

TOWN OF WINTHROP, MAINE

Annual Financial Report

For the Year Ended June 30, 2022

TOWN OF WINTHROP, MAINE
Annual Financial Report
For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Town Council
Town of Winthrop, Maine

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winthrop, Maine as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Winthrop, 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 Winthrop, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards 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 generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Winthrop, 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 substantial doubt about the Town of Winthrop, 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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winthrop, Maine's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

South Portland, Maine

BASIC FINANCIAL STATEMENTS

TOWN OF WINTHROP, MAINE
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,728,532
Investments	514,402
Receivables:	
Accounts	28,608
Due from other governments	738,108
Taxes and liens	600,690
Rescue (net of allowance for uncollectible of \$84,549)	116,801
Amounts held in escrow	264,613
Prepaid expenses	85,916
Inventory	18,312
Capital assets, not being depreciated	1,436,866
Capital assets, being depreciated	20,644,409
Total assets	33,177,257
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,166,215
Deferred outflows of resources related to OPEB	518,348
Total deferred outflows of resources	1,684,563
LIABILITIES	
Accounts payable and other current liabilities	340,529
Accrued payroll and benefits	1,078,114
Accrued interest	21,045
Unearned revenues	491,437
Noncurrent liabilities:	
Due within one year	1,548,530
Due in more than one year	8,584,820
Total liabilities	12,064,475
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	1,713,032
Deferred inflows of resources related to OPEB	57,804
Total deferred inflows of resources	1,770,836
NET POSITION	
Net investment in capital assets	16,824,015
Restricted:	
Nonexpendable permanent fund principal	453,246
Expendable permanent fund earnings	66,581
Education	2,438,832
TIF district	234,341
Other programs	22,801
Unrestricted	986,693
Total net position	\$ 21,026,509

See accompanying notes to basic financial statements.

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

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Governmental activities:					
General government	\$ 3,196,271	198,776	157,798	-	(2,839,697)
Public works	1,676,673	183,201	60,228	2,912	(1,430,332)
Public safety	3,294,233	1,050,553	46,559	-	(2,197,121)
Public assistance	7,619	-	3,555	-	(4,064)
Culture and recreation	557,835	41,420	31,210	26,344	(458,861)
Education	13,685,550	126,530	8,692,922	-	(4,866,098)
School lunch	576,902	47,484	513,984	-	(15,434)
Capital maintenance expenses	395,614	-	-	43,262	(352,352)
Interest on debt	84,322	-	-	-	(84,322)
Total governmental activities	23,475,019	1,647,964	9,506,256	72,518	(12,248,281)

General revenues:

Property taxes	12,390,366
Excise taxes	1,377,284
Interest and costs on taxes	60,385
Grants and contributions not restricted to specific programs:	
State revenue sharing	1,254,387
Homestead exemption	536,709
Other intergovernmental revenues	117,491
Unrestricted investment earnings (loss)	(63,473)
Miscellaneous revenues	254,848
Total general revenues	15,927,997

Change in net position 3,679,716

Net position - beginning 17,346,793

Net position - ending \$ 21,026,509

See accompanying notes to basic financial statements.

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

	General	School Operations	School Grants	Town Capital Reserves	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,321,103	271,154	-	-	136,275	8,728,532
Investments	-	-	-	-	514,402	514,402
Receivables:						
Accounts	9,423	16,273	-	2,912	-	28,608
Due from other governments	134,705	-	517,194	-	86,209	738,108
Taxes and tax liens	575,713	-	-	-	-	575,713
Tax acquired property	24,977	-	-	-	-	24,977
Rescue (net of allowance for uncollectible of \$84,549)	116,801	-	-	-	-	116,801
Amounts held in escrow	-	-	-	264,613	-	264,613
Prepaid expenditures	82,671	3,245	-	-	-	85,916
Inventory	9,626	-	-	-	8,686	18,312
Interfund loans receivable	-	2,169,366	-	1,310,296	1,469,693	4,949,355
Total assets	9,275,019	2,460,038	517,194	1,577,821	2,215,265	16,045,337
LIABILITIES						
Accounts payable and other current liabilities	162,677	69,475	20,309	1,092	40,047	293,600
Accrued payroll and benefits	107,084	842,973	119,022	-	9,035	1,078,114
Taxes paid in advance	44,999	-	-	-	-	44,999
Unearned revenues	7,539	-	-	-	483,898	491,437
Interfund loans payable	4,553,853	-	379,448	-	17,984	4,951,285
Total liabilities	4,876,152	912,448	518,779	1,092	550,964	6,859,435
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	250,337	-	-	-	-	250,337
Total deferred inflows of resources	250,337	-	-	-	-	250,337
FUND BALANCES						
Nonspendable	117,274	-	-	-	461,932	579,206
Restricted	-	1,547,590	2,315	234,341	969,623	2,753,869
Committed	-	-	-	1,342,388	242,746	1,585,134
Assigned	404,347	-	-	-	-	404,347
Unassigned	3,626,909	-	(3,900)	-	(10,000)	3,613,009
Total fund balances	4,148,530	1,547,590	(1,585)	1,576,729	1,664,301	8,935,565
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,275,019	2,460,038	517,194	1,577,821	2,215,265	

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.	22,081,275
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.	250,337
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Compensated absences payable	(614,425)
Premium on bonds	(83,554)
Accrued interest	(21,045)
Other postemployment benefits liabilities and related deferred inflows and outflows of resources	(3,227,710)
Net pension liability and related deferred inflows and outflows of resources	(612,869)
Financed purchases	(804,559)
Notes payable	(1,416,506)
Bonds payable	(3,460,000)

Net position of governmental activities **\$ 21,026,509**

See accompanying notes to basic financial statements.

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

	General	School Operations	School Grants	Town Capital Reserves	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 13,841,676	-	-	-	-	13,841,676
Licenses and permits	197,376	-	-	-	-	197,376
Intergovernmental	1,967,315	6,421,705	2,022,696	-	899,019	11,310,735
Charges for services	1,275,174	57,165	-	-	26,432	1,358,771
Local grants and contributions	-	-	-	-	57,706	57,706
Donations	-	-	3,920	-	104,338	108,258
Other	11,254	65,893	-	254,256	25,924	357,327
Investment income (loss)	17,440	-	-	-	(80,913)	(63,473)
Total revenues	17,310,235	6,544,763	2,026,616	254,256	1,032,506	27,168,376
Expenditures:						
Current:						
General government	2,127,751	-	-	200,935	237,370	2,566,056
Public works	1,186,542	-	-	-	1,600	1,188,142
Public safety	2,629,641	-	-	-	43,732	2,673,373
Culture and recreation	445,951	-	-	-	30,680	476,631
Public assistance	7,619	-	-	-	-	7,619
Intergovernmental assessments	801,969	-	-	-	-	801,969
Education	-	10,743,965	2,057,707	-	138,264	12,939,936
Other programs	-	-	-	-	99,673	99,673
MEPERS on-behalf payments	-	964,252	-	-	-	964,252
School lunch	-	-	-	-	576,902	576,902
Capital outlay	68,472	154,410	-	1,475,421	82,185	1,780,488
Debt service:						
Principal and interest	1,137,743	657,384	-	-	-	1,795,127
Total expenditures	8,405,688	12,520,011	2,057,707	1,676,356	1,210,406	25,870,168
Excess (deficiency) of revenues over (under) expenditures	8,904,547	(5,975,248)	(31,091)	(1,422,100)	(177,900)	1,298,208
Other financing sources (uses):						
Proceeds from financed purchases	-	154,410	-	892,850	-	1,047,260
Transfers from other funds	307,993	6,787,681	-	1,158,993	544,893	8,799,560
Transfers to other funds	(8,204,674)	(273,831)	-	-	(321,055)	(8,799,560)
Total other financing sources (uses)	(7,896,681)	6,668,260	-	2,051,843	223,838	1,047,260
Net change in fund balances	1,007,866	693,012	(31,091)	629,743	45,938	2,345,468
Fund balances, beginning of year, restated	3,140,664	854,578	29,506	946,986	1,618,363	6,590,097
Fund balances, end of year	\$ 4,148,530	1,547,590	(1,585)	1,576,729	1,664,301	8,935,565

See accompanying notes to basic financial statements.

