

TOWN OF WINSLOW, MAINE

Annual Financial Report

For the Year Ended June 30, 2018

TOWN OF WINSLOW, MAINE
Annual Financial Report
For the year ended June 30, 2018

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Independent Auditor's Report

To the Town Council
Town of Winslow, Maine

Report on the 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 Winslow, Maine as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Winslow, Maine as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund and School Department Operations Fund 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 Management's Discussion and Analysis, Schedule of Town's Proportionate Share of the Net Pension Liability, Schedule of Town's Proportionate Share of the Net OPEB liability, Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios, and the Schedules of Town Contributions, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winslow, 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 September 24, 2018, on our consideration of the Town of Winslow, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Winslow, Maine's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Raymond Kursten Ouellette".

September 24, 2018
South Portland, Maine

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis
June 30, 2018

As management of the Town of Winslow, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Winslow for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our notes to the financial statements, which can be found on pages 21-42 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Winslow exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31,650,427 (*net position*). Of this amount, \$5,099,802 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Winslow's total net position decreased by \$628,861.
- As of the close of the current fiscal year, the Town of Winslow's governmental funds reported combined ending fund balances of \$6,033,190, an increase of \$1,533,730 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance (including School Department Operations) for the general fund was \$2,285,146 or 10 % of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Winslow's basic financial statements. The Town's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Winslow's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Winslow that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, protection, public works (highways, streets, and solid waste disposal), education, and parks and recreation. Currently, the Town has no business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winslow, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Winslow maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, school department operations, and capital improvement fund, which are considered to be major funds. Data for the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Winslow adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Winslow's own programs.

The basic fiduciary fund financial statements can be found on pages 19-20 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-38 of this report.

Other information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the accompanying notes. Combining and individual fund financial statements can be found on pages 51-76 of this report.

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Winslow, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,650,427 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Winslow net position (82%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (\$508,281) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16% or \$5,099,802) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Winslow is able to report positive balances in all three categories of net position for the government activities.

Statement of Net Position

	Governmental Activities	
	2018	2017
Current and Other Assets	\$ 8,186,315	\$ 6,236,445
Capital Assets	32,667,874	33,522,932
Total Assets	40,854,189	39,759,377
Deferred Outflows of Resources Related to Pensions	492,442	381,610
Deferred Outflows of Resources Related to OPEB	26,656	-
Total Deferred Outflows of Resources	519,098	381,610
Long-term Debt Outstanding	7,655,914	1,627,889
Other Liabilities	2,049,682	5,993,792
Total Liabilities	9,705,596	7,621,681
Deferred Inflows of Resources Related to Pensions	13,918	17,897
Deferred Inflows of Resources Related to OPEB	3,346	-
Total Deferred Inflows of Resources	17,264	17,897
Net Investment in Capital Assets	26,042,344	28,213,862
Restricted	508,281	565,534
Unrestricted	5,099,802	3,722,013
Total Net Position	\$ 31,650,427	\$ 32,501,409

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

		Change in Net Position	
		Governmental Activities	
		2018	2017
Revenues:			
Program Revenues:			
Charges for Services	\$	2,371,612	2,439,313
Operating Grants and Contributions		9,694,532	9,615,691
Capital Grants and Contributions		244,561	107,824
General Revenues:			
Property Taxes		10,116,133	9,575,828
Excise Taxes		1,499,716	1,520,753
Cable Franchise Fees		75,577	72,812
State Revenue Sharing		362,407	357,373
Homestead and BETE Exemptions		536,292	441,457
Other State Aid		35,523	28,603
Unrestricted Inv. Earnings		109,224	53,968
Misc. Revenues		183,958	40,758
Total Revenues		25,229,535	24,254,380
Expenses:			
General Government		1,165,454	1,094,320
Protection		1,606,788	1,592,696
Public Works		3,628,838	2,951,943
Recreation		238,486	156,785
County Tax		596,317	586,265
Other		1,221,028	1,199,774
Education		15,575,527	15,251,987
On-behalf Payments - Maine PERS		993,299	906,562
School Lunch		627,626	602,909
Interest on Debt and Debt Service Costs		205,033	175,496
Capital Maintenance Expenses		-	310,661
Total Expenses		25,858,396	24,829,398
Change in Net Position		(628,861)	(575,018)
Net Position Prior Year, Restated		32,279,288	33,076,427
Net Position Current Year		\$ 31,650,427	32,501,409

Financial Analysis of the Government's Funds

As noted earlier, the Town of Winslow uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

As of the end of the current fiscal year, the Town of Winslow governmental funds reported combined ending fund balances of \$6,033,190. Approximately 38% or \$2,285,146 of this total amount constitutes *unassigned fund balance* for the general fund (includes School Operations), which is available for spending at the government's discretion.

The fund balance of the Town of Winslow's general fund (including School Department Operations) decreased \$214,097 during the current fiscal year. A key factor was the School Department's budgeted use of surplus of \$200,000.

The Budget

The Adopted Budget for fiscal year 2018 calls for total expenditures of \$21,967,613, representing an increase of \$282,148 over the prior fiscal year. By comparison, since the fiscal year 2013-2014 budget was approved, there has been an increase in expenditures totaling \$1,200,132 for an average increase of 1.2% per year over the past five years.

The adopted budget requests from the fourteen individual departments were based on the department head's perceived needs adjusted after careful review by the Town Manager and the Town Council.

ACCOUNT	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Administration	349,444	347,780	372,430	380,880	368,400
Town Council	3,100	5,800	5,800	6,460	6,460
Assessing	107,800	110,494	111,094	113,155	114,915
Elections	13,600	13,600	10,350	8,900	8,900
Library	182,210	199,932	209,539	210,135	216,031
Cemeteries	11,300	11,300	6,000	6,000	6,000
Information Technology	47,550	51,544	52,100	48,935	48,935
Police Dept.	650,017	668,945	722,456	741,263	742,937
Fire Dept.	483,378	509,564	515,564	534,492	559,950
Emergency Mgt	3,500	2,500	2,500	2,500	2,500
Code Enforcement	64,300	66,979	49,979	50,804	65,352
Other Town Utilities	221,000	221,000	222,200	222,200	234,714
Organization Support	28,850	28,850	28,850	28,850	25,900
Public Works	725,169	743,744	747,816	751,328	756,260
Sewer Dept.	736,634	759,172	747,053	774,322	773,878
Sanitation	491,060	487,543	493,808	489,576	457,000
Recreation	129,896	129,802	136,602	135,264	141,008
Education	13,595,864	13,965,283	14,203,284	14,378,120	14,530,033
Health and Welfare	36,100	35,300	27,900	28,100	34,900
Insurance and Pensions	940,203	912,525	909,397	940,651	1,051,200
Community Services	74,281	75,744	75,444	81,044	81,332
Debt Service	634,417	577,569	582,683	593,875	276,213
Capital Imp.	604,200	714,150	537,400	537,400	823,804
County Tax	590,608	602,218	553,032	578,211	597,991
Overlay & Contingency	43,000	43,000	43,000	43,000	43,000
Total Expenditures	20,767,481	21,284,338	21,366,281	21,685,465	21,967,613
Town Revenues	3,095,713	3,177,475	3,238,423	3,322,712	3,335,441
Education Revenues	7,552,881	7,710,116	7,775,498	7,950,504	7,557,764
Fund Balance	1,066,030	1,184,000	972,000	677,000	346,000
Total Revenues	11,714,624	12,071,591	11,985,921	11,950,216	11,239,205
Commitment	9,052,857	9,212,747	9,380,360	9,735,249	10,728,408
Taxable Valuation	584,055,301	594,337,833	605,167,182	611,689,243	640,844,507
Tax Rate	15.50	15.50	15.50	15.74	16.74

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Capital Assets

The Town of Winslow maintains a Capital Improvement Plan and sets aside funds each year to replace essential equipment and perform routine maintenance on its publicly owned buildings. The Town Council has adopted a policy that requires specific authorization on any single capital expenditure that exceeds \$20,000. Currently, the Town Council has set up reserves for capital improvements. In the table, you will find balances in specific accounts at the end of the fiscal year.

