

TOWN OF WINSLOW, MAINE

**AUDIT IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS AND THE UNIFORM GUIDANCE**

June 30, 2023

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Independent Auditor's Report on Internal Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Town Council
Town of Winslow, Maine
Winslow, Maine

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winslow, 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, and have issued our report thereon dated April 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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.

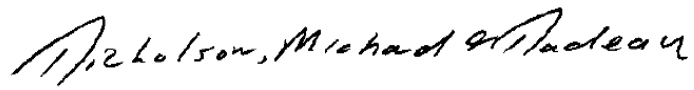
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of 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*.

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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Michael A. Maclean". The signature is written in a cursive, flowing style.

Waterville, Maine
April 1, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Internal Control Over Compliance; and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Town Council
Town of Winslow, Maine
Winslow, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Winslow, Maine's (the Town) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2023. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Winslow, Maine and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide legal determination of the Town's compliance with requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grants agreement applicable to the Town's major federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

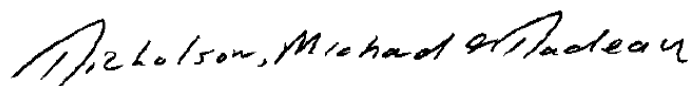
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winslow, 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. We issued our report thereon dated April 1, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Michael G. Maclean". The signature is written in a cursive, flowing style.

Waterville, Maine
April 1, 2024

Town of Winslow, Maine

Schedule of expenditures of federal awards

For the year ended June 30, 2023

Federal agency/ listing number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor number	Program expenditures	Listing/ Cluster total	Pass-through to sub- recipients
Department of Agriculture							
10.553	School breakfast program	Child nutrition	ME Dept of Education	3014	\$ 104,141	563,183	-
10.555	National school lunch program	Child nutrition	ME Dept of Education	3020/3022/3024	251,845		-
10.555	National school lunch program - donated commodities	Child nutrition	ME Dept of Education	n/a	124,039		-
10.559	Summer food service program for children	Child nutrition	ME Dept of Education	3016	49,770		-
10.582	Fresh fruit and vegetable program	Child nutrition	ME Dept of Education	3028	33,388		-
10.561	Supplemental nutrition assistance program		ME Dept of Education	6670	36,558		-
10.649	Pandemic EBT administration costs		ME Dept of Education	6184	1,884		-
Total department of agriculture					601,625		
National Endowment for the Humanities							
45.310	Grants to States (Institute of Museum and Library Services)		ME State Library	025-94Q-1792-37	2,750		-
Department of Treasury							
21.027	Coronavirus state and local fiscal recovery funds		Direct	n/a	514,517		-
Department of Justice							
16.835	Body Worn Camera Policy and Implementation		ME Bureau of Justice Assistance	n/a	3,786		-
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Kennebec County, ME	n/a	3,074		-
Total department of justice					6,860		
Department of Education							
84.010	Title I grants to local educational agencies		ME Dept of Education	3107	401,473	343,202	-
84.027	Special education grants to states	Special education	ME Dept of Education	3046	340,241		-
84.173	Special education preschool grants	Special education	ME Dept of Education	6247	2,961		-
84.358	Rural education		ME Dept of Education	3305	4,306		-
84.367	Supporting effective instruction state grants		ME Dept of Education	3042	49,615		-
84.425U	Elementary and secondary school emergency relief 3		ME Dept of Education	7006	13,094		-
84.425D	Elementary and secondary school emergency relief 2		ME Dept of Education	7041	522,983		-
84.425U	Elementary and secondary school emergency relief 3		ME Dept of Education	7071	2,158,029		-
84.425C	Governor's emergency education relief fund		ME Dept of Education	7042	46,401		-
84.425D	Elementary and secondary school emergency relief 2		ME Dept of Education	3161	281		-
Total department of education					3,539,384		
Total expenditures of federal awards					\$ 4,665,136		

Town of Winslow, Maine

NOTES to SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Winslow, Maine (the Town) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a result, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Therefore, it is not intended to and does not present the financial position of governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards was prepared using the accrual method of accounting. Expenses are recognized as incurred using the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenses are not allowable or are limited as to reimbursement.

Expenditures include costs that can be directly identified to the program. During the year ended June 30, 2023, the Town did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance and did not allocate indirect costs to its programs.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – NONCASH ASSISTANCE – CHILD NUTRITION CLUSTER

The reported total of noncash assistance from the National School Lunch Program – donated commodities (CFDA 10.555) and the Fresh Fruit and Vegetable Program (10.582) represents the fair value of food commodities used.

Town of Winslow, Maine

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? **No**

Significant deficiency(ies) identified? **No**

Noncompliance material to financial statements
noted? **No**

Federal Awards

Internal control over major programs:

Material weakness(es) identified? **No**

Significant deficiency(ies) identified? **No**

Type of auditor's report issued on compliance
for major programs: **Unmodified**

Any audit findings disclosed that are required
To be reported in accordance with Section
200.516(a) of the Uniform Guidance? **No**

Identification of Major Programs

Education Stabilization Fund – Assistance Listing #84.425D/#84.425U/#84.425C
Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing #21.027

Dollar threshold used to distinguish between
type A and type B programs: **\$750,000**

Auditee qualified as low-risk auditee? **Yes**

Town of Winslow, Maine

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

June 30, 2023

Section II Financial Statement Findings

No matters noted

Town of Winslow, Maine

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

June 30, 2023

Section III Federal Award Findings and Questioned Costs

No matters noted



TOWN OF WINSLOW, MAINE

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED, JUNE 30, 2023**

Town of Winslow, Maine

Annual financial report

For the fiscal year ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Winslow, Maine
Winslow, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winslow, 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 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 the Town of Winslow, Maine as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund and School Department Operations Fund 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 of America. 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 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.

Responsibility 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 (GAAP); 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 Responsibility 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 opinion. 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 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 on pages 1 through 10, the schedule of Town's proportionate share of the net pension liability on page 47, the schedule of Town's pension contributions on page 47, the schedule of Town's proportionate share of the net OPEB liability on page 48, the schedule of Town's OPEB contributions on page 48, the schedule of changes in in the Town's total OPEB liability and related ratios on page 49, and the notes to required supplementary information on page 50 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.

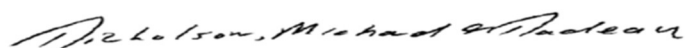
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winslow, Maine's basic financial statements. The accompanying schedules on pages 51 through 60 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, April 1, 2024, on our consideration of the Town of Winslow, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Winslow, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Winslow, Maine's internal control over financial reporting and compliance.



Waterville, Maine
April 1, 2024

Town of Winslow, Maine

Management's Discussion and Analysis

As management of the Town of Winslow, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

Financial highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$36,698,053 (net position). The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was \$1,989,884.
- The Town's total net position increased \$3,341,867. Expenditures exceeded revenues in the governmental funds by \$102 thousand. There are certain adjustments to this figure when reporting the change in net position. The largest of those during the year were the purchase of capital assets, depreciation expense, and principal paid on bonds, notes, and leases. The Town made capital additions of \$4,519,289 during the year, these costs are expensed over the life of the capital assets as depreciation. Depreciation expense totaled \$2,323,936. Total principal paid during the year was over \$1.5 million.
- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$9,253,569, a decrease of \$102,210 in comparison with the prior year. Of this amount, \$5,135,107 or 55%, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$5,397,848, or approximately 27% of total general fund expenditures and transfers.

Overview of the financial statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, recreation, social services, and education. The Town does not have any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the school department, and the capital improvements fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Town adopts an annual appropriated budget for the general fund and school department fund. A budgetary comparison statement has been provided for each to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains two different types of fiduciary funds. The *private-purpose trust fund* is used to report resources held in trust for scholarships and other programs for students. The *custodial funds* report resources, not in a trust, that are held for the Winslow Public Library.

The fiduciary fund financial statements can be found on pages 19-20 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 47-50.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 51-60 of this report.

Government-wide overall financial analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36,698,053, at the close of the most recent fiscal year.

Governmental activities			
	2023	2022	Change
Assets			
Current and other assets	\$ 11,883,351	12,551,610	(668,259)
Capital assets	44,328,543	42,135,016	2,193,527
Total assets	56,211,894	54,686,626	1,525,268
Total deferred outflows of resources	1,941,386	1,515,688	425,698
Liabilities			
Long-term liabilities	18,457,126	18,296,932	160,194
Other liabilities	2,250,186	2,758,259	(508,073)
Total liabilities	20,707,312	21,055,191	(347,879)
Total deferred inflows of resources	747,915	1,790,937	(1,043,022)
Net position			
Net investment in capital assets	32,080,620	28,293,991	3,786,629
Restricted	2,627,549	2,697,666	(70,117)
Unrestricted	1,989,884	2,364,529	(374,645)
Total net position	\$ 36,698,053	33,356,186	3,341,867

Current and other assets decreased by \$668 thousand from the prior year. This decrease can be attributed to decreases in cash and cash equivalents due to amounts spent in the capital funds. The decrease in cash and cash equivalents was offset by an increase in intergovernmental receivables for school-related grants.

Other liabilities in governmental activities decreased \$508 thousand from the previous year due to utilizing American Rescue Plan funds, which were considered unearned revenue in the previous year. This was partially offset by increases in the liability for accrued teachers' summer salaries and benefits.

Long-term liabilities, which consist of bonds, notes, leases, compensated absences and postemployment benefit obligations, increased by \$160 thousand from the previous year. The Town made its regularly scheduled principal payments on bonds, notes, and leases totaling over \$1.55 million. This was offset by increases in the net pension liability of over \$1.2 million and the other postemployment benefits liability of over \$550 thousand.

By far, the largest portion of the Town's net position, \$32,080,620, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$2,627,549 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the Town's unrestricted net position was a balance of \$1,989,884.

