

TOWN OF WINDSOR, MAINE

ANNUAL FINANCIAL REPORT  
with Independent Auditors Report

For the Year Ending June 30, 2021

TOWN OF WINDSOR, MAINE  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2021  
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# KEEL J. HOOD

Certified Public Accountant

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## INDEPENDENT AUDITORS REPORT

August 24, 2021

Board of Selectmen  
Town of Windsor  
Windsor, Maine

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Town of Windsor, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Windsor, Maine as of June 30, 2021, and the respective changes in financial position, and where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### **Required Supplementary Information**

Management has omitted Management's Discussion & Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion of the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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. I 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 for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtain during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Thelma Hood, CPA*

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

Statement 1

<b>ASSETS</b>	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 2,023,014
Cash certificates of deposit	128,533
Receivables	
Taxes	102,303
Liens	22,114
Other governments	49,452
Tax acquired property	108
Total Current Assets	<u>2,325,524</u>
Noncurrent Assets:	
Capital assets net	9,682,738
Total Assets	<u>12,008,262</u>
 <b>Deferred Outflows of Resources</b>	
<b>OPEB related</b>	
Other post employment benefit	13,129
Total Deferred Outflows of Resources	<u>13,129</u>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	64,594
Due to trust funds	6,300
Notes payable	75,089
Total Current Liabilities	<u>145,983</u>
Noncurrent Liabilities:	
Notes payable	72,027
Net other post employment benefits	49,277
Total Non Current Liabilities	<u>121,304</u>
Total Liabilities	<u>267,287</u>
 <b>Deferred Inflows of Resources</b>	
OPEB related	1,832
Total Deferred Inflows of Resources	<u>1,832</u>
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	9,535,622
Unrestricted	2,216,650
Total net position	<u>\$ 11,752,272</u>

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

TOWN OF WINDSOR, MAINE  
Statement of Activities  
For the Year Ended June 30, 2021

Function/Programs	Program Revenues				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Net (Expense) Revenues</u>
Governmental activities:	\$				
General government	452,293	27,047	7,092		(418,154)
Public safety	528,973				(528,973)
Public works	933,304		36,456		(896,848)
Human services	19,962		450		(19,512)
Health and sanitation	112,153	83,028			(29,125)
Special assessments	3,610,352				(3,610,352)
Unclassified	71,986				(71,986)
Debt service	4,990				(4,990)
Capital outlay	207,474				(207,474)
Total governmental activities	5,941,487	110,075	43,998	0	(5,787,414)
					<u>Governmental Activities</u>
Net (expense) / revenue					
General revenues:					
Property taxes					4,277,754
Excise taxes					520,100
Interest and costs on taxes					12,897
Intergovernmental:					
State revenue sharing					254,183
Homestead exemption					156,632
Tree growth					16,238
Veterans exemption					1,915
Miscellaneous					32,166
Unrestricted interest					4,185
Donations					37,803
Total general revenues and transfers					5,313,873
Change in Net position					(473,541)
Net position - beginning					12,225,813
Net position - ending	\$	11,752,272			

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

Statement 3

<b>ASSETS</b>	General Fund	Total Governmental Funds
Cash	\$ 2,023,014	\$ 2,023,014
Cash certificates of deposit	128,533	128,533
Receivables		
Taxes	102,303	102,303
Liens	22,114	22,114
Other governments	49,452	49,452
Tax acquired property	108	108
Due from other funds	(6,300)	(6,300)
Total Assets	<u>2,319,224</u>	<u>2,319,224</u>
<b>LIABILITIES</b>		
Accounts payable	64,594	64,594
Total Liabilities	<u>64,594</u>	<u>64,594</u>
<b>UNEARNED REVENUE</b>		
Unearned property taxes	75,000	75,000
Total Liabilities and Unearned Revenue	<u>139,594</u>	<u>139,594</u>
<b>FUND BALANCES</b>		
Fund Balances		
Committed	406,101	406,101
Assigned:		
Revenues	345,167	345,167
Unassigned	1,428,362	1,428,362
Total Fund Equity	<u>2,179,630</u>	<u>2,179,630</u>
Total Liabilities and Fund Equity	<u>\$ 2,319,224</u>	<u>\$</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are financial resources and, therefore, are not in the funds.		9,682,738
Other long-term assets are not available to pay current-periods expenditures and therefore are in the funds.		75,000
Long-term liabilities, including bonds and leases are not due and payable in the current period and therefore are not reported in the		
Notes payable		(147,116)
Net pension liability including related outflows of resources		(37,980)
Net position of governmental activities	<u>\$ 11,752,272</u>	<u></u>

