-	616
TOTAL EXPENDITURES	<u>2,360</u>	<u>3,009</u>	<u>4,300</u>	<u>-</u>	<u>616</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>518</u>	<u>(3,008)</u>	<u>(4,120)</u>	<u>641</u>	<u>(15,770)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(1,815)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,815)</u>
NET CHANGE IN FUND BALANCES	518	(3,008)	(4,120)	641	(17,585)
FUND BALANCES - JANUARY 1	<u>501</u>	<u>3,008</u>	<u>20,923</u>	<u>29,442</u>	<u>100,585</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ 16,803</u>	<u>\$ 30,083</u>	<u>\$ 83,000</u>

## TOWN OF CORINTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	F. O. Brown Income	Kiwanis Scholarship	Farrah Fund	Perpetual Care	Total
REVENUES					
Investment income, net of realized gains/(losses)	\$ (22,033)	\$ 151	\$ 591	\$ 1,478	\$ (31,267)
Other income	-	-	-	-	-
TOTAL REVENUES	<u>(22,033)</u>	<u>151</u>	<u>591</u>	<u>1,478</u>	<u>(31,267)</u>
EXPENDITURES					
Other	64,149	750	-	-	75,184
TOTAL EXPENDITURES	<u>64,149</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>75,184</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(86,182)</u>	<u>(599)</u>	<u>591</u>	<u>1,478</u>	<u>(106,451)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	55,327	-	-	-	55,327
Transfers (out)	-	-	-	-	(1,815)
TOTAL OTHER FINANCING SOURCES (USES)	<u>55,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,512</u>
NET CHANGE IN FUND BALANCES	(30,855)	(599)	591	1,478	(52,939)
FUND BALANCES - JANUARY 1	<u>335,556</u>	<u>14,799</u>	<u>24,772</u>	<u>57,407</u>	<u>586,993</u>
FUND BALANCES - DECEMBER 31	<u>\$ 304,701</u>	<u>\$ 14,200</u>	<u>\$ 25,363</u>	<u>\$ 58,885</u>	<u>\$ 534,054</u>

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

### General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

## TOWN OF CORINTH, MAINE

## SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION

DECEMBER 31, 2022

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ -	\$ -	\$ 48,055	\$ -	\$ 48,055
Public safety	55,000	592,685	905,494	-	1,553,179
Public works	-	280,468	-	3,499,097	3,779,565
Recreation	-	103,851	-	18,578	122,429
Community facilities	-	66,089	-	-	66,089
Town-wide	<u>6,380</u>	<u>162,143</u>	<u>-</u>	<u>-</u>	<u>168,523</u>
Total General Capital Assets	61,380	1,205,236	953,549	3,517,675	5,737,840
Less: Accumulated Depreciation	<u>-</u>	<u>(547,263)</u>	<u>(708,896)</u>	<u>(1,069,492)</u>	<u>(2,325,651)</u>
Net General Capital Assets	<u>\$ 61,380</u>	<u>\$ 657,973</u>	<u>\$ 244,653</u>	<u>\$ 2,448,183</u>	<u>\$ 3,412,189</u>

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

## TOWN OF CORINTH, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Capital Assets 1/1/22	Additions	Disposals	General Capital Assets 12/31/22
General government	\$ 48,055	\$ -	\$ -	\$ 48,055
Public safety	1,544,784	28,246	(19,851)	1,553,179
Public works	3,461,688	317,877	-	3,779,565
Recreation	122,429	-	-	122,429
Community facilities	66,089	-	-	66,089
Town-wide	168,523	-	-	168,523
Total General Capital Assets	5,411,568	346,123	(19,851)	5,737,840
Less: Accumulated Depreciation	(2,065,868)	(271,693)	11,910	(2,325,651)
Net General Capital Assets	<u>\$ 3,345,700</u>	<u>\$ 74,430</u>	<u>\$ (7,941)</u>	<u>\$ 3,412,189</u>

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





*Proven Expertise & Integrity*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Selectboard  
Town of Corinth  
Corinth, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Corinth, 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 Corinth, Maine's basic financial statements and have issued our report thereon dated January 9, 2024.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Corinth, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Corinth in a separate letter dated January 9, 2024.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
January 9, 2024