

TOWN OF WINDSOR, MAINE

ANNUAL FINANCIAL REPORT  
with Independent Auditor's Report

For the Year Ending June 30, 2022

TOWN OF WINDSOR, MAINE  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2022  
Table of Contents

	Statement
Independent Auditor's Report	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to the Financial Statements	
	Schedule
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	1
Schedule of Changes in Town's Total Health Plan OPEB	2

# KEEL J. HOOD

Certified Public Accountant

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## INDEPENDENT AUDITOR'S REPORT

August 19, 2022

Board of Selectmen  
Town of Windsor  
Windsor, Maine

### **Opinion**

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Windsor, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Windsor, Maine's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Town of Windsor, Maine, and to meet my ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or

in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Windsor, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Windsor, Maine's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

#### **Required Supplementary Information**

Management has omitted Management's Discussion and 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 opinions on the basic financial statements are 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained 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, 2022

<b>ASSETS</b>	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 2,537,738
Cash certificates of deposit	133,521
Receivables	
Taxes	91,567
Liens	22,006
Other governments	40,048
Tax acquired property	108
Total Current Assets	<u>2,824,988</u>
Noncurrent Assets:	
Capital assets, net	9,424,787
Total Assets	<u>12,249,775</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB Related	10,609
Total Deferred Outflows of Resources	<u>10,609</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	23,639
Due to trust funds	1,800
Notes payable	72,009
Total Current Liabilities	<u>97,448</u>
Noncurrent Liabilities:	
Net OPEB Liability	42,474
Total Non Current Liabilities	<u>42,474</u>
Total Liabilities	<u>139,922</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB related	12,803
Total Deferred Inflows of Resources	<u>12,803</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	9,352,778
Unrestricted	2,754,881
Total net position	<u>\$ 12,107,659</u>

TOWN OF WINDSOR, MAINE  
Statement of Activities  
For the Year Ended June 30, 2022

<b>Function/Programs</b>	\-----Program Revenues-----/				Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Revenues</u>
Governmental activities:	\$				
General government	468,102	26,901	6,441		(434,760)
Public safety	563,368	2,400			(560,968)
Public works	554,575		39,208		(515,367)
Human services	15,852		210		(15,642)
Health and sanitation	113,698	84,955			(28,743)
Special assessments	3,790,559				(3,790,559)
Unclassified	85,344				(85,344)
Debt service	4,029				(4,029)
Capital outlay	17,955				(17,955)
Total governmental activities	5,613,482	114,256	45,859	0	(5,453,367)
					<u>Governmental Activities</u>
General revenues:					
Property taxes					4,388,609
Excise taxes					514,915
Interest and costs on taxes					10,563
Intergovernmental:					
State revenue sharing					344,818
Homestead exemption					156,449
Tree growth					22,001
Veterans exemption					1,815
ARPA					275,872
Donations					49,365
Miscellaneous					40,530
Unrestricted interest					3,817
Total general revenues and transfers					5,808,754
Change in Net position					355,387
Net position - beginning					11,752,272
Net position - ending	\$				12,107,659

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

TOWN OF WINDSOR, MAINE  
Balance Sheet  
Governmental Funds  
June 30, 2022

<b>ASSETS</b>	General Fund	Total Governmental Funds
Cash	\$ 2,537,738	\$ 2,537,738
Cash certificates of deposit	133,521	133,521
Receivables		
Taxes	91,567	91,567
Liens	22,006	22,006
Other governments	40,048	40,048
Tax acquired property	108	108
Due from other funds	(1,800)	(1,800)
Total Assets	<u>2,823,188</u>	<u>2,823,188</u>
<b>LIABILITIES</b>		
Accounts payable	23,639	23,639
Total Liabilities	<u>23,639</u>	<u>23,639</u>
<b>UNEARNED REVENUE</b>		
Unearned property taxes	63,000	63,000
Total Liabilities and Unearned Revenue	<u>86,639</u>	<u>86,639</u>
<b>FUND BALANCES</b>		
Committed	602,464	602,464
Assigned:		
Revenues	806,761	806,761
Unassigned	1,327,324	1,327,324
Total Fund Equity	<u>2,736,549</u>	<u>2,736,549</u>
Total Liabilities and Fund Equity	<u>\$ 2,823,188</u>	<u>\$</u>

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. 9,424,787

Other long-term assets are not available to pay for current-periods expenditures and therefore are deferred in the funds. 63,000

Long-term liabilities, including bonds and leases payable are not due and payable in the current period and period and therefore are not reported in the funds