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

Net change in fund balances - total governmental funds (from Statement 4)	\$	2,345,468
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. These are the changes in capital asset-related amounts:		
Capital outlays	2,456,605	
Depreciation	(2,015,394)	
Book value of disposed capital assets	(28,763)	412,448
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.		
		(13,641)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. These are the changes in the other liability-related amounts:		
Accrued interest	(5,580)	
Accrued compensated absences	(4,189)	
Net pension liability, including related deferred inflows and outflows	321,765	
OPEB liabilities, including related deferred inflows and outflows	(135,743)	176,253
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These are the changes in long-term debt and related amounts:		
Principal payments on bonds	825,000	
Premium received on bonds, less amortization	14,958	
Principal payments on notes	667,617	1,507,575
Financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the changes in financed purchases and related amounts:		
Proceeds from financed purchase issuances	(1,047,260)	
Principal payments on financed purchases	298,873	(748,387)
Change in net position of governmental activities (see Statement 2)	\$	3,679,716

See accompanying notes to basic financial statements.

TOWN OF WINTHROP, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private- purpose Trust Funds
ASSETS	
Investments	440,223
Due from general fund	1,930
Total assets	442,153
LIABILITIES	
Due to Town general fund	-
Total liabilities	-
NET POSITION	
Restricted for:	
Indaviduals and other organizations	442,153
Total net position	\$ 442,153

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

		Private- purpose Trust Funds
<hr/>		
Investment earnings:		
Net decrease in fair value of investments	\$	(74,763)
Interest, dividends and other		11,750
Total investment income (loss)		(63,013)
<hr/>		
Less investment cost:		
Investment activity costs		3,392
Net investment earnings (loss)		(66,405)
<hr/>		
Deductions:		
School scholarships		14,200
Total deductions		14,200
<hr/>		
Net increase (decrease) in fiduciary net position		(80,605)
Net position, beginning of year		522,758
<hr/>		
Net position, end of year	\$	442,153

See accompanying notes to basic financial statements.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Winthrop, Maine was incorporated in 1771 and operates under a Council-Manager form of government, adopted by charter in 1974. The Town of Winthrop, Maine is located a few miles west of Augusta. The Town Council is comprised of seven members elected for staggered three-year terms.

The accounting policies of the Town of Winthrop, Maine conform to accounting principles generally accepted in the United States of America as applicable to government entities. The following is a summary of the more significant of such policies:

A. Reporting Entity

This report includes all funds of the Town. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. The Town made the determination that there are no entities that should be presented as component units.

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except for the School Department, which is reported in a separate fund, and those funds required to be accounted for in another fund.

The School Operations Fund is the School Department's General Fund and accounts for all of the related revenues and expenditures.

The School Grants Fund is the School Department's grant funds and accounts for all of the related revenues and expenditures.

Town Capital Reserves account for debt proceeds and amounts committed by the Town Council for capital improvements and asset acquisitions.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity on behalf of others. The Town's fiduciary funds include the following fund types:

Private-purpose trust funds are used to account for resources legally held in trust for the benefit of others.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans).

Inventory - Inventory for the Town and the School Lunch Program consists of fuel, food, and supplies and is valued at the lower of cost (first-in, first-out basis) or market, and is offset with a non-spendable fund balance for inventories. Inventories of the School Lunch Program include the value of the U. S. Department of Agriculture commodities donated to the program.

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

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, etc.), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and a historical cost of at least \$5,000. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government are depreciated using the straight-line method over the assets' estimated useful lives ranging from three to fifty years.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Compensated Absences - Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. All vacation and sick time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

Fund Equity - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The five classifications of fund balance for the Governmental Funds are as follows:

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

The Town Council has the responsibility for committing fund balance amounts by vote and likewise would be required to modify or rescind those commitments by a similar vote. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year-end. The Town Council approves the assigned amounts either before or after year-end.

Should there be multiple sources of funding available for a particular purpose, it is the Town’s policy to expend currently budgeted resources first, and then use other sources in the order of restricted, then committed, then assigned amounts.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses in the reimbursing fund as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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

Comparative Data/Reclassifications - Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

Net Position - Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

A budget is adopted for the General Fund and the School Operations Fund and is adopted on a basis consistent with generally accepted accounting principles (GAAP), except for Maine Public Employees Retirement on-behalf payments. Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Town of Winthrop School Department. These amounts have not been budgeted in the School Operations Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$964,252. These amounts have been included as intergovernmental revenue and education expenditures in the School Operations Fund on Statement 4 (GAAP basis) and on the statement of activities. There is no effect on the fund balance or net position at the end of the year.

B. Deficit Fund Balances

At June 30, 2022, the following funds had deficit fund balances:

Special Revenue Funds:	
UT CDBG pass through	\$ 10,000
School grants	1,585

These fund deficits will be covered by future revenue sources or transfers from the General Fund or School Operations fund.

DEPOSITS

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As of June 30, 2022, the Town reported deposits of \$8,728,532 with a bank balance of \$8,936,968. Of the Town's bank balances of \$8,936,968, none was exposed to custodial credit risk as of June 30, 2022 as they were covered by FDIC or securities held by the bank in the Town's name.

INVESTMENTS

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

At June 30, 2022, the Town had the following investments and maturities:

	Fair value	Less than <u>1 year</u>	<u>1-5 years</u>	More than <u>5 years</u>
Corporate stock	\$ 374,713		not applicable	
Mutual funds (1)	579,912		not applicable	
Total investments	\$ 954,625			

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

INVESTMENTS

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted below.

Interest Rate Risk: The Town, in accordance with its investment policy, strives to maximize its return on investments while avoiding assuming unreasonable investment risks.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town does not have a formal policy related to credit risk.

Investments have been reported as follows:

Reported in governmental funds	\$ 514,402
Reported in fiduciary funds	440,223
Total investments	\$ 954,625

PROPERTY TAXES

Property taxes for the current year were committed on August 5, 2021 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$184,522 for the year ended June 30, 2022.

The following summarizes the 2022 and 2021 tax levies:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assessed valuation	\$ 593,589,000	597,330,498
Tax rate (per \$1,000)	20.55	20.65
Commitment	12,365,086	12,334,875
Supplemental taxes assessed	24,699	13,223
Total tax levy	12,389,785	12,348,098
Less: Collections and abatements	11,833,829	11,801,782
Current year receivables at June 30	\$ 505,956	546,316
Due date(s)	10/01/2021 4/01/2022	10/01/2020 4/01/2021
Interest rate on delinquent taxes	6.00%	8.00%
Collection rate	95.92%	95.58%

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2022</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,228,609	-	-	1,228,609
Construction in progress	523,198	1,080,624	1,395,565	208,257
Total capital assets, not being depreciated	1,751,807	1,080,624	1,395,565	1,436,866
Capital assets, being depreciated				
Land improvements	43,032	133,162	-	176,194
Buildings and building improvements	28,033,141	870,190	-	28,904,051
Furniture and fixtures	41,220	-	-	41,220
Machinery and equipment	4,750,372	662,210	-	5,412,582
Vehicles	5,601,253	528,326	129,137	6,000,442
Infrastructure	6,608,589	576,938	-	7,185,527
Total capital assets being depreciated:	45,077,607	2,771,546	129,137	47,720,016
Less accumulated depreciation for:				
Land improvements	10,308	9,995	-	20,303
Buildings and building improvements	14,154,807	774,902	-	14,929,709
Furniture and equipment	40,396	165	-	40,561
Machinery and equipment	3,226,591	426,662	-	3,653,253
Vehicles	3,356,948	572,446	100,374	3,829,020
Infrastructure	4,371,537	231,224	-	4,602,761
Total accumulated depreciation	25,160,587	2,015,394	100,374	27,075,607
Total capital assets being depreciated, net	19,917,020	756,152	28,763	20,644,409
Governmental activities capital assets, net	\$21,668,827	1,836,776	1,424,328	22,081,275

