

TOWN OF WINTHROP, MAINE

Annual Financial Report

For the Year Ended June 30, 2020

TOWN OF WINTHROP, MAINE
Annual Financial Report
For the Year Ended June 30, 2020

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Independent Auditor's Report

To the Town Council
Town of Winthrop, Maine

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winthrop, Maine as of and for the year ended June 30, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Winthrop, Maine as of June 30, 2020, 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.

Other Matters

Required Supplementary 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, 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.

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 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.



February 26, 2021
South Portland, Maine

BASIC FINANCIAL STATEMENTS

TOWN OF WINTHROP, MAINE
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,895,876
Investments	495,469
Receivables:	
Accounts	77,034
Due from other governments	266,818
Taxes and liens	667,252
Rescue (net of allowance for uncollectible of \$65,596)	75,514
Prepaid expenses	113,774
Inventory	17,519
Capital assets, not being depreciated	1,444,490
Capital assets, being depreciated	18,878,241
Total assets	25,931,987
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	606,437
Deferred outflows of resources related to OPEB	136,441
Total deferred outflows of resources	742,878
LIABILITIES	
Accounts payable and other current liabilities	185,784
Accrued payroll and benefits	1,051,035
Accrued interest	77,305
Noncurrent liabilities:	
Due within one year	1,363,513
Due in more than one year	9,471,136
Total liabilities	12,148,773
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	400,973
Deferred inflows of resources related to OPEB	4,109
Total deferred inflows of resources	405,082
NET POSITION	
Net investment in capital assets	14,414,422
Restricted:	
Nonexpendable permanent fund principal	453,246
Expendable permanent fund earnings	77,667
Education	224,614
TIF district	170,277
Other programs	46,198
Unrestricted	(1,265,414)
Total net position	\$ 14,121,010

See accompanying notes to basic financial statements.

TOWN OF WINTHROP, MAINE
Statement of Activities
For the Year Ended June 30, 2020

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	\$ 2,924,334	145,483	53,239	-	(2,725,612)
Public works	1,387,176	118,227	58,372	-	(1,210,577)
Landfill buildings/Annabessacook	5,596	-	-	-	(5,596)
Public safety	2,771,588	909,315	22,348	5,031	(1,834,894)
Public assistance	31,256	-	-	-	(31,256)
Culture and recreation	497,955	43,064	31,473	-	(423,418)
Unclassified	5,000	-	-	-	(5,000)
Education	12,280,534	81,066	6,478,957	-	(5,720,511)
School lunch	493,254	86,163	182,105	-	(224,986)
Capital maintenance expenses	259,968	-	-	54,750	(205,218)
Interest on debt	208,008	-	-	-	(208,008)
Total governmental activities	20,864,669	1,383,318	6,826,494	59,781	(12,595,076)
General revenues:					
Property taxes					12,200,429
Excise taxes					1,199,301
Interest and costs on taxes					58,371
Grants and contributions not restricted to specific programs:					
State revenue sharing					510,755
Homestead exemption					378,152
Other intergovernmental revenues					81,560
Unrestricted investment earnings					48,043
Miscellaneous revenues					57,354
Total general revenues					14,533,965
Change in net position					1,938,889
Net position - beginning					12,182,121
Net position - ending					\$ 14,121,010

TOWN OF WINTHROP, MAINE
Balance Sheet
Governmental Funds
June 30, 2020

	General	School Operations	Town Capital Reserves	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,595,888	109,900	-	190,088	3,895,876
Investments	-	-	-	495,469	495,469
Receivables:					
Accounts	54,577	8,546	3,731	-	66,854
Due from other governments	146,906	-	-	119,912	266,818
Taxes and tax liens	628,220	-	-	-	628,220
Tax acquired property	39,032	-	-	-	39,032
Rescue (net of allowance for uncollectible of \$65,596)	75,514	-	-	-	75,514
Prepaid expenditures	4,643	89,131	-	20,000	113,774
Inventory	2,912	-	-	14,607	17,519
Interfund loans receivable	-	674,541	853,228	229,374	1,757,143
Total assets	4,547,692	882,118	856,959	1,069,450	7,356,219
LIABILITIES					
Accounts payable and other current liabilities	156,633	21,831	3,220	4,100	185,784
Accrued payroll and benefits	161,630	860,287	-	29,118	1,051,035
Interfund loans payable	1,668,088	-	-	78,875	1,746,963
Total liabilities	1,986,351	882,118	3,220	112,093	2,983,782
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	303,202	-	-	-	303,202
Total deferred inflows of resources	303,202	-	-	-	303,202
FUND BALANCES					
Nonspendable	7,555	-	-	487,853	495,408
Restricted	-	-	170,277	480,145	650,422
Committed	-	-	683,462	-	683,462
Assigned	231,946	-	-	-	231,946
Unassigned	2,018,638	-	-	(10,641)	2,007,997
Total fund balances	2,258,139	-	853,739	957,357	4,069,235
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,547,692	882,118	856,959	1,069,450	
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.					20,322,731
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.					303,202
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					(541,399)
Accrued interest					(77,305)
Other postemployment benefits liabilities and related deferred inflows and outflows of resources					(2,920,089)
Net pension liability and related deferred inflows and outflows of resources					(960,783)
Financed purchases					(965,908)
Notes payable					(4,283,674)
Bonds payable					(825,000)
Net position of governmental activities					\$ 14,121,010