The Town's overall net position increased \$3,341,867 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

Governmental activities			
	2023	2022	Change
Revenues			
Program revenues			
Charges for services	\$ 2,499,565	2,556,570	(57,005)
Operating grants and cont.	15,014,397	12,794,959	2,219,438
Capital grants and cont.	1,205,362	72,387	1,132,975
General revenues			
Property taxes	15,390,565	14,557,756	832,809
Unrestricted grants and cont.	2,877,960	2,528,454	349,506
Other	190,839	315,830	(124,991)
Total revenues	37,178,688	32,825,956	4,352,732
Expenses			
General government	2,972,030	2,319,058	652,972
Public safety	3,241,057	2,641,415	599,642
Public works	4,630,332	3,792,343	837,989
Recreation	560,111	487,096	73,015
Social services	146,035	150,120	(4,085)
Education	21,137,319	20,266,564	870,755
County tax	765,630	701,228	64,402
Miscellaneous	-	8,820	(8,820)
Interest on debt	384,307	418,813	(34,506)
Total expenses	33,836,821	30,785,457	3,051,364
Increase (decrease) in net position	3,341,867	2,040,499	1,301,368
Net position - beginning	33,356,186	31,315,687	
Net position - ending	\$ 36,698,053	33,356,186	

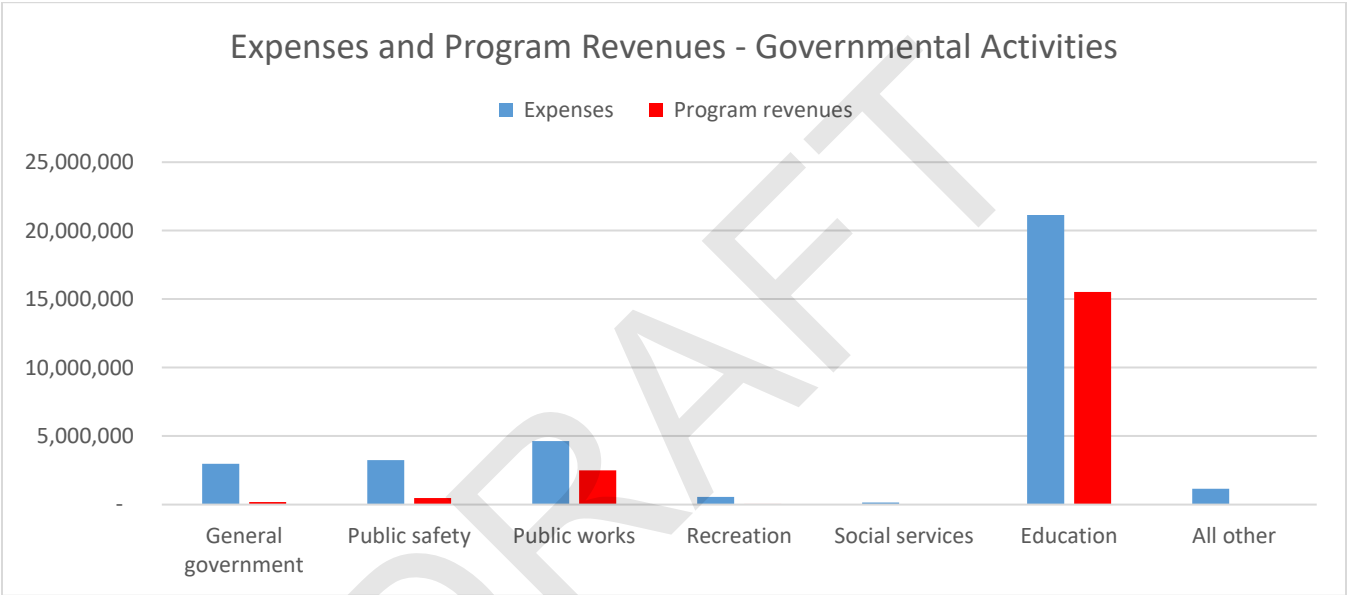
Governmental activities. During the current fiscal year, net position increased \$3,341,867 from the prior fiscal year for an ending balance of \$36,698,053. The increase in the overall net position is due to a slight decrease in fund balance in the governmental funds offset by the capitalization of assets purchased exceeding depreciation expense and principal payments made on bonds and notes payable.

Revenues in total increased \$4.3 million from the prior year. Operating grants and contributions increased \$2.2 million due to the school department receiving funding from elementary and secondary school emergency relief fund (ESSER) and American Rescue Plan Act (ARPA). Capital grants and contributions increased due to the Town utilizing \$700 thousand of ARPA funding for sewer related projects and \$500

thousand of funding from the Municipal Partnership Initiative for work on Benton Avenue. Property taxes increased \$833 thousand due to an increase in the tax commitment.

Expenses grew by over \$3 million during the current year, increasing from \$30.8 million in the prior year to \$33.8 million in the current year. Education increased due to larger amounts of federal funding from ESSER and ARPA and increased costs for special education and facilities maintenance in the current year. General government, public safety, and public works all had increased expenses due to increases in wages and benefits to be more competitive with surrounding communities.

As shown in the chart below, revenues generated by the Town’s programs are not sufficient to cover the costs. The Town relies on property taxes, State subsidies, investment income, and other general revenues to cover the costs associated with the various programs.



Financial analysis of governmental funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town’s Council.

At June 30, 2023, the Town’s governmental funds reported combined fund balances of \$9,253,569, a decrease of \$102,210 in comparison with the prior year. Of this amount, \$5,135,107, or 55%, constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is (1) not

in spendable form, \$196,023; (2) not spendable because it is legally required to be maintained intact, \$3,379; (3) restricted for particular purposes, \$2,438,148; (4) committed for particular purposes, \$1,218,171; or (5) assigned for particular purposes, \$262,741.

Analysis of Individual Funds

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the general fund was \$5,407,849, an increase of \$294,018. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers. Unassigned fund balance of \$5,135,107 represents 25% of total general fund expenditures and transfers, while total fund balance represents 27% of that same amount.

The school department, a major fund, had a decrease in fund balance of \$74,907 to end the year at \$899,026. Although the entirety of the fund balance is classified as nonspendable (\$164,281) and restricted for education (\$734,745), the school department considers \$350,000 assigned for use of fund balance for the 2023-2024 fiscal year budget. The remaining balance is considered unassigned and totals \$384,745, which represents 2% of total school department expenditures and transfers. The school department budgeted for a decrease of \$300,000 (use of fund balance) for the year ended June 30, 2023. Revenues exceeded budgeted figures by \$143,274. Expenditures came in under budget by \$167,974. The liability for accrued teacher summer salaries and benefits increased \$86,155.

The capital improvements fund, a major fund, saw a decrease in fund balance of \$337,136, ending the fiscal year with a balance of \$1,056,640. The Town transferred over \$1.8 million to the fund during the year, which included \$700,000 of American Rescue Plan Act funds. The capital improvements fund incurred over \$2.6 million in expenditures, most of which were related to road and sewer projects. These projects include Benton Avenue paving, Chaffee Brook pump station, Sunset Heights sewer improvements, and sewer and storm improvements at Cushman Road and Robert Street. Other major expenditures in the fund include vehicle purchases for police, fire, and public works; equipment purchases for public works, fire, and parks and recreation; and the corridor removal at the Crowe Rope building.

General fund budgetary highlights

Original budget compared to final budget. During the year, the Town Council amended the budget to fund a public works foreman (\$20,000), purchase abutting property in front of elementary school (\$80,000), purchase two new police cruisers at an 18% discount (\$73,000), fund budget overages in the general fund (\$129,723), and fund other capital purchases/costs (\$136,929).

These increases were funded by excess revenues received during the fiscal year and the use of unassigned fund balance. This included an increase in the State revenue sharing budget of \$152,650, an increase in the ambulance revenue budget of \$84,588, an increase in the sale of property revenue budget of \$41,200, an increase in the excise tax revenue budget of \$48,784, and the utilization of \$111,800 of unassigned fund balance.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue source	Estimated revenues	Actual revenues	Difference
Real estate and personal property \$	13,655,213	13,723,704	68,491
Excise taxes	1,607,084	1,694,918	87,834
Interest	5,000	68,653	63,653
Education - charges for services	625,425	704,483	79,058

Real estate and personal property taxes came in over budget due to revenue recognition rules regarding deferred property taxes. The Town cannot recognize property tax revenue if it is not collected within 60 days of year end. The outstanding balance of real estate and personal property taxes on August 31 (60 days after year end) decreased \$67,000 from the prior year. This decrease can be attributed to taxpayers with large outstanding balances in the prior year paying on time in the current year. Excise taxes had higher than anticipated collections. The Town budgeted conservatively due to the economy and inflation. Interest revenue exceeded projections due to increases in interest rates. Charges for services exceeded projected figures at the School Department due to more tuition children than anticipated.

Expenditures	Estimated expenditures	Actual expenditures	Difference
Elections \$	29,900	18,536	11,364
Library	256,516	226,723	29,793
Police	1,156,672	1,081,133	75,539
Insurance and benefits	1,784,192	1,662,823	121,369
Community services	120,133	85,492	34,641
Education - facilities maintenance	1,586,795	1,724,746	(137,951)

Elections had savings in wages and postage. Library and police had vacancies in positions during the year. The biggest drivers for the positive variance in insurance and benefits were savings on ICMA retirement, due to employees switching to Maine Public Employees Retirement System, and savings on health insurance, due to turnover in positions during the year and a rate increase that came in under budgeted figures. Community services were under budget due to less funding requests from First Park and the humane society. Facilities maintenance at the School Department were overspent due to increases in utilities and needed repairs during the year.

Capital asset and debt administration

Capital assets. The Town's investment in capital assets as of June 30, 2023, amounts to \$44,328,543 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, and sewer lines. The total increase in capital assets for the current fiscal year was 5.2%.

		Capital assets, net	
		2023	2022
Land	\$	533,606	453,606
Books and collections		811,782	811,782
Construction in progress		925,464	1,752,179
Buildings and improvements		22,092,762	19,918,643
Machinery and equipment		2,523,907	2,339,816
Vehicles		2,875,429	2,569,433
Infrastructure		14,565,593	14,289,557
	\$	<u>44,328,543</u>	<u>42,135,016</u>

Major capital assets events during the current fiscal year included the following:

- Costs incurred for the Chaffee Brook pump station project totaled \$352,737 during the year.
- The Town Hall parking lot was wrapped up during the year at a total cost of \$126,888.
- Benton Avenue paving was completed during the year and was capitalized at a cost of \$1,147,341.
- Land was purchased at 100 Benton Avenue for \$80,000.
- Two Western Star plow trucks were purchased at a total cost of \$405,952.
- A new ambulance was acquired during the year for \$236,280.
- Three police vehicles were purchased at a total cost of \$128,395.
- A new GMC Sierra 1500 was obtained for public works at a cost of \$46,060.
- Work was wrapped up on the new wing at the elementary school at a cost of over \$2.5 million.

Additional information on the Town's capital assets can be found in Note III.E of this report.

Long-term Debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$9,145,800. The remainder of the Town's long-term obligations is comprised of notes and leases payable.

		Outstanding debt	
		2023	2022
Bonds payable	\$	9,145,800	10,301,600
Notes payable		2,742,506	3,130,241
Leases payable		35,375	43,576
	\$	<u>11,923,681</u>	<u>13,475,417</u>

The Town's total debt decreased by \$1,551,736 (11.5%) during the current fiscal year, as regularly scheduled debt payments were made, reducing principal balances on the outstanding debt. During the year, the Town authorized general obligation bonds in an amount not to exceed \$6,800,000 to finance upgrades to the Chaffee Brook pump station. The Town expects to issue this debt during the 2024 fiscal year.

The Town maintained "Aa3" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of the average full valuation of taxable property within the jurisdiction. The current debt limitation for the Town is \$123 million, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Notes III.F through III.H of this report.

Economic factors and next year's budgets and rates

The following economic factors currently affect the Town and were considered in developing the 2023-2024 fiscal year budget.

