

Audited Financial Statements and
Other Financial Information

Town of Windsor, Maine

June 30, 2023

Revised 10/28/2024



Proven Expertise & Integrity

TOWN OF WINDSOR, MAINE

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Windsor
Windsor, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor, Maine, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor, Maine as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Windsor, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town 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 our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Windsor, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and OPEB information on pages 5 through 11 and 51 through 55 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the Schedule of Revenues - General Fund, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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 September 27, 2024, on our consideration of the Town of Windsor, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Windsor, 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 Windsor, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
October 28, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of Town of Windsor, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Windsor's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above-mentioned financial statements have been presented for the following activity:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, human services, education, cemeteries, health and sanitation, other expenditures and capital outlay.

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 Windsor, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Windsor can be classified as governmental and fiduciary funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Windsor presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Changes in Net OPEB Liability - MMEHT, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT, Schedule of Contributions - OPEB - MMEHT and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities decreased by \$204,759 from \$12,085,703 to \$11,880,944.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased by \$25,643 from a balance of \$2,710,594 to \$2,736,237 at the end of this year.

Table 1
Town of Windsor, Maine
Net Position
June 30,

	2023	2022 (Restated)
Assets:		
Current Assets	\$ 2,851,670	\$ 2,780,701
Noncurrent Assets - Capital Assets	9,454,270	9,459,701
Total Assets	<u>12,305,940</u>	<u>12,240,402</u>
Deferred Outflows of Resources:		
Deferred Outflows of Related to OPEB	8,155	10,609
Total Deferred Inflows of Resources	<u>8,155</u>	<u>10,609</u>
Liabilities:		
Current Liabilities	72,432	97,448
Noncurrent Liabilities	298,726	55,057
Total Liabilities	<u>371,158</u>	<u>152,505</u>
Deferred Inflows of Resources:		
Prepaid Taxes	6,692	-
Deferred revenues	39,391	-
Deferred Inflows of Related to OPEB	15,910	12,803
Total Deferred Inflows of Resources	<u>61,993</u>	<u>12,803</u>
Net Position:		
Net Investment in Capital Assets	9,144,707	9,375,109
Unrestricted	2,736,237	2,710,594
Total Net Position	<u>\$ 11,880,944</u>	<u>\$ 12,085,703</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 0.61%. Total expenses increased by 10.62%. The increases in revenues were primarily due to miscellaneous revenues partially offset by a decrease in grants and contributions not restricted to specific programs. The largest increases in expenses were in public works and capital outlay, partially offset by a decrease in public safety.

Table 2
Town of Windsor, Maine
Change in Net Position
For the Years Ended June 30,

	<u>2023</u>	<u>2022</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 98,215	\$ 114,256
Operating grants and contributions	42,052	45,859
<i>General Revenues:</i>		
Property taxes	4,427,223	4,388,609
Excise taxes	525,737	514,915
Grants and contributions not restricted to specific programs	563,741	800,955
Miscellaneous	348,025	104,275
Total Revenues	<u>6,004,993</u>	<u>5,968,869</u>
Expenses		
General government	471,305	468,102
Public safety	181,156	563,368
Public works	922,282	554,575
Human services	15,750	15,852
Education	3,520,242	3,435,542
County Tax	383,167	355,017
Cemeteries	38,408	85,344
Health and sanitation	118,140	113,698
Other expenditures	9,156	-
Capital outlay	548,287	17,955
Interest on long-term debt	1,859	4,029
Total Expenses	<u>6,209,752</u>	<u>5,613,482</u>
Change in Net Position	(204,759)	355,387
Net Position - July 1, Restated	<u>12,085,703</u>	<u>11,730,316</u>
Net Position - June 30	<u>\$ 11,880,944</u>	<u>\$ 12,085,703</u>

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.

Table 3
Town of Windsor, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2023</u>	<u>2022 (Restated)</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Assigned	\$ 656,904	\$ 898,224	\$ (241,320)
Unassigned	1,369,836	912,948	456,888
Total General Fund	<u>\$ 2,026,740</u>	<u>\$ 1,811,172</u>	<u>\$ 215,568</u>
Nonmajor Funds:			
Special Revenue Funds:			
Committed	\$ 696,435	\$ 881,090	\$ (184,655)
Total Nonmajor Funds	<u>\$ 696,435</u>	<u>\$ 881,090</u>	<u>\$ (184,655)</u>

The changes in total fund balances for the general fund and the nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

The difference between the original and final budget for the general fund was in the use of assigned fund balances.

The general fund actual revenues exceeded budget by \$317,411. This was the result of revenues being receipted over budget except for intergovernmental revenues - municipal revenue sharing and interest income.

The general fund actual expenditures were under budget by \$262,765. All expenditure categories were within or under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town decreased by \$5,431 from the prior year. This decrease is the result of current year acquisitions of \$502,368, less current year depreciation expense of \$507,799.