TOWN OF WINDSOR, MAINE  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2021

	General Fund	Total Governmental Funds
<b>Revenues:</b>		
Taxes	\$ 4,823,751	\$ 4,823,751
Intergovernmental	472,965	472,965
Interest	4,185	4,185
Charges for services	110,075	110,075
Miscellaneous	69,969	69,969
Total Revenues	<u>5,480,945</u>	<u>5,480,945</u>
<b>Expenditures:</b>		
Current:		
General government	438,201	438,201
Public safety	125,806	125,806
Public works	875,506	875,506
Human services	19,962	19,962
Health and sanitation	110,109	110,109
Special assessments	3,610,352	3,610,352
Unclassified	71,986	71,986
Debt Service	100,578	100,578
Capital Outlay	207,474	207,474
Total Expenditures	<u>5,559,974</u>	<u>5,559,974</u>
Excess of Revenues Over (Under) Expenditures	(79,029)	(79,029)
Other Financing Sources (Uses):		
Debt Issuance proceeds	75,000	75,000
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>
Net Change in Fund Balances	(4,029)	(4,029)
Fund Balances - Beginning	2,183,659	2,183,659
Fund Balances - Ending	<u>\$ 2,179,630</u>	<u>\$ 2,179,630</u>

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



TOWN OF WINDSOR, 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 \$ (4,029)

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

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

Depreciation expense (463,521)

Repayment of debt principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the Statement of Net Position:

Capital bond obligation principal payments 55,588

Debt proceeds provide current financial resources to  
 governmental funds, but issuing debt increases long-term  
 liabilities in the Statement of Net Assets:

Capital note obligation proceeds (75,000)

Some expenses reported in the Statement of Activities do not  
 require the use of current financial resources and therefor are  
 not reported as expenditures in governmental funds. They increase  
 liabilities in the Statement of Net Position

Change in net OPEB liability with deferred inflows and  
 and outflows (7,579)

Revenues in the Statement of Activities that do not provide  
 current financial resources are not reported as revenues in  
 the funds

Deferred property tax revenue (13,000)

Change in Net Position of Governmental Activities \$ (473,541)

Statement 6

TOWN OF WINDSOR, MAINE  
Statement of Net Position  
Fiduciary Fund  
June 30, 2021

		Private Purpose <u>Trust</u> <u>Fund</u>
<b>ASSETS</b>		
Cash certificates of deposit	\$ 257,729	
Investments	213,687	
Due from general fund	6,300	
Total Assets		<u>477,716</u>
<b>NET POSITION</b>		
Held in Trust		477,716
Total Net Position	\$	<u><u>477,716</u></u>

Statement 7

TOWN OF WINDSOR, MAINE  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Private Purpose <u>Trust Fund</u>
Additions:	
New donations	\$ 15,900
Investment income	47,420
	<hr/>
Total Additions	63,320
	<hr/>
Deductions:	
Cemeteries	3,038
	<hr/>
Total Deductions	3,038
	<hr/>
Change in Net Position	60,282
	<hr/>
Net Position - beginning of year	417,434
Net Position - end of year	\$ <u><u>477,716</u></u>

TOWN OF WINDSOR, MAINE  
Notes to Combined Financial Statements  
June 30, 2021

1. Summary of Significant Accounting Policies

The Town of Windsor was incorporated in 1822 under the laws of the State of Maine. The Town operates under the Board of Selectpersons/Town Manager/Town Meeting form of government.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

**A. Reporting Entity**

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

**B. Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset

1. Summary of Significant Accounting Policies, continued

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 instead as general revenues.

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement 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 revenues 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 expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, fees, excise taxes and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income and charges for services are recorded as revenues when earned, since they are measurable and available.

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

1. Summary of Significant Accounting Policies, continued

met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

The Town reports the following major governmental fund:

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.

Additionally, the Town reports the following fund types:

**Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Capital Assets**

Capital assets, which include property, plant, and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1. Summary of Significant Accounting Policies, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives ranging from 3 to 50 years.

**E. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**F. Fund Equity**

Committed fund balance indicates that a portion of the fund balance is constrained for a specific future use, and is indicated by the title of each purpose listed in the balance sheet. Committed fund balances are voted on at Town Meetings. Assigned fund balances indicate amounts which either are intended to be carried forward by law or contractual agreement, or which the Board of Selectmen has voted to carry forward.

