

TOWN OF WINSLOW, MAINE

Annual Financial Report

For the Year Ended June 30, 2021

TOWN OF WINSLOW, MAINE
Annual Financial Report
For the year ended June 30, 2021

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	13
Statement of Activities	2	14
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Town General Fund and School Department Operations	6	18
Statement of Fiduciary Net Position - Fiduciary Funds	7	19
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	8	20
Notes to Basic Financial Statements		21-46
Required Supplementary Information		47-52
	<u>Exhibit</u>	
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	55
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	A-2	56-59
All Other Governmental Funds:		
Combining Balance Sheet	B-1	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	64
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - School Special Revenue Funds	C-3	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Student Activity Funds	C-4	70

TOWN OF WINSLOW, MAINE
Annual Financial Report
Year ended June 30, 2021

Table of Contents, continued

	<u>Exhibit</u>	<u>Page</u>
Private-purpose Trust Funds:		
Combining Statement of Fiduciary Net Position	D-1	73
Combining Statement of Changes in Fiduciary Net Position	D-2	74
Custodial Funds:		
Combining Statement of Net Position	D-3	75
Statement of Changes in Assets and Liabilities	D-4	76

Independent Auditor's Report

To the Town Council
Town of Winslow, Maine

Report on the Financial Statements

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 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position, and the respective budgetary comparisons 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and schedules related to the pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2022, 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 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 the Town of Winslow, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remy Kristen Ouellette". The signature is written in a cursive, flowing style.

January 6, 2022
South Portland, Maine

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis
June 30, 2021

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 of Winslow for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our notes to the financial statements, which can be found on pages 21-46 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Winslow exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31,315,687 (*net position*). Of this amount, \$2,121,878 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Winslow's total net position increased by \$1,931,260.
- As of the close of the current fiscal year, the Town of Winslow's governmental funds reported combined ending fund balances of \$8,424,504, an increase of \$953,194 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,323,230 or 15.57% of total general fund expenditures and transfers out (including School Department).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Winslow's basic financial statements. The Town's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 of Winslow's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, 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 in this statement 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 of Winslow 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, protection, public works (highways, streets, and solid waste disposal), education, and parks and recreation. Currently, the Town has no business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winslow, 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 evaluating 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 Town'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 of Winslow maintains thirteen 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, school department operations, and capital improvement fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Winslow adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Winslow's own programs.

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

Notes to the basic financial statements

The notes provide additional information that is essential to 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 21-38 of this report.

Other information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the accompanying notes. Combining and individual fund financial statements can be found on pages 55-80 of this report.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Winslow, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,315,687 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Winslow net position (90%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed 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 (\$1,104,964) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (7% or \$2,121,878) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Winslow is able to report positive balances in all three categories of net position for the government activities.

Statement of Net Position

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 11,872,509	\$ 9,551,707
Capital Assets	41,146,675	41,705,923
Total Assets	53,019,184	51,257,630
Deferred Outflows of Resources Related to Pensions	912,796	945,594
Deferred Outflows of Resources Related to OPEB	167,416	248,150
Total Deferred Outflows of Resources	1,080,212	1,193,744
Long-term Debt Outstanding	19,433,331	20,950,599
Other Liabilities	3,210,155	1,811,299
Total Liabilities	22,643,486	22,761,898
Deferred Inflows of Resources Related to Pensions	-	246,159
Deferred Inflows of Resources Related to OPEB	140,223	58,890
Total Deferred Inflows of Resources	140,223	305,049
Net Investment in Capital Assets	28,088,845	27,694,693
Restricted	1,104,964	703,827
Unrestricted	2,121,878	985,907
Total Net Position	\$ 31,315,687	\$ 29,384,427

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

		Change in Net Position	
		Governmental Activities	
		2021	2020
Revenues:			
Program Revenues:			
Charges for Services	\$	3,044,619	2,707,434
Operating Grants and Contributions		13,230,315	11,181,029
Capital Grants and Contributions		377,317	634,145
General Revenues:			
Property Taxes		11,679,730	11,600,361
Excise Taxes		1,632,614	1,600,274
Cable Franchise Fees		81,795	80,995
State Revenue Sharing		946,383	648,568
Homestead and BETE Exemptions		986,138	716,749
Other State Aid		39,350	39,558
Unrestricted Inv. Earnings		45,438	122,147
Gain on Disposal of Assets		213,218	-
Misc. Revenues		48,870	256,239
Total Revenues		32,325,787	29,587,499
Expenses:			
General Government		1,181,364	1,244,733
Protection		2,424,375	2,201,143
Public Works		3,659,633	3,839,071
Recreation		210,297	253,185
County Tax		685,557	630,536
Other		1,580,476	1,517,187
Education		17,942,022	16,391,335
On-behalf Payments - Maine PERS		1,557,474	1,479,655
School Lunch		604,609	806,304
Student Activities		105,193	150,538
Interest on Debt and Debt Service Costs		443,527	369,120
Total Expenses		30,394,527	28,882,807
Change in Net Position		1,931,260	704,692
Net Position Prior Year		29,384,427	28,679,735
Net Position Current Year		\$ 31,315,687	29,384,427

Financial Analysis of the Government's Funds

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

Governmental funds

The focus of the Town of Winslow *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, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

As of the end of the current fiscal year, the Town of Winslow governmental funds reported combined ending fund balances of \$8,424,504. Approximately 51% or \$4,323,230 of this total amount constitutes *unassigned fund balance* for the general fund, which is available for spending at the government's discretion.

The fund balance of the Town of Winslow's general fund (including School Department Operations) increased \$1,275,335 during the current fiscal year. A key factor was the sale of a portion of the Crowe Rope Building.

The Budget

The adopted budget for fiscal year 2021 called for total expenditures and transfers to other funds of \$26,300,027, with a property tax commitment of \$11,654,692. Revenues came in above budgeted amounts for the Town by \$1,946,841. Revenues exceeded projections for the School Department by \$164,256. Here are some explanations on larger budget to actual variances during the year:

- Excise taxes came in higher than expected due to a robust auto sales market spurred by anticipated supply chain shortages.
- State revenue sharing was also higher than expected due to revenue increases at the state level.
- Sewer fee collection was higher than anticipated due to increased flow volume as a result of more people working and going to school from home due to the pandemic.
- Ambulance fees are new in FY 2021 and the ambulance service was not yet approved at the time the budget was developed.
- Sale of property is the largest contributor to excess revenue, resulting from the sale of several tax acquired properties at fair-market-value, and the \$2 million sale of the Orion Ropeworks building, a portion of which was recorded in the capital improvement fund. The latter did result in a shortage in the rental income account since the property was sold at the beginning of the fourth quarter and no rents were collected beyond April 2021.
- Tuition at the School Department exceeded budget by \$141,896 due to tuition students attending Winslow exceeding projections.

Actual expenditures for the Town came in under budget by \$82,705 and School Department expenditures came in under budget by \$425,287. Explanations for certain expenditures are as follows:

- General government was overspent primarily due to retirements and subsequent hiring and legal fees. The Town Manager retired on July 1, 2021, resulting in a large payout of accumulated leave. The new Town Manager was hired on October 15, 2021, at a salary \$3,000 higher than her predecessor. She also received moving expenses of \$12,500 which were not part of the original FY 2021 budget. The departure of a tenured Town Manager also required the Town to spend much more than budgeted on legal fees with the Town Attorney attending all Council Meetings during the vacancy and in the initial months of the new Town Manager's tenure, as well as overseeing the recruitment and hiring process. During the vacancy the Town Council also increased the frequency of meetings to bi-weekly instead of monthly.
- The Fire Department and Ambulance budgets offset each other. This is because the Ambulance Service was approved after the FY2021 budget was approved. Therefore, the ambulance accounts had no budgets associated with them, only expenditures. Those expenditures, however, were transferred from the Fire Department. Prior to the Ambulance Service the Fire Department still had staff and responded to all EMS calls. The only new expenditure due to the ambulance was the rig itself, and that expense appears in the Capital budget. EMS-related expenses had been budgeted already in Fire and were simply moved to the new cost center for the Ambulance. When combined, Fire Department and Ambulance budgets came in under budget.
- Public works came in under budget primarily due to a light winter and a staff vacancy. The budget for snow and ice control and the overtime budgets combine for 56% of the budget surplus. Fuel usage also was lower than expected for the same reason.
- Sanitation is over budget primarily due to an increase in Waste Management fees after the budget was approved. This accounts for 70% of the overage. The remainder is due to higher than anticipated recycling and bulky waste costs which can be contributed to the increase in home improvement projects experienced while people were home due to the pandemic.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

- The School Department came in under budget for salaries and benefits due to many unfilled positions due to COVID-19. The categories which were most underspent during the fiscal year were special education and transportation.