CAPITAL IMPROVEMENT FUND

	June 30, 2018	June 30, 2017
Reserves		
Industrial Building	\$ 38,398	\$ 42,798
Municipal Building	5,938	13,977
Computer Equipment & Technology	2,093	2,202
Election Equipment	1,371	2,286
Assessing Technology	10,925	13,925
Legal & Assessing Consultant	5,762	5,762
Fire Truck Replacement	339,475	418,672
Rescue Replacement	-	65,586
Fire Communication & Equipment	42,326	17,028
Fire Dept. Facility	6,101	17,630
Police Dept. Radios	3,359	5,001
Police Dept. Facility	46	46
Police Dept. Equipment	12,330	4,358
Police Vehicle	(630)	1,245
Town Garage	2,916	9,947
Street & Road Construction	1,904,049	(15,066)
Public Works Equipment	101,943	(1,881)
Sanitation Equipment	62,386	162,386
Recycling Fund	10,060	10,060
Sewer Dept CSO & Equipment	183,762	229,134
Storm Drains	71,853	26,338
Recreation Equipment	15,016	12,423
Recreation Development	40,488	47,525
Library Building & Equipment	20,527	8,564
Fuel Reserve	3,051	1,103
Sports Track	-	5,230
Fort Halifax Park	23,830	-
1804 Schoolhouse	5,021	81
Capital Fund Reserves	\$ 2,912,396	\$ 1,106,360

TOWN OF WINSLOW, MAINE
Management's Discussion and Analysis, Continued

Long-term Debt

At the end of the current fiscal year, the Town of Winslow had total bonded debt outstanding of \$6,125,000; of this amount, \$3,230,000 is what remains on the bonded School projects.

Project	Balance Remaining 6/30/18	Retired
High School (refinanced)	\$ 3,230,000	October 2026
2017 Roads	2,000,000	October 2027
Town Garage (refinanced)	480,000	October 2022
2015 Bond	415,000	October 2020

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the Town of Winslow is \$91,245,000, which is significantly in excess of the Town of Winslow's outstanding general obligation debt.

Additional information on the Town of Winslow's long-term debt can be found in the notes on pages 31-32 of this report.

Economic Factors and Next FY's Projected Tax Rate

We continue to experience a healthy housing market, which is an indicator that the economy is continuing to grow. In addition, the Winslow business community has shown signs of growth as well. The tax rate in FY 2018/2019 is expected to be at \$17.94.

Requests for Information

This financial report is designed to provide a general overview of the Town of Winslow's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, 114 Benton Ave., Winslow, Maine 04901.

BASIC FINANCIAL STATEMENTS

TOWN OF WINSLOW, MAINE
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,433,817
Receivables:	
Taxes - prior years	51,995
Taxes - current year	530,760
Tax liens	176,713
Sewer and liens	392,320
Accounts	34,238
Due from other governments	379,054
Prepaid expenses	149,652
Inventories	37,766
Capital assets, not being depreciated	1,743,886
Capital assets, net of accumulated depreciation	30,923,988
Total assets	40,854,189
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	492,442
Deferred outflows of resources related to OPEB	26,656
Total deferred outflows of resources	519,098
LIABILITIES	
Accounts payable and other current liabilities	412,705
Accrued payroll	1,265,951
Accrued interest	47,631
Taxes collected in advance	27,469
Compensated absences payable	295,926
Noncurrent liabilities:	
Due within one year	984,721
Due in more than one year	6,671,193
Total liabilities	9,705,596
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	13,918
Deferred inflows of resources related to OPEB	3,346
Total deferred inflows of resources	17,264
NET POSITION	
Net investment in capital assets	26,042,344
Restricted for:	
Grants and other purposes	504,847
Nonexpendable trust principal	3,434
Unrestricted	5,099,802
Total net position	\$ 31,650,427

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Activities
For the year ended June 30, 2018

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
Primary government:					
Governmental activities:					
General government	\$ 1,165,454	95,665	-	-	(1,069,789)
Protection	1,606,788	1,642	10,856	-	(1,594,290)
Public works	3,628,838	861,490	206,225	244,561	(2,316,562)
Recreation	238,486	39,881	2,674	-	(195,931)
County tax	596,317	-	-	-	(596,317)
Other	1,221,028	-	3,721	-	(1,217,307)
Education	15,575,527	771,800	8,089,691	-	(6,714,036)
On-behalf payment - Maine PERS	993,299	-	993,299	-	-
School lunch	627,626	178,604	388,066	-	(60,956)
Interest on debt and debt service costs	205,033	422,530	-	-	217,497
Total governmental activities	25,858,396	2,371,612	9,694,532	244,561	(13,547,691)
General revenues:					
Property taxes, levied for general purposes					10,116,133
Motor vehicle excise taxes					1,499,716
Cable television franchise					75,577
Grants and contributions not restricted to specific programs:					
Homestead and BETE exemptions					536,292
Other State aid					35,523
State Revenue Sharing					362,407
Unrestricted investment earnings					109,224
Miscellaneous revenues					183,958
Total general revenues					12,918,830
Change in net position					(628,861)
Net position - beginning, restated					32,279,288
Net position - ending					\$ 31,650,427

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Balance Sheet
Governmental Funds
June 30, 2018

	General	School Department Operations	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,122,938	307,057	-	3,822	6,433,817
Receivables:					
Taxes - prior years	51,995	-	-	-	51,995
Taxes - current year	530,760	-	-	-	530,760
Tax liens	176,713	-	-	-	176,713
Sewer and liens	392,320	-	-	-	392,320
Accounts	34,238	-	-	-	34,238
Due from other governments	110,775	68,236	-	200,043	379,054
Interfund loans receivable	-	79,347	2,912,396	367,330	3,359,073
Prepaid expenditures	-	149,652	-	-	149,652
Inventory	23,289	-	-	14,477	37,766
Total assets	\$ 7,443,028	604,292	2,912,396	585,672	11,545,388
LIABILITIES					
Accounts payable	-	354,114	-	36,016	390,130
Accrued payroll	51,211	1,214,740	-	-	1,265,951
Interfund loans payable	3,106,983	-	-	252,090	3,359,073
Due to other governments	22,575	-	-	-	22,575
Taxes collected in advance	27,469	-	-	-	27,469
Total liabilities	3,208,238	1,568,854	-	288,106	5,065,198
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	447,000	-	-	-	447,000
Total deferred inflows of resources	447,000	-	-	-	447,000
FUND BALANCES					
Nonspendable:					
Inventory	23,289	-	-	-	23,289
Principal	-	-	-	3,434	3,434
Restricted:					
Grants and other purposes	-	-	-	504,383	504,383
Permanent funds	-	-	-	464	464
Committed:					
Capital improvements	-	-	2,912,396	-	2,912,396
Assigned	514,793	-	-	-	514,793
Unassigned	3,249,708	(964,562)	-	(210,715)	2,074,431
Total fund balances (deficits)	3,787,790	(964,562)	2,912,396	297,566	6,033,190
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,443,028	604,292	2,912,396	585,672	
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.					32,667,874
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					447,000
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:					
Accrued liabilities					(343,557)
Net pension liability, including related deferred outflows and inflows of resources					(287,849)
Net OPEB liability, including related deferred outflows and inflows of resources					(240,701)
Capital leases payable					(500,530)
Bonds payable					(6,125,000)
Net position of governmental activities					\$ 31,650,427