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

Governmental activities:	
General government	\$81,204
Public safety	781,436
Public works, including depreciation of general infrastructure assets	57,464
Education	620,860
Cultural and recreation	474,430
Total depreciation expense – governmental activities	\$ 2,015,394

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

INTERFUND BALANCES

Individual interfund receivable, payable, and transfer balances at June 30, 2022 were as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	4,553,852
School Operations	2,169,366	-
School Grants	-	379,448
Town Capital Reserves	1,310,296	-
Nonmajor Governmental Funds:		
Town programs	485,511	10,000
School lunch	350,897	-
Adult Ed	86,313	-
KVSS regional service center	42,975	-
CIP bond	242,746	-
School capital	261,251	7,984
Total nonmajor governmental funds	1,469,693	17,984
Fiduciary Funds:		
School scholarships	1,930	-
Total fiduciary funds	1,930	
Total	\$ 4,951,285	4,951,285

Certain funds have cash that is co-mingled in centralized cash accounts maintained within the General Fund, the practice of which results in many of the interfund balances listed above.

During FY 2022, the Town reported the following interfund transfers:

	General Fund	School Ops	Town Capital Reserves	School Capital Reserves	School Special Revenue Funds	Town Programs	Town CIP Bond
\$	(7,043,681)	6,787,681	-	-	256,000	-	-
	(1,158,993)	(273,831)	1,158,993	273,831	-	-	-
	(2,000)	-	-	-	-	2,000	-
	300,000	-	-	-	-	-	(300,000)
	7,993	-	-	-	-	(7,993)	-
\$	(7,896,681)	6,513,850	1,158,993	273,831	256,000	(5,993)	(300,000)

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Restated Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$4,285,000	-	825,000	3,460,000	610,000
*Notes from direct borrowings	2,084,123	-	667,617	1,416,506	667,617
*Financed purchases	56,172	1,047,260	298,873	804,559	255,955
Bond premium	98,512	-	14,958	83,554	14,958
Net pension liability	1,453,740	-	1,387,688	66,052	-
Other postemployment benefits	3,621,589	66,665	-	3,688,254	-
Accrued compensated absences	610,236	4,189	-	614,425	-
Governmental activity long-term liabilities	\$ 12,209,372	1,118,114	3,194,136	10,133,350	1,548,530

*Notes and financed purchases are both considered direct borrowings.

LONG-TERM DEBT

Bonds and notes payable at June 30, 2022 is comprised of the following:

	Amount of <u>Original issue</u>	Interest <u>rate</u>	Final maturity <u>date</u>	Balance end of <u>year</u>
Notes from direct borrowings:				
2002 School	\$ 11,455,774	3.05%-5.25%	2023	572,789
2011 School QSCB	1,350,000	4.95%	2029	661,717
2018 Dam project	260,000	2.00%-2.99%	2029	182,000
Total notes				\$1,416,506
General obligation bonds:				
2021 General obligation bond	\$ 4,075,000	1.00-2.00%	2041	3,460,000
Total bonds				\$3,460,000
Financed purchases:				
2019 School photocopiers	\$ 110,000	3.97%	2023	38,172
2022 School computers	154,410	0.00%	2025	82,347
2022 Town vehicles and equipment	254,655	1.45%	2024	170,701
2022 Town vehicles and equipment	638,195	1.73%	2026	513,339
Total financed purchases				\$804,559

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all bonds and notes from direct borrowings outstanding at June 30, 2022 are as follows.

<u>Year</u>	<u>Notes from direct borrowings</u>			<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	667,617	9,367	676,984	610,000	57,763	667,763
2024	94,828	8,720	103,548	610,000	49,375	659,375
2025	94,828	8,049	102,877	565,000	39,150	604,150
2026	94,828	7,352	102,180	270,000	30,800	300,800
2027	94,828	6,630	101,458	185,000	26,250	211,250
2028-2032	-	-	-	500,000	93,000	593,000
2033-2037	-	-	-	400,000	52,000	452,000
2038-2041	-	-	-	320,000	12,800	332,800
Totals	\$ 1,416,506	48,751	1,465,257	3,460,000	361,138	3,821,138

<u>Year</u>	<u>Financed Purchases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	255,955	12,871	268,826
2024	260,090	8,736	268,826
2025	156,856	4,529	161,385
2026	131,658	2,278	133,936
Totals	\$ 804,559	28,414	832,973

The bonds and notes include School debt requirements to be reimbursed by the State of Maine. The State of Maine currently reimburses the Town for a portion of financing costs of school bonds. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

The Town uses financed purchase agreements for financing the purchase of equipment, which have been capitalized except for photocopiers, which individually are below the Town's capitalization threshold. These agreements have been recorded in the Town's statement of net position at the present value of the future minimum payments as of the date of their inception.

Financed purchases are collateralized by the respective equipment financed in the agreements.

SHORT-TERM DEBT

In the current year, the Town issued a loan through the Maine Municipal Bond Bank School Renovation Revolving Loan Fund. The principal amount of the loan was \$82,185 with \$43,262 forgiven on issuance and with 0% interest. The balance of the loan was paid in full during fiscal year 2022.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2022, the Town complied with these limitations.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

FUND BALANCES

At June 30, 2022, portions of the Governmental Funds fund balances were assigned, committed or restricted for future periods or classified as nonspendable for specific amounts as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory	\$ 9,626	-	-	-
Prepaid expenditures	82,671	-	-	-
Tax-acquired property	24,977	-	-	-
Accrued compensation	-	-	-	100,000
Future expenditures	-	-	-	304,347
School Operations	-	1,547,590	-	-
School Grants	-	2,315	-	-
Town Capital Reserves:				
TIF district fund	-	234,341	-	-
Town capital projects	-	-	1,342,388	-
Nonmajor Governmental Funds:				
Town programs	-	22,801	-	-
Adult education	-	85,659	-	-
School lunch inventory	8,686	-	-	-
School lunch program	-	359,604	-	-
KVSS regional service center	-	42,975	-	-
Student activities	-	130,752	-	-
School capital reserves	-	261,251	-	-
CIP bond	-	-	242,746	-
Permanent fund principal	453,246	-	-	-
Permanent fund income	-	66,581	-	-
Totals	\$ 579,206	2,753,869	1,585,134	404,347

NET INVESTMENT IN CAPITAL ASSETS

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases payable and adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at June 30, 2022:

Capital assets	\$ 49,156,882
Accumulated depreciation	(27,075,607)
General obligation bonds	(3,460,000)
Notes from direct borrowings	(1,416,506)
Unamortized bond premium	(83,554)
Financed purchases	(804,559)
Unspent debt proceeds	507,359
Net investment in capital assets	\$ 16,824,015

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

TAX INCREMENT FINANCING DISTRICT AND TAX ABATEMENT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of Winthrop, Maine. The District specifically encompasses the redevelopment of the Carleton Woolen Mill. The TIF's Development Plan authorized the Town to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to reimburse the developer for all or a portion of the taxes assessed on the property.

The incremental value is defined as the increase of the current valuation over the original assessed value. The following is a summary of the TIF activity for the year ended June 30, 2022.

	Original Assessed <u>Value</u>	Current Assessed <u>Value</u>	Captured <u>Value</u>	Captured <u>Tax</u>	Abated <u>Taxes</u>
Commerce Center TIF	\$ 478,600	4,601,500	4,122,900	84,726	42,363

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 carries commercial insurance, either participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association. In addition, the School Department participates in a public entity risk pool, which is sponsored by the Maine School Management Association (MSMA).