- The mil rate decreased 6.2 mil from the FY23 rate of \$21.20 to \$15.00 due to revaluation. The tax commitment saw an increase of nearly 12% or \$1.6 million.
- Inflation is as big a concern as it was in the prior budget year. There have been dramatic increases in utility and fuel costs. The Town entered into a cooperative procurement for heating oil, propane and diesel fuel with the Winslow Schools and the combined municipalities and school systems of Vassalboro and Waterville.
- Inflation also impacts the CPI which drives the cost-of-living adjustment (COLA) for employees. This year's CPI is 6.5%. To keep up with market wages we have applied a 5% COLA for all full-time employees. While this is a large number, it is conservative compared to many of our surrounding communities. Across the State, COLAs are ranging from a low of 3% to a high of 12%, with the average being 6.2%. Combined with a 4% increase in medical insurance premiums the cost for existing staff is up \$157,553 including benefits.
- Calls for several staff changes in response to both operational need and labor market stressors which are not easing, particularly in public safety and public works.
- Kennebec Sanitary Treatment District fees were scheduled to increase \$7,000 or 2%, prior to the impacts of LD1911 and LD 1639. Winslow's share of those added costs will be \$58,000.
- Kennebec Water District is also anticipating another 8% increase which is needed to fund their infrastructure replacement and upgrades.

At the end of the current fiscal year, the fund balance in the general fund was \$5,407,849, of which \$36,706 is assigned for sewer. The School Department had a total fund balance of \$899,026, of which \$350,000 has been appropriated for spending in the 2023-2024 fiscal year budget. These actions were taken as additional measures to lessen the burden to local taxpayers.

Requests for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, 114 Benton Avenue, Winslow, Maine 04901.

BASIC FINANCIAL STATEMENTS



Town of Winslow, Maine

Statement of net position

June 30, 2023

	Governmental activities
Assets	
Cash and cash equivalents	\$ 9,380,589
Investments	5,160
Taxes receivable	912,437
Accounts receivable, net	495,694
Intergovernmental receivables	893,448
Prepaid items	164,281
Inventory	31,742
Capital assets, not being depreciated	2,270,852
Capital assets, net of accumulated depreciation	42,057,691
Total assets	<u>56,211,894</u>
Deferred outflows of resources	
Pension related	1,244,230
OPEB related	697,156
Total deferred outflows of resources	<u>1,941,386</u>
Liabilities	
Accounts payable	418,474
Accrued wages and benefits	1,710,265
Unearned revenue	20,043
Accrued interest	101,404
Noncurrent liabilities:	
Due within one year	1,665,860
Due in more than one year	16,791,266
Total liabilities	<u>20,707,312</u>
Deferred inflows of resources	
Pension related	471,260
OPEB related	276,655
Total deferred inflows of resources	<u>747,915</u>
Net position	
Net investment in capital assets	32,080,620
Restricted	2,627,549
Unrestricted	1,989,884
Total net position	<u>\$ 36,698,053</u>

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

Town of Winslow, Maine

Statement of activities

For the year ended June 30, 2023

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position Governmental activities
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,972,030	178,793	-	-	(2,793,237)
Public safety	3,241,057	387,091	84,961	-	(2,769,005)
Public works	4,630,332	1,139,152	153,728	1,205,362	(2,132,090)
Recreation	560,111	29,816	7,795	-	(522,500)
Social services	146,035	-	8,443	-	(137,592)
Education	21,137,319	764,713	14,759,470	-	(5,613,136)
County tax	765,630	-	-	-	(765,630)
Interest on debt	384,307	-	-	-	(384,307)
Total governmental activities	33,836,821	2,499,565	15,014,397	1,205,362	(15,117,497)
General revenues:					
Property taxes					15,390,565
Grants and contributions not restricted to specific programs					2,877,960
Unrestricted investment earnings					68,912
Sale of property					72,606
Miscellaneous					49,321
Total general revenues					18,459,364
Change in net position					3,341,867
Net position - beginning					33,356,186
Net position - ending					\$ 36,698,053

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

Town of Winslow, Maine

Balance sheet

Governmental funds

June 30, 2023

	General	School department	Capital improvements	Total nonmajor funds	Total governmental funds
Assets					
Cash and cash equivalents	\$ 6,321,522	2,897,536	-	161,531	9,380,589
Investments	-	-	-	5,160	5,160
Taxes receivable	912,437	-	-	-	912,437
Accounts receivable, net	485,342	10,352	-	-	495,694
Intergovernmental receivables	249,232	-	-	644,216	893,448
Due from other funds	-	-	1,151,648	1,106,558	2,258,206
Prepaid items	-	164,281	-	-	164,281
Inventory	10,001	-	-	21,741	31,742
Total assets	\$ 7,978,534	3,072,169	1,151,648	1,939,206	14,141,557
Liabilities					
Accounts payable	263,863	-	95,008	40,456	399,327
Accrued wages and benefits	163,572	1,546,693	-	-	1,710,265
Accrued liabilities	19,147	-	-	-	19,147
Unearned revenue	11,347	-	-	8,696	20,043
Due to other funds	1,631,756	626,450	-	-	2,258,206
Total liabilities	2,089,685	2,173,143	95,008	49,152	4,406,988
Deferred inflows of resources					
Unavailable revenue - property taxes	481,000	-	-	-	481,000
Total deferred inflows of resources	481,000	-	-	-	481,000
Fund balances					
Nonspendable	10,001	164,281	-	25,120	199,402
Restricted	-	734,745	-	1,703,403	2,438,148
Committed	-	-	1,056,640	161,531	1,218,171
Assigned	262,741	-	-	-	262,741
Unassigned	5,135,107	-	-	-	5,135,107
Total fund balances	5,407,849	899,026	1,056,640	1,890,054	9,253,569
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,978,534	3,072,169	1,151,648	1,939,206	

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.	44,328,543
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in the funds.	481,000
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Bonds payable	(9,145,800)
Premium on bonds	(324,242)
Notes payable	(2,742,506)
Leases payable	(35,375)
Accrued interest on long-term debt	(101,404)
Compensated absences	(494,233)
Net pension liability with related deferred inflows and outflows	(725,586)
Total OPEB liability with related deferred inflows and outflows	(3,795,913)
Net position of governmental funds	36,698,053

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

Town of Winslow, Maine

Statement of revenues, expenditures, and changes in fund balances

Governmental funds

For the year ended June 30, 2023

	General	School department	Capital improvements	Total nonmajor funds	Total governmental funds
Revenues					
Property taxes	\$ 15,457,565	-	-	-	15,457,565
Intergovernmental	3,036,455	9,877,607	500,000	5,378,941	18,793,003
Licenses and permits	177,885	-	-	-	177,885
Charges for services	1,556,967	704,483	-	60,230	2,321,680
Student activity fees and fundraisers	-	-	-	152,890	152,890
Interest income	68,653	-	-	259	68,912
Miscellaneous	218,359	48,421	5,362	1,611	273,753
Total revenues	20,515,884	10,630,511	505,362	5,593,931	37,245,688
Expenditures					
Current:					
General government	2,439,357	-	279,288	203,716	2,922,361
Public safety	2,919,005	-	474,701	-	3,393,706
Public works	2,836,740	-	1,855,981	-	4,692,721
Recreation	489,650	-	40,063	-	529,713
Social services	145,901	-	-	-	145,901
Education	-	18,130,143	-	4,726,838	22,856,981
County tax	765,630	-	-	-	765,630
Debt service	587,959	1,087,475	-	-	1,675,434
Capital outlay	80,000	-	-	285,451	365,451
Total expenditures	10,264,242	19,217,618	2,650,033	5,216,005	37,347,898
Excess (deficiency) of revenues over (under) expenditures	10,251,642	(8,587,107)	(2,144,671)	377,926	(102,210)
Other financing sources (uses)					
Transfers in	29,207	8,542,200	1,807,535	367,096	10,746,038
Transfers out	(9,986,831)	(30,000)	-	(729,207)	(10,746,038)
Total other financing sources (uses)	(9,957,624)	8,512,200	1,807,535	(362,111)	-
Net change in fund balances	294,018	(74,907)	(337,136)	15,815	(102,210)
Fund balances - beginning	5,113,831	973,933	1,393,776	1,874,239	9,355,779
Fund balances - ending	\$ 5,407,849	899,026	1,056,640	1,890,054	9,253,569

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

Town of Winslow, Maine

Reconciliation of the statement of revenues, expenditures, and changes in fund balances - governmental funds to the government-wide statement of activities For the year ended June 30, 2023

Net change in fund balances - total governmental funds	\$	(102,210)
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Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is allocated over their useful lives and reported as depreciation expense.

Capital outlays	4,519,289
Depreciation expense	(2,323,936)
Book value of disposed capital assets	(1,826)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable taxes	(67,000)
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Debt proceeds provide 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 repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds and notes	1,543,535
Principal paid on leases	8,201
Amortization of bond premium	41,366

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 the governmental funds.

Accrued interest on long-term debt	9,024
Compensated absences	7,001
Changes in pension liabilities and related deferred outflows and inflows of resources	(140,256)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(151,321)

Change in net position of governmental activities	\$	<u><u>3,341,867</u></u>
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The notes to financial statements are an integral part of this statement.

Town of Winslow, Maine

General fund

Statement of revenues, expenditures, and changes in fund balance

Budget and actual

For the year ended June 30, 2023

	Original budget	Final budget	Actual	Variance positive (negative)
Revenues				
Property taxes	\$ 15,242,513	15,291,297	15,457,565	166,268
Intergovernmental	2,846,327	2,998,977	3,029,596	30,619
Licenses and permits	171,500	171,500	177,885	6,385
Charges for services	1,568,411	1,652,999	1,663,945	10,946
Interest	5,000	5,000	68,653	63,653
Miscellaneous	76,510	117,710	121,927	4,217
Total revenues	19,910,261	20,237,483	20,519,571	282,088
Expenditures				
Current:				
General government	2,519,278	2,531,548	2,403,469	128,079
Public safety	2,847,547	2,949,234	2,855,417	93,817
Public works	2,954,349	2,997,156	2,986,287	10,869
Recreation	476,240	476,386	446,753	29,633
Social services	184,950	177,133	144,928	32,205
Education (transfer out)	8,542,200	8,542,200	8,542,200	-
Elementary land	-	80,000	80,000	-
County tax	765,630	765,630	765,630	-
Miscellaneous	20,000	20,000	-	20,000
Debt service	590,239	590,239	587,959	2,280
Capital outlay (transfer out)	663,200	873,129	873,129	-
Total expenditures	19,563,633	20,002,655	19,685,772	316,883
Excess (deficiency) of revenues over (under) expenditures	346,628	234,828	833,799	598,971
Other financing sources (uses)				
Transfers out	(337,097)	(337,097)	(337,096)	1
Use of fund balance	75,885	187,685	-	(187,685)
Total other financing sources (uses)	(261,212)	(149,412)	(337,096)	(187,684)
Net change in fund balance - budgetary basis	85,416	85,416	496,703	411,287
Reconciliation to GAAP				
Change in committed balances (reserves)			(202,685)	
Net change in fund balance - GAAP basis			294,018	
Fund balance - beginning			5,113,831	
Fund balance - end			\$ 5,407,849	