Table 4
Town of Windsor, Maine
Capital Assets (Net of Depreciation)
June 30,

	2023	2022 (Restated)
Land	\$ 33,500	\$ 33,500
Buildings and improvements	460,824	476,386
Machinery, equipment and vehicles	505,895	566,716
Infrastructure	8,444,488	8,370,516
Right of use lease asset	9,563	12,583
Total	<u>\$ 9,454,270</u>	<u>\$ 9,459,701</u>

Debt

At June 30, 2023, the Town had \$309,563 in bonds payable, notes from direct borrowings payable and lease liabilities versus \$84,592 in the prior fiscal year.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately four months. The Town also maintains significant reserve accounts for future capital and program needs.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at P.O. Box 179, Windsor, Maine 04363.

STATEMENT A

TOWN OF WINDSOR, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,649,276
Investments	25,101
Accounts receivable (net of allowance for uncollectibles):	
Taxes	122,232
Liens	15,003
Other	40,058
Total current assets	<u>2,851,670</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	33,500
Buildings, equipment and infrastructure, net of accumulated depreciation	9,411,207
Right of use lease asset, net of accumulated depreciation	9,563
Total noncurrent assets	<u>9,454,270</u>
TOTAL ASSETS	<u>12,305,940</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	8,155
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,155</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 12,314,095</u>
LIABILITIES	
Current liabilities:	
Accrued payroll	\$ 19,412
Current portion of long-term obligations	53,020
Total current liabilities	<u>72,432</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	250,000
Lease payable	6,543
Net OPEB liability	42,183
Total noncurrent liabilities	<u>298,726</u>
TOTAL LIABILITIES	<u>371,158</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	6,692
Deferred revenues	39,391
Deferred inflows related to OPEB	15,910
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>61,993</u>
NET POSITION	
Net investment in capital assets	9,144,707
Unrestricted	2,736,237
TOTAL NET POSITION	<u>11,880,944</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 12,314,095</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT B

TOWN OF WINDSOR, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 471,305	\$ 98,215	\$ 3,060	\$ -	\$ (370,030)
Public safety	181,156	-	-	-	(181,156)
Public works	922,282	-	38,992	-	(883,290)
Human services	15,750	-	-	-	(15,750)
Education	3,520,242	-	-	-	(3,520,242)
County Tax	383,167	-	-	-	(383,167)
Cemeteries	38,408	-	-	-	(38,408)
Health and sanitation	118,140	-	-	-	(118,140)
Other expenditures	9,156	-	-	-	(9,156)
Capital outlay	548,287	-	-	-	(548,287)
Interest on long-term debt	1,859	-	-	-	(1,859)
Total government	<u>\$ 6,209,752</u>	<u>\$ 98,215</u>	<u>\$ 42,052</u>	<u>\$ -</u>	<u>(6,069,485)</u>

STATEMENT B (CONTINUED)

TOWN OF WINDSOR, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(6,069,485)</u>
General revenues:	
Taxes:	
Property taxes	4,427,223
Excise taxes	525,737
Grants and contributions not restricted to specific programs	563,741
Miscellaneous	<u>348,025</u>
Total general revenues	<u>5,864,726</u>
Change in net position	(204,759)
NET POSITION - JULY 1, RESTATED	<u>12,085,703</u>
NET POSITION - JUNE 30	<u>\$ 11,880,944</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C

TOWN OF WINDSOR, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,649,276	\$ -	\$ 2,649,276
Investments	25,101	-	25,101
Accounts receivables (net of allowance for uncollectibles):			
Taxes	122,232	-	122,232
Liens	15,003	-	15,003
Other - allowance for doubtful accounts	40,058	-	40,058
Due from other funds	-	735,826	735,826
TOTAL ASSETS	<u>\$ 2,851,670</u>	<u>\$ 735,826</u>	<u>\$ 3,587,496</u>
LIABILITIES			
Accrued expenses	\$ 19,412	\$ -	\$ 19,412
Due to other funds	735,826	-	735,826
TOTAL LIABILITIES	<u>755,238</u>	<u>-</u>	<u>755,238</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	6,692	-	6,692
Deferred revenues	-	39,391	39,391
Deferred tax revenues	63,000	-	63,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>69,692</u>	<u>39,391</u>	<u>109,083</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	696,435	696,435
Assigned	656,904	-	656,904
Unassigned	1,369,836	-	1,369,836
TOTAL FUND BALANCES	<u>2,026,740</u>	<u>696,435</u>	<u>2,723,175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,851,670</u>	<u>\$ 735,826</u>	<u>\$ 3,587,496</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

Total Fund Balances	\$ 2,723,175
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, net of accumulated depreciation	9,454,270
Other long term assets are not available to pay for current period expenditures therefore are deferred in the funds shown above:	
Taxes and liens receivable	63,000
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	8,155
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(300,000)
Lease payable	(9,563)
Net OPEB liability	(42,183)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	<u>(15,910)</u>
Net position of governmental activities	<u>\$ 11,880,944</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property Taxes	\$ 4,427,223	\$ -	\$ 4,427,223
Excise Taxes	525,737	-	525,737
Intergovernmental Revenues	605,793	-	605,793
Licenses, Permits and Fees	25,080	-	25,080
Charges for Services	98,215	-	98,215
Miscellaneous Revenues	322,945	-	322,945
TOTAL REVENUES	<u>6,004,993</u>	<u>-</u>	<u>6,004,993</u>
EXPENDITURES			
Current:			
General government	457,477	-	457,477
Public safety	137,221	-	137,221
Public works	469,996	-	469,996
Human services	15,750	-	15,750
Education	3,520,242	-	3,520,242
County Tax	383,167	-	383,167
Cemeteries	38,408	-	38,408
Health and sanitation	118,140	-	118,140
Other expenditures	9,156	-	9,156
Debt Service:			
Principal	72,009	-	72,009
Interest	1,859	-	1,859
Capital outlay	-	750,655	750,655
TOTAL EXPENDITURES	<u>5,223,425</u>	<u>750,655</u>	<u>5,974,080</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>781,568</u>	<u>(750,655)</u>	<u>30,913</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	566,000	566,000
Transfers (out)	(566,000)	-	(566,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(566,000)</u>	<u>566,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	215,568	(184,655)	30,913
FUND BALANCES - JULY 1, RESTATED	<u>1,811,172</u>	<u>881,090</u>	<u>2,692,262</u>
FUND BALANCES - JUNE 30	<u>\$ 2,026,740</u>	<u>\$ 696,435</u>	<u>\$ 2,723,175</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E) \$ 30,913