TOWN OF WINSLOW, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2018

	General	School Department Operations	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,643,849	-	-	-	11,643,849
Licenses and permits	81,262	-	-	-	81,262
Intergovernmental	1,075,382	7,987,152	145,020	1,397,574	10,605,128
Charges for services	880,957	545,259	-	405,145	1,831,361
Investment income	76,365	5,181	27,675	3	109,224
Other revenue	790,133	93,722	-	3,315	887,170
Total revenues	14,547,948	8,631,314	172,695	1,806,037	25,157,994
Expenditures:					
Current:					
General government	834,429	-	26,463	144,065	1,004,957
Protection	1,384,380	-	302,948	18,190	1,705,518
Public works	2,126,925	-	1,084,574	57,317	3,268,816
Recreation	168,352	-	25,453	-	193,805
County tax	596,317	-	-	-	596,317
Other	1,202,448	-	-	-	1,202,448
Education	-	14,159,183	-	1,231,707	15,390,890
On-behalf payment - Maine PERS	-	993,299	-	-	993,299
School lunch	-	-	-	627,626	627,626
Debt service	276,213	413,350	50,566	-	740,129
Capital outlay	-	88,963	-	-	88,963
Total expenditures	6,589,064	15,654,795	1,490,004	2,078,905	25,812,768
Excess (deficiency) of revenues over (under) expenditures	7,958,884	(7,023,481)	(1,317,309)	(272,868)	(654,774)
Other financing sources (uses):					
Proceeds from capital leases	-	88,963	-	-	88,963
Proceeds from issuance of bonds	-	-	2,000,000	-	2,000,000
Premium on issuance of bonds	-	-	99,541	-	99,541
Transfers in	-	6,702,394	1,023,804	314,659	8,040,857
Transfers out	(7,880,857)	(60,000)	-	(100,000)	(8,040,857)
Total other financing sources (uses)	(7,880,857)	6,731,357	3,123,345	214,659	2,188,504
Net change in fund balances	78,027	(292,124)	1,806,036	(58,209)	1,533,730
Fund balances (deficits), beginning of year	3,709,763	(672,438)	1,106,360	355,775	4,499,460
Fund balances (deficits), end of year	\$ 3,787,790	(964,562)	2,912,396	297,566	6,033,190

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, 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, 2018

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,533,730
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,770,921) and loss on disposal of assets (\$10,121) exceeded capital outlays (\$925,984) in the current period.		(855,058)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(28,000)
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Change in accruals recorded on the statement of net position but not on the governmental fund - balance sheet. This is the amount by which the decrease in net pension and net OPEB liabilities including deferred outflows and inflows (\$14,580) and the accrued compensated absences (\$32,251) exceeded the increase in accrued interest (\$9,904).		36,927
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Bond, and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds (\$2,088,963) exceed repayments (\$772,503).		(1,316,460)
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Change in net position of governmental activities (see Statement 2)	\$	(628,861)
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See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2018

	Town General Fund				School Department Operations			
	Budgeted amounts		Actual	Variance with final budget positive (negative)	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 11,798,706	11,428,831	11,643,849	215,018	-	-	-	-
Licenses and permits	65,250	65,250	81,262	16,012	-	-	-	-
Intergovernmental	1,076,281	1,076,281	1,075,233	(1,048)	6,546,142	6,916,017	6,993,853	77,836
Charges for services	819,438	819,438	840,945	21,507	613,255	613,255	545,259	(67,996)
Investment earnings	44,000	44,000	76,365	32,365	-	-	5,181	5,181
Other revenues	539,264	539,264	707,537	168,273	98,367	98,367	93,722	(4,645)
Total revenues	14,342,939	13,973,064	14,425,191	452,127	7,257,764	7,627,639	7,638,015	10,376
Expenditures:								
Current:								
General government	763,641	798,600	827,651	(29,051)	-	-	-	-
Protection	1,370,739	1,371,248	1,384,380	(13,132)	-	-	-	-
Public works	2,021,852	1,950,789	2,126,223	(175,434)	-	-	-	-
Recreation	141,008	141,008	130,775	10,233	-	-	-	-
County tax	597,991	597,991	596,317	1,674	-	-	-	-
Other	1,266,763	1,302,358	1,202,448	99,910	-	-	-	-
Education	-	-	-	-	14,056,683	14,056,683	14,055,640	1,043
Debt service	276,213	276,213	276,213	-	413,350	413,350	413,350	-
Total expenditures	6,438,207	6,438,207	6,544,007	(105,800)	14,470,033	14,470,033	14,468,990	1,043
Excess (deficiency) of revenues over (under) expenditures	7,904,732	7,534,857	7,881,184	346,327	(7,212,269)	(6,842,394)	(6,830,975)	11,419
Other financing sources (uses):								
Transfers from other funds	-	-	-	-	7,072,269	6,702,394	6,702,394	-
Transfers to other funds	(8,250,732)	(7,880,857)	(7,880,857)	-	(60,000)	(60,000)	(60,000)	-
Utilization of prior year surplus	346,000	346,000	-	(346,000)	200,000	200,000	-	(200,000)
Total other financing sources (uses)	(7,904,732)	(7,534,857)	(7,880,857)	(346,000)	7,212,269	6,842,394	6,642,394	(200,000)
Net change in fund balance - budgetary basis	-	-	327	327	-	-	(188,581)	(188,581)
Reconciliation to GAAP basis:								
Change in assigned balances			77,700	-			-	-
Change in summer teacher payroll accrual			-	-			(103,543)	-
Net change in fund balance - GAAP basis			78,027	-			(292,124)	-
Fund balances (deficits), beginning of year			3,709,763	-			(672,438)	-
Fund balances (deficits), end of year	\$		3,787,790	-			(964,562)	-

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private-purpose Trust Fund (Scholarships)	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 36,617	443,312
Investments	102,248	-
Total assets	138,865	443,312
LIABILITIES		
Amounts held for others	-	443,312
Total liabilities	-	443,312
NET POSITION		
Held in trust	\$ 138,865	-

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2018

		Private-purpose Trust Fund (Scholarships)
Additions:		
Investment income	\$	4,996
Realized/unrealized gain (loss)		4,268
Donations		7,842
Total additions		17,106
Deductions:		
Other miscellaneous		16,295
Total deductions		16,295
Change in net position		811
Net position, beginning of year		138,054
Net position, end of year	\$	138,865

See accompanying notes to basic financial statements.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Winslow, Maine was incorporated in 1771 and operates under a Council-Manager form of Government.

The accounting policies of the Town of Winslow conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

A. Reporting Entity

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

Joint Venture - The Town of Winslow has entered into a joint venture with other entities. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the Town. The joint venture is as follows:

Kennebec Regional Development Authority (FirstPark) was formed in 1998 through an act of the Maine State legislature. FirstPark's primary purposes according to the act was to strengthen the financial condition of local governments within the geographic territory of the authority, while combining resources and sharing costs for meeting regional economic development needs and challenges; to promote and develop infrastructure and programs for employment and economic development opportunities and other conditions to positively affect regional development. Members are funding the startup costs and then sharing in the benefit of future tax revenues. There are currently 24 local governments who are members of the Authority including the Town of Winslow.

The Authority derives the bulk of its operating revenue from the participants, but also receives some grant revenues from the State of Maine. In fiscal year 2018, the Town of Winslow contributed \$56,078. Complete financial statements may be obtained from Kennebec Regional Development Authority/FirstPark at 46C First Park Drive, Oakland, ME 04963.

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 nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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 a separate column in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of 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. 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 those required to be accounted for in another fund.

The *School Department Operations Fund* is the School Department's primary operating fund. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The *Capital Improvement Fund* accounts for the financial activity of a reserve established for major capital improvements.

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:

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

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

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

D. Deposits and Investments

Cash includes amounts in demand deposits as well as time deposits and certificates of deposit owned by the Town. State statutes authorize the Town to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Inventory

Inventory consists of the school lunch program food, supplies and donated commodities as well as public works gasoline and is recorded at the lower of cost or market on the first-in, first-out basis (FIFO) method.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-100 years
Machinery and equipment	5-50 years
Vehicles	3-12 years
Infrastructure	25-67 years

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Deferred Outflows and Inflows 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 net OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which are recognized as a reduction of the net pension net 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.

H. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, if material, 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 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.

K. 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.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

L. 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. 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 which 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 which 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.

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town Council has designated the responsibility for assigning fund balance to the Town Manager.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town’s intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town’s intent to use committed or assigned resources first, and then unassigned resources as they are needed.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.