Town of Winslow, Maine

School department

Statement of revenues, expenditures, and changes in fund balance

Budget and actual

For the year ended June 30, 2023

		Original budget	Final budget	Actual	Variance positive (negative)
Revenues					
Local assessments (transfer in)	\$	8,542,200	8,542,200	8,542,200	-
Intergovernmental		8,639,067	8,639,067	8,654,862	15,795
Charges for services		625,425	625,425	704,483	79,058
Miscellaneous		-	-	48,421	48,421
Total revenues		17,806,692	17,806,692	17,949,966	143,274
Expenditures					
Current:					
Regular instruction		7,567,661	7,567,661	7,335,171	232,490
Special education		3,439,825	3,439,825	3,386,748	53,077
Other instruction		620,941	620,941	629,206	(8,265)
Student and staff support		1,416,758	1,416,758	1,371,578	45,180
System administration		508,314	508,314	512,449	(4,135)
School administration		1,064,904	1,064,904	998,589	66,315
Transportation		784,019	784,019	862,756	(78,737)
Facilities maintenance		1,586,795	1,586,795	1,724,746	(137,951)
Debt service		1,087,475	1,087,475	1,087,475	-
Total expenditures		18,076,692	18,076,692	17,908,718	167,974
Excess (deficiency) of revenues over (under) expenditures		(270,000)	(270,000)	41,248	311,248
Other financing sources (uses)					
Transfers out		(30,000)	(30,000)	(30,000)	-
Use of fund balance		300,000	300,000	-	(300,000)
Total other financing sources (uses)		270,000	270,000	(30,000)	(300,000)
Net change in fund balance - budgetary basis		-	-	11,248	11,248
Reconciliation to GAAP					
Change in accrued teacher summer salaries and benefits				(86,155)	
Net change in fund balance - GAAP basis				(74,907)	
Fund balance - beginning				973,933	
Fund balance - end	\$			899,026	

Town of Winslow, Maine

Statement of fiduciary net position

Fiduciary funds

June 30, 2023

	Private-purpose trust funds	Custodial funds
Assets		
Cash and cash equivalents	\$ 14,701	311,385
Investments	425,362	123,300
Total assets	440,063	434,685
Liabilities		
Accounts payable	-	-
Total liabilities	-	-
Net position		
Restricted	440,063	434,685
Total net position	\$ 440,063	434,685

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

Town of Winslow, Maine

Statement of changes in fiduciary net position

Fiduciary funds

For the year ended June 30, 2023

	Private-purpose trust funds	Custodial funds
Additions		
Contributions/donations	\$ 16,462	13,500
Investment earnings	37,945	9,252
Total additions	54,407	22,752
Deductions		
Scholarships	12,133	-
Library	-	3,735
Total deductions	12,133	3,735
Net increase (decrease) in fiduciary net position	42,274	19,017
Net position - beginning	397,789	415,668
Net position - ending	\$ 440,063	434,685

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

Town of Winslow, Maine

Notes to the financial statements

June 30, 2023

I. Summary of significant accounting policies

The financial statements of the Town of Winslow, Maine (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The Town is a municipal corporation governed by an elected seven-member Governing Council (Town Council). The School Department is governed by an elected seven-member School Board. The accompanying financial statements present information for the primary government. The Town is not financially accountable for any other organizations and therefore does not report any component units.

Joint venture

FirstPark was formed in 1998 through an act of the Maine State legislature. FirstPark's primary purposes according to the act was to strengthen the financial condition of local governments within the geographic territory of the authority, while combining resources and sharing costs for meeting regional economic development needs and challenges; to promote and develop infrastructure and programs for employment and economic development opportunities and other conditions to positively affect regional development. Members are funding the startup costs and then sharing in the benefit of future tax revenues. There are currently 23 local governments who are members of FirstPark including the Town.

FirstPark derives the bulk of its operating revenue from the participants, but also receives some grant revenues from the State of Maine. For the year ended June 30, 2023, the Town contributed \$36,701. Complete financial statements may be obtained from FirstPark at 46C FirstPark Drive, Oakland, ME 04963.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Town does not report any business-type activities or proprietary funds.

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

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The Town does not report any enterprise funds.

The Town reports the following major governmental funds:

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

The *school department fund* is the school department's primary operating fund. It accounts for all financial resources of the school department, except those accounted for in another fund.

The *capital improvements fund* accounts for the financial activity of a reserve established for major capital improvements.

Additionally, the Town reports the following fund types:

The *private-purpose trust fund* accounts for scholarships and other programs that benefit students.

The *custodial funds* account for monies held for the Winslow Public Library.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the

funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, charges for service, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

F. Budgetary information

Budgetary basis of accounting

An annual budget of the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The capital project funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one year.

The general fund budget is legally adopted by the Town Council through the passage of an appropriation order. By State law, that portion appropriated for educational purposes must be validated through a referendum vote. The budget is formally adopted for the school department operations each year through the passage of articles through a referendum vote and is prepared on a basis consistent with accounting principles generally accepted in the United States of America except for teachers' salaries, which are budgeted on a cash basis, and Maine Public Employees Retirement System on-behalf payments. The level of control (level at which expenditures may not exceed budget) is the article level. Generally, all unexpended budgetary accounts lapse to fund balance at the close of the fiscal year.

Excess of expenditures over appropriations

The following appropriations were overspent as of June 30, 2023.

Town Council	\$667	Information technology	8,125
Sewer	14,494	Parks and recreation	160
General assistance	2,436	Education - other instruction	8,265
Education - system administration	4,135	Education - school transportation	78,737
Education - facilities maintenance	137,951		

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash and cash equivalents

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

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel and food supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sewer lines, and similar items), are reported in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the Town constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note I.G. Leases below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings and improvements	15-50
Machinery, equipment, and vehicles	5-30
Right-to-use leased equipment	5
Infrastructure	25-50

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The deferred amounts related to

pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets 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 three items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the Town reports deferred amounts related to pension and OPEB.

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Although not a formal policy, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

Nonspendable fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an order committing fund balance for a specified purpose by the Town's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the order remains in place until the resources have been spent for the specified purpose or the Council adopts another order to remove or revise the limitation.

Assigned fund balance represents amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council has authorized the town manager to assign fund balance. The Town Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Although not a formal policy, the Town considers restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Leases

Lessee: The Town is a lessee for a noncancellable lease of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of

the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

H. Revenues and expenditures/expenses

Program revenues

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property taxes were committed on August 18, 2022, on the assessed value listed as of the previous April 1. Taxes are due in four installments, on October 6, 2022, December 8, 2022, March 9, 2023, and June 8, 2023. Taxes unpaid by the due dates are assessed interest of 4%. Tax liens are placed on real property of delinquent tax accounts within twelve months following the date taxes are committed for collection. Maine law permits the Town to levy taxes up to 105% of its net property tax requirement (budgeted expenditures less budgeted non-property tax revenues) for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$85,416 for the year ended June 30, 2023.

Compensated absences

The Town's policy permits employees to accumulate earned but unused vacation and sick leave, which are eligible for payment upon separation from government service. Sick leave is valued based on the vesting method that calculates the amount of sick leave that is expected to become eligible for payout at termination. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

II. Stewardship, compliance, and accountability

A. Violations of legal or contractual provisions

Note I.F. Excess of expenditures over appropriations describes any budgetary violations that occurred for the year ended June 30, 2023.

B. Deficit fund balance

At June 30, 2023, the Town had no funds with deficit balances.

III. Detailed notes on activities and funds

A. Cash and investments

It is the policy of the Town to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Town, and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield. The Town is not invested in any obligations typically known as derivatives.

B. Cash deposits with financial institutions

Custodial credit risk - deposits. In the case of deposits, this is the risk that, in the event of a bank's failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the Town's bank balance of \$10,833,714 was exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging or financial institution in the Town's name.

C. Investments

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, mutual funds with portfolios of securities issued or guaranteed by the United States Government, or agreements to repurchase these same obligations, negotiable and non-negotiable certificates of deposit, municipal bonds, commercial paper, and corporate bonds.

Interest rate risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The Town does not have an investment policy for interest rate risk.

As of June 30, 2023, the Town had the following investments:

Investment type	Fair Value	Investment maturities (in years)		
		Less than 1 year	1-5 years	More than 5 years
Mutual funds	\$391,447	391,447	-	-
MCF funds	162,375	162,375	-	-
Total investments	\$553,822	553,822	-	-

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town does not have an investment policy for credit risk. The mutual and MCF funds are not rated.

Custodial credit risk - investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk.

Concentration of credit risk. The concentration of credit risk is the risk of loss that may be caused by the Town's investment in a single issuer. The Town does not have an investment policy for concentration of credit risk.

Fair value of investments. The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows: *Level 1* - quoted prices for identical investments in active markets; *Level 2* - observable inputs other than those in Level 1; and *Level 3* - unobservable inputs. The mutual funds are classified as level 2 and are valued using broker quotes that utilize observable market inputs. The MCF funds are classified as level 3 due to unobservable inputs.