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

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

Capital asset acquisitions	502,368
Depreciation expense	<u>(507,799)</u>
	<u>(5,431)</u>

Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:

OPEB	<u>(2,454)</u>
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Debt proceeds provide current financial resources to governmental funds but are long-term obligations in the Statement of Net Assets.	<u>(300,000)</u>
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>75,029</u>
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Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	<u>(3,107)</u>

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:

Net OPEB liability	<u>291</u>
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Change in net position of governmental activities (Statement B)	<u><u>\$ (204,759)</u></u>
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See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Private-Purpose Trust Funds Windsor Educational Foundation
ASSETS	
Cash and cash equivalents	\$ 23,679
Investments	174,182
TOTAL ASSETS	<u>\$ 197,861</u>
LIABILITIES	
Due to other governments	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	197,861
TOTAL NET POSITION	<u>197,861</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 197,861</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust Funds Windsor Educational Foundation
ADDITIONS	
Investment earnings	\$ 20,760
TOTAL ADDITIONS	<u>20,760</u>
DEDUCTIONS	
Scholarships and other expenses	<u>3,443</u>
TOTAL DEDUCTIONS	<u>3,443</u>
NET INCREASE (DECREASE) IN NET POSITION	17,317
NET POSITION - JULY 1, RESTATED	<u>180,544</u>
NET POSITION - JUNE 30	<u>\$ 197,861</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Windsor was incorporated under the laws of the State of Maine. The Town operates under the selectboard-town manager form of government and provides the following services: general government, public safety, public works, human services, education, cemeteries, health and sanitation, other expenditures and capital outlay.

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).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, municipal maintenance, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from the government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources,

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Fund

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in trustee or custodial capacity for others and therefore, are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Windsor has no formal investment policy but instead follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$40,058 for the year ended June 30, 2023.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized on a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	15 years
Equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of a bond payable, leases and net OPEB liability.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has deferred outflows of resources related to OPEB, which arise only under the accrual basis of accounting that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows of resources related to OPEB also qualifies for reporting in this category. This item is reported in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 16, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due on September 30, 2022 and March 31, 2023. Interest on unpaid taxes commenced on October 1, 2022 and April 1, 2023 at 4% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 \$62,336 for the year ended June 30, 2023.

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.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2023, the Town's cash and cash equivalents amounting to \$2,672,955 were comprised of bank deposits of \$2,657,258. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these bank deposits were fully insured by the FDIC or NCUSIF depository insurance and consequently were not exposed to custodial credit risk.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking	\$ 274,279
Repurchase agreement account	2,382,979
Cash equivalents	23,679
	<u>\$ 2,657,258</u>

Investments:

Custodial credit risk for investments is 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. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investments in mutual funds for \$174,182 are not exposed to custodial credit risk because the underlying securities are registered in the Town's name and are covered by the Securities Investor Protection Corporation (SIPC). The Town's investments in certificates of deposit in the amount of \$25,101 is fully collateralized by the FDIC and consequently not exposed to custodial credit risk.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$25,101 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2023, the Town invested \$25,101 in certificates of deposit and in the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Equity securities:				
Mutual funds - fixed income	\$ 14,161	\$ 14,161	\$ -	\$ -
Mutual funds - domestic and foreign	160,021	160,021	-	-
	<u>\$ 174,182</u>	<u>\$ 174,182</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2023:

	June 30, 2023 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds - fixed income	\$ 14,161	\$ 14,161	\$ -	\$ -
Mutual funds - domestic and foreign	160,021	160,021	-	-
Total equity securities	174,182	174,182	-	-
 Total investments by fair value level	 \$ 174,182	 \$ 174,182	 \$ -	 \$ -
 <u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	\$ 23,679			
Total cash equivalents measured at the NAV	23,679			
Total investments and cash equivalents measured at fair value	<u>\$ 197,861</u>			