Capital Assets

The Town of Winslow maintains a Capital Improvement Plan and sets aside funds each year to replace essential equipment and perform routine maintenance on its publicly owned buildings. The Town Council has adopted a policy that requires specific authorization on any single capital expenditure that exceeds \$20,000. Currently, the Town Council has set up reserves for capital improvements. The Town budgeted to transfer \$794,005 to the capital improvement fund in the 2021 fiscal year. Some of the larger projects and capital assets purchased during the year were as follows:

- Benton Avenue sewer and water project replacing all water and sewer lines and connections between Clinton Avenue and Roderick Road at a cost of \$1.9 million.
- Augusta Road turning lane constructing a 1,500-foot turning lane from Augusta Road on to Millennium Drive to access the Winslow Industrial Park at a cost of \$389,000.
- Basset Road reclamation and resurfacing at a cost of \$250,000
- Chaffee Brook Pump Station engineering and permitting for upgrade and sewer line replacement across the Kennebec River at a cost of \$57,810 (entire project is expected to cost over \$5 million).
- John Deere tractor and F-250 Super Duty to replace outdated equipment for the Parks and Recreation Department at a cost of \$34,600 (this was offset by the sale of the old pickup truck for \$1,500 at auction).
- Sold Crowe Rope Building for \$2 million. \$900,000 of the proceeds was put towards the paving budget for FY2022 and the remainder was credited to fund balance.
- Renovations at Winslow High School are finishing up, which included a new band room and cafeteria, gym, and classroom renovations. There were also classroom renovations at Winslow Elementary School.
- The School Department purchased six passenger buses.

Long-term Debt

At the end of the current fiscal year, the Town of Winslow had total bonded debt outstanding of \$11,442,400; of this amount, \$9,550,000 is what remains on the bonded School projects.

Project	Balance Remaining 6/30/21	Retired
High School (refinanced)	\$ 2,260,000	October 2026
2017 Roads	1,400,000	October 2027
Town Garage (refinanced)	190,000	October 2022
2018 Sewer Bond	302,400	July 2023
2018 School Renovation Bond	7,290,000	October 2038

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the Town of Winslow is \$99,150,000, which is significantly in excess of the Town of Winslow's outstanding general obligation debt.

Additional information on the Town of Winslow's long-term debt can be found in the notes on pages 31-32 of this report.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Economic Factors and Next FY's Projected Tax Rate

We continue to experience a healthy housing market, which is an indicator that the economy is continuing to grow. In addition, the Winslow business community has shown signs of growth as well. The tax rate in FY 2021/2022 is expected to be at \$20.20.

Requests for Information

This financial report is designed to provide a general overview of the Town of Winslow'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 Ave., Winslow, Maine 04901.

BASIC FINANCIAL STATEMENTS

TOWN OF WINSLOW, MAINE
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 9,672,576
Investments	5,379
Receivables:	
Taxes and liens	686,371
Sewer and liens	301,546
Accounts, net of allowance of \$23,271	71,522
Due from other governments	828,273
Tax acquired property	5,566
Prepaid expenses	273,295
Inventories	27,981
Capital assets, not being depreciated	3,217,374
Capital assets, net of accumulated depreciation	37,929,301
Total assets	53,019,184
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	912,796
Deferred outflows of resources related to OPEB	167,416
Total deferred outflows of resources	1,080,212
LIABILITIES	
Accounts payable and other current liabilities	1,043,692
Accrued payroll	1,495,259
Accrued interest	121,150
Taxes collected in advance	25,799
Bond anticipation note payable	524,255
Noncurrent liabilities:	
Due within one year	1,544,537
Due in more than one year	17,888,794
Total liabilities	22,643,486
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	140,223
Total deferred inflows of resources	140,223
NET POSITION	
Net investment in capital assets	28,088,845
Restricted for:	
Education	283,061
Grants and other purposes	818,524
Nonexpendable trust principal	3,379
Unrestricted	2,121,878
Total net position	\$ 31,315,687

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Activities
For the year ended June 30, 2021

For the year ended June 30, 2022					Net (expense) revenue and changes in net position
Functions/programs	Expenses	Program Revenues			Primary Government
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 1,181,364	300,908	29,012	-	(851,444)
Protection	2,424,375	305,361	5,897	-	(2,113,117)
Public works	3,659,633	1,130,297	139,037	377,317	(2,012,982)
Recreation	210,297	13,672	2,463	-	(194,162)
County tax	685,557	-	-	-	(685,557)
Other	1,580,476	-	1,918	-	(1,578,558)
Education	17,942,022	1,272,927	10,746,280	-	(5,922,815)
On-behalf payment - Maine PERS	1,557,474	-	1,557,474	-	-
School lunch	604,609	21,454	654,004	-	70,849
Student activities	105,193	-	94,230	-	(10,963)
Interest on debt and debt service costs	443,527	-	-	-	(443,527)
Total governmental activities	30,394,527	3,044,619	13,230,315	377,317	(13,742,276)
General revenues:					
Property taxes, levied for general purposes					11,679,730
Motor vehicle excise taxes					1,632,614
Cable television franchise					81,795
Grants and contributions not restricted to specific programs:					
Homestead and BETE exemptions					986,138
Other State aid					39,350
State Revenue Sharing					946,383
Unrestricted investment earnings					45,438
Miscellaneous revenues					48,870
Gain on sale of assets					213,218
Total general revenues and gain					15,673,536
Change in net position					1,931,260
Net position - beginning					29,384,427
Net position - ending					\$ 31,315,687

TOWN OF WINSLOW, MAINE
Balance Sheet
Governmental Funds
June 30, 2021

	General	School Department Operations	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,999,369	2,515,778	-	157,429	9,672,576
Investments	-	-	-	5,379	5,379
Receivables:					
Taxes and liens	686,371	-	-	-	686,371
Sewer and liens	301,546	-	-	-	301,546
Accounts, net of allowance of \$23,271	71,522	-	-	-	71,522
Due from other governments	258,520	10,095	-	559,658	828,273
Interfund loans receivable	-	-	2,153,698	1,054,841	3,208,539
Tax acquired property	5,566	-	-	-	5,566
Prepaid expenditures	24,427	248,868	-	-	273,295
Inventory	9,267	-	-	18,714	27,981
Total assets	\$ 8,356,588	2,774,741	2,153,698	1,796,021	15,081,048
LIABILITIES					
Accounts payable	64,377	385,755	543,708	28,510	1,022,350
Accrued payroll	97,186	1,398,073	-	-	1,495,259
Interfund loans payable	2,456,677	707,852	-	44,010	3,208,539
Due to other governments	21,342	-	-	-	21,342
Taxes collected in advance	25,799	-	-	-	25,799
Bond anticipation note payable	-	-	524,255	-	524,255
Total liabilities	2,665,381	2,491,680	1,067,963	72,520	6,297,544
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	359,000	-	-	-	359,000
Total deferred inflows of resources	359,000	-	-	-	359,000
FUND BALANCES					
Nonspendable	33,694	248,868	-	22,093	304,655
Restricted	-	34,193	-	1,543,979	1,578,172
Committed	1,961	-	1,085,735	157,429	1,245,125
Assigned	973,322	-	-	-	973,322
Unassigned	4,323,230	-	-	-	4,323,230
Total fund balances	5,332,207	283,061	1,085,735	1,723,501	8,424,504
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,356,588	2,774,741	2,153,698	1,796,021	

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.	41,146,675
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	359,000
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:	
Accrued liabilities	(530,270)
Net pension liability, including related deferred outflows and inflows of resources	(697,281)
Total and net OPEB liabilities, including related deferred outflows and inflows of resources	(3,584,942)
Notes payable	(1,950,398)
Bonds payable	(11,442,400)
Bond premium	(409,201)