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, 2020

	General	School Operations	Town Capital Reserves	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 13,581,899	-	-	-	13,581,899
Licenses and permits	145,483	-	-	-	145,483
Intergovernmental	1,083,589	6,066,592	-	667,927	7,818,108
Charges for services	1,070,606	43,709	-	103,016	1,217,331
Local grants and contributions	-	-	-	50,751	50,751
Other	41,506	19,818	3,731	686	65,741
Investment income	15,273	-	-	32,770	48,043
Total revenues	15,938,356	6,130,119	3,731	855,150	22,927,356
Expenditures:					
Current:					
General government	1,895,347	-	-	64,000	1,959,347
Public works	995,380	-	-	-	995,380
Landfill buildings/Annabessacook	5,596	-	-	-	5,596
Public safety	2,466,869	-	-	1,293	2,468,162
Culture and recreation	391,482	-	-	31,113	422,595
Public assistance	31,256	-	-	-	31,256
Intergovernmental assessments	736,749	-	-	-	736,749
Unclassified	5,000	-	-	-	5,000
Education	-	10,389,667	-	455,564	10,845,231
MEPERS on-behalf payments	-	980,175	-	-	980,175
School lunch	-	-	-	493,254	493,254
Capital improvements	582,723	-	618,842	178,577	1,380,142
Debt service:					
Principal and interest	880,610	744,311	-	-	1,624,921
Total expenditures	7,991,012	12,114,153	618,842	1,223,801	21,947,808
Excess (deficiency) of revenues over (under) expenditures	7,947,344	(5,984,034)	(615,111)	(368,651)	979,548
Other financing sources (uses):					
Proceeds from financed purchases	582,723	-	-	-	582,723
Transfers from other funds	18,074	7,548,931	1,022,510	573,130	9,162,645
Transfers to other funds	(8,761,441)	(368,130)	-	(33,074)	(9,162,645)
Total other financing sources (uses)	(8,160,644)	7,180,801	1,022,510	540,056	582,723
Net change in fund balances	(213,300)	1,196,767	407,399	171,405	1,562,271
Fund balances (deficits), beginning of year	2,471,439	(1,196,767)	446,340	785,952	2,506,964
Fund balances, end of year	\$ 2,258,139	-	853,739	957,357	4,069,235

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, 2020

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,562,271
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>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:</p>		
Capital outlays	1,120,174	
Depreciation	(1,318,674)	
Book value of disposed capital assets	(106,341)	(304,841)
<p>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.</p>		
		(123,798)
<p>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:</p>		
Accrued interest	6,961	
Accrued compensated absences	(70,723)	
Net pension liability, including related deferred inflows and outflows	(103,224)	
OPEB liabilities, including related deferred inflows and outflows	(46,869)	(213,855)
<p>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:</p>		
Principal payments on bonds and notes		1,056,051
<p>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:</p>		
Proceeds from financed purchase issuances	(582,723)	
Principal payments on financed purchases	545,784	(36,939)
Change in net position of governmental activities (see Statement 2)		\$ 1,938,889

See accompanying notes to basic financial statements.

TOWN OF WINTHROP, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	20,495	170,234
Investments		422,067	-
Total assets		442,562	170,234
LIABILITIES			
Interfund loans payable		10,180	-
Due to student groups		-	170,234
Total liabilities		10,180	170,234
NET POSITION			
Held in trust	\$	432,382	-

See accompanying notes to basic financial statements.

TOWN OF WINTHROP, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Private- purpose Trust Funds
Additions:	
Donations	\$ 20
Investment income	20,349
Total additions	20,369
Deductions:	
School scholarships	9,850
Total deductions	9,850
Change in net position	10,519
Net position, beginning of year	421,863
Net position, end of year	\$ 432,382

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.

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 or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The funds are used to account for assets that the Town holds for others in an agency capacity.

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.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 capital leases 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.

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 \$980,175. 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. Excess of Expenditures over Appropriations

For the year ended June 30, 2020, General Fund expenditures exceeded appropriations in the following areas:

Landfill buildings/Annabessacook	\$ 1,296
Public safety	7,935

In addition, the School Operations Fund had expenditures that exceeded appropriations in the following categories:

School administration	\$ 8,654
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These overages will lapse to the General Fund and School Operations fund balance.

C. Deficit Fund Balances

At June 30, 2020, the following funds had deficit fund balances:

Special Revenue Funds:	
MLOD	\$ 398
MMA safety grant	920
School programs	9,323

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

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

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, 2020, the Town reported deposits of \$4,086,605 with a bank balance of \$4,383,092. Of the Town's bank balances of \$4,383,092, \$76,298 was exposed to custodial credit risk as the amount was not covered by FDIC or additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 3,895,876
Reported in fiduciary funds	<u>190,729</u>
Total deposits	<u>\$ 4,086,605</u>

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, 2020, 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	\$ 197,557		not applicable	
Mutual funds (1)	719,979		not applicable	
Total investments	<u>\$ 917,536</u>			

(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.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

PROPERTY TAXES

Property taxes for the current year were committed on August 30, 2019 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 \$150,905 for the year ended June 30, 2020.

The following summarizes the 2020 and 2019 tax levies:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assessed valuation	\$ 602,980,439	600,629,282
Tax rate (per \$1,000)	20.25	18.31
Commitment	12,210,354	10,997,522
Supplemental taxes assessed	18,140	8,297
Total tax levy	12,228,494	11,005,819
Less: Collections and abatements	11,699,529	10,531,892
<u>Current year receivables at June 30</u>	<u>\$ 528,965</u>	<u>473,927</u>
Due date(s)	10/01/2019 4/01/2020	9/28/2018 3/29/2019
Interest rate on delinquent taxes	9.00%	8.00%
Collection rate	95.67%	95.69%

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,228,609	-	-	1,228,609
Construction in progress	107,905	374,621	266,645	215,881
Total capital assets, not being depreciated	1,336,514	374,621	266,645	1,444,490
Capital assets, being depreciated				
Land improvements	37,532	5,500	-	43,032
Buildings and building improvements	27,737,945	-	-	27,737,945
Furniture and fixtures	41,220	-	-	41,220
Machinery and equipment	3,117,805	366,373	7,446	3,476,732
Vehicles	5,190,474	373,680	1,029,457	4,534,697
Infrastructure	6,283,942	266,645	-	6,550,587
Total capital assets being depreciated:	42,408,918	1,012,198	1,036,903	42,384,213
Less accumulated depreciation for:				
Land improvements	8,257	934	-	9,191
Buildings and building improvements	12,726,956	708,148	-	13,435,104
Furniture and equipment	40,066	165	-	40,231
Machinery and equipment	2,835,332	100,855	7,446	2,928,741
Vehicles	3,525,789	315,350	923,116	2,918,023
Infrastructure	3,981,460	193,222	-	4,174,682
Total accumulated depreciation	23,117,860	1,318,674	930,562	23,505,972
Total capital assets being depreciated, net	19,291,058	(306,476)	106,341	18,878,241
Governmental activities capital assets, net	\$ 20,627,572	68,145	372,986	20,322,731

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

Governmental activities:	
General government	\$ 45,754
Public safety	303,426
Public works, including depreciation of general infrastructure assets	391,796
Education	502,338
Cultural and recreation	75,360
Total depreciation expense – governmental activities	\$ 1,318,674

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

INTERFUND BALANCES

Individual interfund receivable, payable, and transfer balances at June 30, 2020 were as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
<u>General Fund</u>	\$ -	1,688,088	(8,743,367)
<u>School Operations</u>	674,541	-	7,180,801
<u>Town Capital Reserves</u>	853,228	-	1,022,510
Nonmajor Governmental Funds:			
Town programs	-	4,670	(33,074)
School programs	-	5,920	9,862
Adult education	39,538	-	317,532
School lunch	-	68,285	245,736
School reserves	26,867	-	-
CIP bond	152,044	-	-
Permanent funds	10,925	-	-
<u>Total nonmajor governmental funds</u>	<u>229,374</u>	<u>78,875</u>	<u>540,056</u>
Fiduciary Funds:			
School scholarships	-	10,180	-
<u>Total fiduciary funds</u>	<u>-</u>	<u>10,180</u>	<u>-</u>
Total	\$ 1,757,143	1,757,143	-

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.