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in cash management accounts and various insured certificates of deposit.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ -	\$ 735,826
Nonmajor Special Revenue Funds	735,826	-
	<u>\$ 735,826</u>	<u>\$ 735,826</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2023 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 566,000	\$ -
Nonmajor Special Revenue Funds	-	566,000
	<u>\$ 566,000</u>	<u>\$ 566,000</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Disposals	Balance, 6/30/23
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 33,500	\$ -	\$ -	\$ 33,500
	<u>33,500</u>	<u>-</u>	<u>-</u>	<u>33,500</u>
Depreciated assets:				
Buildings and improvements	1,006,949	9,611	-	1,016,560
Machinery, equipment and vehicles	1,489,955	11,600	-	1,501,555
Infrastructure	23,487,101	481,157	-	23,968,258
Right of use lease asset	15,100	-	-	15,100
	<u>25,999,105</u>	<u>502,368</u>	<u>-</u>	<u>26,501,473</u>
Less: accumulated depreciation:				
Buildings and improvements	(530,563)	(25,173)	-	(555,736)
Machinery, equipment and vehicles	(923,239)	(72,421)	-	(995,660)
Infrastructure	(15,116,585)	(407,185)	-	(15,523,770)
Right of use lease asset	(2,517)	(3,020)	-	(5,537)
	<u>(16,572,904)</u>	<u>(507,799)</u>	<u>-</u>	<u>(17,080,703)</u>
Net depreciated assets	<u>9,426,201</u>	<u>(5,431)</u>	<u>-</u>	<u>9,420,770</u>
Net capital assets	<u>\$ 9,459,701</u>	<u>\$ (5,431)</u>	<u>\$ -</u>	<u>\$ 9,454,270</u>
<u>Current year depreciation</u>				
General Government				\$ 11,578
Public Safety				43,935
Public works				452,286
Total depreciation expense				<u>\$ 507,799</u>

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Deletions	Balance, 6/30/23	Due Within One Year
Bonds payable	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ 50,000
Notes from direct borrowings payable	72,009	-	(72,009)	-	-
Lease payable	12,583	-	(3,020)	9,563	3,020
	<u>\$ 84,592</u>	<u>\$ 300,000</u>	<u>\$ (75,029)</u>	<u>\$ 309,563</u>	<u>\$ 53,020</u>

The following is a description of the outstanding bond and lease payable:

Bond payable:

\$300,000 - 2022 Bond with Kennebec Savings Bank due in annual principal and interest payments through August 17, 2028. The interest rate is fixed at 3.89% per annum.

\$ 300,000

Lease payable:

\$15,100 - 2021 Lease with Xerox Financial Services due in monthly payments of \$251.67 for 60 months through November 2026.

9,563

Total long-term debt

\$ 309,563

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The right of use lease asset associated with this lease liability (including amortization/depreciation applicable to the same) are presented as a separate category of Capital Assets and is grouped accordingly on the Statement of Net Position.

The following is a summary of outstanding bond and lease payable principal and interest requirements for the next fiscal years ending June 30:

	Bond Payable		Lease Payable	Total Debt
	Principal	Interest	Principal	Service
2024	\$ 50,000	11,670	\$ 3,020	\$ 235,948
2025	50,000	9,752	3,020	164,895
2026	50,000	7,780	3,020	153,350
2027	50,000	5,835	503	147,894
2028	50,000	3,890	-	449,615
2029-2033	50,000	2,003	-	357,800
	<u>\$ 300,000</u>	<u>\$ 40,930</u>	<u>\$ 9,563</u>	<u>\$ 1,509,502</u>

All bonds and notes are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for special assessment debt. All bonds and notes from direct borrowings are payable from taxes levied on all taxable property located within the Town. The General Fund is used to liquidate the liability for these notes.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2023 are as follows:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Due Within One Year
Net OPEB Liability	<u>\$ 42,474</u>	<u>\$ 5,267</u>	<u>\$ (5,558)</u>	<u>\$ 42,183</u>	<u>\$ -</u>

Please see Note 13 for detailed information on net OPEB liability.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 8 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. As of June 30, 2023, Oxford County did not have any debt. The Town's share of school debt was approximately as follows:

	Outstanding Debt	Town's Percentage	Total Share
RSU No. 12	<u>\$ 10,756,791</u>	<u>26.18%</u>	<u>\$ 2,816,128</u>

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023:

Invested in capital assets	\$ 26,534,973
Accumulated depreciation	(17,080,703)
Outstanding capital related debt	<u>(309,563)</u>
	<u>\$ 9,144,707</u>

NOTE 10 - COMMITTED FUND BALANCES

The Town had the following committed fund balances at June 30, 2023:

Nonmajor Special Revenue Funds (Schedule E):

Radio communications	\$ 50,000
Bridge/culvert replacement fund	89,797
Town hall building reserve	16,449
Parke property reserve interest	15,258
Backhoe reserve	14,000
Public works capital reserve	12,650
Forest fire reserve	17,765
Rescue capital reserve	75,192
Windsor fire department capital	51,200
Transfer station reserve	23,240
Public works truck reserve	55,954
Computer systems reserve	9,996
Revaluation tax map reserve	105,034
Utility/assessors legal service reserve	21,990

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - COMMITTED FUND BALANCES (CONTINUED)

Ash disposal reserve	18,233
Major road construction	14,012
Fire department building reserve	12,500
Cemetery land reserve	10,000
Windsor veterans memorial	12,122
Reed trust	4,504
Windsor days	13,539
Netco scholarship	25,000
Documentation reserve	28,000
	\$ 696,435