N. 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.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgetary Information** - A budget is adopted for the General Fund and the School Department Operations Fund only, and is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for teachers' summer salaries, which are budgeted on a cash basis, and assigned revenues/expenditures. This budget is established in accordance with the various laws which govern the Town's operations. The legal level of control is at the department level. Generally, all unexpended appropriations lapse at the close of the fiscal year. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the School Department Operations Fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted.
- B. Excess of Expenditures over Appropriations** - For the year ended June 30, 2018, expenditures exceeded appropriations in the following department:

Administration	\$ 22,695	Other town utilities	1,290
Elections	3,591	Sewer	29,379
Information technology	10,656	Sanitation	23,783
Fire department	25,362	Community services	22,036
Public works	120,982	Overlay/abatements	6,096

These overexpenditures lapsed to fund balance.

- C. Deficit Fund Balance** - For the year ended June 30, 2018, the following funds had deficit fund balances:

School Department Operations	\$ 964,562
School Lunch Program	210,715

These deficits will be funded with anticipated future revenues and assessments.

BUDGETARY VS. GAAP BASIS OF ACCOUNTING

The School Department Operations fund balance as shown on Statement 3 differs from the School fund balance calculated on a budgetary basis due to the accrued teachers summer salaries and benefits. The reconciliation is as follows:

	School Department Operations <u>Fund Balance</u>
School fund balance (deficit), June 30, 2018--GAAP Basis	\$ (964,562)
<u>Accrued teacher summer salaries and benefits</u>	<u>1,199,134</u>
<u>Fund balance, June 30, 2018--budgetary basis</u>	<u>\$ 234,572</u>

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

BUDGETARY VS. GAAP BASIS OF ACCOUNTING, CONTINUED

Teacher employment contracts run from September 1st to August 31st of the next year and payments are made throughout that period. Since teachers' contracted services are constructively performed at the end of the school year, salaries paid to teachers during July and August represent liabilities of the Town at June 30, 2018. The amount of teachers' salaries and benefits earned but unpaid at June 30, 2018 was \$1,199,134.

Additionally, as required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the Winslow School Department. These amounts have not been budgeted in the School Department Operations Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$993,299. These amounts have been included as an intergovernmental revenue and shown as "On-behalf – Maine PERS" expense/expenditure on Statement 2 and in the School Department Operations Fund on Statement 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year.

SCHOOL EXPENDITURES – BUDGETARY COMPARISON

The School Department is required to report their budget vs. actual expenditure comparison based on 11 categories designated by the State. That comparison for the year ended June 30, 2018 is as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Regular instruction	\$ 6,380,017	6,397,068	(17,051)
Special education	2,243,227	2,248,767	(5,540)
CTE instruction	291,560	288,692	2,868
Other instruction	547,383	626,984	(79,601)
Student and staff support	1,330,340	1,294,601	35,739
System administration	294,548	294,383	165
School administration	862,287	876,080	(13,793)
Transportation	649,355	553,673	95,682
Facilities maintenance	1,457,966	1,475,392	(17,426)
Debt service	413,350	413,350	-
Other expenditures (transfer out)	60,000	60,000	-
Totals	\$ 14,530,033	14,528,990	1,043

DEPOSITS AND 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.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

As of June 30, 2018, the Town had the following investments:

	<u>Fair value</u>	<u>Level 1 input</u>	<u>Weighted average maturity (years)</u>
Mutual funds	\$ 102,248	yes	N/A

Custodial credit risk-deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town currently does not have a deposit policy for custodial credit risk. As of June 30, 2018, none of the Town’s bank balance of \$7,191,324 was exposed to custodial credit risk as it was covered by FDIC or was collateralized by underlying securities held by the related bank in the Town’s name.

Custodial credit risk-investments – For investments, this is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town currently does not have an investment policy for custodial credit risk.

Interest rate risk – The Town does not have a deposit policy for interest rate risk.

INTERFUND BALANCES

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund loans receivable and payable balances and transfers in and out at June 30, 2018 arising from these transactions were as follows:

	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in (out)</u>
General Fund	\$ -	3,106,983	(7,880,857)
School Department Operations	79,347	-	6,642,394
Capital Improvement Fund	2,912,396	-	1,023,804
Other Governmental Funds:			
Town Special Revenue Funds	2,659	-	-
TIF Funds	191,852	-	254,659
School Special Revenue Funds	165,050	-	(100,000)
Adult Education Fund	7,693	-	-
School Lunch Program	-	252,090	60,000
Permanent Funds	76	-	-
Total	\$ 3,359,073	3,359,073	-

The General Fund transferred \$6,602,394 to the School Department Operations for its portion of the local appropriation. The General Fund transferred \$1,023,804 to the Capital Improvement Fund, and \$254,659 to the TIF fund. The School Department Operations transferred \$60,000 to the School Lunch Program.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX

Property taxes for the current year were committed on August 17, 2017, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Taxes were due in four equal installments on October 13, 2017, December 8, 2017, March 9, 2018, and June 8, 2018. Interest was charged at 7% on all taxes unpaid after these dates. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. At April 1, 2017, the date on which the current year's assessed value was based, the assessed value represented 100% of 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 \$24,431 for the year ended June 30, 2018. The variance between actual property tax revenues and budgeted property tax revenues represents supplemental taxes, overlay, and the change in deferred taxes.

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

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

The following summarizes the 2018 and 2017 levies:

	<u>2018</u>	<u>2017</u>
Assessed value	\$ 603,424,800	608,713,800
Tax rate (per \$1,000)	16.74	15.74
Commitment	10,101,331	9,581,155
Supplemental taxes assessed	3,540	11,451
Total levy	<u>10,104,871</u>	<u>9,592,606</u>
Less:		
Abatements	30,527	9,818
Collections	<u>9,543,584</u>	<u>9,078,586</u>
Current taxes receivable at end of year	\$ 530,760	504,202

	<u>2018</u>	<u>2017</u>
Due date(s)	¼ Oct 13, 2017 ¼ Dec 8, 2017 ¼ Mar 9, 2018 ¼ Jun 8, 2018	¼ Oct 14, 2016 ¼ Dec 9, 2016 ¼ Mar 10, 2017 ¼ Jun 9, 2017
Interest rate on delinquent taxes	7.0%	7.0%
Collection rate	94.7%	94.7%

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 805,064	-	9,632	795,432
Construction in progress	6,184	329,830	-	336,014
<u>Land</u>	<u>612,440</u>	-	-	<u>612,440</u>
Total capital assets, not being depreciated	1,423,688	329,830	9,632	1,743,886
Capital assets, being depreciated:				
Land improvements	851,395	-	-	851,395
Buildings and building improvements	25,210,487	-	-	25,210,487
Machinery and equipment	8,836,381	168,675	9,200	8,995,856
Vehicles	1,749,485	283,309	-	2,032,794
<u>Infrastructure</u>	<u>34,290,292</u>	<u>144,170</u>	-	<u>34,434,462</u>
Total capital assets being depreciated	70,938,040	596,154	9,200	71,524,994
Less accumulated depreciation for:				
Land improvements	291,148	45,564	-	336,712
Buildings and building improvements	8,164,759	537,133	-	8,701,892
Machinery and equipment	6,293,198	271,918	8,711	6,556,405
Vehicles	1,230,557	142,091	-	1,372,648
<u>Infrastructure</u>	<u>22,859,134</u>	<u>774,215</u>	-	<u>23,633,349</u>
Total accumulated depreciation	38,838,796	1,770,921	8,711	40,601,006
Total capital assets being depreciated, net	32,099,244	(1,174,767)	489	30,923,988
Governmental activities capital assets, net	\$ 33,522,932	(844,937)	10,121	32,667,874

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

Governmental activities:	
General government	\$ 148,111
Protection	147,960
Public works, including depreciation of general infrastructure assets	934,313
Recreation	43,965
Education	496,572
Total depreciation expense – governmental activities	\$ 1,770,921

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term liability activity the year ended June 30, 2018 was as follows:

	(Restated) Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$ 4,670,000	2,000,000	545,000	6,125,000	750,000
Capital leases	639,070	88,963	227,503	500,530	234,721
Net pension liability	684,722	81,651	-	766,373	-
Net OPEB liability	222,121	41,890	-	264,011	-
Accrued compensated absences	328,177	-	32,251	295,926	-
Governmental activity					
<u>long-term liabilities</u>	<u>\$ 6,544,090</u>	<u>2,212,504</u>	<u>804,754</u>	<u>7,951,840</u>	<u>984,721</u>