The transfers were budgeted transfers to fund certain activities, except for the transfer from Town programs, which was to close a grant balance to the General Fund.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 1,120,000	-	295,000	825,000	295,000
*Notes from direct borrowings	5,044,725	-	761,051	4,283,674	710,742
*Financed purchases	928,969	582,723	545,784	965,908	357,771
Net pension liability	1,178,833	-	12,586	1,166,247	-
Other postemployment benefits	2,853,494	198,927	-	3,052,421	-
Accrued compensated absences	470,676	70,723	-	541,399	-
Governmental activity long-term liabilities	\$ 11,596,697	852,373	1,614,421	10,834,649	1,363,513

*Notes and financed purchases are both considered direct borrowings.

LONG-TERM DEBT

Bonds and notes payable at June 30, 2020 is comprised of the following:

	<u>Amount of Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
Notes from direct borrowings:				
2002 School	\$ 11,455,774	3.05%-5.25%	2023	1,718,367
2011 School QSCB	1,350,000	4.95%	2029	799,374
2018 Fire department	1,573,700	3.25%	2044	1,531,933
2018 Dam project	260,000	2.00%-2.99%	2029	234,000
Total notes				\$ 4,283,674
General obligation bonds:				
2009 General obligation bond	\$ 1,200,000	2.50%-3.75%	2025	400,000
2014 General obligation bond	1,500,000	2.00%	2022	425,000
Total bonds				\$ 825,000

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all notes from direct borrowings outstanding at June 30, 2020 are as follows.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 710,742	98,180	808,922
2022	712,143	73,415	785,558
2023	713,590	56,307	769,897
2024	142,295	54,165	196,460
2025	143,838	51,952	195,790
2026-2030	829,233	217,174	1,046,407
2031-2035	316,822	147,738	464,560
2036-2040	371,763	92,797	464,560
2041-2044	343,248	28,332	371,580
Totals	\$ 4,283,674	820,060	5,103,734

The annual requirements to amortize all bonds outstanding at June 30, 2020 are as follows.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 295,000	19,250	314,250
2022	290,000	12,200	302,200
2023	80,000	7,300	87,300
2024	80,000	4,450	84,450
2025	80,000	1,500	81,500
Totals	\$ 825,000	44,700	869,700

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.

SHORT-TERM DEBT

The Town issued a tax anticipation note in 2020, which had a maturity date of June 30, 2020 and an interest rate of 3.09%. The Town drew down less than the \$2,200,000 authorized and paid the balance off prior to the maturity date. Tax anticipation note activity for the year ended June 30, 2020 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation notes	\$ -	750,000	750,000	-

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, 2020, the Town complied with these limitations.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

FINANCED PURCHASES (LEASES)

The Town has entered into financed purchase agreements for financing photocopiers, computers, an ambulance, various public works and public safety vehicles, and other equipment. 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.

The following is a summary of assets capitalized through financed purchase agreements by the Town as of June 30, 2020:

Ambulance	\$ 209,971
Public works and public safety vehicles	641,118
Other equipment	586,343

The computers and photocopiers were not capitalized as they are below the Town's capitalization threshold.

The following is a schedule of the future minimum payments under the financed purchase agreements, and the present value of the net minimum payments at June 30, 2020:

Fiscal year ending	
<u>June 30,</u>	
2021	\$ 389,005
2022	243,940
2023	226,282
<u>2024</u>	<u>178,132</u>
Total minimum lease payments	1,037,359
<u>Less amounts representing interest</u>	<u>(71,451)</u>
Present value of future minimum	
 <u>lease payments</u>	<u>\$ 965,908</u>

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

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, 2020.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

FUND BALANCES

At June 30, 2020, 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>General Fund</u>	<u>Town Capital Reserves</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Town inventory	\$ 2,912	-	-	2,912
Town prepaid expenditures	4,643	-	-	4,643
Permanent fund principal	-	-	453,246	453,246
School prepaid expenditures	-	-	20,000	20,000
School lunch inventory	-	-	14,607	14,607
Total nonspendable	7,555	-	487,853	495,408
Restricted:				
Permanent fund earnings	-	-	77,667	77,667
Town programs and donations	-	-	46,198	46,198
School programs and donations	-	-	43,778	43,778
Adult education	-	-	41,867	41,867
School lunch	-	-	77,495	77,495
TIF district fund	-	170,277	-	170,277
Town bonded projects	-	-	166,273	166,273
School capital projects	-	-	26,867	26,867
Total restricted	-	170,277	480,145	650,422
Committed:				
Capital reserves	-	683,462	-	683,462
Total committed	-	683,462	-	683,462
Assigned:				
Future employee benefits	100,000	-	-	100,000
Town carryforwards	131,946	-	-	131,946
Total assigned	231,946	-	-	231,946

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

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, 2020:

Capital assets	\$ 43,828,703
Accumulated depreciation	(23,505,972)
General obligation bonds	(825,000)
Notes from direct borrowings	(4,283,674)
Financed purchases	(965,908)
Unspent bond proceeds	166,273
Net investment in capital assets	\$ 14,414,422

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, 2020.

	Original Assessed Value	Current Assessed Value	Captured Value	Captured Tax	Abated Taxes
Commerce Center TIF	\$ 478,600	4,601,500	4,122,900	83,489	62,616

NET PENSION LIABILITY

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, 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 8.00% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2020 was 10.6% of annual pay for the Special Plan 2-C. Contributions to the pension plan from the Town were \$195,293 for the year ended June 30, 2020.

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, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$228,198 for the year ended June 30, 2020.

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

The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities 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, 2020, the Town reported a liability of \$938,274 for its proportionate share of the net pension liability. At June 30, 2019, the Town's proportion of the PLD Plan was 0.3070%.