Notes payable (72,009)

Net OPEB liability including related outflows of resources (44,668)

Net position of governmental activities \$ 12,107,659

TOWN OF WINDSOR, MAINE  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	General <u>Fund</u>	Total Governmental <u>Funds</u>
<b>Revenues :</b>		
Taxes	\$ 4,926,086	\$ 4,926,086
Intergovernmental	846,813	846,813
Interest	3,817	3,817
Charges for services	114,255	114,255
Miscellaneous	89,895	89,895
Total Revenues	<u>5,980,866</u>	<u>5,980,866</u>
<b>Expenditures :</b>		
Current:		
General government	454,901	454,901
Public safety	124,939	124,939
Public works	743,605	743,605
Human services	15,852	15,852
Health and sanitation	111,654	111,654
Special assessments	3,790,559	3,790,559
Unclassified	85,344	85,344
Debt Service	79,137	79,137
Capital Outlay	17,955	17,955
Total Expenditures	<u>5,423,946</u>	<u>5,423,946</u>
Excess of Revenues Over (Under) Expenditures	556,920	556,920
Net Change in Fund Balances	556,920	556,920
Fund Balances - Beginning	<u>2,179,629</u>	<u>2,179,629</u>
Fund Balances - Ending	<u>\$ 2,736,549</u>	<u>\$ 2,736,549</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, 2022

Net change in fund balances - total governmental funds	\$	556,920
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		246,828
Depreciation expense		(504,781)
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		75,108
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. They increase liabilities in the Statement of Net Position		
Change in net OPEB liability with deferred inflows and outflows		(6,688)
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		(12,000)
Change in Net Position of Governmental Activities \$		355,387

Statement 6

TOWN OF WINDSOR, MAINE  
Statement of Net Position  
Fiduciary Fund  
June 30, 2022

		Private Purpose Trust <u>Fund</u>
<b>ASSETS</b>		
Cash certificates of deposit	\$	268,977
Investments		180,544
Due from general fund		1,800
Total Assets		<u>451,321</u>
<b>NET POSITION</b>		
Held in Trust		451,321
Total Net Position	\$	<u><u>451,321</u></u>

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

TOWN OF WINDSOR, MAINE  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2022

		Private Purpose <u>Trust Fund</u>
Additions:		
New donations	\$	(28,890)
Investment income		5,700
Total Additions		(23,190)
Deductions:		
Cemeteries		3,205
Total Deductions		3,205
Change in Net Position		(26,395)
Net Position - beginning of year		477,716
Net Position - end of year	\$	451,321

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

TOWN OF WINDSOR, MAINE  
Notes to Combined Financial Statements  
June 30, 2022

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

1. Summary of Significant Accounting Policies, continued

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.

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

1. Summary of Significant Accounting Policies, continued

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.

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 \$2,671,259 for Town funds and \$268,977 for Fiduciary funds. The bank balances for all funds totaled \$2,739,949. 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, 2022, 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 \$180,544 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>Fair</u> <u>Value</u>
<u>Fiduciary Funds</u>	
Mutual funds	\$ 180,544
Total	<u>\$ 180,544</u>

4. Property Tax

Property taxes for the year were committed on August 17, 2021, on the assessed value listed as of April 1, 2021, for all taxable real and personal property located in the Town. Payment of taxes was due at the date of commitment with interest at 6% on all tax bills unpaid as of September 30, 2021 and March 31, 2022. 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, 2021 upon which the levy for the year ended June 30, 2022, was based, was \$336,805,000. 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 <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30 <u>2022</u>
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		(115,940)	1,494,866
Infrastructure	<u>23,240,274</u>	<u>246,828</u>	<u>(115,940)</u>	<u>23,487,102</u>
	<u>25,886,618</u>	<u>246,828</u>	<u>(115,940)</u>	<u>26,249,386</u>
Less accumulated depreciation				
Buildings	505,389	25,174		530,563
Equipment	101,660	13,115		114,775
Vehicles	887,429	59,308	(115,940)	1,062,677
Infrastructure	<u>14,709,400</u>	<u>407,184</u>	<u>(115,940)</u>	<u>15,116,584</u>
	<u>16,203,878</u>	<u>504,781</u>	<u>(115,940)</u>	<u>16,824,599</u>
Capital Assets, net	<u>\$ 9,682,740</u>	<u>\$ (257,953)</u>	<u>\$ 0</u>	<u>\$ 9,424,787</u>
Depreciation Expense:				
General government		\$ 6,513		
Public safety		57,796		
Public works		438,427		
Human services		2,045		
		<u>\$ 504,781</u>		