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Budgetary Accounting

A budget is formally adopted for the General Fund, only, through the passage of a Town warrant, and is prepared on a basis consistent with generally accepted accounting principles.

2. Budgetary Accounting, continued

In the General Fund, the level of control (level at which expenditures may not exceed budget and applied revenues) is the accounts within each department. Unexpended appropriations and unexpended revenues are lapsed at the close of the year. Once adopted, the budget can only be amended by the townspeople at a special Town meeting.

3. Deposits and Investments

The Town's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

A. Deposits

At year end, the Town's carrying amount of deposits was \$2,151,547 for Town funds and \$257,729 for Fiduciary funds. The bank balances for all funds totaled \$2,452,766. Custodial credit risk is the risk that, in the event of a bank failure the Town's deposits might not be recovered. As of June 30, 2021, all of the town balances were insured or collateralized.

B. Investment

Maine statutes authorize the Town to invest in obligations of US Treasury and US Agencies, repurchase agreements, and certain corporate stocks and bonds. The Town's investments of \$213,687 are categorized as level 1 inputs that reflect quoted prices and active markets. The Town's investments are reported at fair value which is determined by the last reported sales price as follows:

<u>Fiduciary Funds</u>	<u>Fair Value</u>
Mutual funds	\$ 213,687
Total	<u>\$ 213,687</u>

4. Property Tax

Property taxes for the year were committed on August 18, 2020, on the assessed value listed as of April 1, 2020, for all taxable real and personal property located in the Town. Payment of taxes was due at the date of commitment with interest at 7% on all tax bills unpaid as of September 30, 2020 and March 31, 2021. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2020 upon which the levy for the year ended June 30, 2021, was based, was \$333,933,900. This assessed value was 100% of the estimated market value.

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

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



5. Operating Property

Operating and nonoperating property are recorded at cost or, in the case of contributed property, at the fair market value at the date of acquisition. Depreciation is computed on the straight line method based upon the estimated useful lives of the assets as follows:

Governmental Activities:	Balance July 1 2020	Increases	Decreases	Balance June 30 2021
Assets not being depreciated				
Land	\$ 33,500	\$	\$	\$ 33,500
Assets being depreciated				
Buildings	1,006,949			1,006,949
Equipment	226,969			226,969
Vehicles	1,378,926			1,378,926
Infrastructure	23,240,274			23,240,274
	<u>25,886,618</u>	<u>0</u>	<u>0</u>	<u>25,886,618</u>
Less accumulated depreciation				
Buildings	480,215	25,174		505,389
Equipment	88,546	13,115		101,661
Vehicles	828,121	59,308		887,429
Infrastructure	14,337,477	371,924		14,709,401
	<u>15,734,359</u>	<u>469,521</u>	<u>0</u>	<u>16,203,880</u>
Capital Assets, net	\$ <u>10,152,259</u>	\$ <u>(469,521)</u>	\$ <u>0</u>	\$ <u>9,682,738</u>
Depreciation Expense:				
General government	\$ 6,513			
Public safety	57,796			
Public works	403,168			
Human services	2,044			
	<u>\$ 469,521</u>			

6. Long-term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2021:

	General Long Term Debt
Long-term debt payable at July 1, 2020	\$ 167,704
Debt retired	(95,588)
Debt Proceeds	75,000
Long-term debt as of June 30, 2021	\$ <u>147,116</u>
Interest Paid	\$ <u>5,050</u>

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

	Interest Rate	Maturity Date	Balance End of Year
Bonds and Notes			
Kennebec Savings	2.52%	2022	71,356
Kennebec Savings	3.79%	2023	28,750
Kennebec Savings	1.99%	2023	47,000
			\$ <u>147,116</u>

6. Long-term Debt, continued

The annual requirement to amortize all long-term debt outstanding as of June 30, 2021 are as follows:

Year	Bonds and Notes	
	<u>Principal</u>	<u>Interest</u>
2022	75,089	3,825
2021	72,027	1,883
Total	\$ <u>147,116</u>	\$ <u>5,708</u>

7. Statutory Debt Limits

In accordance with 30 M.R.S.A., Section 5702, as amended, no municipality shall incur debt for specified purposes in excess of 15 percent of the state valuation of such municipality. At June 30, 2021, the Town was in compliance with these regulations.