SET Plan - At June 30, 2020, 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	\$ 227,973
State's proportionate share of the net pension liability	
associated with the Town	6,393,844
Total	\$ 6,621,817

At June 30, 2019, the Town's proportion of the SET Plan was 0.0156%.

For the year ended June 30, 2020, the Town recognized a pension expense of \$247,005 for the PLD Plan and \$1,065,798 for the SET plan, with revenue of \$786,088 for support provided by the State.

At June 30, 2020, 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	\$ 111,095	-
Changes of assumptions	47,518	-
Net difference between projected and actual earnings on pension plan investments	-	235,015
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	103,356
Town contributions subsequent to the measurement date	195,293	-
Total	\$ 353,906	338,371

An amount of \$195,293 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$(36,167)
2022	(114,505)
2023	(28,936)
2024	(150)

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

At June 30, 2020, 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	\$ 17,733	-
Changes of assumptions	6,600	-
Net difference between projected and actual earnings on pension plan investments	-	32,180
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	30,422
Town contributions subsequent to the measurement date	228,198	-
Total	\$ 252,531	62,602

An amount of \$228,198 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 8,173
2022	(39,307)
2023	(7,233)
2024	98

Actuarial Assumptions - The total pension liability in the June 30, 2019 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% to 9.00%	2.75 to 14.50%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

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, 2019 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%	4.2%
Diversifiers	10.0%	5.9%

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

<u>PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 2,137,327	938,274	(183,326)

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 412,170	227,973	74,479

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, 2020.

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>132</u>
Total	<u><u>205</u></u>

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

The Town's total OPEB liability of \$3,007,822 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS, SCHOOL DEPARTMENT HEALTH INSURANCE, CONTINUED

Changes in the Total OPEB Liability

Balance at June 30, 2019		\$ 2,813,437
Changes for the year:		
Service cost		14,884
Interest		107,910
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		152,267
Benefit payments		<u>(80,676)</u>
Net changes		194,385
Balance at June 30, 2020		<u>\$ 3,007,822</u>

Change in assumptions reflects a change in the discount rate from 3.87% to 3.50%.

For the year ended June 30, 2020, The Town recognized OPEB expense of \$128,143. At June 30, 2020, 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
Changes of assumption or other inputs	\$ 46,775	-
Contributions subsequent to measurement date	81,823	-
Total	<u>\$ 128,598</u>	<u>-</u>

\$81,823 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, 2021. 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:	
2021	\$ 5,349
2022	5,349
2023	5,349
2024	5,351
2025	25,377

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, 2019 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	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.50% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
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 RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate - The rate used to measure the total OPEB liability was 3.50% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 3.50%, 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 (2.50%) or 1 percentage-point higher (4.50%) than the current rate⁵⁰

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 3,483,262	3,007,822	2,621,103

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	\$ 2,578,134	3,007,822	3,537,504

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 \$2,294 for the year ended June 30, 2020. 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 \$21,397 for the year ended June 30, 2020. 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, 2019 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, 2018. 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, 2020, the Town reported a liability of \$44,599 for its proportionate share of the net OPEB liability. At June 30, 2019, the Town's proportion was 0.2084%.

SET OPEB Plan - At June 30, 2020, 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 \$232,460 as of June 30, 2020. At June 30, 2019, the Town's proportion was 0.00%.

For the year ended June 30, 2020, The Town recognized an expense of \$2,843 for the GTL PLD Plan. For the year ended June 30, 2020, the Town recognized OPEB expense and revenues of \$21,397 for support provided by the State related to the SET OPEB Plan. At June 30, 2020, the Town reported no deferred outflows resources nor deferred inflows of resources related to the SET OPEB Plan.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

At June 30, 2020, 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	\$ 2,842	-
Changes in assumptions	-	2,115
Net difference between projected and actual earnings on OPEB plan investments	-	1,994
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,707	-
Contributions subsequent to the measurement date	2,294	
Total	\$ 7,843	4,109

\$2,294 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, 2021. 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:	
2021	\$(460)
2022	(460)
2023	(46)
2024	1,723
2025	683

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2019 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% - 9.00%	2.75% - 14.50%
Investment rate of return	6.75%	6.75%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 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, 2012 to June 30, 2015.

TOWN OF WINTHROP, MAINE
Notes to Basic Financial Statements

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

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 4.98% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.50%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2019. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of the future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

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

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 (3.98% - 5.98%)	\$ 58,897	44,599	33,327

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

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.

SUBSEQUENT EVENTS

On June 1, 2020, the Town Council authorized financed purchase agreements to finance various vehicle and equipment purchases. The financed purchase agreements were issued in FY 2021.

On September 1, 2020, the Town issued a general obligation and refunding bond of \$4,075,000. The bond issuance includes amounts authorized for various capital improvements and asset acquisitions, as well as amounts to refund existing bonds and loans.

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, 2020

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 13,427,854	13,427,854	13,581,899	154,045
Licenses and permits	132,780	132,780	145,483	12,703
Intergovernmental	969,074	1,023,824	1,083,589	59,765
Charges for services	1,038,597	1,038,597	1,070,606	32,009
Other	12,235	12,700	41,506	28,806
Investment income	4,000	4,000	15,273	11,273
Total revenues	15,584,540	15,639,755	15,938,356	298,601
Expenditures:				
Current:				
General government	2,103,183	2,103,183	1,895,347	207,836
Public works	1,116,486	1,116,486	995,380	121,106
Landfill buildings/Annabessacook	4,300	4,300	5,596	(1,296)
Public safety	2,458,934	2,458,934	2,466,869	(7,935)
Culture and recreation	398,712	398,712	391,482	7,230
Public assistance	38,545	38,545	31,256	7,289
Intergovernmental assessments	736,749	736,749	736,749	-
Unclassified	-	5,000	5,000	-
Capital improvements	537,800	537,800	537,800	-
Debt service	898,304	953,519	880,610	72,909
Total expenditures	8,293,013	8,353,228	7,946,089	407,139
Excess (deficiency) of revenues over (under) expenditures	7,291,527	7,286,527	7,992,267	705,740
Other financing sources (uses):				
Utilization of fund balance	-	5,000	-	(5,000)
Transfers to school funds	(6,922,345)	(6,922,345)	(7,753,931)	(831,586)
Transfers from special revenue funds	-	-	18,074	18,074
Transfers to capital project funds	(369,182)	(369,182)	(469,710)	(100,528)
Total other financing sources	(7,291,527)	(7,286,527)	(8,205,567)	(919,040)
Net change in fund balance	-	-	(213,300)	(213,300)
Fund balance, beginning of year			2,471,439	
Fund balance, end of year	\$		2,258,139	

