



In the opinion of Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel (“Bond Counsel”), and assuming continuing compliance with certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. In addition, such interest is not treated as a preference item in calculating the alternative minimum tax under the Code; however, such interest will be taken into account in determining the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes interest paid on the Bonds is exempt from taxation within the State of Maine (the “State”). **The Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.** See “THE BONDS—TAX MATTERS” and “APPENDIX D” herein.

**REGIONAL SCHOOL UNIT NO. 14  
(RAYMOND & WINDHAM, MAINE)  
2026 GENERAL OBLIGATION BONDS  
\$50,790,000 (\*)**

**Dated: Date of Delivery**

**Due: November 1, as shown below**

<u>Year of Maturity</u>	<u>Amount</u> (*)	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year of Maturity</u>	<u>Amount</u> (*)	<u>Interest Rate</u>	<u>Yield or Price</u>
2027	\$2,540,000			2037	\$2,540,000		
2028	2,540,000			2038	2,540,000		
2029	2,540,000			2039	2,540,000		
2030	2,540,000			2040	2,540,000		
2031	2,540,000			2041	2,540,000		
2032	2,540,000			2042	2,540,000		
2033	2,540,000			2043	2,540,000		
2034	2,540,000			2044	2,540,000		
2035	2,540,000			2045	2,535,000		
2036	2,540,000			2046	2,535,000		

The 2026 General Obligation Bonds (the “Bonds”) will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bond owner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See “THE BONDS—BOOK-ENTRY-ONLY SYSTEM” herein. Principal of and interest on the Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on November 1, 2026 and semi-annually on each May 1 and November 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel, will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of Regional School Unit No. 14 (“RSU 14” or the “Issuer”) and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the Issuer (which territory includes the towns of Raymond, Maine and Windham, Maine (the “Member Municipalities”) and taxable by it, except to the extent that a Member Municipality may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, to share its assessed valuation with another municipality; and except to the extent that a Member Municipality establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. Both Member Municipalities have established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the economic development projects and programs described in the development programs adopted with respect to such districts. Within the limits established by statute, a municipality has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Officials of the Member Municipalities will certify that no agreements under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes now exist. The opinion will indicate that the enforceability of the obligations of the Issuer, including the Bonds, are subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Bonds maturing on and before November 1, 2035 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2036 are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, on and after November 1, 2035 as more fully set forth herein (see “THE BONDS—OPTIONAL REDEMPTION PRIOR TO MATURITY” herein).

The Bonds are offered when, as and if issued, subject to the approval of legality by Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel. Moors & Cabot, Inc., Boston, Massachusetts, serves as Municipal Advisor to the Issuer. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about April 30, 2026.

NOTE: (\*) Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment. The RSU will make available its final Official Statement with respect to the Securities. This Preliminary Official Statement is for information purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Issuer since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP® numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. Neither the Issuer nor the Underwriter makes any representation with respect to the accuracy of such CUSIP® numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The Issuer is not responsible for the selection or uses of the CUSIP® numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP® number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE  
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by Regional School Unit No. 14 (“RSU 14” or the “Issuer”) with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the Issuer’s records and from various other public documents and sources, which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor or by Drummond Woodsum & MacMahon, its Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the undersigned, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Issuer is not guaranteed as to accuracy, completeness or fairness, the undersigned has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the undersigned and furnished at the closing.

This Official Statement is in a form “deemed final” by the issuer for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

Christopher Howell, Treasurer  
Regional School Unit No. 14

**OFFICIAL STATEMENT  
REGIONAL SCHOOL UNIT NO. 14  
(RAYMOND & WINDHAM, MAINE)  
\$50,790,000 <sup>(\*)</sup>  
2026 GENERAL OBLIGATION BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the sale of the above-referenced Regional School Unit No. 14 (“RSU 14” or the “Issuer”) 2026 General Obligation Bonds (the “Bonds” or the “2026 Bonds”).

**THE ISSUER**

Pursuant to the Maine Revised Statutes, Title 20-A, Section 1461 (the “School Consolidation Act”), the School Departments of the Towns of Raymond and Windham reorganized to form a regional school unit (an “RSU,” see “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS IN MAINE INTO REGIONAL SCHOOL UNITS”) as Regional School Unit No. 14. The Raymond School Department and Windham School Department submitted a Reorganization Plan to the Commissioner of the State of Maine Department of Education (the “Commissioner”) on September 18, 2008 and received its Certificate of Organization dated December 1, 2008, evidencing its organization as RSU 14, comprising the towns of Raymond and Windham, under the laws of the State of Maine (the “State”), which became effective July 1, 2009.

**THE BONDS**

**DESCRIPTION OF THE BONDS**

The Bonds will be issued only as fully-registered securities without coupons, one certificate per CUSIP assignment, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or integral multiple thereof. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months), payable on November 1, 2026, and semi-annually thereafter on May 1 or November 1 of each year until maturity, or redemption prior to maturity. It is expected that the Bonds will be available for delivery at DTC on or about April 30, 2026. The Bonds will mature as follows:

<u>Amount <sup>(*)</sup></u>	<u>November 1,</u>	<u>CUSIP</u>	<u>Amount <sup>(*)</sup></u>	<u>November 1,</u>	<u>CUSIP</u>
\$2,540,000	2027	75915PAY6	\$2,540,000	2037	75915PBJ8
2,540,000	2028	75915PAZ3	2,540,000	2038	75915PBK5
2,540,000	2029	75915PBA7	2,540,000	2039	75915PBL3
2,540,000	2030	75915PBB5	2,540,000	2040	75915PBM1
2,540,000	2031	75915PBC3	2,540,000	2041	75915PBN9
2,540,000	2032	75915PBD1	2,540,000	2042	75915PBP4
2,540,000	2033	75915PBE9	2,540,000	2043	75915PBQ2
2,540,000	2034	75915PBF6	2,540,000	2044	75915PBR0
2,540,000	2035	75915PBG4	2,535,000	2045	75915PBS8
2,540,000	2036	75915PBH2	2,535,000	2046	75915PBT6

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners.