8. Unassigned General Fund Fund Equity

The undesignated General Fund fund equity reflected a net change for the current year as follows:

Balance July 1, 2020	\$ 1,410,216
Additions (Deductions):	
Actual over estimated revenues	\$ 129,290
Actual under budgeted expenditures	170,856
Budgeted utilization	(282,000)
	<u>18,146</u>
Balance June 30, 2021	<u>\$ 1,428,362</u>

9. Assigned Revenues

The portion of the General Fund fund equity which has been assigned for subsequent year's revenues represents amounts received during the current accounting period that are to be budgeted as revenues in the subsequent year.

Reed Trust Fund	\$ 3,840
Windsor Days	264
State Revenue Sharing	293,406
Veteran's Memorial	20,436
Netco Scholarship	27,221
	<u>\$ 345,167</u>

10. Committed Capital Purchases

Capital purchases reserves as of June 30, 2020 consists of the following:

Ash Disposal	\$ 18,233
Assessing Reserve - Legal	22,190
Bridge Account	89,583
Computer System Reserve	5,496
Fire Dept Building	2,500
Fire Safety Capital	23,931
Forest Fire Reserve	13,758
Major Road Construction	34,190
Parke Property	15,190
PW Capital Reserve	7,650
PW Truck Reserve	5,954
Radio Communication	30,000
Rescue Capital	55,137
Revaluation	40,000
Town Hall Reserve	16,449
Transfer Station Reserve	25,840

Total \$ 406,101

11. Trust Fund - Fund Equity

The Trust Fund Fund Equity as of June 30, 2021 consists of the following:

	<u>Principal</u>	<u>Unexpended Income</u>	<u>Total</u>
Cemeteries	\$ 200,200	\$ 277,516	\$ 477,716

12. Interfund payable and receivable

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$	\$ 6,300
Trust Fund	6,300	
	<u>\$ 6,300</u>	<u>\$ 6,300</u>

13. OPEB Health Insurance Plan Description

**Plan administration.** The Maine Municipal Employees Health Trust (the Trust), an irrevocable trust, is a single-employer defined benefit other post employment benefit plan administered by the Trust and the Trust's Board of Directors that is used to provide post employment benefits other than pensions (OPEB) for employees of member towns. Town

13. OPEB Health Insurance Plan Description, continued

employees may become eligible for these benefits at age 55 with 5 years of continuous service. The Town of Windsor implemented GASB No.75 with its reporting for the June 30, 2021 year.

**Benefits provided.** The Fund provides certain health care insurance benefits for retired employees. Benefits are fully self-insured by the Trust and are administered through a third-party administrator. The full cost of benefits is covered by the plan. Management of the Trust has the authority to establish and amend benefit provisions to the Plan.

**Employees covered by benefit terms.** At June 30, 2021, there were no retirees currently receiving benefits payments and six active plan members.

**Contributions.** The Trust is pay as you go and is not funded.

**Net OPEB Liability.** The components of the NET OPEB liability of the Trust at June 30, 2021, were as follows:

Total OPEB Liability	\$	49,277
Trust Fiduciary Net Position		0
Net OPEB Liability	\$	49,277
Deferred Inflows		1,832
Deferred Outflows		13,129
Net Impact on Statement of Net Position	\$	37,980
Contributions Subsequent to Measurement Date		225
Net Impact on Statement of Net Position		37,755
OPEB Expense	\$	7,662
OPEB Expense as a percent of payroll		3.20%

At the end of the reporting year, the Town of Windsor would report a total Net OPEB Liability of \$49,277, Deferred Inflows of \$1,832 and Deferred Outflows of \$13,129. Consequently, the net impact on the Town of Windsor's Statement of Net Position due to the Plan would be \$37,980 at the end of the reporting year.

For the reporting year ending June 30, 2021, the annual OPEB expense is \$7,662 or 3.2% of payroll. This amount is not expected to be the same as the Town of Windsor's contribution to the Plan of \$83, but instead represents the change in the net impact on the employers' Statement of net Position plus employer contributions (\$37,980 - \$30,401 + \$83).

Balance at June 30, 2020	40,856
Changes for the year:	
Service cost	4,172
Interest	1,233
Changes in assumptions or other inputs	3,099
Contributions (Employer)	(83)
Net changes	8,421
Balance at June 30, 2021	\$ 49,277

13. OPEB Health Insurance Plan Description, continued

**Actuarial assumptions and methods.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions and methods:

Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	Open 30-year
Inflation	2.00% per annum
Salary increases	2.75% per annum
Discount rate	2.12% per annum 2021 2.74% per annum 2020

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the REPC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2016.