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, 2020

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
State education subsidy	\$ 4,962,813	4,962,813	4,935,902	(26,911)
Medicare reimbursements	145,000	145,000	150,515	5,515
Tuition	50,000	50,000	41,319	(8,681)
Gate receipts	5,000	5,000	2,390	(2,610)
Miscellaneous	23,001	23,001	19,818	(3,183)
Total revenues	5,185,814	5,185,814	5,149,944	(35,870)
Expenditures:				
Current:				
Regular instruction	4,375,774	4,198,014	4,179,514	18,500
Special education instruction	2,295,450	2,180,678	2,084,348	96,330
Other instruction	376,616	376,616	329,906	46,710
Student and staff support	1,035,884	1,035,884	950,379	85,505
System administration	430,660	430,660	402,516	28,144
School administration	721,484	741,484	750,138	(8,654)
Transportation	670,900	637,396	540,528	96,868
Facilities maintenance	1,254,888	1,192,656	1,148,769	43,887
Other	5,381	5,381	3,569	1,812
Debt service	736,122	746,122	744,311	1,811
Total expenditures	11,903,159	11,544,891	11,133,978	410,913
Excess (deficiency) of revenues over (under) expenditures	(6,717,345)	(6,359,077)	(5,984,034)	375,043
Other financing sources (uses):				
Transfer from Town	6,922,345	6,922,345	7,548,931	626,586
Transfers to other funds	(205,000)	(563,268)	(368,130)	195,138
Total other financing sources (uses)	6,717,345	6,359,077	7,180,801	821,724
Net change in fund balance	-	-	1,196,767	1,196,767
Fund deficit, beginning of year			(1,196,767)	
Fund balance, end of year	\$		-	

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**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan						
Town's proportion of the net pension liability	\$ 0.3070%	0.3243%	0.3721%	0.3548%	0.3279%	0.2920%
Town's proportionate share of the net pension liability	938,274	887,637	1,523,311	1,885,416	1,046,288	449,387
Town's covered payroll	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 as a percentage of its covered payroll	54.58%	55.92%	76.91%	100.95%	62.27%	29.13%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	81.61%	88.27%	94.01%
SET Plan						
Town's proportion of the net pension liability	0.0156%	0.0216%	0.0162%	0.0089%	0.0090%	0.0113%
Town's proportionate share of the net pension liability	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	6,393,844	6,038,512	6,661,567	8,412,797	5,321,822	4,312,029
Total	\$ 6,621,817	6,329,708	6,896,747	8,570,383	5,442,982	4,433,728
Town's covered payroll	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	3.96%	5.05%	4.10%	2.94%	2.37%	2.64%
Plan fiduciary net position as a percentage of the total pension liability	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 six 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan						
Contractually required contribution	\$ 195,293	180,514	160,330	187,280	166,219	82,062
Contributions in relation to the contractually required contribution	(195,293)	(180,514)	(160,330)	(187,280)	(166,219)	(82,062)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Town's covered payroll	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	10.21%	10.50%	10.10%	9.46%	8.90%	4.88%
SET Plan						
Contractually required contribution	228,198	228,644	259,113	213,497	188,740	136,683
Contributions in relation to the contractually required contribution	(228,198)	(228,644)	(259,113)	(213,497)	(188,740)	(136,683)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Town's covered payroll	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	4.16%	3.97%	4.50%	3.72%	3.52%	2.68%

* Only six years of information available.

TOWN OF WINTHROP, MAINE
Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 14,884	16,208
Interest	107,910	102,751
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	152,267	(120,172)
Benefit payments	<u>(80,676)</u>	<u>(77,888)</u>
Net change in total OPEB Liability	194,385	(79,101)
Total OPEB liability - beginning	<u>2,813,437</u>	<u>2,892,538</u>
Total OPEB liability - ending	\$ <u>3,007,822</u>	<u>2,813,437</u>
Covered-employee payroll	\$ 6,198,444	6,032,549
Total OPEB liability as a percent of covered-employee payroll	48.53%	46.64%

**Only two years of information available.*

TOWN OF WINTHROP, MAINE
Required Supplementary Information

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

<u>PLD OPEB Plan</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.2084%	0.1983%	0.1486%
Town's proportionate share of the net OPEB liability	\$ 44,599	40,057	33,607
Town's covered-employee payroll	1,791,181	1,587,426	1,587,426
Town's proportionate share of the net OPEB liability as percentage of its covered payroll	2.49%	2.52%	2.12%
Plan fiduciary net position as a percentage of the total OPEB liability	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%
Town's proportionate share of the net OPEB liability	-	-	-
State's proportionate share of the net OPEB liability associated with the Town	<u>232,460</u>	<u>176,057</u>	<u>172,538</u>
Total	<u>\$ 232,460</u>	<u>176,057</u>	<u>172,538</u>
Plan fiduciary net position as a percentage of the total OPEB liability	49.22%	48.04%	47.29%

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

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

* Only three 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

Changes of Benefit Terms (Pension) - None

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

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.750%	6.875%	7.125%	7.250%
Discount rate - SET	6.750%	6.875%	7.125%	7.125%
Inflation rate	2.75%	2.75%	3.50%	3.50%
Salary increases - PLD	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	2.20%	2.55%	3.12%
Cost of living increases	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 and going forward, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

School Department Health Insurance OPEB Liability

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

Changes of Assumptions (OPEB – Health Insurance) - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	3.50%	3.87%	3.58%

Net OPEB Liabilities - Group Term Life

Changes of Benefit Terms - None

Changes of Assumptions (OPEB)

<u>Discount Rate</u>	<u>2019</u>	<u>2018</u>
PLD Plan	4.98%	5.41%
SET Plan	6.75%	6.88%

* 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, 2020

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 3,595,888	1,179,105
Accounts receivable	54,577	86,993
Due from other governments	146,906	97,440
Ambulance receivables, net of allowance of \$65,596	75,514	129,231
Taxes and tax liens	628,220	650,587
Tax acquired property	39,032	1,400
Prepaid expenditures	4,643	1,293
Inventory	2,912	15,746
Interfund loans receivable	-	1,096,426
Total assets	\$ 4,547,692	3,258,221
LIABILITIES		
Accounts payable and other current liabilities	156,633	213,716
Accrued payroll and benefits	161,630	132,586
Taxes collected in advance	-	7,955
Unearned revenue	-	5,525
Interfund loans payable	1,668,088	-
Total liabilities	1,986,351	359,782
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	303,202	427,000
Total deferred inflows of resources	303,202	427,000
FUND BALANCE		
Nonspendable	7,555	17,039
Assigned	231,946	-
Unassigned	2,018,638	2,454,400
Total fund balance	2,258,139	2,471,439
Total liabilities, deferred inflows of resources, and fund balance	\$ 4,547,692	3,258,221