Net position of governmental activities

\$ 31,315,687

TOWN OF WINSLOW, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	General	School Department Operations	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 13,337,344	-	-	-	13,337,344
Licenses and permits	112,455	-	-	-	112,455
Intergovernmental	2,115,289	9,292,356	114,074	3,902,493	15,424,212
Charges for services	1,433,776	844,749	-	449,632	2,728,157
Investment income	40,685	3,350	-	1,403	45,438
Student activity fees and fundraisers	-	-	-	94,230	94,230
Other revenue	365,657	328	2,933	26,815	395,733
Total revenues	17,405,206	10,140,783	117,007	4,474,573	32,137,569
Expenditures:					
Current:					
General government	959,240	-	32,987	167,298	1,159,525
Protection	1,839,112	-	182,839	3,713	2,025,664
Public works	2,380,156	-	1,806,469	344,090	4,530,715
Recreation	163,732	-	11,352	-	175,084
County tax	685,557	-	-	-	685,557
Other	1,564,526	-	-	-	1,564,526
Education	-	15,365,235	-	3,394,278	18,759,513
On-behalf payment - MainePERS	-	1,557,474	-	-	1,557,474
School lunch	-	-	-	604,609	604,609
Student activities	-	-	-	105,193	105,193
Debt service	740,684	1,116,375	-	-	1,857,059
Capital outlay	-	244,479	-	442,810	687,289
Total expenditures	8,333,007	18,283,563	2,033,647	5,061,991	33,712,208
Excess (deficiency) of revenues over (under) expenditures	9,072,199	(8,142,780)	(1,916,640)	(587,418)	(1,574,639)
Other financing sources (uses):					
Proceeds from issuance of notes	-	296,113	-	-	296,113
Sale of property	1,207,620	-	1,024,100	-	2,231,720
Transfers in	-	8,361,522	810,005	347,812	9,519,339
Transfers out	(9,459,339)	(60,000)	-	-	(9,519,339)
Total other financing sources (uses)	(8,251,719)	8,597,635	1,834,105	347,812	2,527,833
Net change in fund balances	820,480	454,855	(82,535)	(239,606)	953,194
Fund balances (deficits), beginning of year	4,511,727	(171,794)	1,168,270	1,963,107	7,471,310
Fund balances, end of year	\$ 5,332,207	283,061	1,085,735	1,723,501	8,424,504

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2021

Net change in fund balances - total governmental funds (from Statement 4)	\$ 953,194
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
More specifically, this is the amount by which depreciation expense and loss on disposal exceeded capital outlay in the current period.	
Capital outlays	3,577,113
Less: book value of disposed assets	(2,018,502)
Less: depreciation expense	(2,117,859)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	(25,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the (increase) decrease in:	
Accrued compensated absences	81,737
Accrued interest	(6,248)
Net pension liability with related deferred outflows and inflows of resources	(232,537)
Total and net OPEB liabilities with related deferred outflows and inflows of resources	323,152
Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. More specifically, this represents the net amount principal (increases) decreases in debt service made during the year.	
Note proceeds	(296,113)
Note principal repayments	375,703
Bond principal repayments	1,270,800
Bond premium amortization	45,820

Change in net position of governmental activities (see Statement 2)	\$ 1,931,260
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See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2021

	Town General Fund				School Department Operations			
	Budgeted amounts		Actual	Variance with final budget positive (negative)	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 13,163,692	13,163,692	13,337,344	173,652	-	-	-	-
Licenses and permits	69,500	69,500	112,455	42,955	-	-	-	-
Intergovernmental	1,944,575	1,944,575	2,115,289	170,714	7,671,931	7,671,931	7,734,882	62,951
Charges for services	1,141,535	1,141,535	1,555,567	414,032	729,122	729,122	844,749	115,627
Investment earnings	56,000	56,000	40,685	(15,315)	-	-	3,350	3,350
Other revenues	381,489	381,489	1,542,292	1,160,803	18,000	18,000	328	(17,672)
Total revenues	16,756,791	16,756,791	18,703,632	1,946,841	8,419,053	8,419,053	8,583,309	164,256
Expenditures:								
Current:								
General government	829,269	891,710	932,997	(41,287)	-	-	-	-
Protection	1,880,241	1,879,573	1,839,112	40,461	-	-	-	-
Public works	2,524,545	2,432,110	2,377,907	54,203	-	-	-	-
Recreation	164,724	164,724	160,276	4,448	-	-	-	-
County tax	685,557	685,557	685,557	-	-	-	-	-
Other	1,512,615	1,559,277	1,534,397	24,880	-	-	-	-
Education	-	-	-	-	15,704,200	15,704,200	15,278,913	425,287
Debt service	740,684	740,684	740,684	-	1,116,375	1,116,375	1,116,375	-
Total expenditures	8,337,635	8,353,635	8,270,930	82,705	16,820,575	16,820,575	16,395,288	425,287
Excess (deficiency) of revenues over (under) expenditures	8,419,156	8,403,156	10,432,702	2,029,546	(8,401,522)	(8,401,522)	(7,811,979)	589,543
Other financing sources (uses):								
Transfers from other funds	-	-	-	-	8,361,522	8,361,522	8,361,522	-
Transfers to other funds	(9,443,339)	(9,443,339)	(9,443,339)	-	(60,000)	(60,000)	(60,000)	-
Utilization of prior year surplus	1,024,183	1,040,183	-	(1,040,183)	100,000	100,000	-	(100,000)
Total other financing sources (uses)	(8,419,156)	(8,403,156)	(9,443,339)	(1,040,183)	8,401,522	8,401,522	8,301,522	(100,000)
Net change in fund balance - budgetary basis	-	-	989,363	989,363	-	-	489,543	489,543
Reconciliation to GAAP basis:								
Change in assigned balances			(168,883)				-	
Change in summer teacher payroll accrual			-				(34,688)	
Net change in fund balance - GAAP basis			820,480				454,855	
Fund balances (deficits), beginning of year			4,511,727				(171,794)	
Fund balances, end of year	\$		5,332,207				283,061	

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

		Private-purpose Trust Fund (Scholarships)	Custodial Funds
ASSETS			
Cash and cash equivalents	\$	13,702	298,584
Investments		421,456	128,566
Total assets		435,158	427,150
LIABILITIES			
Accounts payable		-	-
Total liabilities		-	-
NET POSITION			
Restricted for individuals and organizations	\$	435,158	427,150

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021

	Private-purpose Trust Fund (Scholarships)	Custodial Funds
Additions:		
Investment income	\$ 5,189	3,463
Realized/unrealized gain (loss)	87,330	33,169
Donations	6,096	16,250
Total additions	98,615	52,882
Deductions:		
Other miscellaneous	10,026	8,796
Total deductions	10,026	8,796
Change in net position	88,589	44,086
Net position, beginning of year	346,569	383,064
Net position, end of year	\$ 435,158	427,150

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Winslow, Maine was incorporated in 1771 and operates under a Council-Manager form of Government.

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

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The criterion used is that set forth by the Governmental Accounting Standards Board (GASB) which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there are no potential component units which should be included in these basic financial statements.

Joint Venture - The Town of Winslow has entered into a joint venture with other entities. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the Town. The joint venture is as follows:

Kennebec Regional Development Authority (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 24 local governments who are members of the Authority including the Town of Winslow.

The Authority derives the bulk of its operating revenue from the participants, but also receives some grant revenues from the State of Maine. In fiscal year June 30, 2021, the Town of Winslow contributed \$55,229. Complete financial statements may be obtained from Kennebec Regional Development Authority/FirstPark at 46C First Park Drive, Oakland, ME 04963.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as a separate column in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

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

The *School Department Operations Fund* is the School Department's primary operating fund. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The *Capital Improvement Fund* accounts for the financial activity of a reserve established for major capital improvements.

Additionally, the Town reports the following fund type:

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. *Private-purpose trust funds* are used to report resources held in trust for scholarships for students. *Custodial funds* report resources, not in a trust, that are held by the Town for other parties outside of the Town's reporting entity. The custodial fund accounts for assets held for the benefit of the Winslow Public Library.

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

D. Deposits and Investments

Cash includes amounts in demand deposits as well as time deposits and certificates of deposit owned by the Town. State statutes authorize the Town to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Inventory and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures 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 government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-100 years
Machinery and equipment	5-50 years
Vehicles	3-12 years
Infrastructure	25-67 years

G. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension liability and total and net OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which are recognized as a reduction of the net pension liability and total and net OPEB liabilities in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

H. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Use of Estimates

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

L. Fund Equity

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town Council has designated the responsibility for assigning fund balance to the Town Manager.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

M. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, and pension and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. Comparative Data/Reclassifications

Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information - A budget is adopted for the General Fund and the School Department Operations Fund only, and is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for teachers' summer salaries, which are budgeted on a cash basis, and assigned revenues/expenditures. This budget is established in accordance with the various laws which govern the Town's operations. The legal level of control at the Town is the department level. The level of control (level at which expenditures may not exceed budget) in the School Department budget is the cost article level. Generally, all unexpended appropriations lapse at the close of the fiscal year. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the School Department Operations Fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted.