NOTE 12 - ASSIGNED FUND BALANCES

The Town had the following assigned fund balances at June 30, 2023:

General Fund:

Use of Fund Balance FY 2024 Budget	\$ 300,000
State Revenue Sharing Carryforward	356,904
	\$ 656,904

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. 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*

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Benefits Other Than Pensions. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2023, the following employees were covered by the benefit terms:

Active members	6
Retirees and spouses	-
Total	<u>6</u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$1,140.92	\$2,559.25
<u>Medicare</u>		
Medicare-Eligible Retirees	\$600.50	\$1,201.00

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$42,183 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$5,270. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,030	\$ 9,921
Changes of assumptions	6,942	5,989
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	183	-
Total	<u>\$ 8,155</u>	<u>\$ 15,910</u>

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

\$183 were 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 net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2024	\$ 242
2025	246
2026	(191)
2027	(1,574)
2028	(2,015)
Thereafter	(4,646)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for June 30, 2023 was based upon a measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB liability	\$ 49,705	\$ 42,183	\$ 36,041
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 49,705</u>	<u>\$ 42,183</u>	<u>\$ 36,041</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 34,999	\$ 42,183	\$ 51,272
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 34,999</u>	<u>\$ 42,183</u>	<u>\$ 51,272</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
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Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2023, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Assumptions

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2023, they are as follows:

Discount Rate - 3.72% per annum for year-end 2023 reporting. 2.06% per annum for 2022 year-end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2023_fl was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capital 2032+	1.50%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. 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, 2021.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. 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, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 was \$ (8,891).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at P.O. Box 179, Windsor, Maine 04363.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2023.

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a "claims made" form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 - RISK MANAGEMENT (CONTINUED)

of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2023. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 15 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 16 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

TOWN OF WINDSOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - ECONOMIC DEPENDENCY

The Town of Windsor is economically dependent upon Central Maine Power (Avangrid Management). Approximately \$1,872,404, or 42.4% of the Town's annual tax commitment was assessed to Central Maine Power Company for the twelve months ended June 30, 2023.

NOTE 18 - RESTATEMENT

In 2023, the Town determined that certain funds were incorrectly classified in the previous year, therefore restatements were required to the general fund. The general fund decreased by \$925,377 from \$2,736,549 to \$1,811,172. The following fund and fund balances were added: nonmajor special revenue funds of \$881,090 which includes decreases to the ARPA fund and major road construction fund of \$44,287.

Governmental activities were restated to reflect capital asset increases of \$34,914, leases increased by \$12,583 and nonmajor special revenue funds decreased by \$44,287. The resulting net restatements to the beginning net position for governmental activities resulted in a decrease of \$21,956 from \$12,107,659 to \$12,085,703.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net OPEB Liability - MMEHT
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT
- Schedule of Contributions - OPEB - MMEHT
- Notes to Required Supplementary Information

TOWN OF WINDSOR, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,811,172	\$ 1,811,172	\$ 1,811,172	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	4,425,499	4,425,499	4,427,223	1,724
Excise Taxes	475,000	475,000	525,737	50,737
Intergovernmental Revenues:				
Municipal Revenue Sharing	457,000	457,000	378,680	(78,320)
Homestead Exemption	148,372	148,372	151,224	2,852
Local Road Assistance	36,000	36,000	38,992	2,992
BETE Reimbursement	6,711	6,711	6,724	13
Tree Growth Reimbursement	15,000	15,000	24,448	9,448
Other	-	-	5,725	5,725
Licenses, Permits and Fees	-	-	25,080	25,080
Charges for Services	75,000	75,000	98,215	23,215
Interest Income	14,000	14,000	4,210	(9,790)
Tax Interest/Lien Costs	-	-	8,923	8,923
Miscellaneous Revenues	35,000	35,000	309,812	274,812
Amounts Available for Appropriation	<u>7,498,754</u>	<u>7,498,754</u>	<u>7,816,165</u>	<u>317,411</u>
Charges to Appropriations (Outflows):				
General government	501,387	475,734	457,477	18,257
Public safety	148,915	152,355	137,221	15,134
Public works	499,501	517,120	469,996	47,124
Human services	15,750	15,750	15,750	-
Education	3,520,242	3,520,242	3,520,242	-
County Tax	383,167	383,167	383,167	-
Cemeteries	39,206	39,531	38,408	1,123
Health and sanitation	126,603	130,872	118,140	12,732
Other Expenditures	78,661	78,661	9,156	69,505
Debt Service:				
Principal	76,291	76,291	72,009	4,282
Interest	1,859	1,859	1,859	-
Transfers to other funds	566,000	660,608	566,000	94,608
Total Charges to Appropriations	<u>5,957,582</u>	<u>6,052,190</u>	<u>5,789,425</u>	<u>262,765</u>
Budgetary Fund Balance, June 30	<u>\$ 1,541,172</u>	<u>\$ 1,446,564</u>	<u>\$ 2,026,740</u>	<u>\$ 580,176</u>
Utilization of assigned fund balance	<u>\$ 270,000</u>	<u>\$ 364,608</u>	<u>\$ -</u>	<u>\$ (364,608)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/22 (Reporting December 31, 2022)	\$ 42,474	\$ -	\$ 42,474
Changes for the year:			
Service cost	4,304	-	4,304
Interest	963	-	963
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(5,502)	-	(5,502)
Contributions - employer	-	56	56
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(56)	(56)	(112)
Administrative expense	-	-	-
Net changes	(291)	-	(291)
Balances at 1/1/23 (Reporting December 31, 2023)	<u>\$ 42,183</u>	<u>\$ -</u>	<u>\$ 42,183</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS - MMEHT
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ 4,304	\$ 4,776	\$ 4,172	\$ 2,758	\$ 3,039	\$ 2,675
Interest (includes interest on service cost)	963	1,145	1,233	1,160	949	772
Changes of benefit terms	-	-	-	(761)	-	-
Differences between expected and actual experience	-	(12,755)	-	1,779	-	1,065
Changes of assumptions	(5,502)	117	3,099	10,424	(2,933)	2,443
Benefit payments, including refunds of member contributions	(56)	(86)	(83)	(73)	(70)	(247)
Net change in total OPEB liability	\$ (291)	\$ (6,803)	\$ 8,421	\$ 15,287	\$ 985	\$ 6,708
Total OPEB liability - beginning	\$ 42,474	\$ 49,277	\$ 40,856	\$ 25,569	\$ 24,584	\$ 17,876
Total OPEB liability - ending	\$ 42,183	\$ 42,474	\$ 49,277	\$ 40,856	\$ 25,569	\$ 24,584
<u>Plan fiduciary net position</u>						
Contributions - employer	56	86	83	73	70	247
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(56)	(86)	(83)	(73)	(70)	(247)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 42,183	\$ 42,474	\$ 49,277	\$ 40,856	\$ 25,569	\$ 24,584
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 278,143	\$ 278,143	\$ 243,136	\$ 243,136	\$ 227,931	\$ 227,931
Net OPEB liability as a percentage of covered payroll	15.2%	15.3%	20.3%	16.8%	11.2%	10.8%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - MMEHT
LAST 10 FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>						
Employer contributions	\$ 56	\$ 86	\$ 83	\$ 73	\$ 70	\$ 247
Benefit payments	<u>(56)</u>	<u>(86)</u>	<u>(83)</u>	<u>(73)</u>	<u>(70)</u>	<u>(247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 278,143	\$ 278,143	\$ 243,136	\$ 243,136	\$ 227,931	\$ 227,931
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2023