Bonds Payable

Long-term debt payable at June 30, 2018 is comprised of the following:

	<u>Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
<u>Governmental activities:</u>				
2015 Refunding – School	\$ 3,590,000	3.00% - 4.00%	2027	3,230,000
2015 Refunding – Town	500,000	3.00%	2022	480,000
2015 General Obligation Bonds	695,000	3.00%	2021	415,000
2017 General Obligation Bonds	2,000,000	2.00% - 4.00%	2028	2,000,000
<u>Total governmental activities</u>				<u>\$6,125,000</u>

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

General Obligation Bonds

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018 are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 750,000	181,450	931,450
2020	760,000	156,800	916,800
2021	765,000	131,925	896,925
2022	635,000	110,925	745,925
2023	650,000	93,650	743,650
<u>2024-2028</u>	<u>2,565,000</u>	<u>195,450</u>	<u>2,760,450</u>
<u>Total</u>	<u>\$6,125,000</u>	<u>870,200</u>	<u>6,995,200</u>

Capital Leases

During the year ended June 30, 2018, the Town and School Department were obligated under various capital leases for buses, vehicles, and equipment.

The following is a schedule, by year, of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2018:

2019	\$ 250,507
2020	211,928
2021	45,245
<u>2022</u>	<u>19,299</u>
Total minimum lease payments	526,979
Less: Amount representing interest	(26,449)
<u>Present value of net minimum lease payments</u>	<u>\$ 500,530</u>

STATUTORY DEBT LIMIT

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2018, the Town was in compliance with these limitations.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

As of June 30, 2018, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund:				
Inventory	\$ 23,289	-	-	-
Sewerage	-	-	-	285,847
Stumpage	-	-	-	14,086
MSW Reserve	-	-	-	71,608
Unemployment insurance	-	-	-	29,699
Recreation	-	-	-	61,638
Other purposes	-	-	-	51,915
Capital improvement	-	-	2,912,396	-
Other governmental funds:				
Grants and other purposes	-	504,383	-	-
Permanent funds - principal	3,434	-	-	-
Permanent funds - unexpended	-	464	-	-
Totals	\$ 26,723	504,847	2,912,396	514,793

DEFERRED COMPENSATION PLAN

Deferred Compensation Plan - The Town of Winslow, Maine offers all its employees a deferred compensation plan created in accordance with Internal Revenue (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.

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 either carries commercial insurance or participates in a public entity risk pools. Currently, the Town participates in several public entity and self-insured risk pools and self-insurance programs sponsored by the Maine Municipal Association for unemployment, workers' compensation and property and casualty.

The School Department 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 School Department either carries commercial insurance or participates in a public entity risk pools. Currently, the School Department participates in several public entity and self-insured risk pools and self-insurance programs sponsored by the Maine Municipal Association for unemployment, workers' compensation and property and casualty.

Based on the coverage provided by these pools, 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, 2018.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

OPERATING LEASES

On June 1, 2017, the Town entered into a lease agreement with Orion Ropeworks, LLC (Orion) whereby Orion agrees to lease approximately 147,000 square feet of the former Crowe Rope buildings. From July 1, 2017 through the end of the lease, June 30, 2022, the Town will receive between \$23,464 and \$24,412 per month.

On July 1, 2016, the Town entered into a lease agreement with Johnny's Selected Seeds whereby Johnny's Selected Seeds agrees to lease space in the former Crowe Rope buildings. From July 1, 2016 through the end of the lease, June 30, 2022, the Town will receive between \$8,548 and \$9,071 per month.

The following are the future minimum lease payments to be received under the terms of the leases for the years ended June 30:

2019	\$ 386,197
2020	393,920
2021	393,920
<u>2022</u>	<u>401,799</u>
 <u>Totals</u>	 <u>\$ 1,575,836</u>

TAX INCREMENT FINANCING DISTRICTS

The Town has established three tax increment financing districts (TIF) under the terms of applicable state laws.

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
ALCOM TIF	\$ 56,045	3,600,600	100%	3,600,600	60,274
Lohmann TIF	4,521,100	9,722,500	100%	9,722,500	162,755
Natural Gas TIF	-	1,889,500	100%	1,889,500	31,630

The Town entered into property tax abatement agreements (credit enhancement agreements) with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. For the year ended June 30, 2018, the Town abated property taxes totaling \$144,265 through these credit enhancement agreements. A high-end aluminum recreational trailer manufacturer (ALCOM Inc.) receives a 50% property tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$30,137. A manufacturer and supplier of poultry biologics (Lohmann Animal Health International) receives a 70% tax abatement on all new value created with the expansion of their facilities. The abatement amounted to \$113,928.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

NET POSITION

Net position represents the difference between assets and liabilities. 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. The Town's net investment in capital assets was calculated as follows at June 30, 2018:

	<u>Governmental activities</u>
Capital assets	\$ 73,268,880
Accumulated depreciation	(40,601,006)
Bonds payable	(6,125,000)
<u>Capital leases payable</u>	<u>(500,530)</u>
<u>Total net investment in capital assets</u>	<u>\$ 26,042,344</u>

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating 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. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

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) except for special plan members, primarily uniformed public safety employees, who can retire after twenty-five years of creditable service at any age. For SET Plan 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 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 8.0% of their annual pay. The Town's contractually required contribution rates for the year ended June 30, 2018 were 10.1% of annual payroll. Contributions to the pension plan from the Town were \$59,022 for the year ended June 30, 2018.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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, 2018, was 15.05% of annual payroll of which 3.97% of payroll was required from the Town and 11.08% was required from the State. Contributions to the pension plan from the Town were \$283,076 for the year ended June 30, 2018.

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, 2017, 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 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, 2018, the Town reported a liability of \$206,696 for its proportionate share of the net pension liability. At June 30, 2017, the Town's proportion of the PLD Plan was 0.0505%.

SET Plan - At June 30, 2018, 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. 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	\$ 559,677
State's proportionate share of the net pension liability associated with the Town	8,039,926
Total	\$ 8,599,603

At June 30, 2017, the Town's proportion of the SET Plan was 0.0385%.

For the year ended June 30, 2018, the Town recognized pension expense of \$100,119 for the PLD plan and \$1,024,668 for the SET plan with revenue of \$790,046 for support provided by the State. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,609	-
Changes of assumptions	8,847	-
Net difference between projected and actual earnings on pension plan investments	-	13,918
Changes in proportion and differences between Town contributions and proportionate share of contributions	127,887	-
Town contributions subsequent to the measurement date	342,098	-
Total	\$ 492,442	13,918

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

\$342,098 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 liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 52,769
2020	122,566
2021	5,128
2022	(44,037)

Actuarial Assumptions - The total pension liability in the June 30, 2017 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 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.875%	6.875%
Cost of living benefit increases, per annum	2.20%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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, 2017 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 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%

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.875% for the PLD and the SET Plans. The projection of cash flows used to determine the discount rate 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 plan's 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 6.875% 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 (5.875% for PLD Plan and for SET Plan) or 1 percentage-point higher (7.875% for PLD Plan and for SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.875%)</u>	Current Discount Rate <u>(6.875%)</u>	1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	\$ 414,696	206,696	50,104
<u>SET Plan</u>	1% Decrease <u>(5.875%)</u>	Current Discount Rate <u>(6.875%)</u>	1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	\$ 982,067	559,677	210,934

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2018.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plans

Plan Description - The Town sponsors a post-retirement benefit plan providing group term life insurance to retiring teachers (hereafter referred to as GTL Plan). The plan is a cost-sharing multiple-employer defined benefit OPEB plan 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.maineopers.org.

Additionally, the Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Under the GTL Plan, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan 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.

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

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employee entitled to but not yet receiving benefits	-
Active employees	43
Total	<u>46</u>

Contributions - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. 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 \$17,150 for the year ended June 30, 2018. Employers and employees are not required to contribute to the OPEB plan.