**Sensitivity of the net OPEB liability to changes in the health care cost trend rates.** The following presents the net OPEB liability of the Trust, as well as what the Fund's net OPEB liability would be if it were calculated using health care cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current health care cost trend rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	41,792	49,277	58,647

**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 or 1 percentage-point higher than the current rate.

	<u>1% Decrease (1.12%)</u>	<u>Current Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB Liability	57,649	49,277	42,448

**OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the Trust recognized OPEB expense of \$7,662. At June 30, 2021 the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the

13. OPEB Health Insurance Plan Description, continued

following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,804	
Change of assumptions	11,325	1,832
Net difference between projected and actual earnings on OPEB plan investments		
	<u>13,129</u>	<u>1,832</u>

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 December 31:		
2022	\$	2,257
2023		2,257
2024		2,257
2025		2,261
2026		1,824
Thereafter		441

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

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

14. Risk Management

The Town of Windsor is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage for part of its risk management. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. The Town's management estimates that the amount of actual or potential claims against the Town as of June 30, 2021, will not materially affect the financial condition of the Town.

15. Economic Dependency

Approximately \$2,016,004 or 47.17% of the town's current year tax commitment was assessed to Central Maine Power Company.

16. Subsequent Events

The Town's management has concluded that no events that occurred prior to June 30, 2021 and before August 24, 2021 require disclosure as subsequent events.

TOWN OF WINDSOR, MAINE  
Budget Comparison Schedule  
General Fund  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with final budget positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Taxes	4,746,354	4,746,354	4,823,751	77,397
Intergovernmental	309,709	309,709	472,965	163,256
Interest	0	0	4,185	4,185
Charges for services	80,000	80,000	110,075	30,075
Miscellaneous	20,000	55,194	69,969	14,775
Total revenues	<u>5,156,063</u>	<u>5,191,257</u>	<u>5,480,945</u>	<u>289,688</u>
Expenditures:				
Current:				
General government	441,595	441,595	438,201	3,394
Public safety	134,328	136,806	125,806	11,000
Public works	995,239	992,761	875,506	117,255
Human services	22,700	22,700	19,962	2,738
Health and sanitation	111,031	111,031	110,109	922
Special assessments	3,678,464	3,678,464	3,610,352	68,112
Unclassified	37,706	72,900	71,986	914
Debt Service	101,425	101,425	100,578	847
Capital outlay	242,500	242,500	207,474	35,026
Total expenditures	<u>5,764,988</u>	<u>5,800,182</u>	<u>5,559,974</u>	<u>240,208</u>
Excess of Revenues Over (Under) Expenditures	(608,925)	(608,925)	(79,029)	49,480
Other Financing Sources (Uses):				
Debt Issuance Proceeds	75,000	0	75,000	75,000
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>0</u>	<u>75,000</u>	<u>75,000</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(533,925)	(608,925)	(4,029)	124,480
Fund Balance - beginning of year	2,183,659	2,183,659	2,183,659	0
Fund Balance - end of year	<u>\$ 1,649,734</u>	<u>\$ 1,574,734</u>	<u>\$ 2,179,630</u>	<u>\$ 124,480</u>



TOWN OF WINDSOR, MAINE  
Required Supplementary Information  
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>
Service cost (BOY)	\$ 4,172	2,758	3,039	2,675
Interest (includes interest on service cost)	1,233	1,160	949	772
Changes of benefit terms		(761)	0	0
Differences between expected and actual experience		1,779	0	1,065
Changes of assumptions	3,099	10,424	(2,933)	2,443
Benefit payments, including refunds of member contributions	(83)	(73)	(70)	(247)
<b>Net change in total OPEB liability</b>	<b>8,421</b>	<b>15,287</b>	<b>985</b>	<b>6,708</b>
<b>Total OPEB liability- beginning</b>	<b>40,856</b>	<b>25,569</b>	<b>24,584</b>	<b>17,876</b>
<b>Total OPEB liability- ending</b>	<b>49,277</b>	<b>40,856</b>	<b>25,569</b>	<b>24,584</b>
<b>Plan fiduciary net position</b>				
Contributions- employer	83	73	70	247
Contributions- member	0	0	0	0
Net investment income				
Benefit payments, including refunds of member contributions	(83)	(73)	(70)	(247)
Administrative expense	0	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position- beginning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position- ending</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net OPEB liability- ending</b>	<b>49,277</b>	<b>40,856</b>	<b>25,569</b>	<b>24,584</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	243,136	243,136	227,931	227,931
Net OPEB liability as a percentage of employee payroll	20.3%	16.8%	11.2%	10.8%

\*Only four years of information available.