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2022.

NET PENSION LIABILITY (ASSET)

General Information about the Pension Plan

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

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY (ASSET), CONTINUED

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

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

PLD Plan - Employees are required to contribute 6.75% or 8.4% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2021 was 8.0% or 11.3% of annual payroll. Contributions to the pension plan from the Town were \$278,367 for the year ended June 30, 2022.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2022, was 18.13% of annual payroll of which 3.84% of payroll was required from the Town and 14.29% was required from the State. Contributions to the pension plan from the Town were \$227,374 for the year ended June 30, 2022.

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

The net pension liabilities (assets) were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liabilities (assets) were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities (assets) for the consolidated PLD and SET plans were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2022, the Town reported an asset of \$(108,188) for its proportionate share of the net pension liability (asset). At June 30, 2021, the Town's proportion of the PLD Plan was -0.0237%.

SET Plan - At June 30, 2022, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 174,240
State's proportionate share of the net pension liability associated with the Town	3,238,469
Total	\$ 3,412,709

At June 30, 2021, the Town's proportion of the SET Plan was 0.0206%.

For the year ended June 30, 2022, the Town recognized a pension gain of \$17,051 for the PLD Plan and an expense of \$1,047,166 for the SET plan, with revenue of \$846,139 for support provided by the State.

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	62,632	-
Changes of assumptions	363,285	-
Net difference between projected and actual earnings on pension plan investments	-	1,474,636
Changes in proportion and differences between Town contributions and proportionate share of contributions	34,250	-
Town contributions subsequent to the measurement date	278,367	-
Total	738,534	1,474,636

An amount of \$278,367 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$(143,402)
2024	(125,617)
2025	(335,680)
2026	(409,770)

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to SET Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	979
Changes of assumptions	118,794	-
Net difference between projected and actual earnings on pension plan investments	-	237,417
Changes in proportion and differences between Town contributions and proportionate share of contributions	81,513	-
Town contributions subsequent to the measurement date	227,374	-
Total	\$ 427,681	238,396

An amount of \$227,374 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$ 20,218
2024	61,799
2025	(53,930)
2026	(66,176)

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75-11.48%	2.80%-13.03%
Investment return, per annum, compounded annually	6.50%	6.50%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates for the SET Plan were based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, or males and females, projected generationally using the RPEC 2020 model. Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2016 to June 30, 2020.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.50% for the PLD and SET Plans. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Town's proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.5% for the PLD Plan and the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50% for PLD Plan and the SET Plan) or 1 percentage-point higher (7.50% for PLD Plan and the SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension liability	\$ 1,539,571	(108,188)	(1,471,101)
<u>SET Plan</u>	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension liability	\$ 457,575	174,240	(61,664)

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

Pension Plan Fiduciary Net Position - Detailed information about the Consolidated PLD and SET pension plans' fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2022.

OTHER POST EMPLOYMENT BENEFITS – SCHOOL DEPARTMENT HEALTH INSURANCE

General Information about the OPEB Plan

Plan Description - The Town's school department sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

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

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employee entitled to but not yet receiving benefits	-
Active employees	104
Total	<u>179</u>

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS, SCHOOL DEPARTMENT HEALTH INSURANCE, CONTINUED

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

The Town's total OPEB liability of \$3,336,485 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 3,289,730
Changes for the year:	
Service cost	32,364
Interest	72,508
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	24,738
Benefit payments	<u>(82,855)</u>
Net changes	46,755
Balance at June 30, 2022	<u>\$ 3,336,485</u>

Change in assumptions reflects a change in the discount rate from 2.21% to 2.16%.

For the year ended June 30, 2022, The Town recognized OPEB expense of \$195,780. At June 30, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 193,968	-
Changes of assumption or other inputs	188,469	-
Contributions subsequent to measurement date	81,923	-
Total	<u>\$ 464,360</u>	<u>-</u>

\$81,923 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ 90,908
2024	90,910
2025	110,936
2026	85,560
2027	4,123

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS, SCHOOL DEPARTMENT HEALTH INSURANCE, CONTINUED

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

Inflation	2.00%
Salary increases	2.75%
Discount rate	2.16% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2021 grading to 3.25% in 2040
Healthcare cost trend rates - Medicare	0.00% for 2021 grading to 3.25% in 2040
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

Discount Rate - The rate used to measure the total OPEB liability was 2.16% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 2.16%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16%) or 1 percentage-point higher (3.16%) than the current rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 3,888,163	3,336,485	2,885,781

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,842,602	3,336,485	3,946,811

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE

General Information about the OPEB Plans

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

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

Contributions - Premium rates are determined for both the PLD and SET Plans by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - The Town is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB Plan from the Town were \$2,578 for the year ended June 30, 2022. Employees are not required to contribute to the PLD OPEB Plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$18,938 for the year ended June 30, 2022. Employers and employees are not required to contribute to the SET OPEB plan.

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

The net OPEB liabilities for the GTL plans were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by a roll forward of an actuarial valuation as of June 30, 2021. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2022, the Town reported a liability of \$22,433 for its proportionate share of the net OPEB liability. At June 30, 2021, the Town's proportion was 0.2173%.

SET OPEB Plan - At June 30, 2022, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$80,843 as of June 30, 2021. At June 30, 2021, the Town's proportion was 0.00%.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

For the year ended June 30, 2022, The Town recognized a gain of \$2,172 for the GTL PLD Plan. For the year ended June 30, 2022, the Town recognized OPEB expense and revenues of \$18,938 for support provided by the State related to the SET OPEB Plan. At June 30, 2022, the Town reported no deferred outflows resources nor deferred inflows of resources related to the SET OPEB Plan. At June 30, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to the GTL PLD Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,535	-
Changes in assumptions	-	11,342
Net difference between projected and actual earnings on OPEB plan investments	-	6,885
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,212	-
Contributions subsequent to the measurement date	2,578	-
Total	\$ 8,325	18,227

\$2,578 is reported as deferred outflows of resources related to the PLD OPEB plans resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$(4,245)
2024	(2,386)
2025	(3,475)
2026	(4,311)
2027	968
Thereafter	969

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2021 actuarial valuation roll forward for both the PLD and SET OPEB Plans was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	PLD OPEB Plan	SET OPEB Plan
Inflation	2.75%	2.75%
Salary increases	2.75% - 11.48%	2.80% - 13.03%
Investment rate of return	6.50%	6.50%

Mortality rates for the PLD OPEB plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retire Mortality Table, for males and females, projected generationally using the RPEC_2020 model. The SET OPEB plan mortality rates were based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

The actuarial assumptions used in the June 30, 2021 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2015 to June 30, 2020.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	16.0%	3.0%
US Government Securities	9.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liability for the PLD OPEB Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The rate used to measure the net OPEB liability for the SET OPEB Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the OPEB Liabilities to Changes in the Discount Rates - The following presents the Town's net OPEB liability related to the PLD Plan calculated using the discount rate, as well as what the Town's net OPEB liability would be if they were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
GTL PLD (6.50%)	33,300	22,433	13,715

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

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – TOWN

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>32</u>
Total	<u>34</u>

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

The Town's total Health Plan OPEB liability of \$329,336 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	\$ 306,377
Changes for the year:	
Service cost	26,593
Interest	7,027
Changes of benefit terms	-
Differences between expected and actual experience	(6,739)
Changes in assumptions or other inputs	(890)
Benefit payments	<u>(3,032)</u>
Net changes	<u>22,959</u>
Balance at June 30, 2022	<u>\$ 329,336</u>

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

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

For the year ended June 30, 2022, The Town recognized OPEB expense of \$34,262 related to the Health Plan. At June 30, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	39,577
Changes of assumption or other inputs	38,037	-
Contributions subsequent to measurement date	7,626	-
Total	\$ 45,663	39,577

\$7,626 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$(1,660)
2024	(1,660)
2025	2,666
2026	1,978
2027	(953)
Thereafter	(1,911)

Actuarial Assumptions - The total OPEB liability in the January 1, 2022 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40% per annum
Salary increases	2.75% per annum
Discount rate	2.06% per annum
Healthcare cost trend rates	Medicare 8.60% for 2022, decreasing to 3.53% for 2042 Non-Medicare 7.67% for 2022, decreasing to 3.53% for 2042
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC _2020 model.