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

At June 30, 2018, the Town reported no liability related to the GTL Plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$189,237 as of June 30, 2018. The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability 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. At June 30, 2017, the Town's proportion was 0.00%.

For the year ended June 30, 2018, the Town recognized OPEB expense for the GTL Plan of \$17,150 and also revenues of \$17,150 for support provided by the State. At June 30, 2018, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the OPEB plan.

The Town's total Health Plan OPEB liability of \$264,011 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Changes in the Total Health Plan OPEB Liability

		Total OPEB Liability
Balance at June 30, 2017	\$	222,121
Changes for the year:		
Service Cost		12,243
Interest		8,759
Changes of benefit terms		-
Differences between expected and actual experience		(3,764)
Changes in assumptions or other inputs		29,988
Benefit payments		(5,336)
Net changes		<u>41,890</u>
Balance at June 30, 2018	\$	<u>264,011</u>

Change in assumptions reflects a change in the discount rate from 3.78% to 3.44% and also a change in valuation method from Projected Unit Credit funding to the Entry Age Normal funding method.

For the year ended June 30, 2018, The Town recognized OPEB expense of \$18,580 related to the Health Plan. At June 30, 2018, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	3,346
Changes of assumption or other inputs		26,656	-
Total	\$	<u>26,656</u>	<u>3,346</u>

Deferred outflows of resources and deferred inflows of resources related to the Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ 2,914
2020	2,914
2021	2,914
2022	2,914
2023	2,914
Thereafter	8,740

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Actuarial Assumptions - GTL Plan - The total OPEB liability in the June 30, 2017 actuarial valuation for the GTL Plan was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 14.50%
Investment rate of return	6.875%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on 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%

Actuarial Assumptions - Health Plan - The total OPEB liability in the January 1, 2018 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per annum
Salary increases	2.75% per annum
Discount rate	3.44% per annum
Healthcare cost trend rates	8.27% for 2018, decreasing to 4.00% for 2032
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

TOWN OF WINSLOW, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Discount Rate - GTL Plan - The rate used to measure the total OPEB liability for the GTL plan was 6.875%. 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.

Discount Rate - Health Plan - The rate used to measure the total OPEB liability for the Health plan was 3.44% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 3.44%, 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 (2.44%) or 1 percentage-point higher (4.44%) than the current rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	\$ 312,230	264,011	225,662

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates of 8.27%, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (7.27%) or 1 percentage-point higher (9.27%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 223,601	264,011	316,605

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

NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2018, the Town has elected to implement Statement No. 75 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. As a result of implementing GASB Statement No. 75, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town's net OPEB liability of \$222,121 which effectively decreased the Town's net position as of July 1, 2017 by \$222,121.

SUBSEQUENT EVENTS

On July 20, 2018, the Town issued a general obligation bond for the purchase of a sewer use vehicle. The total loan amount is \$504,000 and will be repaid over a 5 year period with a 3.14% interest rate.

TOWN OF WINSLOW, MAINE
Required Supplementary Information

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>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
<u>PLD Plan</u>				
Town's proportion of the net pension liability	0.0505%	N/A	N/A	N/A
Town's proportionate share of the net pension liability	\$ 206,696	N/A	N/A	N/A
Towns covered payroll	584,373	N/A	N/A	N/A
Town's proportion share of the net pension liability as a percentage of its covered payroll	10.10%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of of the total pension liability	86.43%	N/A	N/A	N/A
<u>SET Plan</u>				
Town's proportion of the net pension liability	0.0385%	0.0388%	0.0388%	0.0386%
Town's proportionate share of the net pension liability	559,677	684,722	524,237	417,051
State's proportionate share of the net pension liability associated with the Town	8,039,926	10,015,808	7,916,658	6,198,199
Total	\$ 8,599,603	10,700,530	8,440,895	6,615,250
Town's covered payroll	7,160,836	7,111,584	7,112,501	6,868,246
Town's proportion share of the net pension liability as a percentage of its covered payroll	7.82%	9.63%	7.37%	6.07%
Plan fiduciary net position as a percentage of of the total pension liability	80.78%	76.21%	81.18%	83.91%

* Only four years of information available

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

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System State Employee and Teacher Plan
 Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan</u>					
Contractually required contribution	\$59,022	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(59,022)	N/A	N/A	N/A	N/A
<u>Contribution deficiency (excess)</u>	-	N/A	N/A	N/A	N/A
Town's covered payroll	584,373	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	10.10%	N/A	N/A	N/A	N/A
<u>SET Plan</u>					
Contractually required contribution	\$283,076	240,604	238,949	188,481	182,008
Contributions in relation to the contractually required contribution	(283,076)	(240,604)	(238,949)	(188,481)	(182,008)
<u>Contribution deficiency (excess)</u>	\$ -	-	-	-	-
Town's covered payroll	7,130,379	7,160,836	7,111,584	7,112,501	6,868,246
Contributions as a percentage of covered payroll	3.97%	3.36%	3.36%	2.65%	2.65%

* Only five years of information available

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

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

		<u>2018</u>
Total OPEB Liability		
Service Cost	\$	12,243
Interest		8,759
Changes of benefit terms		-
Differences between expected and actual experience		(3,764)
Changes of assumptions or other inputs		29,988
Benefit payments		<u>(5,336)</u>
Net change in total OPEB Liability		41,890
Total OPEB liability - beginning		<u>222,121</u>
Total OPEB liability - ending	\$	<u><u>264,011</u></u>
Covered-employee payroll	\$	1,886,942
Total OPEB liability as a percentage of covered-employee payroll		13.99%

** Only one year of information available.*

TOWN OF WINSLOW, MAINE
Required Supplementary Information, Continued

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

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the School Unit	<u>189,237</u>
Total	<u><u>189,237</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	47.29%

** Only one year of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.*

TOWN OF WINSLOW, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

Changes of Assumptions - The PLD and SET Plans changed the discount rate of 7.125%, inflation rate of 3.5%, and the cost of living increase of 2.55% in the 2015 valuation to 6.875%, 2.75%, and 2.20%, respectively in the 2016 valuation. The PLD Plan changed the salary increases in the 2015 valuation of 3.5% - 13.5% to 2.75% - 9.0% in the 2016 valuation. The SET Plan changed the salary increases in the 2015 valuation of 3.5% - 9.5% to 2.75% - 14.5% in the 2016 valuation. In addition, mortality rates were previously based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA, which, in the 2016 valuation, was changed to mortality rates that were based on the RP2014 Total Data Set Healthy Annuity Mortality Table.

The PLD Plan changed the discount rate from 7.25% in the 2014 valuation to 7.125% in the 2015 valuation. The PLD Plan also changed the cost of living benefits increase from 3.12% in the 2014 valuation to 2.55% in the 2015 valuation.

The SET Plan changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - None related to the GTL plan. Under the Health Plan, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2018	3.44%
2017	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

These statements provide a more detailed view of the "basic financial statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Several individual fund statements are presented to provide additional detail and to present budgetary comparison.

