

TOWN OF DEDHAM, MAINE

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2023*

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
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Wanese L. Lynch, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Dedham
Dedham, Maine 04429

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 Dedham, Maine (the Town) as of and for the year ended June 30, 2023, 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 for the Town of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibility under those standards is 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, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 pension and other post-employment benefit disclosure schedules, on pages 4-8, 42, and 43-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA
Ellsworth, Maine
May 1, 2024

TOWN OF DEDHAM, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

Exhibit C

<i>Assets and Deferred Inflows on Resources</i>	<i>General</i>	<i>Road</i>	<i>Other Governmental</i>	<i>Total</i>
<i>Assets</i>	<i>Fund</i>	<i>Reserve</i>	<i>Funds</i>	
Cash	2,846,606	127,176	540,608	3,514,390
Receivables				
Taxes	109,340			109,340
Tax Liens	32,293			32,293
Accounts	137,421			137,421
Due from Other Funds	184,930		244,795	429,725
Inventory	7,461			7,461
Total Assets	3,318,051	127,176	785,403	4,230,630
<i>Liabilities, Deferred Outflows and Net Position</i>				
<i>Liabilities</i>				
Accounts Payable	170,905			170,905
Accrued Salaries Payable	187,842			187,842
Due to Other Funds	244,795	125,000	59,930	429,725
Total Liabilities	603,542	125,000	59,930	788,472
<i>Deferred Inflows of Resources:</i>				
Property Taxes Collected in Advance	16,377			16,377
Unavailable Property Tax Revenue	86,913			86,913
Total Deferred Inflows of Resources	103,290	-	-	103,290
<i>Fund Balances</i>				
Nonspendable	4,729		15,884	20,613
Restricted	1,093,299		176,583	1,269,882
Committed	78,012	2,176	525,693	605,881
Assigned	30,499		7,313	37,812
Unassigned	1,404,680			1,404,680
Total Fund Balances	2,611,219	2,176	725,473	3,338,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	3,318,051	127,176	785,403	4,230,630

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

Total Fund Balance	3,338,868
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$15,516,024	4,870,426
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Related to Pensions	(18,928)
Net Other Postemployment Benefit Liability	(128,596)
Bonds Payable	(721,149)
Unavailable Tax Revenue	86,913
	(781,760)
Net Position of Governmental Activities	7,427,534

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

TOWN OF DEDHAM, MAINE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>Road Reserve</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Taxes	2,742,537			2,742,537
Intergovernmental Revenues	2,110,593			2,110,593
Other Local Sources	1,496,679		13,270	1,509,949
Investment Income	4,094	1,541	8,274	13,909
Total Revenues	6,353,903	1,541	21,544	6,376,988
Expenditures				
Current:				
General Government	331,815			331,815
Protection	432,083			432,083
Public Works	661,211			661,211
Sanitation	114,959			114,959
Culture and Recreation	10,651			10,651
Welfare	27			27
Education Programs	4,514,614			4,514,614
Assessments	157,115			157,115
Capital Outlay		-	-	-
Debt Service	267,994			267,994
Total Expenditures	6,490,469	-	-	6,490,469
Excess of Revenues Over (Under) Expenditures	(136,566)	1,541	21,544	(113,481)
Other Financing Sources (Uses)				
Transfers from Other Funds	184,930		119,442	304,372
Transfers to Other Funds	(119,442)	(125,000)	(59,930)	(304,372)
Total Other Financing Sources (Uses)	65,488	(125,000)	59,512	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(71,078)	(123,459)	81,056	(113,481)
Fund Balance - July 1	2,682,297	125,635	644,417	3,452,349
Fund Balance - June 30	2,611,219	2,176	725,473	3,338,868

(Continued)

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

TOWN OF DEDHAM, MAINE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (113,481)

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

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

Capital asset purchases capitalized	320,745
Depreciation expense	(569,108)

Bond proceeds proved current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

General obligation bond principal payments	290,507
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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:

Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	(2,052)
Other Postemployment Benefits (Deferred Outflows, OPEB Obligation)	(9,844)
Unavailable Tax Revenue	5,600
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Change in net position of governmental activities (77,633)