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, 2020
(with comparative actual amounts for the year ended June 30, 2019)

	2020		Variance positive (negative)	2019 Actual
	Revised budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 12,210,354	12,182,289	(28,065)	10,997,524
Supplemental taxes	-	18,140	18,140	8,297
Change in deferred taxes	-	123,798	123,798	(47,000)
Excise taxes	1,167,500	1,199,301	31,801	1,304,846
Interest and lien costs	50,000	58,371	8,371	52,971
Total taxes	13,427,854	13,581,899	154,045	12,316,638
Licenses and permits:				
Town clerk fees	29,675	36,601	6,926	29,774
Licenses and permits	18,105	24,619	6,514	20,674
Cable franchise fees	85,000	84,263	(737)	88,081
Total licenses and permits	132,780	145,483	12,703	138,529
Intergovernmental:				
State revenue sharing	461,406	510,755	49,349	302,155
Homestead revenue	378,152	378,152	-	346,435
BETE reimbursement	52,151	52,215	64	49,449
Local roads reimbursement	57,500	58,372	872	56,804
Cobbosee water district contributions	54,750	54,750	-	-
Other intergovernmental reimbursements	19,865	29,345	9,480	22,173
Total intergovernmental	1,023,824	1,083,589	59,765	777,016
Charges for services:				
Police department fees	80,212	82,660	2,448	81,131
Fire department fees	700	928	228	-
Ambulance fees	778,035	825,727	47,692	753,598
Recreation fees	34,050	43,064	9,014	42,400
Solid waste fees	138,450	110,939	(27,511)	132,812
Cemetery fees	7,150	7,288	138	6,328
Total charges for services	1,038,597	1,070,606	32,009	1,016,269
Other revenues:				
Library support	-	-	-	15,000
Other library revenues	-	-	-	61,687
Sale of assets	500	2,000	1,500	162,341
Miscellaneous	12,200	39,506	27,306	20,824
Total other revenues	12,700	41,506	28,806	259,852
Investment income:				
Investment earnings	4,000	15,273	11,273	8,149
Total investment income	4,000	15,273	11,273	8,149
Total revenues	15,639,755	15,938,356	298,601	14,516,453

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

	2020		Variance positive (negative)	2019 Actual
	Revised budget	Actual		
Expenditures:				
Current:				
General government:				
Town Council	\$ 6,385	2,413	3,972	3,501
Planning board	3,925	1,422	2,503	1,352
Zoning board of appeals	825	63	762	101
Elections/board of voter appeals	16,364	10,599	5,765	9,637
Executive administration	102,855	100,124	2,731	89,793
Clerk/tax collector	147,791	136,742	11,049	134,329
Assessing	65,340	56,450	8,890	56,208
Finance	116,728	119,761	(3,033)	100,066
Code enforcement	62,072	62,068	4	61,120
Administrative services	1,367,377	1,314,410	52,967	1,158,925
TIF district	62,616	62,616	-	56,618
Overlay/abatements	150,905	28,679	122,226	7,781
Total general government	2,103,183	1,895,347	207,836	1,679,431
Public works:				
General public works	563,755	532,612	31,143	815,164
Solid waste disposal	503,981	417,604	86,377	438,935
Cemetery maintenance	48,750	45,164	3,586	42,824
Total public works	1,116,486	995,380	121,106	1,296,923
Landfill buildings/Annabessacook	4,300	5,596	(1,296)	4,815
Public safety:				
Police department	749,232	748,475	757	663,467
Communications center	253,515	258,736	(5,221)	242,238
Fire department	168,458	173,765	(5,307)	174,384
Ambulance	1,013,229	1,015,604	(2,375)	947,612
Other public safety	274,500	270,289	4,211	294,791
Total public safety	2,458,934	2,466,869	(7,935)	2,322,492
Cultural and recreation:				
Library	305,612	297,625	7,987	276,748
Recreation	93,100	93,857	(757)	84,114
Total cultural and recreation	398,712	391,482	7,230	360,862
Public assistance:				
General assistance	28,220	23,352	4,868	17,719
Social services	10,325	7,904	2,421	3,129
Total public assistance	38,545	31,256	7,289	20,848
Intergovernmental assessments	736,749	736,749	-	725,834
Unclassified	5,000	5,000	-	-

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

	2020			2019 Actual
	Revised budget	Actual	Variance positive (negative)	
Expenditures, continued				
Capital purchase transfers				
Transfer station furnace	\$ 12,000	12,000	-	11,408
Transfer station baler	7,000	7,000	-	-
PD vehicle	13,300	13,300	-	-
Sidewalk/crosswalk	82,000	82,000	-	-
Drainage/culvert	25,000	25,000	-	6,000
Library repairs	30,000	30,000	-	23,266
Tennis court	1,500	1,500	-	10,249
Norcross repairs	20,000	20,000	-	46,707
Town phone system	7,500	7,500	-	10,000
School building assessment	125,000	125,000	-	48,857
Town computers/server	12,000	12,000	-	16,486
School/Town security	25,000	25,000	-	12,601
School building security	25,000	25,000	-	-
Town-wide revaluation	25,000	25,000	-	33,037
PD radio upgrade	20,000	20,000	-	-
Police station repairs	30,000	30,000	-	-
PD computer upgrades	20,000	20,000	-	-
Spillman mobile forms	20,000	20,000	-	-
Air bottles	7,500	7,500	-	-
Ambulance station repairs	30,000	30,000	-	5,000
Total capital purchase transfers	537,800	537,800	-	223,611
Debt service (excluding School Department)				
Principal	904,171	796,098	108,073	413,755
Interest	49,348	84,512	(35,164)	43,578
Total debt service	953,519	880,610	72,909	457,333
Total expenditures	8,353,228	7,946,089	407,139	7,092,149
Excess (deficiency) of revenues over (under) expenditures	7,286,527	7,992,267	705,740	7,424,304
Other financing sources (uses):				
Utilization of fund balance	5,000	-	(5,000)	-
Transfers to school funds	(6,922,345)	(7,753,931)	(831,586)	(6,579,352)
Transfer from special revenue funds	-	18,074	18,074	9,986
Transfer to special revenue funds	-	-	-	(113,333)
Transfer to capital projects funds	(369,182)	(469,710)	(100,528)	(120,051)
Total other financing sources (uses)	(7,286,527)	(8,205,567)	(919,040)	(6,802,750)
Net change in fund balance	-	(213,300)	(213,300)	621,554
Fund balance, beginning of year		2,471,439		1,849,885
Fund balance, ending of year	\$	2,258,139		2,471,439