The actuarial assumptions used in the January 1, 2022 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

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

Discount Rate - The rate used to measure the total OPEB liability for the Health plan was 2.06% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.06% as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 383,332	329,336	285,184

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 282,320	329,336	388,488

RETIREMENT PLANS

Deferred Compensation Plans

The Town of Winthrop, Maine offers all its employees not participating in Maine Public Employees Retirement System a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

The Town also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 403. The plan, available to all School Department employees as a part of the collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Assets of the plan are placed in a trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statement.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUBSEQUENT EVENTS

In July 2022, the Town issued a financed purchase agreement through Androscoggin Bank of \$405,000 for the purchase of equipment and vehicles. The term of the agreement is for 5 years and bears an interest rate of 3.51%.

In July 2022, the Town issued a financed purchase agreement through Androscoggin Bank of \$201,000 for the purchase of two vehicles and a fire/rescue boat. The term of the agreement is for 5 years and bears an interest rate of 3.48%.

TOWN OF WINTHROP, MAINE
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2022

		Budgeted amounts		Actual	Variance with final budget positive negative
		Original	Final		
Revenues:					
Taxes	\$	13,582,586	13,582,586	13,841,676	259,090
Licenses and permits		131,780	131,780	197,376	65,596
Intergovernmental		1,459,654	1,499,176	1,967,315	468,139
Charges for services		1,148,149	1,148,149	1,275,174	127,025
Other		1,000	1,000	11,254	10,254
Investment income		4,000	4,000	17,440	13,440
Total revenues		16,327,169	16,366,691	17,310,235	943,544
Expenditures:					
Current:					
General government		2,367,780	2,567,685	2,127,751	439,934
Public works		1,180,382	1,215,036	1,186,542	28,494
Public safety		2,653,132	2,742,749	2,629,641	113,108
Culture and recreation		432,798	440,698	445,951	(5,253)
Public assistance		11,580	11,580	7,619	3,961
Intergovernmental assessments		801,969	801,969	801,969	-
Capital outlay		-	68,472	68,472	-
Debt service		1,152,709	1,152,709	1,137,743	14,966
Total expenditures		8,600,350	9,000,898	8,405,688	595,210
Excess (deficiency) of revenues over (under) expenditures		7,726,819	7,365,793	8,904,547	1,538,754
Other financing sources (uses):					
Utilization of fund balance		-	492,699	-	(492,699)
Transfers to school funds		(7,043,681)	(7,043,681)	(7,043,681)	-
Transfers from other funds		300,000	300,000	307,993	7,993
Transfers to other funds		(983,138)	(1,114,811)	(1,160,993)	(46,182)
Total other financing sources		(7,726,819)	(7,365,793)	(7,896,681)	(530,888)
Net change in fund balance		-	-	1,007,866	1,007,866
Fund balance, beginning of year				3,140,664	
Fund balance, end of year		\$		4,148,530	

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued
School Operations
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
State education subsidy	\$ 4,770,183	4,770,183	5,247,151	476,968
Medicare reimbursements	115,000	115,000	210,302	95,302
Tuition	25,000	25,000	44,375	19,375
Gate receipts	5,000	5,000	12,790	7,790
Miscellaneous	15,000	15,000	65,893	50,893
Total revenues	4,930,183	4,930,183	5,580,511	650,328
Expenditures:				
Current:				
Regular instruction	4,585,206	4,585,206	4,472,846	112,360
Special education instruction	2,114,951	2,114,951	1,935,796	179,155
Other instruction	413,930	413,930	335,918	78,012
Student and staff support	1,087,089	1,087,089	960,398	126,691
System administration	438,844	438,844	375,235	63,609
School administration	813,044	813,044	811,540	1,504
Transportation	577,485	577,485	552,353	25,132
Facilities maintenance	1,333,463	1,333,463	1,294,335	39,128
Other	6,000	6,000	5,544	456
Debt service	661,763	661,763	657,384	4,379
Total expenditures	12,031,775	12,031,775	11,401,349	630,426
Excess (deficiency) of revenues over (under) expenditures	(7,101,592)	(7,101,592)	(5,820,838)	1,280,754
Other financing sources (uses):				
Use of fund balance	313,911	313,911	-	(313,911)
Transfer from Town	6,787,681	6,787,681	6,787,681	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(273,831)	(273,831)
Total other financing sources (uses)	7,101,592	7,101,592	6,513,850	(587,742)
Net change in fund balance	-	-	693,012	693,012
Fund deficit, beginning of year			854,578	
Fund balance, end of year	\$		1,547,590	

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued

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

		Last 10 Fiscal Years**							
		2022	2021	2020	2019	2018	2017	2016	2015
PLD Plan									
Town's proportion of the net pension liability (asset)	\$	-0.0237%	0.3250%	0.3070%	0.3243%	0.3721%	0.3548%	0.3279%	0.2920%
Town's proportionate share of the net pension liability (asset)		(108,188)	1,291,315	938,274	887,637	1,523,311	1,885,416	1,046,288	449,387
Town's covered payroll		1,980,636	1,913,281	1,719,181	1,587,426	1,980,662	1,867,628	1,680,235	1,542,683
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		-5.46%	67.49%	54.58%	55.92%	76.91%	100.95%	62.27%	29.13%
Plan fiduciary net position as a percentage of the total pension liability		100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.01%
SET Plan									
Town's proportion of the net pension liability		0.0206%	0.0100%	0.0156%	0.0216%	0.0162%	0.0089%	0.0090%	0.0113%
Town's proportionate share of the net pension liability		174,240	162,425	227,973	291,196	235,180	157,586	121,160	121,699
State's proportionate share of the net pension liability associated with the Town		3,238,469	6,737,833	6,393,844	6,038,512	6,661,567	8,412,797	5,321,822	4,312,029
Total	\$	3,412,709	6,900,258	6,621,817	6,329,708	6,896,747	8,570,383	5,442,982	4,433,728
Town's covered payroll	\$	5,465,284	5,485,611	5,759,284	5,762,791	5,733,226	5,364,890	5,106,910	4,614,614
Town's proportionate share of the net pension liability as a percentage of its covered payroll		3.19%	2.96%	3.96%	5.05%	4.10%	2.94%	2.37%	2.64%
Plan fiduciary net position as a percentage of the total pension liability		90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

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

**Only eight years of information available.

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued

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

	Last 10 Fiscal Years*							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan								
Contractually required contribution	\$ 278,367	206,797	195,293	180,514	160,330	187,280	166,219	82,062
Contributions in relation to the contractually required contribution	(278,367)	(206,797)	(195,293)	(180,514)	(160,330)	(187,280)	(166,219)	(82,062)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Town's covered payroll	2,601,645	1,980,936	1,913,281	1,719,181	1,587,426	1,980,662	1,867,628	1,680,235
Contributions as a percentage of covered payroll	10.70%	10.44%	10.21%	10.50%	10.10%	9.46%	8.90%	4.88%
SET Plan								
Contractually required contribution	227,374	227,356	228,198	228,644	259,113	213,497	188,740	136,683
Contributions in relation to the contractually required contribution	(227,374)	(227,356)	(228,198)	(228,644)	(259,113)	(213,497)	(188,740)	(136,683)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Town's covered payroll	\$ 5,921,194	5,465,284	5,485,611	5,759,284	5,762,791	5,733,226	5,364,890	5,106,910
Contributions as a percentage of covered payroll	3.84%	4.16%	4.16%	3.97%	4.50%	3.72%	3.52%	2.68%

* Only eight years of information available.