6. Long-term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2022:

	General Long <u>Term Debt</u>
<u>Long-term debt payable at July 1, 2021</u>	\$ 147,117
Debt retired	(75,108)
Debt Proceeds	
Long-term debt as of June 30, 2022	<u>\$ 72,009</u>
Interest Paid	<u>\$ 4,029</u>

Long-term debt payable at June 30, 2022 is comprised of the following:

Bonds and Notes	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance <u>End of Year</u>
Kennebec Savings	2.52%	2022	35,634
Kennebec Savings	3.79%	2023	14,375
Kennebec Savings	1.99%	2023	22,000
			<u>\$ 72,009</u>

6. Long-term Debt, continued

The annual requirement to amortize all long-term debt outstanding as of June 30, 2022 are as follows:

Year	Bonds and Notes	
	<u>Principal</u>	<u>Interest</u>
2022	72,009	7,883
Total	<u>\$ 72,009</u>	<u>\$ 7,883</u>

7. Statutory Debt Limits

In accordance with 30 MRSA, 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, 2022, 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, 2021		\$ 1,428,363
Additions (Deductions):		
Actual over estimated revenues	\$ 195,434	
Actual under budgeted expenditures	103,527	
Budgeted utilization	<u>(400,000)</u>	
		<u>(101,039)</u>
Balance June 30, 2022		<u>\$ 1,327,324</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.

ARPA	\$ 253,372
Reed Trust Fund	4,504
Windsor Days	13,539
State Revenue Sharing	498,224
Veretans Memorial Fund	12,122
Netco Scholarship	25,000
	<u>\$ 806,761</u>

10. Committed for Capital Purchases

Capital purchases reserves as of June 30, 2022 consists of the following:

Ash Disposal	\$	18,233
Assessing Reserve - Legal		21,990
Backhoe Reserve		7,000
Bridge Account		89,767
Cemetery Land Reserve		5,000
Computer System Reserve		7,996
Fire Department Building		7,500
Fire Safety Capital		28,700
Forest Fire Reserve		15,765
Major Road Construction		124,170
Park Property		15,258
Public Works Capital Reserve		7,650
Public Works Truck Reserve		30,954
Radio Communication		50,000
Rescue Capital		65,192
Revaluation		65,000
Transfer Station Reserve		25,840
Town Hall Reserve		16,449

Total \$ 602,464

11. Trust Fund - Fund Equity

The Trust Fund Fund Equity as of June 30, 2022 consists of the following:

	<u>Principal</u>	<u>Unexpended Income</u>	<u>Total</u>
Cemeteries	\$ <u>205,900</u>	\$ <u>245,421</u>	\$ <u>451,321</u>

12. Interfund payable and receivable

	Receivable	Payable
General Fund	\$	\$ 1,800
Trust Fund	1,800	
	<u>\$ 1,800</u>	<u>\$ 1,800</u>

13. OPEB Health Insurance

**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 Municipal Employees Health Trust (MMEHT). The State Legislature has the authority to establish and amend the benefit terms and financing

13. OPEB Health Insurance Plan Description, continued

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 - MMEHT Provides healthcare insurance benefits for retirees and their dependents. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement in order to be eligible for postretirement benefits. The retiree pays the premium equivalent rate for coverage elected. Retirees and spouses must contribute 100% of the premiums below.

Retiree Premium Amounts		
<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS A	N/A	N/A
POS 200	N/A	N/A
POS C	1,140.92	2,559.25
PPO 500	N/A	N/A
PPO 1000	N/A	N/A
PPO 1500	N/A	N/A
PPO 2500	N/A	N/A
 <u>Medicare</u>		
Medicare-Eligible Retirees	600.5	1,201

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees	0
Active Employees	6
Total	6

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

The Town's total OPEB Liability of \$42,474 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

<i>Changes in the Total OPEB Liability</i>	
Balance at January 1, 2021	\$ 49,277
Changes for the year:	
Service cost	4,776
Interest	1,145
Changes of benefits	0
Differences between expected and actual experience	(12,755)
Changes of assumptions	117
Contributions - employer	(86)
Contributions - member	0
Net investment income	0
Benefit Payments	0
Net Changes	<u>(6,803)</u>
Balance at December 13, 2022	<u>\$ 42,474</u>

Change in assumptions relates to the change in discount rate in combination with updated trend arrays.