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, 2020

	Fund balances beginning of year	Other revenues	Capital outlay	Transfers	Fund balances end of year
Landfill closing	\$ 4,254	-	-	-	4,254
Community mural project	450	-	-	-	450
Fire truck reserve	10,465	-	-	-	10,465
Sweeper reserve	120,751	-	-	-	120,751
Development fund (TIF)	18,873	-	-	117,421	136,294
Downtown development	8,281	-	-	-	8,281
Skate park	4,393	-	-	-	4,393
Mt. Pisgah trail reserve	1,992	-	-	-	1,992
Radio dig upgrade	60,000	-	10,975	20,000	69,025
Commerce center TIF district	33,983	-	-	-	33,983
Maranacook dam repairs	80,220	-	5,076	-	75,144
Tennis court reserve	3,000	-	-	1,500	4,500
Mapping GIS	10,000	-	3,220	-	6,780
PD painting and repair	8,000	-	-	30,000	38,000
Pavement/overlay	69,178	-	206,826	206,351	68,703
Police vehicle	9,000	-	37,300	28,300	-
Ambulance repairs	3,500	3,731	37,231	30,000	-
Air bottles	-	-	7,500	7,500	-
Phone system	-	-	-	7,500	7,500
Transfer station furnace	-	-	-	12,000	12,000
Sidewalk/crosswalk	-	-	-	82,000	82,000
Drainage/culvert	-	-	170,938	170,938	-
School building assessment	-	-	84,944	125,000	40,056
Town office computers/server	-	-	2,452	12,000	9,548
School/Town security	-	-	25,000	25,000	-
Town-wide revaluation	-	-	-	25,000	25,000
Norcross repairs	-	-	-	20,000	20,000
Library repairs	-	-	20,380	30,000	9,620
PD computer upgrades	-	-	-	20,000	20,000
Spillman mobile forms	-	-	-	20,000	20,000
Transfer station baler	-	-	7,000	7,000	-
School building security	-	-	-	25,000	25,000
Total	\$ 446,340	3,731	618,842	1,022,510	853,739

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF WINTHROP, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds				Capital Project Funds				Permanent Funds	Total Other Governmental Funds
	Town Programs	School Programs	Adult Education	School Lunch	School Capital	Fire Building	Dam Project	CIP Bond		
ASSETS										
Cash and cash equivalents	\$ -	-	-	151,340	-	14,229	-	-	24,519	190,088
Investments	-	-	-	-	-	-	-	-	495,469	495,469
Due from other governments	49,890	67,493	2,529	-	-	-	-	-	-	119,912
Prepaid expenditures	-	-	-	20,000	-	-	-	-	-	20,000
Inventory	-	-	-	14,607	-	-	-	-	-	14,607
Interfund loans receivable	-	-	39,538	-	26,867	-	-	152,044	10,925	229,374
Total assets	\$ 49,890	67,493	42,067	185,947	26,867	14,229	-	152,044	530,913	1,069,450
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	340	3,560	200	-	-	-	-	-	-	4,100
Accrued payroll and benefits	-	23,558	-	5,560	-	-	-	-	-	29,118
Interfund loans payable	4,670	5,920	-	68,285	-	-	-	-	-	78,875
Total liabilities	5,010	33,038	200	73,845	-	-	-	-	-	112,093
Fund balances:										
Nonspendable	-	-	-	34,607	-	-	-	-	453,246	487,853
Restricted earnings	-	-	-	-	-	-	-	-	77,667	77,667
Other restricted	46,198	43,778	41,867	77,495	26,867	14,229	-	152,044	-	402,478
Unassigned	(1,318)	(9,323)	-	-	-	-	-	-	-	(10,641)
Total fund balances (deficits)	44,880	34,455	41,867	112,102	26,867	14,229	-	152,044	530,913	957,357
Total liabilities and fund I	\$ 49,890	67,493	42,067	185,947	26,867	14,229	-	152,044	530,913	1,069,450

TOWN OF WINTHROP, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2020

	Special Revenue Funds				Capital Project Funds				Permanent Funds	Total Other Governmental Funds
	Town Programs	School Programs	Adult Education	School Lunch	School Capital	Fire Building	Dam Project	CIP Bond		
Revenues:										
Intergovernmental	\$ 73,834	394,856	17,132	182,105	-	-	-	-	-	667,927
Charges for services	-	8,572	8,967	85,477	-	-	-	-	-	103,016
Local grants and contributions	50,374	377	-	-	-	-	-	-	-	50,751
Miscellaneous	-	-	-	686	-	-	-	-	-	686
Investment income	-	-	-	-	-	164	681	-	31,925	32,770
Total revenues	124,208	403,805	26,099	268,268	-	164	681	-	31,925	855,150
Expenditures:										
Current:										
General government	64,000	-	-	-	-	-	-	-	-	64,000
Public safety	1,293	-	-	-	-	-	-	-	-	1,293
Education	-	388,321	67,243	-	-	-	-	-	-	455,564
School lunch	-	-	-	493,254	-	-	-	-	-	493,254
Culture and recreation	31,113	-	-	-	-	-	-	-	-	31,113
Capital outlay	-	-	-	-	-	9,249	169,328	-	-	178,577
Total expenditures	96,406	388,321	67,243	493,254	-	9,249	169,328	-	-	1,223,801
Excess (deficiency) of revenues over (under) expenditures	27,802	15,484	(41,144)	(224,986)	-	(9,085)	(168,647)	-	31,925	(368,651)
Other financing sources (uses):										
Transfer of local assessment	-	-	55,000	150,000	-	-	-	-	-	205,000
Transfers from other funds	-	9,862	262,532	95,736	-	-	-	-	-	368,130
Transfers to other funds	(33,074)	-	-	-	-	-	-	-	-	(33,074)
Total other financing sources (uses)	(33,074)	9,862	317,532	245,736	-	-	-	-	-	540,056
Net change in fund balances	(5,272)	25,346	276,388	20,750	-	(9,085)	(168,647)	-	31,925	171,405
Fund balances (deficits), beginning of year	50,152	9,109	(234,521)	91,352	26,867	23,314	168,647	152,044	498,988	785,952
Fund balances, end of year	\$ 44,880	34,455	41,867	112,102	26,867	14,229	-	152,044	530,913	957,357