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued

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

		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$	32,364	18,049	14,884	16,208
Interest		72,508	104,486	107,910	102,751
Changes of benefit terms		-	(247,421)	-	-
Differences between expected and actual experience		-	290,952	-	-
Changes of assumptions or other inputs		24,738	197,665	152,267	(120,172)
Benefit payments		(82,855)	(81,823)	(80,676)	(77,888)
Net change in total OPEB Liability		46,755	281,908	194,385	(79,101)
Total OPEB liability - beginning		3,289,730	3,007,822	2,813,437	2,892,538
Total OPEB liability - ending	\$	3,336,485	3,289,730	3,007,822	2,813,437
Covered-employee payroll	\$	4,568,389	4,456,964	6,198,444	6,032,549
Total OPEB liability as a percent of covered-employee payroll		73.03%	73.81%	48.53%	46.64%

**Only four years of information available.*

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 26,593	23,353	14,435	15,810	14,408
Interest	7,027	7,741	9,624	8,170	9,305
Changes of benefit terms	-	-	(5,102)	-	-
Differences between expected and actual experience	(6,739)	-	(33,484)	-	(59,294)
Changes of assumptions or other inputs	(890)	17,596	56,520	(22,085)	29,026
Benefit payments	(3,032)	(2,915)	(3,349)	(3,220)	(3,808)
Net change in total OPEB Liability	22,959	45,775	38,644	(1,325)	(10,363)
Total OPEB liability - beginning	306,377	260,602	221,958	223,283	233,646
Total OPEB liability - ending	\$ 329,336	306,377	260,602	221,958	223,283
Covered-employee payroll	\$ 1,651,519	1,384,968	1,308,494	1,308,494	1,308,494
Total OPEB liability as a percent of covered-employee payroll	19.94%	22.12%	19.92%	16.96%	17.06%

**Only five years of information available.*

TOWN OF WINTHROP, MAINE
Required Supplementary Information, Continued

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

<u>PLD OPEB Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.2173%	0.1932%	0.2084%	0.1983%	0.1486%
Town's proportionate share of the net OPEB liability	\$ 22,433	25,482	44,599	40,057	33,607
Town's covered-employee payroll	1,980,636	1,913,281	1,791,181	1,587,426	1,587,426
Town's proportionate share of the net OPEB liability as percentage of its covered payroll	1.13%	1.33%	2.49%	2.52%	2.12%
Plan fiduciary net position as a percentage of the total OPEB liability	0.93%	55.40%	43.18%	43.92%	47.42%
<u>SET OPEB Plan</u>					
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the Town	80,843	178,417	232,460	176,057	172,538
Total	\$ 80,843	178,417	232,460	176,057	172,538
Plan fiduciary net position as a percentage of the total OPEB liability	62.90%	49.51%	49.22%	48.04%	47.29%

Schedule Town's Contributions - Net OPEB Liability - Life Insurance
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>PLD OPEB Plan</u>					
Contractually required contribution	\$ 2,578	2,177	2,294	2,121	2,084
Contributions in relation to the contractually required contribution	(2,578)	(2,177)	(2,294)	(2,121)	(2,084)
Contribution deficiency (excess)	\$ -	-	-	-	-
Town's covered-employee payroll	\$ 2,402,571	1,980,636	1,913,281	1,791,181	1,587,426
Contributions as a percentage of covered-employee payroll	0.11%	0.11%	0.12%	0.12%	0.13%

* Only five years of information available.

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

TOWN OF WINTHROP, MAINE
Notes to Required Supplementary Information

Net Pension Liabilities (Assets)

Changes of Benefit Terms (Pension) - None

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

	<u>2022</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.500%	6.750%	6.750%	6.875%	7.125%	7.250%
Discount rate - SET	6.500%	6.750%	6.750%	6.875%	7.125%	7.125%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75% + merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80-13.03%	2.75% + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%
Cost of living increases	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

In 2016, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

In 2022, mortality rates were based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table for the SET Plan,
and the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Tabl for the PLD Plan.

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

TOWN OF WINTHROP, MAINE
Notes to Required Supplementary Information, Continued

School Department Health Insurance OPEB Liability

Changes of Benefit Terms (OPEB – Health Insurance):

In FY 2021, MEABT moved the Medicare Companion Plan to a Medicare Advantage Plan.

Town Health Insurance OPEB Liability

Changes of Benefit Terms (OPEB – Health Insurance) - None

Net OPEB Liabilities - Group Term Life

Changes of Benefit Terms - None

For all OPEB plans, changes in assumptions related to discount rates are as follows:

	School Department Health Insurance OPEB Liability	Town Health Insurance OPEB Liability	Group Term Life Insurance PLD OPEB Liability	Group Term Life Insurance SET OPEB Liability
2022	2.16%	2.12%	6.50%	6.50%
2021	2.21%	2.12%	6.75%	6.75%
2020	2.21%	2.47%	6.75%	6.75%
2019	3.50%	N/A	4.98%	6.75%
2018	3.87%	N/A	5.41%	6.88%
2017	3.58%	N/A	N/A	N/A

For all OPEB plans, the mortality rate was based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

In 2022, the mortality rates for all plans were based on the 2010 Public Plan General Benefits and 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

TOWN OF WINTHROP, MAINE
General Fund
Balance Sheets
June 30, 2022

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 8,321,103	4,776,807
Accounts receivable	9,423	48,870
Due from other governments	134,705	152,090
Ambulance receivables, net of allowance of \$84,549	116,801	92,786
Taxes and tax liens	575,713	688,805
Tax acquired property	24,977	16,324
Prepaid expenditures	82,671	55,207
Inventory	9,626	17,080
Total assets	\$ 9,275,019	5,847,969
LIABILITIES		
Accounts payable and other current liabilities	162,677	175,829
Accrued payroll and benefits	107,084	208,455
Taxes collected in advance	44,999	39,506
Unearned revenue	7,539	6,380
Interfund loans payable	4,553,853	2,013,157
Total liabilities	4,876,152	2,443,327
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	250,337	263,978
Total deferred inflows of resources	250,337	263,978
FUND BALANCE		
Nonspendable	117,274	88,611
Assigned	404,347	424,227
Unassigned	3,626,909	2,627,826
Total fund balance	4,148,530	3,140,664
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,275,019	5,847,969

TOWN OF WINTHROP, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2022
(with comparative actual amounts for the year ended June 30, 2021)

	2022		Variance positive (negative)	2021 Actual
	Revised budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 12,365,086	12,365,095	9	12,335,010
Supplemental taxes	-	24,699	24,699	13,223
Change in deferred taxes	-	13,641	13,641	39,224
Payments in lieu of taxes	-	572	572	-
Excise taxes	1,167,500	1,377,284	209,784	1,357,936
Interest and lien costs	50,000	60,385	10,385	64,831
Total taxes	13,582,586	13,841,676	259,090	13,810,224
Licenses and permits:				
Town clerk fees	29,675	44,744	15,069	44,035
Licenses and permits	18,105	71,034	52,929	23,559
Cable franchise fees	84,000	81,598	(2,402)	84,867
Total licenses and permits	131,780	197,376	65,596	152,461
Intergovernmental:				
State revenue sharing	800,000	1,254,387	454,387	722,297
Homestead revenue	536,709	536,709	-	544,154
BETE reimbursement	91,566	91,636	70	74,697
Local roads reimbursement	54,000	58,728	4,728	54,556
Other intergovernmental reimbursements	16,901	25,855	8,954	23,749
Total intergovernmental	1,499,176	1,967,315	468,139	1,419,453
Charges for services:				
Police department fees	97,191	98,854	1,663	90,683
Fire department fees	700	533	(167)	174
Ambulance fees	855,008	951,166	96,158	842,570
Recreation fees	43,400	41,420	(1,980)	8,835
Solid waste fees	144,700	173,620	28,920	150,890
Cemetery fees	7,150	9,581	2,431	7,717
Total charges for services	1,148,149	1,275,174	127,025	1,100,869
Other revenues:				
Miscellaneous	1,000	11,254	10,254	15,480
Total other revenues	1,000	11,254	10,254	15,480
Investment income:				
Investment earnings	4,000	17,440	13,440	22,176
Total investment income	4,000	17,440	13,440	22,176
Total revenues	16,366,691	17,310,235	943,544	16,520,663