Changes of Assumptions

Maine Municipal Health Trust OPEB Plan:

There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF WINDSOR, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL GENERAL FUND REVENUES

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 4,425,499	\$ 4,425,499	\$ 4,427,223	\$ 1,724
Excise taxes	475,000	475,000	522,734	47,734
Boat excise taxes	-	-	3,003	3,003
Intergovernmental Revenues:				
Municipal revenue sharing	457,000	457,000	378,680	(78,320)
Homestead exemption	148,372	148,372	151,224	2,852
Local Road Assistance	36,000	36,000	38,992	2,992
BETE reimbursement	6,711	6,711	6,724	13
Tree growth reimbursement	15,000	15,000	24,448	9,448
Veterans exemption	-	-	1,639	1,639
Snowmobile fees	-	-	1,026	1,026
General assistance	-	-	3,060	3,060
Licenses, Permits and Fees:				
General permits and fees	-	-	24,082	24,082
Animal control fees	-	-	998	998
Charges for Services				
Administration	75,000	75,000	83,853	8,853
Cable TV franchise fees	-	-	14,362	14,362
Other Revenue				
Investment income	14,000	14,000	4,210	(9,790)
Interest on taxes	-	-	8,923	8,923
Other revenue	35,000	35,000	309,812	274,812
Amounts Available for Appropriation	<u>\$ 5,687,582</u>	<u>\$ 5,687,582</u>	<u>\$ 6,004,993</u>	<u>\$ 317,411</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General Government					
Administration	\$ 400,097	\$ (28,104)	\$ 371,993	\$ 361,284	\$ 10,709
Insurance	46,880	-	46,880	40,474	6,406
Code enforcement	15,500	1,071	16,571	15,115	1,456
Elections and town meetings	13,260	980	14,240	14,362	(122)
Town hall	25,650	400	26,050	26,242	(192)
Subtotal General Government	501,387	(25,653)	475,734	457,477	18,257
Public Safety	148,915	3,440	152,355	137,221	15,134
Public Works					
Wages and benefits	219,251	17,619	236,870	212,797	24,073
Equipment	77,500	-	77,500	65,645	11,855
Winter roads	101,000	-	101,000	98,515	2,485
Roads	71,500	-	71,500	69,219	2,281
Mowing	9,100	-	9,100	9,100	-
Other	21,150	-	21,150	14,720	6,430
Subtotal Public Works	499,501	17,619	517,120	469,996	47,124
Human Services	15,750	-	15,750	15,750	-
Education	3,520,242	-	3,520,242	3,520,242	-
County Tax	383,167	-	383,167	383,167	-
Cemeteries	39,206	325	39,531	38,408	1,123