B. Excess of Expenditures over Appropriations - For the year ended June 30, 2021, expenditures exceeded appropriations in the following department:

Administration	\$ 57,320	Other Town utilities	12,809
Elections	2,777	Sanitation	54,990
Information technology	6,370	General assistance	523
Ambulance	85,458	Insurance	9,054

These overexpenditures lapsed to fund balance.

BUDGETARY VS. GAAP BASIS OF ACCOUNTING

The School Department Operations fund balance as shown on Statement 3 differs from the School fund balance calculated on a budgetary basis due to the accrued teachers summer salaries and benefits. The reconciliation is as follows:

	School Department Operations <u>Fund Balance</u>
School fund balance, June 30, 2021--GAAP Basis	\$ 283,061
<u>Accrued teacher summer salaries and benefits</u>	<u>1,271,318</u>
<u>Fund balance, June 30, 2021--budgetary basis</u>	<u>\$ 1,554,379</u>

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

BUDGETARY VERSUS GAAP BASIS OF ACCOUNTING, CONTINUED

Teacher employment contracts run from September 1st to August 31st of the next year and payments are made throughout that period. Since teachers' contracted services are constructively performed at the end of the school year, salaries paid to teachers during July and August represent liabilities of the Town at June 30, 2021. The amount of teachers' salaries and benefits earned but unpaid at June 30, 2021 was \$1,271,318.

Additionally, as required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the Winslow School Department. These amounts have not been budgeted in the School Department Operations Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$1,557,474. These amounts have been included as an intergovernmental revenue and shown as "On-behalf payment - MainePERS" expense/expenditure on Statement 2 and in the School Department Operations Fund on Statement 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year.

DEPOSITS AND INVESTMENTS

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

As of June 30, 2021, the Town had the following investments:

	<u>Fair value</u>	<u>Fair value hierarchy</u>	<u>Weighted average maturity (years)</u>
Mutual funds	\$ 386,092	Level 1	N/A
MCF Funds	169,309	Level 3	N/A

Custodial credit risk-deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town currently does not have a deposit policy for custodial credit risk. As of June 30, 2021, none of the Town's bank balance of \$10,521,308 was exposed to custodial credit risk as it was covered by FDIC or was collateralized by underlying securities held by the related bank in the Town's name.

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

Interest rate risk – The Town does not have a deposit policy for interest rate risk.

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

INTERFUND BALANCES

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund loans receivable and payable balances and transfers in and out at June 30, 2021 arising from these transactions were as follows:

	Interfund loans <u>receivable</u>	Interfund loans <u>payable</u>	Transfers <u>in (out)</u>
General Fund	\$ -	2,456,677	(9,459,339)
School Department Operations	-	707,852	8,301,522
Capital Improvement Fund	2,153,698	-	810,005
Other Governmental Funds:			
Capital Project Funds	744,169	-	-
Town Special Revenue Funds	7,600	-	-
TIF Funds	295,379	-	287,812
School Special Revenue Funds	-	11,419	-
Adult Education Fund	7,693	-	-
School Lunch Program	-	32,591	60,000
Total	\$ 3,208,539	3,208,539	-

The General Fund transferred \$8,361,522 to the School Department Operations for its portion of the local appropriation. The General Fund transferred \$794,005 to the Capital Improvement Fund, and \$287,812 to the TIF fund. The School Department Operations transferred \$60,000 to the School Lunch Program.

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

PROPERTY TAX

Property taxes for the current year were committed on August 20, 2020, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Taxes were due in four equal installments on October 9, 2020, December 11, 2020, March 12, 2021, and June 11, 2021. Interest was charged at 7% on all taxes unpaid after these dates. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. At April 1, 2020, the date on which the current year's assessed value was based, the assessed value represented 100% of market value.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$16,812 for the year ended June 30, 2021. The variance between actual property tax revenues and budgeted property tax revenues represents supplemental taxes, overlay, and the change in deferred taxes.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remained unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenue.

The following summarizes the June 30, 2021 and 2020 levies:

	<u>2021</u>	<u>2020</u>
Assessed value	\$ 619,271,600	622,540,600
Tax rate (per \$1,000)	18.82	18.64
Commitment	11,654,692	11,604,158
Supplemental taxes assessed	23,363	11,925
Total levy	11,678,055	11,616,083
Less:		
Abatements	23,502	5,379
Collections	11,111,907	11,107,996
Current taxes receivable at end of year	\$ 542,646	502,708

	<u>2021</u>	<u>2020</u>
Due date(s)	¼ Oct 9, 2020	¼ Oct 11, 2019
	¼ Dec 11, 2020	¼ Dec 6, 2019
	¼ Mar 12, 2021	¼ Mar 6, 2020
	¼ Jun 11, 2021	¼ Jun 5, 2020
Interest rate on delinquent taxes	7.0%	7.0%
Collection rate	95.3%	95.7%

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

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 794,438	17,344	-	811,782
Construction in progress	7,028,329	2,499,073	7,575,416	1,951,986
Land	532,650	-	79,044	453,606
Total capital assets, not being depreciated	8,355,417	2,516,417	7,654,460	3,217,374
Capital assets, being depreciated:				
Land improvements	851,395	-	-	851,395
Buildings and building improvements	23,322,181	7,729,550	2,779,006	28,272,725
Machinery and equipment	9,166,038	291,969	839,958	8,618,049
Vehicles	4,272,893	614,593	791,920	4,095,566
Infrastructure	38,522,432	-	-	38,522,432
Total capital assets being depreciated	76,134,939	8,636,112	4,410,884	80,360,167
Less accumulated depreciation for:				
Land improvements	427,841	45,565	-	473,406
Buildings and building improvements	8,846,477	567,989	1,226,002	8,188,464
Machinery and equipment	6,607,953	289,694	547,142	6,350,505
Vehicles	1,641,400	308,008	698,282	1,251,126
Infrastructure	25,260,762	906,603	-	26,167,365
Total accumulated depreciation	42,784,433	2,117,859	2,471,426	42,430,866
Total capital assets being depreciated, net	33,350,506	6,518,253	1,939,458	37,929,301
Governmental activities capital assets, net	\$ 41,705,923	9,034,670	9,593,918	41,146,675

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

Governmental activities:	
General government	\$ 85,802
Protection	229,922
Public works, including depreciation of general infrastructure assets	1,132,482
Recreation	35,679
Education	633,974
Total depreciation expense – governmental activities	\$ 2,117,859

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

LONG-TERM DEBT

Long-term liability activity the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 12,713,200	-	1,270,800	11,442,400	1,140,800
Bond premium	455,021	-	45,820	409,201	43,593
Notes from direct borrowing	2,029,988	296,113	375,703	1,950,398	360,144
Net pension liability	1,164,179	445,898	-	1,610,077	-
OPEB liabilities	4,097,354	40,650	525,869	3,612,135	-
Accrued compensated absences	490,857	-	81,737	409,120	-
Governmental activity long-term liabilities	\$ 20,950,599	782,661	2,299,929	19,433,331	1,544,537

Long-term debt payable at June 30, 2021 is comprised of the following:

	<u>Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
<u>General obligation bonds:</u>				
2015 Refunding – School	\$ 3,590,000	3.00% - 4.00%	2027	2,260,000
2015 Refunding – Town	500,000	3.00%	2023	190,000
2017 General Obligation Bonds	2,000,000	2.00% - 4.00%	2028	1,400,000
2018 General Obligation Bonds	504,000	3.14%	2024	302,400
2019 School Bond	7,695,000	3.00% - 4.00%	2039	7,290,000
Total general obligation bonds				\$ 11,442,400
<u>Notes from direct borrowing:</u>				
2018 Bus	\$ 88,963	4.17%	2022	18,527
2019 Bus	92,913	4.08%	2023	37,951
2020 Bus	102,474	3.29%	2024	61,586
2020 Bus	102,474	3.29%	2024	61,586
2021 Bus	98,000	1.95%	2025	77,694
2021 Bus	98,000	1.95%	2025	77,694
2020 Copiers	51,534	4.56%	2026	43,823
2018 Copiers	41,281	4.20%	2023	19,650
2021 Phone System	48,479	9.03%	2025	48,479
2021 Fire Truck	1,094,282	3.30%	2030	1,002,796
2021 Pumper Truck	613,086	3.30%	2025	500,612
Total notes from direct borrowing				\$ 1,950,398

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

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2021 are as follows:

	<u>General Obligation Bonds</u>		<u>Notes from Direct Borrowing</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,140,800	396,360	360,144	62,696	1,960,000
2023	1,155,800	361,700	353,513	50,028	1,921,041
2024	1,075,800	325,991	338,421	38,099	1,778,311
2025	985,000	291,050	303,628	26,812	1,606,490
2026	1,005,000	256,275	112,954	18,381	1,392,610
2027-2031	2,840,000	868,800	481,738	35,890	4,226,428
2032-2036	2,025,000	445,500	-	-	2,470,500
2037-2039	1,215,000	72,900	-	-	1,287,900
Total	\$ 11,442,400	3,018,576	1,950,398	231,906	16,643,280

STATUTORY DEBT LIMIT

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2021, the Town was in compliance with these limitations.