For the year ended June 30, 2022, the Town recognized OPEB expense of \$6,913. At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

13. OPEB Health Insurance Plan Description, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,417	\$ 11,338
Changes in Assumptions	9,192	1,465
Net difference between projected and actual earnings on OPEB Plan investments.	<u>0</u>	<u>0</u>
Total	<u>\$ 10,609</u>	<u>\$ 12,803</u>

\$56 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date and 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 December 31,	
2022	\$ 853
2023	853
2024	857
2025	420
2026	(963)
Thereafter	(4,214)

**Actuarial Assumptions**

The total OPEB liability in the December 31, 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	2.40%
Salary increases	1.10%
Discount rate	2.12% per annum

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2021.

**Discount Rate**

The rate used to measure the total OPEB liability was 2.12% 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 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:

13. OPEB Health Insurance Plan Description, continued

		MMEHT Plan (1.21%, 2.21%, 3.21%)
1% Decrease	\$	50,522
Current Rate		42,474
1% Increase		35,943

***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 rate that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

		MMEHT Plan
1% Decrease	\$	35,158
Current Rate		42,474
1% Increase		51,779

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, 2022, will not materially affect the financial condition of the Town.

15. Economic Dependency

Approximately \$1,972,481 or 45% 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, 2022 and before August 19, 2022 require disclosure as subsequent events.

TOWN OF WINDSOR, MAINE  
Budget Comparison Schedule  
General Fund  
For the Year Ended June 30, 2022

\-----Budgeted Amounts-----/

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 4,842,465	\$ 4,842,465	\$ 4,926,086	\$ 83,621
Intergovernmental	348,875	371,375	846,813	475,438
Interest	0	0	3,817	3,817
Charges for services	90,000	90,000	114,255	24,255
Miscellaneous	20,000	20,000	89,895	69,895
Total revenues	<u>5,301,340</u>	<u>5,323,840</u>	<u>5,980,866</u>	<u>657,026</u>
Expenditures:				
Current:				
General government	471,415	493,915	454,901	39,014
Public safety	133,625	133,625	124,939	8,686
Public works	854,187	854,187	743,605	110,582
Human services	17,575	17,575	15,852	1,723
Health and sanitation	124,216	124,216	111,654	12,562
Special assessments	3,858,041	3,858,041	3,790,559	67,482
Unclassified	38,731	38,731	85,344	(46,613)
Debt Service	79,550	79,550	79,137	413
Capital outlay	124,000	124,000	17,955	106,045
Total expenditures	<u>5,701,340</u>	<u>5,723,840</u>	<u>5,423,946</u>	<u>299,894</u>
Excess of Revenues Over (Under) Expenditures	(400,000)	(400,000)	556,920	956,920
Fund Balance - beginning of year	2,179,629	2,179,629	2,179,629	0
Fund Balance - end of year	<u>\$ 1,779,629</u>	<u>\$ 1,779,629</u>	<u>\$ 2,736,549</u>	<u>\$ 956,920</u>

TOWN OF WINDSOR, MAINE  
 Schedule of Changes in the Town's Total Health Plan OPEB  
 Liability and Related Ratios

Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost (BOY)	\$ 4,776	4,172	2,758	3,039	2,675
Interest (includes interest on service cost)	1,145	1,233	1,160	949	772
Changes of benefit terms	0	0	(760)	0	0
Differences between expected and actual experience	(12,755)	0	1,779	0	1,065
Changes of assumptions	117	3,099	10,424	(2,933)	2,443
Benefit payments, including refunds of member contributions	(86)	(83)	(73)	(70)	(247)
Net change in total OPEB liability	(6,803)	8,421	15,288	985	6,708
Total OPEB liability- beginning	49,278	40,857	25,569	24,584	17,876
Total OPEB liability- ending	42,475	49,278	40,857	25,569	24,584
<b><u>Plan fiduciary net position</u></b>					
Contributions- employer	86	83	73	70	247
Contributions- member					
Net investment income					
Benefit payments, including refunds of member contributions	(86)	(83)	(73)	(70)	(247)
Administrative expense				0	0
Net change in plan fiduciary net position	0	0	0	0	0
Plan fiduciary net position- beginning	0	0	0	0	0
Plan fiduciary net position- ending	0	0	0	0	0
Net OPEB liability- ending	<u>42,475</u>	<u>49,278</u>	<u>40,857</u>	<u>25,569</u>	<u>24,584</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	278,143	243,136	243,136	227,931	227,931
Net OPEB liability as a percentage of covered employee payroll	15.3%	20.3%	16.8%	11.2%	10.8%

\*information available presented