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

	2022		Variance positive (negative)	2021 Actual
	Revised budget	Actual		
Expenditures:				
Current:				
General government:				
Town Council	\$ 3,685	2,700	985	2,903
Elections	19,699	11,850	7,849	17,041
Town manager	108,704	106,052	2,652	101,883
Clerk/tax collector	156,171	146,787	9,384	146,280
Assessing and 911	70,340	58,714	11,626	53,392
Finance	141,749	137,552	4,197	125,325
Code enforcement	74,337	73,823	514	66,130
Planning board	23,565	1,751	21,814	3,847
Zoning board of appeals	750	149	601	11
Administrative services	1,684,163	1,539,343	144,820	1,437,878
Accrued compensated absences	100,000	39,850	60,150	45,006
Overlay/abatements	184,522	9,180	175,342	17,390
Total general government	2,567,685	2,127,751	439,934	2,017,086
Public works:				
General public works	628,988	626,074	2,914	564,904
Solid waste disposal	521,644	493,234	28,410	462,767
Mill Dam	-	-	-	485
Cemetery maintenance	55,704	55,199	505	51,667
Landfill buildings/Annabessacook	8,700	12,035	(3,335)	11,810
Total public works	1,215,036	1,186,542	28,494	1,091,633
Public safety:				
Police department	835,355	777,344	58,011	767,923
Communications center	280,125	268,546	11,579	244,975
Fire department	190,542	192,021	(1,479)	195,936
Ambulance	1,188,977	1,149,792	39,185	1,016,905
Other public safety	247,750	241,938	5,812	244,612
Total public safety	2,742,749	2,629,641	113,108	2,470,351
Cultural and recreation:				
Library	328,438	328,438	-	319,996
Recreation	97,200	98,484	(1,284)	67,821
We play outside	10,500	10,762	(262)	-
Norcross point park	4,560	8,267	(3,707)	4,955
Total cultural and recreation	440,698	445,951	(5,253)	392,772
Public assistance:				
General assistance	11,580	7,619	3,961	16,915
Social services	-	-	-	10,518
Total public assistance	11,580	7,619	3,961	27,433

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

	2022			2021 Actual
	Revised budget	Actual	Variance positive (negative)	
Expenditures, continued				
Current continued:				
Intergovernmental assessments	801,969	801,969	-	807,889
Unclassified	-	-	-	10,000
Capital outlay	68,472	68,472	-	-
Debt service (excluding School Department)				
Principal	1,152,709	1,137,743	14,966	571,374
Interest			-	143,791
Total debt service	1,152,709	1,137,743	14,966	715,165
Total expenditures	9,000,898	8,405,688	595,210	7,532,329
Excess (deficiency) of revenues over (under) expenditures	7,365,793	8,904,547	1,538,754	8,988,334
Other financing sources (uses):				
Utilization of fund balance	492,699	-	(492,699)	-
Transfers to school funds	(7,043,681)	(7,043,681)	-	(7,053,706)
Transfers from other funds	300,000	307,993	7,993	75,000
Transfers to other funds	(1,114,811)	(1,160,993)	(46,182)	(1,127,103)
Total other financing sources (uses)	(7,365,793)	(7,896,681)	(530,888)	(8,105,809)
Net change in fund balance	-	1,007,866	1,007,866	882,525
Fund balance, beginning of year		3,140,664		2,258,139
Fund balance, ending of year	\$	4,148,530		3,140,664

TOWN CAPITAL RESERVES

TOWN OF WINTHROP, MAINE
Town Capital Reserves
Capital Projects Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

	Fund balances beginning of year	Other revenues	Capital outlay	Other Expenditures	Transfers	Fund balances end of year
Landfill closing	\$ 4,254	-	-	-	-	4,254
Community mural project	450	-	-	-	-	450
Fire truck reserve	23,551	-	-	7,934	-	15,617
Sweeper reserve	120,751	-	-	-	-	120,751
Development fund (TIF)	191,566	-	-	42,363	85,138	234,341
Downtown development	8,281	-	-	-	-	8,281
Skate park	4,393	-	-	-	-	4,393
Mt. Pisgah trail reserve	1,992	-	1,992	-	-	-
Maranacook dam repairs	75,640	2,912	4,950	514	1,100	74,188
Radio dig upgrade	69,025	-	11,864	-	106,673	163,834
Tennis court reserve	9,500	-	177,030	-	300,000	132,470
Mapping GIS	6,441	-	-	353	1,000	7,088
PD painting and repair	38,000	-	-	-	-	38,000
Pavement/overlay	53,445	-	418,732	-	375,000	9,713
Police vehicle	5,000	-	44,182	-	49,182	10,000
Ambulance station repairs	-	-	15,559	-	20,000	4,441
Phone system	101	-	-	101	-	-
Transfer station furnace	12,000	-	-	-	-	12,000
Sidewalk/crosswalk	60,675	-	43,530	-	-	17,145
Drainage/culvert	-	-	19,275	-	25,000	5,725
School building assessment	26,535	-	248	-	-	26,287
Town office computers/server	6,478	-	5,917	-	12,000	12,561
Town-wide revaluation	25,000	-	-	-	15,000	40,000
Norcross repairs	95,000	-	-	-	66,900	161,900
Library repairs	3,895	26,344	60,239	-	30,000	-
PD computer upgrades	6,635	-	-	-	-	6,635
Spillman mobile forms	29,500	-	-	-	-	29,500
Rec door	9,500	-	9,500	-	-	-
PD Camera	8,000	-	-	-	11,000	19,000
PD phone system	10,000	-	8,761	-	-	1,239
PD Security	12,000	-	-	-	-	12,000
FD Extradicts	7,535	-	7,535	-	-	-
School building security	21,155	-	3,682	-	-	17,473
Manikin	688	-	-	-	(688)	-
Mill dam	-	-	-	-	2,500	2,500
Zero turn mower	-	-	6,700	-	6,700	-
Dump trailer	-	-	7,488	-	7,488	-
PD tasers	-	-	-	-	10,000	10,000
East Winthrop beach	-	225,000	-	149,670	-	75,330
LED lighting	-	-	-	-	35,000	35,000
Financed purchases	-	892,850	628,237	-	-	264,613
Total	\$ 946,986	1,147,106	1,475,421	200,935	1,158,993	1,576,729