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

TOWN OF WINSLOW, MAINE
Comparative Balance Sheets - General Fund
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 6,122,938	4,449,058
Receivables:		
Taxes - current year	530,760	504,202
Taxes - prior years	51,995	33,288
Tax liens - prior years	176,713	150,166
Sewer	368,447	220,550
Sewer liens	23,873	26,744
Accounts (net of allowance of \$0 and \$13,500, respectively)	34,238	56,418
Due from other governments	110,775	72,161
Tax acquired property	-	37,026
Inventory	23,289	11,660
Total assets	\$ 7,443,028	5,561,273
LIABILITIES		
Accounts payable	-	16,872
Accrued payroll	51,211	47,009
Interfund loans payable	3,106,983	1,262,326
Due to other governments	22,575	24,996
Taxes collected in advance	27,469	25,307
Total liabilities	3,208,238	1,376,510
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	447,000	475,000
Total deferred inflows of resources	447,000	475,000
FUND BALANCE		
Nonspendable - inventory	23,289	11,660
Assigned for subsequent budget	-	346,000
Assigned for other purposes	514,793	455,382
Unassigned	3,249,708	2,896,721
Total fund balance	3,787,790	3,709,763
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,443,028	5,561,273

TOWN OF WINSLOW, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018		Variance positive (negative)	2017 Actual
	Adjusted Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 10,101,331	10,144,133	42,802	9,632,828
Excise taxes	1,327,500	1,499,716	172,216	1,520,753
Total taxes	11,428,831	11,643,849	215,018	11,153,581
Licenses and permits:				
Town Clerk fees	36,750	39,111	2,361	42,043
Other	28,500	42,151	13,651	33,815
Total licenses and permits	65,250	81,262	16,012	75,858
Intergovernmental:				
State Revenue Sharing	363,489	362,407	(1,082)	357,373
State homestead reimbursement	347,418	347,418	-	282,298
BETE reimbursement	188,874	188,874	-	159,159
State highway block grant	120,000	115,716	(4,284)	113,660
Contractual service - MDOT	14,000	18,900	4,900	14,036
General assistance	8,500	3,721	(4,779)	11,680
Tree growth reimbursement	23,000	20,899	(2,101)	20,828
Veterans exemptions	8,500	14,624	6,124	7,775
Snowmobiles	2,500	2,674	174	1,681
Total intergovernmental	1,076,281	1,075,233	(1,048)	968,490
Charges for services:				
Sewer fees	750,878	777,475	26,597	784,856
VSD fees	-	-	-	5,941
Police department fees	2,000	1,642	(358)	2,258
Public works/sanitation	60,400	55,498	(4,902)	49,811
Recreation	2,160	2,914	754	2,320
Library fees	4,000	3,416	(584)	3,638
Total charges for services	819,438	840,945	21,507	848,824

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

	2018			2017 Actual
	Adjusted Budget	Actual	Variance positive (negative)	
Revenues, continued:				
Investment earnings:				
Investment interest/interest on taxes	\$ 38,000	72,569	34,569	46,893
Interest - sewerage	6,000	3,796	(2,204)	3,821
Total investment earnings	44,000	76,365	32,365	50,714
Other revenues:				
Lien costs and fees	23,000	25,472	2,472	31,349
Cable television franchise	68,000	75,577	7,577	72,812
Rental payments	421,264	422,530	1,266	427,192
Sale of Town owned property	-	143,985	143,985	-
Miscellaneous revenue	27,000	39,973	12,973	40,758
Total other revenues	539,264	707,537	168,273	572,111
Total revenues	13,973,064	14,425,191	452,127	13,669,578
Expenditures:				
Current:				
General governmental:				
Administration	386,251	408,946	(22,695)	405,415
Town Council	6,460	5,031	1,429	6,042
Assessing	132,023	130,666	1,357	128,310
Elections	8,900	12,491	(3,591)	8,956
Library	216,031	210,926	5,105	201,121
Information technology	48,935	59,591	(10,656)	48,381
Total general governmental	798,600	827,651	(29,051)	798,225
Protection:				
Police department	742,937	731,968	10,969	762,381
Fire department	562,450	587,812	(25,362)	584,864
Code enforcement	65,861	64,600	1,261	49,088
Total protection	1,371,248	1,384,380	(13,132)	1,396,333

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

	2018		Variance positive (negative)	2017 Actual
	Adjusted Budget	Actual		
Expenditures, continued				
Current, continued:				
Public works:				
Public works	\$ 927,885	1,048,867	(120,982)	969,766
Other Town utilities	234,714	236,004	(1,290)	222,059
Sewer	369,691	399,070	(29,379)	344,212
Sanitation	418,499	442,282	(23,783)	455,924
Total public works	1,950,789	2,126,223	(175,434)	1,991,961
Recreation:				
Parks and recreation	141,008	130,775	10,233	113,218
Total recreation	141,008	130,775	10,233	113,218
County tax	597,991	596,317	1,674	586,265
Other:				
General assistance	17,283	4,199	13,084	13,950
Insurance	1,104,412	1,023,854	80,558	1,032,947
Organizational support	25,900	25,500	400	40,406
Community services	87,332	109,368	(22,036)	87,601
Contingency	43,000	9,000	34,000	16,739
Overlay/abatements	24,431	30,527	(6,096)	9,818
Total other	1,302,358	1,202,448	99,910	1,201,461

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

	2018		Variance positive (negative)	2017 Actual
	Budget	Actual		
Expenditures, continued				
Debt service:				
Principal	\$ 245,000	245,000	-	545,000
Interest	31,213	31,213	-	48,875
Total debt service	276,213	276,213	-	593,875
Total expenditures	6,438,207	6,544,007	(105,800)	6,681,338
Excess of revenues over expenditures	7,534,857	7,881,184	346,327	6,988,240
Other financing sources (uses):				
Transfers out - Capital improvement fund	(1,023,804)	(1,023,804)	-	(737,400)
Transfers out - Education (local share)	(6,602,394)	(6,602,394)	-	(6,427,616)
Transfer out - TIF fund	(254,659)	(254,659)	-	(209,378)
Utilization of prior year surplus	346,000	-	(346,000)	-
Total other financing sources (uses)	(7,534,857)	(7,880,857)	(346,000)	(7,374,394)
Net change in fund balance - budgetary basis	-	327	327	(386,154)
Reconciliation to GAAP basis:				
Change in committed/assigned balances		77,700		1,687
Net change in fund balance - GAAP basis		78,027		(384,467)
Fund balance, beginning of year		3,709,763		4,094,230
Fund balance, ending of year	\$	3,787,790		3,709,763

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF WINSLOW, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	3,822	3,822
Due from other governments	200,043	-	200,043
Interfund loans receivable	367,254	76	367,330
Inventory	14,477	-	14,477
Total assets	\$ 581,774	3,898	585,672
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	36,016	-	36,016
Interfund loans payable	252,090	-	252,090
Total liabilities	288,106	-	288,106
Fund balances:			
Nonspendable - Principal	-	3,434	3,434
Restricted	504,383	464	504,847
Unassigned	(210,715)	-	(210,715)
Total fund balances	293,668	3,898	297,566
Total liabilities and fund balances	\$ 581,774	3,898	585,672

TOWN OF WINSLOW, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 1,397,574	-	1,397,574
Charges for services	405,145	-	405,145
Interest revenue	-	3	3
Other revenue	3,315	-	3,315
Total revenues	1,806,034	3	1,806,037
Expenditures:			
Current:			
General government	144,065	-	144,065
Protection	18,190	-	18,190
Public works	57,317	-	57,317
Education	1,231,707	-	1,231,707
School lunch	627,626	-	627,626
Total expenditures	2,078,905	-	2,078,905
Excess (deficiency) of revenues over (under) expenditures	(272,871)	3	(272,868)
Other financing sources (uses):			
Transfers in	314,659	-	314,659
Transfers out	(100,000)	-	(100,000)
Total financing sources (uses)	214,659	-	214,659
Net change in fund balances	(58,212)	3	(58,209)
Fund balances, beginning of year	351,880	3,895	355,775
Fund balances, end of year	\$ 293,668	3,898	297,566

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

Special revenue funds are established for the following purposes:

Town Special Revenue Funds

To account for various federal and other grants for special programs administered by the Town.

TIF Funds

To account for the Town's tax increment finance districts.

School Special Revenue Funds

To account for various federal and state grants for special programs administered by the School Department.

Adult Education Fund

To account for the revenues and expenditures associated with the Adult Education Program.

School Lunch Program

To account for the activity of the school lunch operations.