TOWN OF WINDSOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Health and Sanitation					
Transfer station	126,603	4,269	130,872	118,140	12,732
Subtotal Health and Sanitation	126,603	4,269	130,872	118,140	12,732
Other Expenditures					
Non-profit agencies	2,825	-	2,825	2,825	-
General assistance	6,000	-	6,000	2,235	3,765
Abatelements/Overlay	69,836	-	69,836	4,096	65,740
Subtotal Community Services	78,661	-	78,661	9,156	69,505
Debt Service					
Principal	76,291	-	76,291	72,009	4,282
Interest	1,859	-	1,859	1,859	-
Subtotal Debt Service	78,150	-	78,150	73,868	4,282
Transfers to other funds					
Special revenue funds	566,000	94,608	660,608	566,000	94,608
Subtotal Transfers to Other Funds	566,000	94,608	660,608	566,000	94,608
TOTAL DEPARTMENTAL OPERATIONS	\$ 5,957,582	\$ 94,608	\$ 6,052,190	\$ 5,789,425	\$ 262,765

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Due from other funds	\$ 735,826	\$ 735,826
TOTAL ASSETS	<u>\$ 735,826</u>	<u>\$ 735,826</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred revenues	39,391	39,391
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>39,391</u>	<u>39,391</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	696,435	696,435
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>696,435</u>	<u>696,435</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF BALANCES	<u>\$ 735,826</u>	<u>\$ 735,826</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Other	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Capital outlay	750,655	750,655
TOTAL EXPENDITURES	<u>750,655</u>	<u>750,655</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(750,655)</u>	<u>(750,655)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	566,000	566,000
Transfers (out)	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>566,000</u>	<u>566,000</u>
NET CHANGE IN FUND BALANCES	(184,655)	(184,655)
FUND BALANCES - JULY 1, RESTATED	<u>881,090</u>	<u>881,090</u>
FUND BALANCES - JUNE 30	<u>\$ 696,435</u>	<u>\$ 696,435</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF WINDSOR, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2023

	Radio Communications	Bridge/Culvert Replacement Fund	Town Hall Building Reserve	Parke Property Reserve Interest	Backhoe Reserve	Public Works Capital Reserve	Forest Fire Reserve	Rescue Capital Reserve
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	50,000	89,797	16,449	15,258	14,000	12,650	17,765	75,192
TOTAL ASSETS	<u>\$ 50,000</u>	<u>\$ 89,797</u>	<u>\$ 16,449</u>	<u>\$ 15,258</u>	<u>\$ 14,000</u>	<u>\$ 12,650</u>	<u>\$ 17,765</u>	<u>\$ 75,192</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred revenues	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	50,000	89,797	16,449	15,258	14,000	12,650	17,765	75,192
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>50,000</u>	<u>89,797</u>	<u>16,449</u>	<u>15,258</u>	<u>14,000</u>	<u>12,650</u>	<u>17,765</u>	<u>75,192</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 50,000</u>	<u>\$ 89,797</u>	<u>\$ 16,449</u>	<u>\$ 15,258</u>	<u>\$ 14,000</u>	<u>\$ 12,650</u>	<u>\$ 17,765</u>	<u>\$ 75,192</u>

TOWN OF WINDSOR, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Windsor Fire Dept. Capital	Transfer Station Reserve	Public Works Truck Reserve	Computer Systems Reserve	Revaluation/ Tax Map Reserve	Utility/Assessors Legal Service Reserve	Ash Disposal Reserve	Major Road Construction
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	51,200	23,240	55,954	9,996	105,034	21,990	18,233	14,012
TOTAL ASSETS	<u>\$ 51,200</u>	<u>\$ 23,240</u>	<u>\$ 55,954</u>	<u>\$ 9,996</u>	<u>\$ 105,034</u>	<u>\$ 21,990</u>	<u>\$ 18,233</u>	<u>\$ 14,012</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred revenues	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	51,200	23,240	55,954	9,996	105,034	21,990	18,233	14,012
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>51,200</u>	<u>23,240</u>	<u>55,954</u>	<u>9,996</u>	<u>105,034</u>	<u>21,990</u>	<u>18,233</u>	<u>14,012</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 51,200</u>	<u>\$ 23,240</u>	<u>\$ 55,954</u>	<u>\$ 9,996</u>	<u>\$ 105,034</u>	<u>\$ 21,990</u>	<u>\$ 18,233</u>	<u>\$ 14,012</u>

SCHEDULE E (CONTINUED)