D. Receivables

Amounts other than taxes and intergovernmental receivables are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for the general fund. Below is the detail of receivables for the general fund, including the applicable allowances for doubtful accounts:

Accounts receivable	\$62,678
Sewer receivables	123,019
Unbilled sewer receivables	206,420
Ambulance receivables	154,086
<u>Allowance for doubtful accounts</u>	<u>(60,861)</u>
Total receivables, net	\$485,342

E. Capital assets

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance Beginning of year	Additions	Deletions	Balance end of year
Governmental activities				
Capital assets, not being depreciated				
Land	\$453,606	80,000	-	533,606
Books and collections	811,782	-	-	811,782
Construction in progress	1,752,179	711,415	1,538,130	925,464
Total capital assets, not being depreciated	3,017,567	791,415	1,538,130	2,270,852
Capital assets, being depreciated				
Land improvements	851,395	126,888	-	978,283
Buildings and improvements	28,326,445	2,704,611	-	31,031,056
Machinery and equipment	8,909,582	480,773	13,000	9,377,355
Right-to-use leased equipment	45,663	-	-	45,663
Vehicles	4,048,111	650,116	79,384	4,618,843
Infrastructure	41,443,131	1,303,616	-	42,746,747
Total capital assets, being depreciated	83,624,327	5,266,004	92,384	88,797,947
Less accumulated depreciation for				
Land improvements	518,970	51,630	-	570,600
Buildings and improvements	8,740,227	605,750	-	9,345,977
Machinery and equipment	6,612,385	287,550	13,000	6,886,935
Right-to-use leased equipment	3,044	9,132	-	12,176
Vehicles	1,478,678	342,294	77,558	1,743,414
Infrastructure	27,153,574	1,027,580	-	28,181,154
Total accumulated depreciation	44,506,878	2,323,936	90,558	46,740,256
Total capital assets, being depreciated, net	39,117,449	2,942,068	1,826	42,057,691
Total governmental activities capital assets	\$42,135,016	3,733,483	1,539,956	44,328,543

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

General government	\$23,244
Public safety	230,926
Public works	1,270,235
Recreation	45,973
Education	753,558
Total depreciation expense	\$2,323,936

F. Changes in long-term liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

	Balance Beginning of year	Additions	Deletions	Balance end of year	Amount due within one year
Governmental activities					
Bonds payable	\$10,301,600	-	1,155,800	9,145,800	1,075,800
Bond premium	365,608	-	41,366	324,242	38,820
Notes payable	3,130,241	-	387,735	2,742,506	379,882
Leases	43,576	-	8,201	35,375	8,451
Compensated absences	501,234	11,771	18,772	494,233	162,907
Net pension liability	296,417	1,202,139	-	1,498,556	-
Total OPEB liability - MMEHT	289,076	-	7,003	282,073	-
Total OPEB liability - MEABT	3,369,180	565,161	-	3,934,341	-
Total governmental activities	\$18,296,932	1,779,071	1,618,877	18,457,126	1,665,860

G. Bonds and notes payable

The Town issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities and equipment. Bonds and notes payable at June 30, 2023, are as follows:

	Original borrowing	Interest rates	Final maturity	Outstand- ing at year end
Governmental activities				
Bonds payable				
Refunding - school	\$3,590,000	3.0%-4.0%	2027	\$1,565,000
Storm drains and roads	2,000,000	2.0%-4.0%	2028	1,000,000
Sewer truck	504,000	3.14%	2024	100,800
School renovations	7,695,000	3.0%-4.0%	2039	6,480,000
Total bonds payable				9,145,800
Notes payable				
Bus	102,474	3.29%	2024	21,197
Bus	102,474	3.29%	2024	21,197
Bus	98,000	1.95%	2025	39,597
Bus	98,000	1.95%	2025	39,597
Copiers	51,534	4.56%	2026	26,585
Phone system	48,479	9.03%	2025	23,823
Fire truck	1,094,282	3.30%	2030	804,392
Pumper truck	613,086	3.30%	2025	258,077
Sewer improvements	1,551,132	1.50%	2051	1,508,041
Total notes payable				2,742,506
Total governmental activities				\$11,888,306

The debt service requirements for the Town's bonds and notes payable are as follows:

Year ending June 30	<u>Bonds payable</u>		<u>Notes payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$1,075,800	325,991	379,882	60,704	1,842,377
2025	985,000	291,050	348,021	48,777	1,672,848
2026	1,005,000	256,275	158,013	39,680	1,458,968
2027	1,020,000	218,800	160,409	35,356	1,434,565
2028	605,000	188,300	164,853	30,912	989,065
2029-2033	2,025,000	688,500	491,395	99,209	3,304,104
2034-2038	2,025,000	283,500	261,524	70,266	2,640,290
2039-2043	405,000	8,100	281,736	50,054	744,890
2044-2048	-	-	303,510	28,280	331,790
2049-2053	-	-	193,163	5,822	198,985
Totals	\$9,145,800	2,260,516	2,742,506	469,060	14,617,882

The Town has authorized the issuance of up to \$6,800,000 in general obligation bonds to finance upgrades to the Chaffee Brook pump station.

H. Leases

Leases payable

The Town has a 63-month lease agreement as lessee for the use of copier equipment, with an initial lease liability in the amount of \$45,588, using an interest rate of 3%. As of June 30, 2023, the value of the lease liability was \$35,375. The Town is required to make monthly principal and interest payments of \$783. The equipment has a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$45,663 and had accumulated amortization of \$12,176.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$8,451	945	9,396
2025	8,707	689	9,396
2026	8,971	425	9,396
2027	9,246	151	9,397
Totals	\$35,375	2,210	37,585

I. Pension plans

Plan description

The Town participates in the Participating Local District (PLD) Consolidated and the State Employee and Teacher (SET) Plans, which are cost-sharing, multiple-employer defined benefit pension plans administered by the Maine Public Employees Retirement System (MPERS), which is a component unit of

the State of Maine. MPERS assets are held in trust for the plan beneficiaries. MPERS is established and administered under the laws of the State of Maine.

Benefits provided

Benefit terms are established in Maine statute; in the case of the PLD plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them. MPERS retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for SET members; separate legislation enacted the same reduced requirement for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for SET members is age 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits which are established by statute for SET members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the MPERS Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from employee and employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Employee and employer contribution rates are each a percentage of applicable employee compensation. Employee contribution rates are defined by law, or by the MPERS Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

PLD plan - Employees were required to contribute 6.85%, 7.6%, 8.2%, and 9.7% of their annual pay for the age 65 AC Plan, the age 60 AC Plan, the 2C Plan, and the 3C Plan, respectively. The Town's contractually required rate for the year ended June 30, 2023, was 10.2%, 11.4%, and 13.4% of annual pay for the AC Plan, 2C Plan, and 3C Plan, respectively. The Town made contributions to the pension plan of \$255,544 for the year ended June 30, 2023.

SET plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2023, was 18.13% of annual payroll of which 3.84% of payroll was required from the Town and 14.29% was required from the State. The Town made

contributions to the pension plan of \$356,224 for the year ended June 30, 2023. For grant funded teachers, the Public School's contractually required contribution rate for the year ended June 30, 2023 was 18.73%, all of which was required from the Public Schools.

Proportionate share of the net pension (asset) liability

PLD plan - At June 30, 2023, the Town reported a liability of \$662,254 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the pension liability was based on the Town's contributions recognized by the plan during the measurement period, adjusted for contributions for employer-specific and employer-paid employee contributions. The Town's proportionate share was 0.2491% at the end of the measurement period and 0.2355% for the beginning of the period, which represents an increase of 0.0136%.

SET plan - At June 30, 2023, the Town reported a liability of \$836,302 for its proportionate share of the net pension liability. The State's proportionate share of the net pension liability associated with the Town was \$8,536,827, for a total of \$9,373,129. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the pension liability was based on unfunded actuarial liability contributions to the plan. The Town's proportionate share was 0.0563% at the end of the measurement period and 0.044% for the beginning of the period, which represents an increase of 0.0123%.

Actuarial assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

	<u>PLD plan</u>	<u>SET plan</u>
Actuarial valuation date	June 30, 2022	June 30, 2022
Measurement date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Assumptions		
Investment rate of return	6.50%	6.50%
Inflation rate	2.75%	2.75%
Annual salary increases	2.75%-11.48%	2.80%-13.03%
Cost of living adjustments	1.91%	2.20%

Mortality rates for PLD members are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Mortality rates for teachers are based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used for the year ended June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Public equities	6.0%
U.S. government	2.3%
Private equity	7.6%
Real assets:	
Real estate	5.2%
Infrastructure	5.3%
Natural resources	5.0%
Traditional credit	3.2%
Alternative credit	7.4%
Diversifiers	5.9%

Discount rate

The discount rate used to measure the collective total pension liability was 6.5% for 2022 for each plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity analysis

The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
PLD plan - proportionate share net pension (asset) liability	\$1,956,488	662,254	(407,476)
SET plan - proportionate share net pension (asset) liability	1,637,679	836,302	169,073

Pension expense and deferred items summary

For the year ended June 30, 2023, the Town recognized pension expense of \$304,053 and \$567,677 for its proportionate share of the pension expense for the PLD and SET plans, respectively. Additionally, the Town recognized revenue of \$1,194,204 for support provided by the State for the SET plan. At June 30, 2023, the Town reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows	Deferred inflows
PLD plan		
Differences between expected and actual experience	\$123,076	-
Differences between expected and actual investment earnings	-	277,952
Changes of assumptions	134,415	-
Changes in proportion	26,576	-
Contributions paid subsequent to the measurement date	255,544	-
Totals PLD plan	539,611	277,952
SET plan		
Differences between expected and actual experience	41,661	-
Differences between expected and actual investment earnings	-	164,712
Changes of assumptions	162,390	-
Changes in proportion	144,344	28,596
Contributions paid subsequent to the measurement date	356,224	-
Totals SET plan	704,619	193,308
Total deferred outflows and inflows of resources	\$1,244,230	471,260

Deferred outflows of resources reported \$611,768 related to pensions resulting from the Town's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending		
June 30	<u>PLD plan</u>	<u>SET plan</u>
2024	\$97,436	156,130
2025	(49,193)	(22,624)
2026	(172,679)	(56,105)
2027	130,551	77,687

Pension plan fiduciary net position

The MPERS fiduciary net position has been determined using the same basis used to determine the net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Detailed information about the MPERS fiduciary net position is available in a separately issued MPERS financial report. That report may be obtained on the MPERS website at www.mainebers.org.

J. Other postemployment benefit (OPEB) obligations – life insurance

Plan description

The Town participates in the State Employee and Teacher (SET) Group Life Insurance Plan, which is a cost-sharing, multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS), which is a component unit of the State of Maine. MPERS assets are held in trust for the plan beneficiaries. MPERS is established and administered under the laws of the State of Maine.

Benefits provided

The group life insurance plans provide basic group life insurance benefits, during retirement, to retirees who participated in the plans prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic group life insurance is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions and funding policy

Premium rates are those determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

The State of Maine made contributions to the SET plan on-behalf of the Town of \$28,541 for the year ended June 30, 2023. The Town and employees are not required to contribute to the SET plan.

Proportionate share of the net OPEB liability

At June 30, 2023, the Town reported no liability for its proportionate share of the net OPEB liability. The State's proportionate share of the net OPEB liability associated with the Town was \$239,455, for a total of \$239,455. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the OPEB liability was 0% at the end of the measurement period.

Actuarial assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Assumptions	
Investment rate of return	6.50%
Inflation rate	2.75%
Annual salary increases	2.80%-13.03%

Mortality rates are based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used for the year ended June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

Long-term expected rate of return

Assets of the plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position. The long-term expected rate of return on the Plans' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Public equities	6.0%
Real estate	5.2%
Traditional credit	3.0%
U.S. government securities	2.3%

Discount rate

The discount rate used to measure the collective total OPEB liability was 6.5% for 2022 for the plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB expense

For the year ended June 30, 2023, the Town recognized OPEB expense \$25,443 for its proportionate share of the OPEB expense. Additionally the Town recognized revenue of \$28,541 for support provided by the State.

OPEB plan fiduciary net position

The MPERS fiduciary net position has been determined using the same basis used to determine the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Detailed information about the MPERS fiduciary net position is available in a separately issued MPERS financial report. That report may be obtained on the MPERS website at www.maineopers.org.