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, 2020

	Fund balances beginning of year	Program revenues	Program expenditures	Transfers	Fund balances end of year
Town programs:					
2001 Snowmobile grant	\$ -	7,000	7,000	-	-
2002 Winthrop cares	5,879	165	1,175	-	4,869
2003 Police drug forfeiture	21,299	-	-	(15,000)	6,299
2004 Summer concert	2,124	2,900	2,450	-	2,574
2005 Winthrop community coalition	4,400	-	-	-	4,400
2006 Trail committee project	2,468	-	-	-	2,468
2007 Winthrop plays outside	90	45	135	-	-
2008 Community development block grant	(2,882)	2,882	-	-	-
2009 Forest grant	(475)	-	-	475	-
2010 2017 windstorm	5,943	-	-	(5,943)	-
2011 Facility and employee safety grant	11,306	-	-	(11,306)	-
2012 Byrne radio equipment grant	-	1,300	-	(1,300)	-
2013 Insurance	-	15,848	15,848	-	-
2014 Library	-	11,573	11,528	-	45
2015 Steven and Tabitha King grant	-	10,000	10,000	-	-
2016 Volunteer fire fighters association	-	1,293	1,293	-	-
2017 MLOD	-	-	398	-	(398)
2019 COVID 19 grant	-	48,597	45,501	-	3,096
2020 MMA safety grant	-	-	920	-	(920)
2021 Pedal power	-	1,550	158	-	1,392
2022 EMS Covid 19 grant	-	21,055	-	-	21,055
Total Town programs	50,152	124,208	96,406	(33,074)	44,880
School programs:					
School federal, state and local programs	9,109	403,805	388,321	9,862	34,455
Total School programs	9,109	403,805	388,321	9,862	34,455
Total	\$ 59,261	528,013	484,727	(23,212)	79,335

TOWN OF WINTHROP, MAINE
Nonmajor Permanent Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2020

	Principal	Earnings	Fund balances beginning of year	Revenues		Principal	Earnings	Fund balances end of year
				Interest	Change in Market Value			
Town Permanent Funds:								
N. Tuttle Needy	\$ 2,541	1,146	3,687	118	-	2,541	1,264	3,805
Cemetery trust	446,463	41,882	488,345	20,784	10,825	446,463	73,491	519,954
H. Johnson Fund	1,566	1,302	2,868	73	-	1,566	1,375	2,941
I. Bonney Fund	2,676	1,412	4,088	125	-	2,676	1,537	4,213
Total	\$ 453,246	45,742	498,988	21,100	10,825	453,246	77,667	530,913

TOWN OF WINTHROP, MAINE
Agency Funds
Statement of Changes in Balances
For the Year Ended June 30, 2020

	Balances beginning of year	Additions	Deductions	Balances end of year
Activity funds:				
High School Student Activities	\$ 95,265	81,239	58,087	118,417
Middle School Student Activities	33,154	9,275	7,320	35,109
Elementary School Student Activities	17,533	5,340	6,165	16,708
Total	\$ 145,952	95,854	71,572	170,234

TOWN OF WINTHROP, MAINE
Private-purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Net position beginning of year	Additions			Net position end of year
		Contributions	Interest	Deductions	
School Department Scholarships:					
Alice Whiting	\$ 2,199	-	96	-	2,295
Avis Cadwell	24,467	-	1,353	-	25,820
Bud Clough	6,807	-	363	500	6,670
Charlie Rollins	785	-	33	-	818
Del Bisonette	9,752	-	481	500	9,733
George F. Wilson	4,604	-	258	-	4,862
Harry and Flora May Davis	9,448	-	489	750	9,187
Helena Bisonette Seamans	9,618	-	454	750	9,322
Herbert e. Wadsworth	93,173	-	4,065	-	97,238
Nellie Tuttle Valedictorian	1,423	-	82	350	1,155
P. Daniel Coyne	6,263	-	333	2,000	4,596
Pam Webb	7,038	-	333	500	6,871
Rockwood memorial library	1,844	-	47	-	1,891
Ron Cross	14,424	-	738	500	14,662
Stanley A. Kazney	202,222	-	9,545	2,000	209,767
Thomas Calagni	3,805	-	242	500	3,547
Walter A. Taylor	4,557	-	433	1,000	3,990
Helen A. Griffin	9,212	20	453	-	9,685
Marshall Hills	2,919	-	141	-	3,060
Frank Parker	7,303	-	410	500	7,213
Total School Department Scholarships	421,863	20	20,349	9,850	432,382
Total	\$ 421,863	20	20,349	9,850	432,382

TOWN OF WINTHROP, MAINE
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor Number	Total Federal Expenditures	CFDA/ Cluster Totals	Passed Through to Subrecipients
U.S. Department of Agriculture, passed through Maine					
Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	3022/3024	\$ 62,195		-
Food Donation Program	10.555	N/A	25,491		-
School Breakfast Program	10.553	3014	53,442		-
Summer Food Service program	10.559	3016/3018	11,517		-
COVID 19 - Cares Act Child Nutrition	10.555	7008	21,104		-
Total Child Nutrition Cluster				173,749	
Total U.S. Department of Agriculture			173,749		-
U.S. Department of Education,					
Passed through Maine Department of Education:					
Adult Education and Family Literacy Act	84.002	6162	2,536		-
Title IA - Disadvantaged	84.010	3107	227,114		-
Title IIA - Supporting Effective Instruction	84.367	3042	27,657		-
Title VI - Rural Education	84.358	3305	9,156		-
Special Education Cluster:					
Local Entitlement	84.027	3046	117,857		-
Total Special Education Cluster				117,857	
Total U.S. Department of Education			384,320		-
U.S. Department of Homeland Security					
Passed through Maine Emergency Management Agency:					
Disaster Grants - Public Assistance	97.036		36,530		-
Total U.S. Department of Homeland Security			36,530		-
U.S. Department of Treasury					
Passed through Maine Emergency Management Agency:					
COVID 19 - Coronavirus Relief Fund	21.019		12,066		-
Total U.S. Department of Treasury			12,066		-
Totals			\$ 606,665		-