SHORT-TERM DEBT

The Town issued a bond anticipation note for long-term financing through Rural Development for the Benton Avenue sewer rehabilitation project. The bond anticipation note was for \$1,902,000, with an interest rate of 1.5%, with principal and interest due on April 1, 2022. Short-term debt activity the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Bond anticipation note	\$ -	524,255	-	524,255

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

FUND BALANCES

As of June 30, 2021, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund:				
Inventory and prepaid	\$ 33,694	-	-	-
Sick leave payout	-	-	1,961	-
Sewerage	-	-	-	531,268
Stumpage	-	-	-	8,386
MSW Reserve	-	-	-	279,519
Unemployment insurance	-	-	-	29,012
Recreation	-	-	-	67,832
Other purposes	-	-	-	57,305
School Department operations	248,868	34,193	-	-
Capital improvement and projects	-	-	1,085,735	-
Other governmental funds:				
High School renovations	-	744,169	-	-
Grants and other purposes	18,714	797,810	-	-
Student activities	-	-	157,429	-
Permanent funds - principal	3,379	-	-	-
Permanent funds - unexpended	-	2,000	-	-
Totals	\$ 304,655	1,578,172	1,245,125	973,322

The School Department Operations fund budgeted to use \$160,000 of fund balance for the fiscal year 2022 budget. Funds cannot be assigned if the result of that assignment would cause or increase a deficit in unassigned fund balance.

DEFERRED COMPENSATION PLAN

Deferred Compensation Plan - The Town of Winslow, Maine offers all its full-time employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

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

RISK MANAGEMENT

The Town and School Department are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pools. The Town participates in several public entity and self-insured risk pools and self-insurance programs sponsored by the Maine Municipal Association for unemployment, workers' compensation and property and casualty. The School Department carries commercial insurance for workers' compensation and property and casualty.

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2021.

OPERATING LEASES AND SALE OF PROPERTY

In November of 2019, the Town sold a portion of the former Crowe Rope buildings to Johnny's Selected Seeds for \$1,646,568. Previous to this sale, the Town leased space to Johnny's Selected Seeds at the former Crowe Rope buildings.

In April of 2021, the Town sold the remaining portion of the former Crowe Rope buildings to Orion Ropeworks for \$2,000,000. Previous to this sale, the Town leased space to Orion Ropeworks at the former Crowe Rope buildings. Prior to the sale of the building, the Town collected \$183,832 for ten months of rent at \$18,832 per month.

TAX INCREMENT FINANCING DISTRICTS

The Town has established three tax increment financing districts (TIF) under the terms of applicable state laws.

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
ALCOM TIF	\$ 56,045	3,741,200	100%	3,741,200	70,409
Lohmann TIF	4,521,100	9,722,500	100%	9,722,500	182,977
Natural Gas TIF	-	1,829,200	100%	1,829,200	34,426

The Town entered into property tax abatement agreements (credit enhancement agreements) with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. For the year ended June 30, 2021, the Town abated property taxes totaling \$127,389 through these credit enhancement agreements. A high-end aluminum recreational trailer manufacturer (ALCOM Inc.) received a 25% property tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$17,602. A manufacturer and supplier of poultry biologics (Lohmann Animal Health International) received a 60% tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$109,787, \$27,447 of which is payable at year end.

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

NET POSITION

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases payable and adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at June 30, 2021:

	<u>Governmental activities</u>
Capital assets	\$ 83,577,541
Accumulated depreciation	(42,430,866)
Bonds payable	(11,442,400)
Bond premium	(409,201)
Notes from direct borrowing	(1,950,398)
Unspent bond proceeds	<u>744,169</u>
<u>Total net investment in capital assets</u>	<u>\$ 28,088,845</u>

NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Police, fire, and public works employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the Town are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD and SET Plans 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. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014) except for special plan members, primarily uniformed public safety employees, who can retire after twenty-five years of creditable service at any age. For SET Plan members, normal retirement age is 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. The monthly benefit of members who retire before normal retirement age 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 contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

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

NET PENSION LIABILITY, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

PLD Plan - Employees are required to contribute 7.35%, 8.0%, or 8.1% of their annual pay. The Town's contractually required contribution rates for the year ended June 30, 2021 were 10.1% or 10.8% of annual payroll. Contributions to the pension plan from the Town were \$161,152 for the year ended June 30, 2021.

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, 2021, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$357,808 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2021, the Town reported a liability of \$931,484 for its proportionate share of the net pension liability. At June 30, 2020, the Town's proportion of the PLD Plan was 0.2344%.

SET Plan - At June 30, 2021, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 678,593
State's proportionate share of the net pension liability associated with the Town	9,598,469
Total	\$ 10,277,062

At June 30, 2020, the Town's proportion of the SET Plan was 0.0416%.

For the year ended June 30, 2021, the Town recognized pension expense of \$383,531 for the PLD plan and \$1,600,512 for the SET plan with revenue of \$1,232,547 for support provided by the State. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NET PENSION LIABILITY, CONTINUED

	<u>PLD Plan</u>		<u>SET Plan</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,655	-	7,329	-
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	60,613	-	28,132	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	214,606	-	37,501	-
Town contributions subsequent to the measurement date	161,152	-	357,808	-
Total	\$ 482,026	-	430,770	-

\$518,960 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>PLD Plan</u>	<u>SET Plan</u>
2022	\$ 76,219	2,574
2023	141,573	20,697
2024	51,484	24,977
2025	51,598	24,714

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75% + merit	2.75% + merit
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

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

NET PENSION LIABILITY, CONTINUED

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 asset class. 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Public equities	30.0%	6.0%
U.S. Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the PLD and the SET Plans. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities.

Sensitivity of the Town's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate -

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the PLD Plan and the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75% for PLD Plan and for SET Plan) or 1 percentage-point higher (7.75% for PLD Plan and for SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 1,957,604	931,484	91,530
<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 1,176,879	678,593	263,282

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

NET PENSION LIABILITY, CONTINUED

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing group term life insurance to retiring teachers (hereafter referred to as GTL Plan). The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at www.maineopers.org.

Benefits Provided - Under the GTL Plan, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$20,611 for the year ended June 30, 2021. Employers and employees are not required to contribute to the OPEB plan.

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

At June 30, 2021, the Town reported no liability related to the GTL Plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$243,375 as of June 30, 2021. The net OPEB liability was measured as of June 30, 2020 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 net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.00%.

For the year ended June 30, 2021, the Town recognized OPEB expense for the GTL Plan of \$27,327 and revenues of \$27,327 for support provided by the State. At June 30, 2021, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the OPEB plan.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation for the GTL Plan was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 14.50%
Investment rate of return	6.75%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates 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 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
U.S. Government Securities	10.0%	2.3%

Discount Rate - The rate used to measure the total OPEB liability for the GTL plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position - Detailed information about the GTL plan's fiduciary net position is available in a separately issued MPERS financial report.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is 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. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Under the Health Plan, MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>44</u>
Total	<u>47</u>

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

The Town's total Health Plan OPEB liability of \$294,331 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2020.