K. Other postemployment benefit (OPEB) obligations – health insurance

Plan description

The Town offers two post-retirement benefit plans providing health insurance to retiring employees. For municipal employees, the Town sponsors a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements. For School Department employees, the State sponsors a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for MMEHT or MEABT.

Plan membership

At January 1, 2022 (MMEHT) and June 30, 2022 (MEABT), membership consisted of:

	<u>MMEHT</u>	<u>MEABT</u>
Inactive members currently receiving benefits	2	97
Inactive members entitled to but not yet receiving benefits	-	-
<u>Active members</u>	<u>41</u>	<u>164</u>
<u>Total</u>	<u>43</u>	<u>261</u>

Benefits provided

MMEHT – Healthcare and life insurance benefits are provided for retirees and their dependents. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for postretirement benefits. The retiree pays 100% of the premium equivalent rate for coverage

elected. The non-Medicare retirees are offered the same plans that are available to the active employees. Medicare retirees are assumed to be enrolled in Medicare Parts A and B, which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage. Medical benefits are provided for the life of the retiree and surviving spouses. The \$2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$2,000 life insurance benefit as well.

MEABT - Healthcare insurance benefits are provided for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement, and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 55% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members. The retiree pays 45% of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree (and/or spouse).

Net OPEB liability

At June 30, 2023, the Town reported a total OPEB liability of \$282,073 for MMEHT and \$3,934,341 for MEABT. The MMEHT OPEB liability was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022. The MEABT OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the January 1, 2022 (MMEHT) and the June 30, 2022 (MEABT) actuarial valuations were determined using the following actuarial assumptions:

	<u>MMEHT</u>	<u>MEABT</u>
Actuarial valuation date	January 1, 2022	June 30, 2022
Measurement date	January 1, 2023	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
<u>Assumptions</u>		
Inflation rate	3.00%	2.70%
Annual salary increases	2.75%	2.80%-13.03%
Healthcare cost trend rates - non-Medicare	7.95% in 2022	7.96% in 2023
decreasing to	4.55% in 2043	4.00% in 2043
Healthcare cost trend rates - Medicare	7.26% in 2022	0.00% in 2023
increasing/decreasing to	4.55% in 2043	4.29% in 2043

For MMEHT, rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. For MEABT, rates of mortality are based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

Actuarial assumptions used for the January 1, 2022, MMEHT 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. Actuarial assumptions used for the June 30, 2022, MEABT valuation are the teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021, and are based on the experience study covering the period from June 30, 2015 through June 30, 2020.

Discount rate

Using the Bond Buyer 20-Bond GO Index, the discount rate used to measure the total OPEB liabilities were 3.72% for MMEHT and 3.54% for MEABT. These rates are assumed to be an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in total OPEB liability

	<u>MMEHT</u>	<u>MEABT</u>
Balances beginning of year	\$289,076	3,369,180
Changes for the period		
Service cost	27,282	52,276
Interest	6,474	73,163
Changes of benefits	-	-
Differences between expected and actual experience		602,515
Changes of assumptions	(36,588)	(93,890)
Benefit payments	(4,171)	(68,903)
Net changes	(7,003)	565,161
Balances end of year	\$282,073	3,934,341

Discount rate and healthcare rate sensitivity analysis

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability calculated using the discount rate of 3.72% for MMEHT and 3.54% for MEABT as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
MMEHT - total OPEB liability	\$335,095	282,073	239,917
MEABT – total OPEB liability	4,586,286	3,934,341	3,405,158

The table below presents the total OPEB liability of the Town calculated using the healthcare rates disclosed above as well as what the total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
MMEHT - total OPEB liability	\$233,267	282,073	346,729
MEABT – total OPEB liability	3,381,408	3,934,341	4,620,001

OPEB expense and deferred items summary

For the year ended June 30, 2023, the Town recognized OPEB expense of \$27,542 for MMEHT and \$196,667 for MEABT. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred outflows</u>	<u>Deferred inflows</u>
MMEHT		
Differences between expected and actual experience	\$ -	72,697
Changes of assumptions	63,075	45,397
Contributions paid subsequent to the measurement date	5,420	-
<u>Totals MMEHT</u>	<u>68,495</u>	<u>118,094</u>
MEABT		
Differences between expected and actual experience	502,096	53,278
Changes of assumptions	59,097	105,283
Contributions paid subsequent to the measurement date	67,468	-
<u>Totals MEABT</u>	<u>628,661</u>	<u>158,561</u>
<u>Total deferred outflows and inflows of resources</u>	<u>\$697,156</u>	<u>276,655</u>

Deferred outflows of resources reported \$72,888 related to OPEB resulting from the Town's contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending		
<u>June 30</u>	<u>MMEHT</u>	<u>MEABT</u>
2024	\$(6,214)	103,256
2025	(6,214)	62,610
2026	(6,216)	62,613
2027	(9,124)	89,383
2028	(6,014)	84,770
Thereafter	(21,237)	-

L. Fund balance

Components of fund balance

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund				
Inventory and prepaids	\$10,001	-	-	-
General government	-	-	-	37,230
Public safety	-	-	-	90,351
Public works	-	-	-	40,258
Recreation	-	-	-	58,196
Sewer	-	-	-	36,706
School department - education	164,281	734,745	-	-
Capital improvements - Town	-	-	1,056,640	-
Special revenue funds				
Tax incremental financing projects	-	430,956	-	-
Education	-	613,200	161,531	-
Food service	21,741	310,042	-	-
Capital projects - education	-	347,424	-	-
Permanent funds				
Held in perpetuity	3,379	-	-	-
Cemetery upkeep	-	1,781	-	-
Total	\$199,402	2,438,148	1,218,171	262,741

As of June 30, 2023, the school department fund balance totaled \$899,026 and is reported as nonspendable and restricted for education in the financial statements. Of this total, \$350,000 is assigned for use of surplus for the 2023-2024 fiscal year budget, and the remaining \$384,745 is considered unassigned for educational purposes. The schedule of assigned funds in the general fund presented as supplementary information only presents assigned funds that are tracked separately and total \$189,744. The assigned fund balance in the general fund also includes \$36,706 assigned for sewer and \$33,891 assigned for unemployment.

M. Interfund balances

The outstanding balances between funds result from receipts and disbursements being made through consolidated cash accounts held by the general fund. The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable fund (due from)</u>	<u>Payable fund (due to)</u>	<u>Amount</u>
Capital improvements	General fund	\$1,151,648
Town grant funds	General fund	8,696
TIF funds	General fund	471,412
School grants and other funds	School department	4,697
Adult education	School department	7,693
School lunch	School department	266,636
Capital projects	School department	347,424
Total		\$2,258,206

N. Interfund transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

	Transfers in				
	General fund	School department	Capital improvements	Nonmajor funds	Total
Transfers out:					
General fund	\$ -	8,542,200	1,107,535	337,096	9,986,831
School department	-	-	-	30,000	30,000
Nonmajor funds	29,207	-	700,000	-	729,207
Total	\$29,207	8,542,200	1,807,535	367,096	10,746,038

During the year, transfers are used to move revenues from the fund with collection authorization, the general fund, to the school department (\$8,542,200), capital improvements fund (\$863,200), and the TIF fund (\$337,096). The school department budgeted to move amounts to the school lunch fund (\$30,000).

Further, during the year ended June 30, 2023, the Town made the following one-time transfers:

The general fund made a one-time transfer totaling \$73,000 to the capital improvements fund for the purchase of two new police cruisers.

The general fund made one-time transfers totaling \$9,929, \$112,000, and \$15,000 to the capital improvements fund for costs incurred taking possession of the Winslow Junior High building, the purchase of a new truck, and repairs to the salt shed overhead door, respectively.

The Town grant fund made a one-time transfer totaling \$700,000 to the capital improvements fund to utilize American Rescue Plan funding for sewer related projects.

The TIF fund transferred \$25,000 to the general fund to cover a portion of wages of Town employees which are covered under the parameters of the TIF agreements.

The Town closed out multiple assigned funds in the general fund during the year. \$4,207 of TIF funds were transferred to cover deficits in these assigned funds. \$34,406 of assigned funds were transferred to the capital improvement fund for future capital related needs.

O. 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. The Town carries commercial insurance and participates in public entity risk pools sponsored by the Maine Municipal Association and the Maine School Management Association. Based on the coverages provided, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2023.

P. Contingencies

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, will be immaterial.

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Q. Construction and other significant commitments

The Town has active construction projects as of June 30, 2023. The projects include construction of an additional wing at the elementary school, and engineering work for pump station and sewer/storm drain upgrades. At year end, the Town's commitments with contractors/engineers are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining commitment</u>
Sunset Heights sewer and storm - engineering	\$90,062	94,568
Chaffee Brook pump station - engineering	363,673	68,327
Wing at elementary school - construction	2,450,000	90,000

R. Tax abatements

The Town has entered into property tax abatement agreements (credit enhancement agreements) with individual organizations under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. For the year ended June 30, 2023, the Town abated property taxes totaling \$152,701 through these credit enhancement agreements. ALCOM Inc., a high-end aluminum recreational trailer manufacturer, received a 25% property tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$21,986. Lohmann Animal Health International, a manufacturer and supplier of poultry biologics, received a 60% tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$115,473. ITAC Thompson Property MGT LLC received a 75% property tax abatement on all new value created with the construction of an industrial warehouse facility for Standard Waterproofing's business operations. The abatement amounted to \$15,242.