TOWN OF WINDSOR, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Fire Dept. Building Reserve	Cemetery Land Reserve	Windsor Veterans Memorial	ARPA Fund	Reed Trust	Windsor Days	Netco Scholarship	Documentation Reserve	Total
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	12,500	10,000	12,122	39,391	4,504	13,539	25,000	28,000	735,826
TOTAL ASSETS	<u>\$ 12,500</u>	<u>\$ 10,000</u>	<u>\$ 12,122</u>	<u>\$ 39,391</u>	<u>\$ 4,504</u>	<u>\$ 13,539</u>	<u>\$ 25,000</u>	<u>\$ 28,000</u>	<u>\$ 735,826</u>
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES									
Deferred revenues	-	-	-	39,391	-	-	-	-	39,391
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,391</u>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	12,500	10,000	12,122	-	4,504	13,539	25,000	28,000	696,435
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>12,500</u>	<u>10,000</u>	<u>12,122</u>	<u>-</u>	<u>4,504</u>	<u>13,539</u>	<u>25,000</u>	<u>28,000</u>	<u>696,435</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,500</u>	<u>\$ 10,000</u>	<u>\$ 12,122</u>	<u>\$ 39,391</u>	<u>\$ 4,504</u>	<u>\$ 13,539</u>	<u>\$ 25,000</u>	<u>\$ 28,000</u>	<u>\$ 735,826</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Radio Communications	Bridge/Culvert Replacement Fund	Town Hall Building Reserve	Parke Property Reserve Interest	Backhoe Reserve	Public Works Capital Reserve	Forest Fire Reserve	Rescue Capital Reserve
REVENUES								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-	-
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	7,000	5,000	2,000	10,000
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	7,000	5,000	2,000	10,000
NET CHANGE IN FUND BALANCES	-	-	-	-	7,000	5,000	2,000	10,000
FUND BALANCES - JULY 1, RESTATED	50,000	89,797	16,449	15,258	7,000	7,650	15,765	65,192
FUND BALANCES - JUNE 30	\$ 50,000	\$ 89,797	\$ 16,449	\$ 15,258	\$ 14,000	\$ 12,650	\$ 17,765	\$ 75,192

TOWN OF WINDSOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Windsor Fire Dept. Capital	Transfer Station Reserve	Public Works Truck Reserve	Computer Systems Reserve	Revaluation/ Tax Map Reserve	Utility/Assessors Legal Service Reserve	Ash Disposal Reserve	Major Road Construction
REVENUES								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-	-
EXPENDITURES								
Capital outlay	-	11,600	-	500	29,966	-	-	494,608
TOTAL EXPENDITURES	-	11,600	-	500	29,966	-	-	494,608
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(11,600)	-	(500)	(29,966)	-	-	(494,608)
OTHER FINANCING SOURCES (USES)								
Transfers in	22,500	9,000	25,000	2,500	70,000	-	-	400,000
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	22,500	9,000	25,000	2,500	70,000	-	-	400,000
NET CHANGE IN FUND BALANCES	22,500	(2,600)	25,000	2,000	40,034	-	-	(94,608)
FUND BALANCES - JULY 1, RESTATED	28,700	25,840	30,954	7,996	65,000	21,990	18,233	108,620
FUND BALANCES - JUNE 30	\$ 51,200	\$ 23,240	\$ 55,954	\$ 9,996	\$ 105,034	\$ 21,990	\$ 18,233	\$ 14,012

TOWN OF WINDSOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Fire Dept. Building Reserve	Cemetery Land Reserve	Windsor Veterans Memorial	ARPA Fund	Reed Trust	Windsor Days	Netco Scholarship	Documentation Reserve	Total
REVENUES									
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-	-	-
EXPENDITURES									
Capital outlay	-	-	-	213,981	-	-	-	-	750,655
TOTAL EXPENDITURES	-	-	-	213,981	-	-	-	-	750,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(213,981)	-	-	-	-	(750,655)
OTHER FINANCING SOURCES (USES)									
Transfers in	5,000	5,000	-	-	-	-	-	3,000	566,000
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	-	-	-	-	-	3,000	566,000
NET CHANGE IN FUND BALANCES	5,000	5,000	-	(213,981)	-	-	-	3,000	(184,655)
FUND BALANCES - JULY 1, RESTATED	7,500	5,000	12,122	213,981	4,504	13,539	25,000	25,000	881,090
FUND BALANCES - JUNE 30	\$ 12,500	\$ 10,000	\$ 12,122	\$ -	\$ 4,504	\$ 13,539	\$ 25,000	\$ 28,000	\$ 696,435

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

SCHEDULE I

TOWN OF WINDSOR, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2023

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
General Government	\$ 33,500	\$ 320,881	\$ 69,451	\$ -	\$ 423,832
Public safety	-	367,140	985,850	-	1,352,990
Public works	-	328,539	461,354	23,968,258	24,758,151
Total General Capital Assets	33,500	1,016,560	1,516,655	23,968,258	26,534,973
Less: Accumulated Depreciation	-	(555,736)	(1,001,197)	(15,523,770)	(17,080,703)
Net General Capital Assets	<u>\$ 33,500</u>	<u>\$ 460,824</u>	<u>\$ 515,458</u>	<u>\$ 8,444,488</u>	<u>\$ 9,454,270</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF WINDSOR, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2023

	General Capital Assets 7/1/22 (Restated)	Additions	Deletions	General Capital Assets 6/30/23
General Government	\$ 402,621	\$ 21,211	\$ -	\$ 423,832
Public safety	1,352,990	-	-	1,352,990
Public works	24,276,994	481,157	-	24,758,151
Total General Capital Assets	26,032,605	502,368	-	26,534,973
Less: Accumulated Depreciation	(16,572,904)	(507,799)	-	(17,080,703)
Net General Capital Assets	<u>\$ 9,459,701</u>	<u>\$ (5,431)</u>	<u>\$ -</u>	<u>\$ 9,454,270</u>

See accompanying independent auditor's report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard
Town of Windsor
Windsor, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor, Maine as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Windsor, Maine's basic financial statements and have issued our report thereon dated October 28, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Windsor, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Windsor, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Windsor, Maine's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Windsor, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Windsor, Maine in a separate letter dated September 16, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
October 28, 2024