Changes in the Total Health Plan OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	\$ 253,681
Changes for the year:	
Service cost	22,059
Interest	7,446
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	19,164
Benefit payments	<u>(8,019)</u>
Net changes	<u>40,650</u>
Balance at June 30, 2021	\$ <u>294,331</u>

Change in assumptions reflects a change in the discount rate from 2.47% to 2.12%.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN, CONTINUED

For the year ended June 30, 2021, The Town recognized OPEB expense of \$29,861 related to the Health Plan. At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	51,425
Changes of assumption or other inputs	53,337	-
Contributions subsequent to measurement date	5,892	-
Total	\$ 59,229	51,425

\$5,892 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 356
2023	356
2024	356
2025	356
2026	354
Thereafter	134

Actuarial Assumptions - The total OPEB liability in the January 1, 2020 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	2.75% per annum
Discount rate	2.12% per annum
Healthcare cost trend rates	8.55% for 2020, decreasing to 3.28% for 2040
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2020 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate - The rate used to measure the total OPEB liability for the Health plan was 2.12% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN, CONTINUED

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.12% as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 348,983	294,331	250,842

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 245,735	294,331	358,593

OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE – SCHOOL DEPARTMENT

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is 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*.

Benefits Provided - MEABT provides healthcare insurance benefits 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 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. 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.

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

OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE – SCHOOL DEPARTMENT, CONTINUED

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	90
Inactive employee entitled to but not yet receiving benefits	-
Active employees	165
Total	<u>255</u>

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

The Town's total OPEB liability of \$3,317,804 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 3,843,673
Changes for the year:	
Service cost	22,573
Interest	132,896
Changes of benefit terms	(381,037)
Differences between expected and actual experience	(106,558)
Changes in assumptions or other inputs	(54,083)
Benefit payments	(139,660)
Net changes	<u>(525,869)</u>
Balance at June 30, 2021	<u>\$ 3,317,804</u>

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%.

For the year ended June 30, 2021, The Town recognized OPEB gain of \$243,726. At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	88,798
Changes in assumptions	12,811	-
Town contributions subsequent to measurement date	95,376	-
Total	<u>\$ 108,187</u>	<u>88,798</u>

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

OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE – SCHOOL DEPARTMENT, CONTINUED

\$95,376 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (18,158)
2023	(18,156)
2024	13,872
2025	(26,774)
2026	(26,771)
Thereafter	-

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75% per year
Discount rate	2.21% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2021 grading over 18 years to 3.25%
Healthcare cost trend rates - Medicare	0.00% for 2021 grading over 18 years to 3.25%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 3.87%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21 %) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 3,940,283	3,317,804	2,821,306

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

OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE – SCHOOL DEPARTMENT, CONTINUED

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

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	2,790,365	3,317,804	3,990,260

CONSTRUCTION COMMITMENTS

The Town has entered into contracts in connection with the high school renovation project. The following is a summary of commitments at June 30, 2021.

	Contract <u>Total</u>	Percentage <u>Complete</u>	Billed <u>to Date</u>	<u>Retainage</u>	Balance <u>Remaining</u>
Benton Ave Rehabilitation	\$ 1,374,645	47%	646,340	32,317	728,305

TOWN OF WINSLOW, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years*

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan</u>								
Town's proportion of the net pension liability	\$	0.2344%	0.2028%	0.1056%	0.0505%	N/A	N/A	N/A
Town's proportionate share of the net pension liability		931,484	620,017	289,077	206,696	N/A	N/A	N/A
Town's covered payroll		1,447,071	1,190,812	584,373	584,373	N/A	N/A	N/A
Town's proportionate share of the net pension liability as a percentage of its covered payroll		64.37%	52.07%	49.47%	35.37%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability		88.35%	90.62%	91.14%	86.43%	N/A	N/A	N/A
<u>SET Plan</u>								
Town's proportion of the net pension liability		0.0416%	0.0371%	0.0387%	0.0385%	0.0388%	0.0388%	0.0386%
Town's proportionate share of the net pension liability		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		9,598,469	8,556,930	7,310,488	8,039,926	10,015,808	7,916,658	6,198,199
Total	\$	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	\$	8,155,639	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		8.32%	6.87%	7.33%	6.96%	9.63%	7.37%	6.07%
Plan fiduciary net position as a percentage of the total pension liability		81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

* Only seven years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

The Town joined the PLD Plan during the year ended June 30, 2018.

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions – Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan</u>								
Contractually required contribution	\$ 161,152	151,440	124,083	59,022	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(161,152)	(151,440)	(124,083)	(59,022)	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	-	-	-	N/A	N/A	N/A	N/A
Town's covered payroll	1,516,782	1,447,071	1,190,812	584,373	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	10.62%	10.47%	10.42%	10.10%	N/A	N/A	N/A	N/A
<u>SET Plan</u>								
Contractually required contribution	357,808	339,275	314,543	283,076	240,604	238,949	188,481	182,008
Contributions in relation to the contractually required contribution	(357,808)	(339,275)	(314,543)	(283,076)	(240,604)	(238,949)	(188,481)	(182,008)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Town's covered payroll	\$ 8,601,162	8,155,639	7,922,994	7,130,379	7,160,836	7,111,584	7,112,501	6,868,246
Contributions as a percentage of covered payroll	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only eight years of information available.
The Town joined the PLD Plan during the year ended June 30, 2018.

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 22,059	13,578	15,484	12,243
Interest	7,446	10,875	9,510	8,759
Changes of benefit terms	-	(5,109)	-	-
Differences between expected and actual experience	-	(63,427)	-	(3,764)
Changes of assumptions or other inputs	19,164	49,302	(28,058)	29,988
Benefit payments	(8,019)	(6,365)	(6,120)	(5,336)
Net change in total OPEB Liability	<u>40,650</u>	<u>(1,146)</u>	<u>(9,184)</u>	<u>41,890</u>
Total OPEB liability - beginning	<u>253,681</u>	<u>254,827</u>	<u>264,011</u>	<u>222,121</u>
Total OPEB liability - ending	\$ <u>294,331</u>	<u>253,681</u>	<u>254,827</u>	<u>264,011</u>
Covered-employee payroll	\$ 2,033,965	2,033,965	1,886,942	1,886,942
Total OPEB liability as a percent of covered-employee payroll	14.5%	12.5%	13.5%	14.0%

**Only four years of information available.*

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 22,573	18,733	20,297
Interest	132,896	138,239	133,045
Changes of benefit terms	(381,037)	-	-
Differences between expected and actual experience	(106,558)	-	-
Changes of assumptions or other inputs	(54,083)	203,222	(160,138)
Benefit payments	(139,660)	(138,385)	(133,602)
Net change in total OPEB Liability	<u>(525,869)</u>	<u>221,809</u>	<u>(140,398)</u>
Total OPEB liability - beginning	<u>3,843,673</u>	<u>3,621,864</u>	<u>3,762,262</u>
Total OPEB liability - ending	\$ <u>3,317,804</u>	<u>3,843,673</u>	<u>3,621,864</u>
Covered-employee payroll	\$ 7,622,789	7,937,801	7,725,354
Total OPEB liability as a percent of covered-employee payroll	43.5%	48.4%	46.9%

**Only three years of information available.*

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net OPEB Liability
Last 10 Fiscal Years*

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability		0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$	-	-	-	-
State's proportionate share of the net OPEB liability associated with the Town		<u>243,375</u>	<u>223,923</u>	<u>205,352</u>	<u>189,237</u>
Total	\$	<u>243,375</u>	<u>223,923</u>	<u>205,352</u>	<u>189,237</u>
Plan fiduciary net position as a percentage of the total OPEB liability		49.51%	49.22%	48.04%	47.29%

* Only four years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

TOWN OF WINSLOW, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - PLD	6.75%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate - SET	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75% + merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.75% + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

Net OPEB Liability

Changes of Benefit Terms - None

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

	<u>2018</u>	<u>2017</u>
Discount rate	6.75%	6.875%

Total OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - Town Health Plan	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate - School Department Health Plan	2.21%	3.50%	3.87%	3.58%	N/A

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

These statements provide a more detailed view of the "basic financial statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Several individual fund statements are presented to provide additional detail and to present budgetary comparison.