Town of Winslow, Maine

Required supplementary information

Schedule of Town's proportionate share of the net pension liability

Maine Public Employees Retirement System

Last ten fiscal years (only nine years available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD plan (Town joined during 2018)									
Town's proportion of the net pension liability	0.2491%	0.2355%	0.2344%	0.2028%	0.1056%	0.0505%			
Town's proportionate share of the net pension liability	\$ 662,254	(75,696)	931,484	620,017	289,077	206,696		not applicable	
Town's covered payroll	1,771,134	1,516,782	1,447,071	1,190,812	584,373	584,373			
Town's proportionate share of the net pension liability as a percentage of its covered payroll	37.39%	-4.99%	64.37%	52.07%	49.47%	35.37%			
Plan fiduciary net position as a percentage of the total pension liability	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET plan									
Town's proportion of the net pension liability	0.0563%	0.0440%	0.0416%	0.0371%	0.0387%	0.0385%	0.0388%	0.0388%	0.0386%
Town's proportionate share of the net pension liability	\$ 836,302	372,113	678,593	544,162	522,653	559,677	684,722	524,237	417,051
State's proportionate share of the net pension liability associated with the Town	8,536,827	5,001,397	9,598,469	8,556,930	7,310,488	8,039,926	10,015,808	7,916,658	6,198,199
Total	\$ 9,373,129	5,373,510	10,277,062	9,101,092	7,833,141	8,599,603	10,700,530	8,440,895	6,615,250
Town's covered payroll	\$ 8,984,398	8,601,162	8,155,639	7,922,994	7,130,379	7,160,836	7,111,584	7,112,501	6,868,246
Town's proportionate share of the net pension liability as a percentage of its covered payroll	9.31%	4.33%	8.32%	6.87%	7.33%	7.82%	9.63%	7.37%	6.07%
Plan fiduciary net position as a percentage of the total pension liability	85.79%	90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

Schedule of Town's pension contributions

Maine Public Employees Retirement System

Last ten fiscal years (only nine years available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD plan (Town joined during 2018)									
Contractually determined contribution	\$ 255,544	197,926	161,152	151,440	124,083	59,022		not applicable	
Contributions in relation to the contractually required contribution	(255,544)	(197,926)	(161,152)	(151,440)	(124,083)	(59,022)			
Contribution deficiency (excess)	\$ -	-	-	-	-	-			
Town's covered payroll	2,213,316	1,771,134	1,516,782	1,447,071	1,190,812	584,373			
Contributions as a percentage of covered payroll	11.55%	11.18%	10.62%	10.47%	10.42%	10.10%			
SET plan									
Contractually determined contribution	\$ 356,224	345,001	357,808	339,275	314,543	283,076	240,604	238,949	188,481
Contributions in relation to the contractually required contribution	(356,224)	(345,001)	(357,808)	(339,275)	(314,543)	(283,076)	(240,604)	(238,949)	(188,481)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
Town's covered payroll	\$ 9,276,670	8,984,398	8,601,162	8,155,639	7,922,994	7,130,379	7,160,836	7,111,584	7,112,501
Contributions as a percentage of covered payroll	3.84%	3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

Town of Winslow, Maine

Required supplementary information

Schedule of Town's proportionate share of the net OPEB liability

Maine Public Employees Retirement System

Last ten fiscal years (only six years available)

	2023	2022	2021	2020	2019	2018
SET plan						
Town's proportion of the net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Town's proportionate share of the net OPEB liability	\$ -	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the Town	239,455	119,587	243,375	223,923	205,352	189,237
Total	\$ 239,455	119,587	243,375	223,923	205,352	189,237
Town's covered-employee payroll	\$ 8,984,398	8,601,162	8,155,639	7,922,994	7,130,379	7,160,836
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

Schedule of Town's OPEB contributions

Maine Public Employees Retirement System

Last ten fiscal years (only six years available)

	2023	2022	2021	2020	2019	2018
SET plan						
Contractually determined contribution	\$ -	-	-	-	-	-
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Town's covered-employee payroll	\$ 9,276,670	8,984,398	8,601,162	8,155,639	7,922,994	7,130,379
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Town of Winslow, Maine

Required supplementary information

Schedule of changes in the Town's total OPEB liability and related ratios

Last ten fiscal years (only six and five years available)

	2023	2022	2021	2020	2019	2018
Total OPEB liability - MMEHT plan						
Service cost	\$ 27,282	25,504	22,059	13,578	15,484	12,243
Interest	6,474	6,693	7,446	10,875	9,510	8,759
Changes of benefits	-	-	-	(5,109)	-	-
Differences between expected and actual experience	-	(45,252)	-	(63,427)	-	(3,764)
Changes of assumptions	(36,588)	16,140	19,164	49,302	(28,058)	29,988
Benefit payments	(4,171)	(8,340)	(8,019)	(6,365)	(6,120)	(5,336)
Net change in total OPEB liability - MMEHT plan	(7,003)	(5,255)	40,650	(1,146)	(9,184)	41,890
Total OPEB liability - beginning	289,076	294,331	253,681	254,827	264,011	222,121
Total OPEB liability - ending	\$ 282,073	289,076	294,331	253,681	254,827	264,011
Covered-employee payroll	\$ 2,165,739	2,165,739	2,033,965	2,033,965	1,886,942	1,886,942
Total OPEB liability as a percentage of covered-employee payroll	13.02%	13.35%	14.47%	12.47%	13.50%	13.99%
Total OPEB liability - MEABT plan						
Service cost	\$ 52,276	45,788	22,573	18,733	20,297	
Interest	73,163	73,287	132,896	138,239	133,045	
Changes of benefits	-	-	(381,037)	-	-	
Differences between expected and actual experience	602,515	-	(106,558)	-	-	
Changes of assumptions	(93,890)	27,677	(54,083)	203,222	(160,138)	
Benefit payments	(68,903)	(95,376)	(139,660)	(138,385)	(133,602)	
Net change in total OPEB liability - MEABT plan	565,161	51,376	(525,869)	221,809	(140,398)	
Total OPEB liability - beginning	3,369,180	3,317,804	3,843,673	3,621,864	3,762,262	
Total OPEB liability - ending	\$ 3,934,341	3,369,180	3,317,804	3,843,673	3,621,864	
Covered-employee payroll	\$ 7,784,096	7,813,358	7,622,789	7,937,801	7,725,354	
Total OPEB liability as a percentage of covered-employee payroll	50.54%	43.12%	43.52%	48.42%	46.88%	

Town of Winslow, Maine

Notes to required supplementary information

Pension plans

Changes of benefit terms - None

Changes of assumptions - The following are changes in actuarial assumptions used in valuations:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Discount rate - PLD	6.50%	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate - SET	6.50%	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75-11.48%	2.75% + merit	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80-13.03%	2.80-13.03%	2.75% + merit	2.75-14.50%	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.20%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates - **2015**: RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. **2016**: RP2014 Total Data Set Healthy Annuitant Mortality Table. **2021**: 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table (PLD) and 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table (SET).

Other postemployment benefit (OPEB) obligations - life insurance

Changes of benefit terms - None

Changes of assumptions - The following are changes in actuarial assumptions used in valuations:

	2022	2021	2020	2019	2018	2017
Discount rate	6.50%	6.50%	6.75%	6.75%	6.75%	6.875%

Other postemployment benefit (OPEB) obligations - health insurance

Changes of benefit terms - In 2020, MEABT implemented the Medicare Advantage plan.

Changes of assumptions - The following are changes in actuarial assumptions used in valuations:

	2022	2021	2020	2019	2018	2017	2016
Discount rate - MMEHT	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate - MEABT	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%	n/a

Valuation method - In 2018, MMEHT changed from the projected unit credit funding method to the entry age normal funding method.

Town of Winslow, Maine

General fund

Statement of revenues, expenditures, and changes in fund balance

Budget and actual

For the year ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

2023					
	Original budget	Final budget	Actual	Variance positive (negative)	2022 actual
Revenues					
Property taxes					
Real estate and personal property	\$ 13,655,213	13,655,213	13,723,704	68,491	12,650,239
Excise taxes	1,558,300	1,607,084	1,694,918	87,834	1,683,536
Interest on taxes	29,000	29,000	33,229	4,229	30,649
Lien costs and fees	-	-	5,714	5,714	4,332
Total property taxes	15,242,513	15,291,297	15,457,565	166,268	14,368,756
Intergovernmental					
State revenue sharing	1,530,125	1,682,775	1,682,775	-	1,497,950
Homestead exemption	801,606	801,606	801,606	-	771,934
Business equipment tax reimbursement	337,951	337,951	337,951	-	207,243
Veterans exemption	17,670	17,670	18,268	598	19,007
Tree growth	24,200	24,200	37,360	13,160	32,320
Snowmobile reimbursement	2,400	2,400	2,258	(142)	2,341
General assistance	2,360	2,360	8,443	6,083	78
MDOT funding	20,867	20,867	23,527	2,660	20,458
Urban rural initiative payment	109,148	109,148	117,408	8,260	118,056
Total intergovernmental	2,846,327	2,998,977	3,029,596	30,619	2,669,387
Licenses and permits					
Permits and fees	92,500	92,500	99,966	7,466	100,841
Cable television franchise	79,000	79,000	77,919	(1,081)	77,522
Total licenses and permits	171,500	171,500	177,885	6,385	178,363
Charges for services					
Sewer fees and interest	1,123,153	1,123,153	1,116,509	(6,644)	1,079,729
Ambulance fees	300,000	384,588	384,588	-	365,555
Public works/sanitation	140,258	140,258	155,521	15,263	141,920
Police department fees	2,000	2,000	2,503	503	1,804
Library fees	2,000	2,000	2,498	498	1,825
Recreation fees	1,000	1,000	2,326	1,326	1,378
Rental payments	-	-	-	-	-
Total charges for services	1,568,411	1,652,999	1,663,945	10,946	1,592,211
Interest	5,000	5,000	68,653	63,653	7,972
Sale of property	20,000	61,200	72,606	11,406	256,312
Miscellaneous	56,510	56,510	49,321	(7,189)	46,939
Total revenues	19,910,261	20,237,483	20,519,571	282,088	19,119,940

Town of Winslow, Maine

General fund

Statement of revenues, expenditures, and changes in fund balance

Budget and actual

For the year ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

	2023				
	Original budget	Final budget	Actual	Variance positive (negative)	2022 actual
Expenditures					
Current:					
Administration	489,555	498,940	495,329	3,611	414,100
Town Council	11,600	11,600	12,267	(667)	9,711
Assessors	131,631	131,631	131,104	527	120,925
Elections	29,900	29,900	18,536	11,364	17,127
Library	256,516	256,516	226,723	29,793	210,833
Information technology	72,400	75,285	83,410	(8,125)	72,079
Police	1,156,672	1,156,672	1,081,133	75,539	957,641
Fire	1,423,905	1,518,405	1,509,665	8,740	1,116,999
Emergency management	2,500	2,500	2,500	-	2,500
Code enforcement	88,110	88,110	79,190	8,920	70,067
Public works	1,101,292	1,127,606	1,102,279	25,327	1,033,398
Sewer	1,195,038	1,205,038	1,219,532	(14,494)	1,071,332
Sanitation	658,019	664,512	664,476	36	631,243
Parks and recreation	219,724	219,870	220,030	(160)	167,027
Education (transfer out)	8,542,200	8,542,200	8,542,200	-	8,343,615
Elementary land	-	80,000	80,000	-	-
General assistance	25,200	25,200	27,636	(2,436)	17,636
Insurance and benefits	1,784,192	1,784,192	1,662,823	121,369	1,371,631
Other town utilities	176,360	183,547	182,929	618	168,181
Community services	127,950	120,133	85,492	34,641	104,243
Organization support	31,800	31,800	31,800	-	29,000
County tax	765,630	765,630	765,630	-	701,228
Contingency	20,000	20,000	-	20,000	8,820
Debt service	590,239	590,239	587,959	2,280	596,191
Capital improvements (transfer out)	663,200	873,129	873,129	-	1,789,089
Total expenditures	19,563,633	20,002,655	19,685,772	316,883	19,024,616
Excess (deficiency) of revenues over (under) expenditures	346,628	234,828	833,799	598,971	95,324
Other financing sources (uses)					
Transfers in	-	-	-	-	41,015
Transfers out	(337,097)	(337,097)	(337,096)	1	(332,141)
Use of fund balance	75,885	187,685	-	(187,685)	-
Total other financing sources (uses)	(261,212)	(149,412)	(337,096)	(187,684)	(291,126)
Net change in fund balance - budgetary basis	85,416	85,416	496,703	411,287	(195,802)
Reconciliation to GAAP					
Change in committed/assigned balances			(202,685)		(22,574)
Net change in fund balance - GAAP basis			294,018		(218,376)
Fund balance - beginning			5,113,831		5,332,207
Fund balance - end			\$ 5,407,849		5,113,831