TOWN OF WINSLOW, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2018
(with comparative totals for June 30, 2017)

	Town Special Revenue Funds	TIF Funds	School Special Revenue Funds	Adult Education Fund	School Lunch Program	Totals	
						2018	2017
ASSETS							
Due from other governments	\$ -	-	173,145	-	26,898	200,043	190,557
Interfund loans receivable	2,659	191,852	165,050	7,693	-	367,254	402,241
Inventory	-	-	-	-	14,477	14,477	15,007
Total assets	\$ 2,659	191,852	338,195	7,693	41,375	581,774	607,805
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	36,016	-	-	-	36,016	7,022
Interfund loans payable	-	-	-	-	252,090	252,090	248,903
Total liabilities	-	36,016	-	-	252,090	288,106	255,925
Fund balances (deficits):							
Restricted	2,659	155,836	338,195	7,693	-	504,383	561,639
Unassigned	-	-	-	-	(210,715)	(210,715)	(209,759)
Total fund balances (deficits)	2,659	155,836	338,195	7,693	(210,715)	293,668	351,880
Total liabilities and fund balances	\$ 2,659	191,852	338,195	7,693	41,375	581,774	607,805

TOWN OF WINSLOW, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2018
(with comparative totals for the year ended June 30, 2017)

	Town Special Revenue Funds	TIF Funds	School Special Revenue Funds	Adult Education Fund	School Lunch Program	Totals	
						2018	2017
Revenues:							
Intergovernmental	\$ 8,707	-	1,000,801	-	388,066	1,397,574	1,367,440
Charges for services	-	-	226,541	-	178,604	405,145	374,838
Other revenue	2,000	-	1,315	-	-	3,315	5,121
Total revenues	10,707	-	1,228,657	-	566,670	1,806,034	1,747,399
Expenditures:							
Current:							
General government	-	144,065	-	-	-	144,065	149,225
Protection	18,190	-	-	-	-	18,190	13,027
Public works	-	57,317	-	-	-	57,317	15,822
Education	-	-	1,231,707	-	-	1,231,707	1,164,203
School lunch	-	-	-	-	627,626	627,626	602,909
Total expenditures	18,190	201,382	1,231,707	-	627,626	2,078,905	1,945,186
Excess (deficiency) of revenues over (under) expenditures	(7,483)	(201,382)	(3,050)	-	(60,956)	(272,871)	(197,787)
Other financing sources (uses):							
Transfers in	-	254,659	-	-	60,000	314,659	259,378
Transfers out	-	-	(100,000)	-	-	(100,000)	-
Total financing sources (uses)	-	254,659	(100,000)	-	60,000	214,659	259,378
Net change in fund balances	(7,483)	53,277	(103,050)	-	(956)	(58,212)	61,591
Fund balances (deficits), beginning of year	10,142	102,559	441,245	7,693	(209,759)	351,880	290,289
Fund balances (deficits), end of year	\$ 2,659	155,836	338,195	7,693	(210,715)	293,668	351,880

TOWN OF WINSLOW, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
School Special Revenue Funds
For the year ended June 30, 2018

	Fund balance beginning of year	Revenues	Expenditures	Transfers	Fund balance end of year
Grant funds:					
Title I	\$ -	366,669	366,669	-	-
MaineCare	231,756	124,520	83,505	(100,000)	172,771
Local Entitlement	-	321,634	321,634	-	-
Title IIA - Supporting Effective Instruction	-	64,782	64,782	-	-
Title VI - Rural Small Schools	-	45,857	45,857	-	-
21st Century	-	56,397	56,397	-	-
E*Rate	24,965	-	-	-	24,965
Transition grant	38,879	-	38,785	-	94
Fiscal agent	16,041	20,942	28,138	-	8,845
Total grant funds	311,641	1,000,801	1,005,767	(100,000)	206,675
Other Special Funds:					
Before and after school care	122,440	226,541	224,676	-	124,305
Insurance proceeds	943	1,065	-	-	2,008
Gizmo Garden Fund	4,000	-	999	-	3,001
Special education fund	412	-	65	-	347
Homeless	1,809	250	200	-	1,859
Total other special funds	129,604	227,856	225,940	-	131,520
Total	\$ 441,245	1,228,657	1,231,707	(100,000)	338,195

NONMAJOR PERMANENT FUNDS

TOWN OF WINSLOW, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2018
(with comparative totals for June 30, 2017)

	Cemetery Fund	Memorial Fund	School Fund	Totals	
				2018	2017
ASSETS					
Cash and cash equivalents	\$ 3,822	-	-	3,822	3,819
Interfund loans receivable	-	35	41	76	76
Total assets	\$ 3,822	35	41	3,898	3,895
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund loans payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances:					
Nonspendable - principal	3,379	25	30	3,434	3,434
Restricted	443	10	11	464	461
Total fund balances	3,822	35	41	3,898	3,895
Total liabilities and and fund balances	\$ 3,822	35	41	3,898	3,895

TOWN OF WINSLOW, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2018
(with comparative totals for the year ended June 30, 2017)

	Cemetery Fund	Memorial Fund	School Fund	Totals	
				2018	2017
Revenues:					
Investment income	\$ 3	-	-	3	-
Total revenues	3	-	-	3	-
Expenditures:					
Current:					
Other miscellaneous	-	-	-	-	-
Total expenditures	-	-	-	-	-
Net change in fund balances	3	-	-	3	-
Fund balances, beginning of year	3,819	35	41	3,895	3,895
Fund balances, end of year	\$ 3,822	35	41	3,898	3,895

PRIVATE-PURPOSE TRUST FUNDS

Trust funds are established to account for assets received by the Town and held in a fiduciary capacity as trustee or agent.

AGENCY FUNDS

The Agency funds account for the various student activity accounts and library funds.

TOWN OF WINSLOW, MAINE
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2018
(with comparative totals for June 30, 2017)

		Bowden Scholarship Fund	Esther Gagne Scholarship Fund	High School Scholarships	Totals	
					2018	2017
ASSETS						
Cash and cash equivalents	\$	9,165	25,127	2,325	36,617	36,070
Investments		-	-	102,248	102,248	101,984
Total assets	\$	9,165	25,127	104,573	138,865	138,054
NET POSITION						
Restricted for principal		1,646	25,000	-	26,646	26,646
Unrestricted		7,519	127	104,573	112,219	111,408
Total net position	\$	9,165	25,127	104,573	138,865	138,054

TOWN OF WINSLOW, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2018
(with comparative totals for the year ended June 30, 2017)

	Bowden Scholarship Fund	Esther Gagne Scholarship Fund	High School Scholarships	Totals	
				2018	2017
Additions:					
Investment income	\$ 10	50	4,936	4,996	3,173
Realized/unrealized gain (loss)	-	-	4,268	4,268	6,025
Donations	1,111	-	6,731	7,842	27,991
Total additions	1,121	50	15,935	17,106	37,189
Deductions:					
Other miscellaneous	600	-	15,695	16,295	6,880
Total deductions	600	-	15,695	16,295	6,880
Change in net position	521	50	240	811	30,309
Net position, beginning of year	8,644	25,077	104,333	138,054	107,745
Net position, end of year	\$ 9,165	25,127	104,573	138,865	138,054

TOWN OF WINSLOW, MAINE
 Agency Funds
 Combining Statement of Net Position
 June 30, 2018
 (with comparative totals for June 30, 2017)

	High School Activity Funds	High School Athletics Fund	Junior High Activity Funds	Elementary School Activity Funds	Library Funds	Totals	
						2018	2017
ASSETS							
Cash and cash equivalents	\$ 54,559	14,348	49,449	35,220	289,736	443,312	444,289
Total assets	\$ 54,559	14,348	49,449	35,220	289,736	443,312	444,289
LIABILITIES							
Amounts held for others	54,559	14,348	49,449	35,220	289,736	443,312	444,289
Total liabilities	\$ 54,559	14,348	49,449	35,220	289,736	443,312	444,289

TOWN OF WINSLOW, MAINE
Agency Funds
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2018

	Balance beginning of year	Additions	Deductions	Balance end of year
ASSETS				
High School activity funds	\$ 52,025	94,007	91,473	54,559
High School athletics fund	20,503	28,969	35,124	14,348
Junior High activity funds	47,341	35,152	33,044	49,449
Elementary school activity funds	29,938	37,503	32,221	35,220
Library funds	294,482	2,708	7,454	289,736
Total assets	\$ 444,289	198,339	199,316	443,312
LIABILITIES				
Amounts held for others	444,289	198,339	199,316	443,312
Total liabilities	\$ 444,289	198,339	199,316	443,312