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

TOWN OF WINSLOW, MAINE
General Fund
Comparative Balance Sheets
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 6,999,369	5,194,321
Receivables:		
Taxes - current year	542,646	502,708
Taxes - prior years	43,075	56,158
Tax liens - prior years	100,650	135,041
Sewer	288,103	309,494
Sewer liens	13,443	8,983
Ambulance, net of allowance of \$23,271	71,522	-
Accounts	-	89,705
Due from other governments	258,520	147,629
Tax acquired property	5,566	-
Prepaid expenditures	24,427	-
Inventory	9,267	7,051
Total assets	\$ 8,356,588	6,451,090
LIABILITIES		
Accounts payable	64,377	31,344
Accrued payroll	97,186	82,585
Interfund loans payable	2,456,677	1,398,294
Due to other governments	21,342	22,871
Taxes collected in advance	25,799	20,269
Total liabilities	2,665,381	1,555,363
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	359,000	384,000
Total deferred inflows of resources	359,000	384,000
FUND BALANCE		
Nonspendable - inventory and prepaid	33,694	7,051
Committed for sick leave payout	1,961	48,090
Assigned for subsequent budget	-	700,000
Assigned for other purposes	973,322	958,771
Unassigned	4,323,230	2,797,815
Total fund balance	5,332,207	4,511,727
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,356,588	6,451,090

TOWN OF WINSLOW, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2021
(with comparative actual amounts for the year ended June 30, 2020)

	2021			
	Adjusted Budget	Actual	Variance positive (negative)	2020 Actual
Revenues:				
Taxes:				
Property taxes	\$ 11,654,692	11,704,730	50,038	11,690,361
Excise taxes	1,509,000	1,632,614	123,614	1,600,274
Total taxes	13,163,692	13,337,344	173,652	13,290,635
Licenses and permits:				
Town Clerk fees	39,000	53,131	14,131	46,427
Other	30,500	59,324	28,824	37,387
Total licenses and permits	69,500	112,455	42,955	83,814
Intergovernmental:				
State Revenue Sharing	778,537	946,383	167,846	648,568
State homestead reimbursement	719,721	719,721	-	477,443
BETE reimbursement	266,417	266,417	-	239,306
State highway block grant	118,000	109,148	(8,852)	118,132
Contractual service - MDOT	18,900	29,889	10,989	9,832
General assistance	1,500	1,918	418	-
Tree growth reimbursement	23,000	21,568	(1,432)	21,728
Veterans exemptions	16,000	17,782	1,782	17,830
Snowmobiles	2,500	2,463	(37)	2,469
Total intergovernmental	1,944,575	2,115,289	170,714	1,535,308
Charges for services:				
Sewer fees	993,127	1,107,857	114,730	1,061,501
Ambulance fees	-	303,506	303,506	-
Police department fees	2,000	1,855	(145)	2,505
Public works/sanitation	140,158	140,433	275	140,308
Recreation	2,250	445	(1,805)	1,625
Library fees	4,000	1,471	(2,529)	2,553
Total charges for services	1,141,535	1,555,567	414,032	1,208,492

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

	2021			2020 Actual
	Adjusted Budget	Actual	Variance positive (negative)	
Revenues, continued:				
Investment earnings:				
Investment interest/interest on taxes	\$ 50,000	34,781	(15,219)	56,608
Interest - sewerage	6,000	5,904	(96)	4,424
Total investment earnings	56,000	40,685	(15,315)	61,032
Other revenues:				
Lien costs and fees	29,919	20,175	(9,744)	20,827
Cable television franchise	68,000	81,795	13,795	80,995
Rental payments	236,453	183,832	(52,621)	336,993
Sale of Town owned property	10,000	1,207,620	1,197,620	956,121
Miscellaneous revenue	37,117	48,870	11,753	36,908
Total other revenues	381,489	1,542,292	1,160,803	1,431,844
Total revenues	16,756,791	18,703,632	1,946,841	17,611,125
Expenditures:				
Current:				
General governmental:				
Administration	423,774	481,094	(57,320)	386,222
Town Council	9,380	8,336	1,044	7,040
Assessing	144,587	139,165	5,422	138,089
Elections	31,700	34,477	(2,777)	11,857
Library	230,629	211,915	18,714	217,434
Information technology	51,640	58,010	(6,370)	47,281
Total general governmental	891,710	932,997	(41,287)	807,923
Protection:				
Police department	908,062	869,716	38,346	840,684
Fire department	901,061	815,583	85,478	822,882
Ambulance	-	85,458	(85,458)	-
Emergency management	-	-	-	301
Code enforcement	70,450	68,355	2,095	65,942
Total protection	1,879,573	1,839,112	40,461	1,729,809

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

	2021		Variance positive (negative)	2020 Actual
	Adjusted Budget	Actual		
Expenditures, continued				
Current, continued:				
Public works:				
Public works	\$ 1,021,883	933,167	88,716	1,018,880
Other Town utilities	173,826	186,635	(12,809)	233,624
Sewer	669,934	636,648	33,286	652,666
Sanitation	566,467	621,457	(54,990)	565,408
Total public works	2,432,110	2,377,907	54,203	2,470,578
Recreation:				
Parks and recreation	164,724	160,276	4,448	153,092
Total recreation	164,724	160,276	4,448	153,092
County tax	685,557	685,557	-	630,536
Other:				
General assistance	1,716	2,239	(523)	-
Insurance	1,364,634	1,373,688	(9,054)	1,311,442
Organizational support	27,750	27,750	-	25,500
Community services	105,365	104,007	1,358	107,463
Contingency	43,000	16,000	27,000	14,888
Overlay/abatements	16,812	10,713	6,099	5,379
Total other	1,559,277	1,534,397	24,880	1,464,672
Debt service:				
Principal	633,960	633,960	-	435,000
Interest	106,724	106,724	-	62,125
Total debt service	740,684	740,684	-	497,125
Total expenditures	8,353,635	8,270,930	82,705	7,753,735

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

	2021			2020 Actual
	Adjusted Budget	Actual	Variance positive (negative)	
Excess of revenues over expenditures	\$ 8,403,156	10,432,702	2,029,546	9,857,390
Other financing sources (uses):				
Transfers out - Capital improvement fund	(794,005)	(794,005)	-	(1,061,257)
Transfers out - Education (local share)	(8,361,522)	(8,361,522)	-	(8,008,464)
Transfer out - TIF fund	(287,812)	(287,812)	-	(281,472)
Utilization of prior year surplus	1,040,183	-	(1,040,183)	-
Total other financing sources (uses)	(8,403,156)	(9,443,339)	(1,040,183)	(9,351,193)
Net change in fund balance - budgetary basis	-	989,363	989,363	506,197
Reconciliation to GAAP basis:				
Change in committed/assigned balances		(168,883)		(64,190)
Net change in fund balance - GAAP basis		820,480		442,007
Fund balance, beginning of year		4,511,727		4,069,720
Fund balance, ending of year	\$	5,332,207		4,511,727

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF WINSLOW, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 157,429	-	-	157,429
Investments	-	-	5,379	5,379
Due from other governments	559,658	-	-	559,658
Interfund loans receivable	310,672	744,169	-	1,054,841
Inventory	18,714	-	-	18,714
Total assets	\$ 1,046,473	744,169	5,379	1,796,021
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	28,510	-	-	28,510
Interfund loans payable	44,010	-	-	44,010
Total liabilities	72,520	-	-	72,520
Fund balances:				
Nonspendable - Principal	18,714	-	3,379	22,093
Restricted	797,810	744,169	2,000	1,543,979
Committed	157,429	-	-	157,429
Total fund balances	973,953	744,169	5,379	1,723,501
Total liabilities and fund balances	\$ 1,046,473	744,169	5,379	1,796,021

TOWN OF WINSLOW, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 3,902,493	-	-	3,902,493
Charges for services	449,632	-	-	449,632
Interest revenue	-	-	1,403	1,403
Student activity fees and fundraisers	94,230	-	-	94,230
Other revenue	26,815	-	-	26,815
Total revenues	4,473,170	-	1,403	4,474,573
Expenditures:				
Current:				
General government	167,298	-	-	167,298
Protection	3,713	-	-	3,713
Public works	344,090	-	-	344,090
Education	3,394,278	-	-	3,394,278
School lunch	604,609	-	-	604,609
Student activities	105,193	-	-	105,193
Capital outlay	-	442,810	-	442,810
Total expenditures	4,619,181	442,810	-	5,061,991
Excess (deficiency) of revenues over (under) expenditures	(146,011)	(442,810)	1,403	(587,418)
Other financing sources (uses):				
Transfers in	347,812	-	-	347,812
Total financing sources (uses)	347,812	-	-	347,812
Net change in fund balances	201,801	(442,810)	1,403	(239,606)
Fund balances, beginning of year	772,152	1,186,979	3,976	1,963,107
Fund balances, end of year	\$ 973,953	744,169	5,379	1,723,501

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

Special revenue funds are established for the following purposes:

Town Special Revenue Funds

To account for various federal and other grants for special programs administered by the Town.