Town of Winslow, Maine

Combining statement of revenues, expenditures, and changes in fund balances

Assigned funds - general fund

For the year ended June 30, 2023

	Beginning fund balance	Revenues	Expenditures	Transfers in (out)	Ending fund balance
Sick leave buy-out	\$ 1,862	-	1,862	-	-
201 industrial park	(4,207)	-	-	4,207	-
Police gifts - donations - grants	9,900	11,059	14,967	-	5,992
Fire gifts - donations - grants	2,788	2,964	-	-	5,752
Insurance claims - police	9,572	1,000	-	-	10,572
Misc reimbursement - police	4,400	-	4,370	-	30
Cable TV grant	(78)	-	-	78	-
Insurance claims - public works	23,333	12,793	37,124	-	(998)
Police academy	24,360	68,856	27,360	-	65,856
Assessing map sales	(140)	-	-	140	-
Recreation volleyball	479	-	-	(479)	-
Fall festival	-	1,000	-	-	1,000
Co-ed basketball	47	-	-	(47)	-
New soccer field - 2002	400	288	-	-	688
Fort Halifax Days	900	3,240	3,416	-	724
Recreation field hockey	14,569	3,135	5,119	-	12,585
Library donations	10,844	909	3,151	-	8,602
Recreation center	46	-	-	(46)	-
Recreation rentals	3,119	-	-	(3,119)	-
Boys summer soccer	831	245	550	-	526
Fall soccer	2,532	1,360	1,760	-	2,132
Winter basketball	4,173	4,137	3,819	47	4,538
Summer fun camp	19,179	5,560	9,899	-	14,840
Community gardens	2,034	130	796	-	1,368
Recreation cheering	5,417	1,240	4,440	-	2,217
Girls high school softball	375	-	-	(375)	-
Boys lacrosse	167	-	-	(167)	-
Parks donations and grants	-	100	-	-	100
Insurance claims - fire	-	-	1,227	-	(1,227)
Wellness program	227	-	-	(227)	-
Fire department equipment	1,067	1,082	-	-	2,149
Recreation wrestling	235	-	-	(235)	-
Police confiscated funds	14,510	-	14,510	-	-
Girls summer basketball	1,072	-	-	(1,072)	-
Girls summer soccer	981	771	739	-	1,013
Boys summer basketball	733	1,105	377	-	1,461
Tennis recreation	(4)	-	-	4	-
Recreation summer track	4,970	7,309	8,201	2,324	6,402
Telephone clearing	4,606	-	-	(4,606)	-
Subdivision prelim & final fees	24,308	850	-	(24,308)	850
Subdivision sewer impact fees	4,074	-	-	(4,074)	-
Subdivision recreation fees	(287)	-	-	287	-
Sewer taps	300	-	-	(300)	-
Street opening	3,092	6,883	3,778	(3,094)	3,103
Postage clearing	6,718	-	6,893	-	(175)
Copier acct	2,431	58	-	-	2,489
Mapping fees	2,142	-	-	(2,142)	-
Animal control	973	-	-	(973)	-
Garage door maintenance	(2,249)	-	-	2,249	-
Stumpage	45,867	-	8,712	-	37,155
MSW reserve	139,761	-	-	(139,761)	-
	\$ 392,429	136,074	163,070	(175,689)	189,744

Town of Winslow, Maine

Combining balance sheet

Nonmajor governmental funds

June 30, 2023

	Special revenue funds	Capital project funds	Permanent funds	Total nonmajor governmental funds
Assets				
Cash and cash equivalents	\$ 161,531	-	-	161,531
Investments	-	-	5,160	5,160
Intergovernmental receivables	644,216	-	-	644,216
Due from other funds	759,134	347,424	-	1,106,558
Inventory	21,741	-	-	21,741
Total assets	\$ 1,586,622	347,424	5,160	1,939,206
Liabilities				
Accounts payable	40,456	-	-	40,456
Unearned revenues	8,696	-	-	8,696
Total liabilities	49,152	-	-	49,152
Fund balances				
Nonspendable	21,741	-	3,379	25,120
Restricted	1,354,198	347,424	1,781	1,703,403
Committed	161,531	-	-	161,531
Total fund balances	1,537,470	347,424	5,160	1,890,054
Total liabilities and fund balances	\$ 1,586,622	347,424	5,160	1,939,206

Town of Winslow, Maine

Combining statement of revenues, expenditures, and changes in fund balances

Nonmajor governmental funds

For the year ended June 30, 2023

	Special revenue funds	Capital project funds	Permanent funds	Total nonmajor governmental funds
Revenues				
Intergovernmental	\$ 5,378,941	-	-	5,378,941
Charges for services	60,230	-	-	60,230
Student activity fees and fundraisers	152,890	-	-	152,890
Interest income (loss)	-	-	259	259
Miscellaneous	1,611	-	-	1,611
Total revenues	5,593,672	-	259	5,593,931
Expenditures				
Current:				
General government	203,716	-	-	203,716
Education	4,726,838	-	-	4,726,838
Capital outlay	-	285,451	-	285,451
Total expenditures	4,930,554	285,451	-	5,216,005
Excess (deficiency) of revenues over (under) expenditures	663,118	(285,451)	259	377,926
Other financing sources (uses)				
Transfers in	367,096	-	-	367,096
Transfers out	(729,207)	-	-	(729,207)
Total other financing sources (uses)	(362,111)	-	-	(362,111)
Net change in fund balances	301,007	(285,451)	259	15,815
Fund balances - beginning	1,236,463	632,875	4,901	1,874,239
Fund balances - ending	\$ 1,537,470	347,424	5,160	1,890,054

Town of Winslow, Maine

Combining balance sheet

Special revenue funds

June 30, 2023

		Town grant funds	TIF funds	School grants and other funds	Adult education	School lunch	Student activities	Total special revenue funds
Assets								
Cash and cash equivalents	\$	-	-	-	-	-	161,531	161,531
Intergovernmental receivables		-	-	600,810	-	43,406	-	644,216
Due from other funds		8,696	471,412	4,697	7,693	266,636	-	759,134
Inventory		-	-	-	-	21,741	-	21,741
Total assets	\$	8,696	471,412	605,507	7,693	331,783	161,531	1,586,622
Liabilities								
Accounts payable		-	40,456	-	-	-	-	40,456
Unearned revenues		8,696	-	-	-	-	-	8,696
Total liabilities		8,696	40,456	-	-	-	-	49,152
Fund balances								
Nonspendable		-	-	-	-	21,741	-	21,741
Restricted		-	430,956	605,507	7,693	310,042	-	1,354,198
Committed		-	-	-	-	-	161,531	161,531
Total fund balances		-	430,956	605,507	7,693	331,783	161,531	1,537,470
Total liabilities and fund balances	\$	8,696	471,412	605,507	7,693	331,783	161,531	1,586,622

Town of Winslow, Maine

Combining statement of revenues, expenditures, and changes in fund balances

Special revenue funds

For the year ended June 30, 2023

	Town grant funds	TIF funds	School grants and other funds	Adult education	School lunch	Student activities	Total special revenue funds
Revenues							
Intergovernmental	\$ 700,000	-	3,721,623	-	957,318	-	5,378,941
Charges for services	-	-	-	-	60,230	-	60,230
Student activity fees and fundraisers	-	-	-	-	-	152,890	152,890
Miscellaneous	-	-	1,611	-	-	-	1,611
Total revenues	700,000	-	3,723,234	-	1,017,548	152,890	5,593,672
Expenditures							
Current:							
General government	-	203,716	-	-	-	-	203,716
Education	-	-	3,642,018	-	942,955	141,865	4,726,838
Total expenditures	-	203,716	3,642,018	-	942,955	141,865	4,930,554
Excess (deficiency) of revenues over (under) expenditures	700,000	(203,716)	81,216	-	74,593	11,025	663,118
Other financing sources (uses)							
Transfers in	-	337,096	-	-	30,000	-	367,096
Transfers out	(700,000)	(29,207)	-	-	-	-	(729,207)
Total other financing sources (uses)	(700,000)	307,889	-	-	30,000	-	(362,111)
Net change in fund balances	-	104,173	81,216	-	104,593	11,025	301,007
Fund balances - beginning	-	326,783	524,291	7,693	227,190	150,506	1,236,463
Fund balances - ending	\$ -	430,956	605,507	7,693	331,783	161,531	1,537,470

Town of Winslow, Maine

Combining statement of revenues, expenditures, and changes in fund balances

School grants and other funds

For the year ended June 30, 2023

	Beginning fund balance	Revenues	Expenditures	Ending fund balance
Title IA	\$ -	401,473	401,473	-
MaineCare	427,138	164,151	90,854	500,435
Local entitlement	-	340,241	340,241	-
Pre-school	-	2,961	2,961	-
Title IIA - supporting effective instruction	-	49,615	49,615	-
Title V - rural low income	-	4,306	4,306	-
Education stabilization fund	-	2,740,788	2,740,788	-
E-rate	20,261	-	-	20,261
Fiscal agent	60,871	18,088	11,765	67,194
Insurance proceeds	4,652	1,611	-	6,263
Gizmo garden fund	2,010	-	-	2,010
Covid donations	6,780	-	-	6,780
Homeless	2,579	-	15	2,564
	\$ 524,291	3,723,234	3,642,018	605,507

Town of Winslow, Maine

Combining statement of revenues, expenditures, and changes in fund balances

Student activity funds

For the year ended June 30, 2023

	Beginning fund balance	Revenues	Expenditures	Ending fund balance
Winslow High School	\$ 39,822	99,522	87,176	52,168
Winslow High School Athletics	16,644	10,935	12,808	14,771
Winslow Junior High School	56,639	14,602	13,564	57,677
Winslow Elementary School	37,401	27,831	28,317	36,915
\$	150,506	152,890	141,865	161,531

Town of Winslow, Maine

Combining statement of changes in fiduciary net position

Fiduciary funds

For the year ended June 30, 2023

		Bowden scholarship	Esther Gagne scholarship	High School scholarships	Total
Additions					
Contributions/donations	\$	-	-	16,462	16,462
Investment earnings		1,081	2,247	34,617	37,945
Total additions		1,081	2,247	51,079	54,407
Deductions					
Scholarships		1,059	549	10,525	12,133
Total deductions		1,059	549	10,525	12,133
Change in net position		22	1,698	40,554	42,274
Net position - beginning		12,452	32,217	353,120	397,789
Net position - ending	\$	12,474	33,915	393,674	440,063