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF WINTHROP, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds					Capital Project Funds			Total Other	
	Town Programs	School Lunch	Adult Education	KVSS Regional Service Center	School Activity Funds	CIP Bond	School Capital	Fire Building	Permanent Funds	Governmental Funds
ASSETS										
Cash and cash equivalents	\$ -	98	-	-	130,752	-	-	-	5,425	136,275
Investments	-	-	-	-	-	-	-	-	514,402	514,402
Due from other governments	23,280	19,667	-	-	-	-	43,262	-	-	86,209
Inventory	-	8,686	-	-	-	-	-	-	-	8,686
Interfund loans receivable	485,511	350,897	86,313	42,975	-	242,746	261,251	-	-	1,469,693
Total assets	\$ 508,791	379,348	86,313	42,975	130,752	242,746	304,513	-	519,827	2,215,265
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	2,092	2,490	187	-	-	-	35,278	-	-	40,047
Accrued payroll and benefits	-	8,568	467	-	-	-	-	-	-	9,035
Unearned revenues	483,898	-	-	-	-	-	-	-	-	483,898
Interfund loans payable	10,000	-	-	-	-	-	7,984	-	-	17,984
Total liabilities	495,990	11,058	654	-	-	-	43,262	-	-	550,964
Fund balances:										
Nonspendable	-	8,686	-	-	-	-	-	-	453,246	461,932
Restricted earnings	-	-	-	-	-	-	-	-	66,581	66,581
Other restricted	22,801	359,604	85,659	42,975	130,752	-	261,251	-	-	903,042
Committed	-	-	-	-	-	242,746	-	-	-	242,746
Unassigned	(10,000)	-	-	-	-	-	-	-	-	(10,000)
Total fund balances (deficits)	12,801	368,290	85,659	42,975	130,752	242,746	261,251	-	519,827	1,664,301
Total liabilities and fund balances	\$ 508,791	379,348	86,313	42,975	130,752	242,746	304,513	-	519,827	2,215,265

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

	Special Revenue Funds					Capital Project Funds			Total Other	
	Town Programs	School Lunch	Adult Education	KVSS Regional Service Center	School Activity Funds	CIP Bond	School Capital	Fire Building	Permanent Funds	Governmental Funds
Revenues:										
Intergovernmental	\$ 201,510	513,984	19,896	120,367	-	-	43,262	-	-	899,019
Charges for services	-	21,560	3,472	-	-	-	-	-	1,400	26,432
Local grants and contributions	57,706	-	-	-	-	-	-	-	-	57,706
Donations	-	-	-	-	104,338	-	-	-	-	104,338
Miscellaneous	-	25,924	-	-	-	-	-	-	-	25,924
Investment income (loss)	-	-	-	-	-	-	-	1	(80,914)	(80,913)
Total revenues	259,216	561,468	23,368	120,367	104,338	-	43,262	1	(79,514)	1,032,506
Expenditures:										
Current:										
General government	189,570	-	-	-	-	-	-	-	47,800	237,370
Public works	1,600	-	-	-	-	-	-	-	-	1,600
Public safety	37,993	-	-	-	-	-	-	5,739	-	43,732
Education	-	-	60,348	77,392	-	-	524	-	-	138,264
School lunch	-	576,902	-	-	-	-	-	-	-	576,902
Culture and recreation	30,680	-	-	-	-	-	-	-	-	30,680
Other programs	-	-	-	-	99,673	-	-	-	-	99,673
Capital outlay	-	-	-	-	-	-	82,185	-	-	82,185
Total expenditures	259,843	576,902	60,348	77,392	99,673	-	82,709	5,739	47,800	1,210,406
Excess (deficiency) of revenues over (under) expenditures	(627)	(15,434)	(36,980)	42,975	4,665	-	(39,447)	(5,738)	(127,314)	(177,900)
Other financing sources (uses):										
Transfers from other funds	15,062	200,000	56,000	-	-	-	273,831	-	-	544,893
Transfers to other funds	(21,055)	-	-	-	-	(300,000)	-	-	-	(321,055)
Total other financing sources (uses)	(5,993)	200,000	56,000	-	-	(300,000)	273,831	-	-	223,838
Net change in fund balances	(6,620)	184,566	19,020	42,975	4,665	(300,000)	234,384	(5,738)	(127,314)	45,938
Fund balances, beginning of year	19,421	183,724	66,639	-	126,087	542,746	26,867	5,738	647,141	1,618,363
Fund balances, end of year	\$ 12,801	368,290	85,659	42,975	130,752	242,746	261,251	-	519,827	1,664,301

SCHEDULES

TOWN OF WINTHROP, MAINE
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

		Fund balances (deficits) beginning of year	Program revenues	Program expenditures	Transfers	Fund balances (deficits) end of year
Town programs:						
2001	Snowmobile grant	\$ -	10,560	10,560	-	-
2002	Winthrop cares	4,333	-	1,305	-	3,028
2003	Police drug forfeiture	5,939	-	-	-	5,939
2004	Summer concert	2,555	2,900	2,550	-	2,905
2005	Winthrop community coalition	4,400	-	-	-	4,400
2006	Trail committee project	2,468	-	-	-	2,468
2007	Winthrop plays outside	25	180	-	-	205
2013	Insurance	-	22,149	23,409	1,260	-
2014	Library	45	17,570	17,570	-	45
2016	Volunteer fire fighters association	-	920	920	-	-
2018	Sestercenten	630	5,403	2,612	-	3,421
2019	COVID 19 grant	(13,062)	-	-	13,062	-
2020	MMA safety grant	-	1,977	1,977	-	-
2021	Pedal power	239	-	-	-	239
2022	EMS Covid 19 grant	21,055	-	-	(21,055)	-
2024	PD Detail	-	1,342	1,342	-	-
2025	Alcohol enforcement	(480)	640	800	640	-
2027	Covid JAG Emergency	(6,900)	39,331	32,431	-	-
2033	ARPA	-	149,793	149,793	-	-
2034	Invasive plants	-	1,500	1,600	100	-
2036	CEO trainings	-	625	474	-	151
2037	MMA police accreditation	-	2,500	2,500	-	-
2030	2019 JAG Byrne	(1,826)	1,826	-	-	-
9999	UT CDBG pass through	-	-	10,000	-	(10,000)
Total Town programs		19,421	259,216	259,843	(5,993)	12,801
Total		\$ 19,421	259,216	259,843	(5,993)	12,801

TOWN OF WINTHROP, MAINE
Nonmajor Permanent Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

			Fund balances beginning of year	Revenues					Fund balances end of year
Principal	Earnings	Other revenues		Investment loss	Program expenditures	Principal	Earnings		
Town Permanent Funds:									
N. Tuttle Needy	\$ 2,541	2,068	4,609	-	(602)	-	2,541	1,466	4,007
Cemetery trust	446,463	187,409	633,872	1,400	(79,197)	47,800	446,463	61,812	508,275
H. Johnson Fund	1,566	1,984	3,550	-	(463)	-	1,566	1,521	3,087
I. Bonney Fund	2,676	2,434	5,110	-	(652)	-	2,676	1,782	4,458
Total	\$ 453,246	193,895	647,141	1,400	(80,914)	47,800	453,246	66,581	519,827

TOWN OF WINTHROP, MAINE
Private-purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Net position beginning of year	Investment loss	Scholarships	Net position end of year
School Department Scholarships:				
Alice Whiting	\$ 2,836	(370)	-	2,466
Avis Cadwell	32,036	(4,119)	500	27,417
Bud Clough	8,353	(1,044)	500	6,809
Charlie Rollins	1,003	(119)	100	784
Del Bisonette	11,561	(1,355)	1,250	8,956
George F. Wilson	6,037	(745)	350	4,942
Harry and Flora May Davis	11,499	(1,408)	750	9,341
Helena Bisonette Seamans	11,615	(1,516)	-	10,099
Herbert e. Wadsworth	119,387	(15,580)	-	103,807
Nellie Tuttle Valedictorian	1,557	(187)	250	1,120
P. Daniel Coyne	4,985	15	5,000	-
Pam Webb	8,522	(1,051)	500	6,971
Rockwood memorial library	2,283	(298)	-	1,985
Ron Cross	18,173	(2,372)	-	15,801
Stanley A. Kazney	255,575	(32,984)	3,000	219,591
Thomas Calagni	4,003	(429)	1,000	2,574
Walter A. Taylor	5,468	(590)	1,000	3,878
Helen A. Griffin	11,948	(1,559)	-	10,389
Marshall Hills	3,786	(494)	-	3,292
Frank Parker	2,131	(200)		1,931
Total School Department Scholarships	522,758	(66,405)	14,200	442,153
Total	\$ 522,758	(66,405)	14,200	442,153