TIF Funds

To account for the Town's tax increment finance districts.

School Special Revenue Funds

To account for various federal and state grants for special programs administered by the School Department.

Adult Education Fund

To account for the revenues and expenditures associated with the Adult Education Program.

School Lunch Program

To account for the activity of the school lunch operations.

Student Activity Funds

To account for funds held at the individual schools for student activities and other purposes.

TOWN OF WINSLOW, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

(with comparative totals for June 30, 2020)

		Town Special Revenue Funds	TIF Funds	School Special Revenue Funds	Adult Education Fund	School Lunch Program	Student Activity Funds	Totals	
								2021	2020
ASSETS									
Cash and cash equivalents	\$	-	-	-	-	-	157,429	157,429	168,392
Due from other governments		-	-	511,023	-	48,635	-	559,658	243,732
Interfund loans receivable		7,600	295,379	-	7,693	-	-	310,672	506,675
Inventory		-	-	-	-	18,714	-	18,714	29,154
Total assets	\$	7,600	295,379	511,023	7,693	67,349	157,429	1,046,473	947,953
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		-	28,510	-	-	-	-	28,510	-
Interfund loans payable		-	-	11,419	-	32,591	-	44,010	175,801
Total liabilities		-	28,510	11,419	-	32,591	-	72,520	175,801
Fund balances:									
Nonspendable		-	-	-	-	18,714	-	18,714	-
Restricted		7,600	266,869	499,604	7,693	16,044	-	797,810	699,851
Committed		-	-	-	-	-	157,429	157,429	168,392
Unassigned		-	-	-	-	-	-	-	(96,091)
Total fund balances		7,600	266,869	499,604	7,693	34,758	157,429	973,953	772,152
Total liabilities and fund balances	\$	7,600	295,379	511,023	7,693	67,349	157,429	1,046,473	947,953

TOWN OF WINSLOW, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Town Special Revenue Funds	TIF Funds	School Special Revenue Funds	Adult Education Fund	School Lunch Program	Student Activity Funds	Totals	
							2021	2020
Revenues:								
Intergovernmental	\$ -	260,310	3,006,179	-	636,004	-	3,902,493	1,866,957
Charges for services	-	-	428,178	-	21,454	-	449,632	356,069
Student activity fees and fundraisers	-	-	-	-	-	94,230	94,230	161,209
Other revenue	3,924	-	4,891	-	18,000	-	26,815	9,791
Total revenues	3,924	260,310	3,439,248	-	675,458	94,230	4,473,170	2,394,026
Expenditures:								
Current:								
General government	-	167,298	-	-	-	-	167,298	227,393
Protection	3,713	-	-	-	-	-	3,713	3,911
Public works	-	344,090	-	-	-	-	344,090	25,954
Recreation	-	-	-	-	-	-	-	12,388
Education	-	-	3,394,278	-	-	-	3,394,278	1,268,582
School lunch	-	-	-	-	604,609	-	604,609	806,304
Student activities	-	-	-	-	-	105,193	105,193	150,538
Total expenditures	3,713	511,388	3,394,278	-	604,609	105,193	4,619,181	2,495,070
Excess (deficiency) of revenues over (under) expenditures	211	(251,078)	44,970	-	70,849	(10,963)	(146,011)	(101,044)
Other financing sources (uses):								
Transfers in	-	287,812	-	-	60,000	-	347,812	341,472
Total financing sources (uses)	-	287,812	-	-	60,000	-	347,812	341,472
Net change in fund balances	211	36,734	44,970	-	130,849	(10,963)	201,801	240,428
Fund balances (deficits), beginning of year	7,389	230,135	454,634	7,693	(96,091)	168,392	772,152	531,724
Fund balances, end of year	\$ 7,600	266,869	499,604	7,693	34,758	157,429	973,953	772,152

TOWN OF WINSLOW, MAINE
School Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

	Fund balance beginning of year	Revenues	Expenditures	Fund balance end of year
Grant funds:				
Title IA	\$ -	415,564	415,564	-
MaineCare	362,724	66,297	90,554	338,467
Local Entitlement	-	312,964	312,964	-
Pre-school Handicapped	-	4,437	4,437	-
Title IIA - Supporting Effective Instruction	-	21,522	21,522	-
Title V - Rural Low Income	-	13,209	13,209	-
ESSER 1	-	77,132	77,132	-
CRF 1	-	956,623	956,623	-
CRF 2	-	1,003,668	1,003,668	-
CRF Child Care	-	117,189	117,189	-
E-Rate	24,965	-	4,704	20,261
Fiscal agent	18,210	17,574	3,572	32,212
Total grant funds	405,899	3,006,179	3,021,138	390,940
Other Special Funds:				
Before and after school care	35,245	428,178	370,974	92,449
Insurance proceeds	2,008	705	-	2,713
Gizmo Garden Fund	2,655	-	645	2,010
COVID donations	5,762	4,186	1,521	8,427
Homeless	3,065	-	-	3,065
Total other special funds	48,735	433,069	373,140	108,664
Total	\$ 454,634	3,439,248	3,394,278	499,604

TOWN OF WINSLOW, MAINE
Student Activity Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

		Fund balance beginning of year	Revenues	Expenditures	Fund balance end of year
High School activity funds	\$	49,861	70,763	74,433	46,191
High School athletics fund		14,880	2,390	1,959	15,311
Junior High activity funds		57,076	8,486	8,715	56,847
Elementary School activity funds		46,575	12,591	20,086	39,080
Total	\$	168,392	94,230	105,193	157,429

PRIVATE-PURPOSE TRUST FUNDS

Trust funds are established to account for assets received by the Town and held in a fiduciary capacity as trustee or agent.

CUSTODIAL FUNDS

The custodial funds account for the various library funds.

TOWN OF WINSLOW, MAINE
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2021
(with comparative totals for June 30, 2020)

		Bowden Scholarship Fund	Esther Gagne Scholarship Fund	High School Scholarships	Totals	
					2021	2020
ASSETS						
Cash and cash equivalents	\$	11,449	-	2,253	13,702	13,022
Investments		-	35,364	386,092	421,456	333,547
Total assets	\$	11,449	35,364	388,345	435,158	346,569
NET POSITION						
Restricted for principal		1,646	25,000	-	26,646	26,646
Unrestricted		9,803	10,364	388,345	408,512	319,923
Total net position	\$	11,449	35,364	388,345	435,158	346,569

TOWN OF WINSLOW, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Bowden Scholarship Fund	Esther Gagne Scholarship Fund	High School Scholarships	Totals	
				2021	2020
Additions:					
Investment income	\$ 8	95	5,086	5,189	12,833
Realized/unrealized gain (loss)	-	9,371	77,959	87,330	9,592
Donations	946	-	5,150	6,096	23,673
Total additions	954	9,466	88,195	98,615	46,098
Deductions:					
Other miscellaneous	250	247	9,529	10,026	15,080
Total deductions	250	247	9,529	10,026	15,080
Change in net position	704	9,219	78,666	88,589	31,018
Net position, beginning of year	10,745	26,145	309,679	346,569	315,551
Net position, end of year	\$ 11,449	35,364	388,345	435,158	346,569

TOWN OF WINSLOW, MAINE
Custodial Funds - Library Funds
Combining Statement of Net Position
June 30, 2021

(with comparative totals for June 30, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 298,584	288,013
Investments	128,566	95,051
Total assets	\$ 427,150	383,064
NET POSITION		
Restricted for individuals and organizations	427,150	383,064
Total net position	\$ 427,150	383,064

TOWN OF WINSLOW, MAINE
Custodial Funds - Library Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Totals	
	2021	2020
Additions:		
Investment income	\$ 3,463	4,395
Realized/unrealized gain (loss)	33,169	1,151
Donations	16,250	-
Total additions	52,882	5,546
Deductions:		
Other miscellaneous	8,796	9,259
Total deductions	8,796	9,259
Change in net position	44,086	(3,713)
Net position, beginning of year	383,064	386,777
Net position, end of year	\$ 427,150	383,064