NOTE: <sup>(\*)</sup> Preliminary, subject to change.

The Issuer will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

## **OPTIONAL REDEMPTION OF THE BONDS PRIOR TO MATURITY**

Bonds maturing on and before November 1, 2035 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after November 1, 2036 are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, on and November 1, 2035, as a whole or in part at any time, in such order of maturity as the Issuer, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

## **GENERAL PROVISIONS REGARDING REDEMPTION OF THE BONDS**

### **Notice of Optional Redemption**

In the case of every optional redemption of the Bonds, the Issuer shall cause notice of such optional redemption to be given to the registered owner of any Bonds designated for optional redemption in whole or in part, at such address as shall appear upon the registration books kept by the Paying Agent by mailing a copy of the optional redemption notice by first class mail not less than thirty (30) days prior to the optional redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Issuer to give notice to a Bondholder or any defect in such notice shall not affect the validity of the optional redemption of any Bond of any other owner.

Each notice of optional redemption shall specify the date fixed for optional redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for optional redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of optional redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed.

The Issuer shall notify the Securities Depository (see “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Issuer, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the optional redemption of such Bond.

### **Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue**

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of, the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given), the Bonds to be redeemed shall not be deemed to be outstanding.

## **Cancellation**

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Issuer or returned to the Issuer at its request.

## **Partial Redemption of Bonds**

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository by the Issuer by lot or in such other manner, as the Issuer in its discretion may deem appropriate.

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Issuer by lot or in such other manner, as the Issuer in its discretion may deem appropriate.

## **RECORD DATE; PAYMENT**

The principal of the Bonds is payable upon surrender thereof at the designated Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15<sup>th</sup> day of the month preceding the interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent, the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person's address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

## **AUTHORIZATION AND PURPOSE, THE PROJECT AND PLAN OF FINANCING**

### **Financing State Qualified School Construction Projects in Maine**

The State of Maine Board of Education (the "BOE") established *Rules for Major Capital School Construction Projects* (the "Rules") to provide a subsidy for state-approved new school construction projects and school additions (including additions plus renovation) projects (i.e., "qualified" for State subsidy). A school administrative unit ("SAU") whose project has qualified for State subsidy has its approved debt service costs for that project (which may be the debt service on all or a portion of the project costs) included in its education costs eligible for subsidy purposes under the State's Essential Programs and Services education funding model. See "THE BONDS - SOURCE OF PAYMENT AND REMEDIES - State Subsidy", herein.

### **RSU No. 14**

Maine regional school units ("RSUs") are authorized to issue notes or bonds for school construction and other purposes under and pursuant to the laws of the State of Maine, including Sections 1490 and 1501 and Chapter 609 of Title 20-A of the Maine Revised Statutes.

Pursuant to the September 13, 2023 BOE *Concept Approval* and the November 7, 2023 local referendum approval, on November 15, 2023, the Issuer's Board of Directors (the "School Board") adopted a Resolution authorizing the Issuer to issue notes or bonds for school construction purposes in an amount not

to exceed \$171,551,289 to provide funds to construct and equip a new consolidated Grade 5 through Grade 8 middle school in the Town of Windham, Maine, to be located on approximately 53 acres of land located on the southerly side of Windham Center Road and the easterly side of River Road. The project will create a single consolidated middle school for Grades 5 through 8 (the “Project”). Space created by grade reconfiguration will provide the opportunity for universal pre-kindergarten. The Issuer will offer the two current middle schools, Jordan-Small Middle School and Windham Middle School, back to the towns in which they are located for community use or other disposition.



**New Middle School Project Site and Design Overview**



**Schematic of Campus Design**

On September 14, 2016, the BOE designated the Project to be placed on the BOE’s *Major Capital School Construction Program - Approved Projects List*.

The *Final Funding Approval* established the final Project budget and set dates for issuance of long-term bonds for the Project.

The Project has received all required approvals from the BOE and Commissioner, as shown below.

**BOE/DOE Project Approvals**

Site Approval	Received July 12, 2023
Concept Approval	Received September 13, 2023
Design and Funding Approval	Received January 8, 2025
Final Funding Approval	Received April 1, 2025
Approved initial Bond Issue date	Received April 1, 2025 for Spring 2025 (sold May 13, 2025)
Approved subsequent Bond Issue date	Received April 1, 2025 for Spring 2026 (the 2026 Bonds)

The *Final Funding Approval* reduced the amount of the Project to be financed to \$155,794,319, of which the debt service on 74.43% of the financed cost of the Project is eligible for the purpose of calculating the Issuer’s State education subsidy. The debt service on the remaining 25.57% of the financed cost is not eligible for State education subsidy purposes and will be paid from Issuer assessments of the towns of Raymond and Windham (the “Member Municipalities”). See “THE BONDS - SOURCE OF PAYMENT AND REMEDIES - General Obligation Pledge; Local Assessments” herein.

The Issuer issued Bond Anticipation Notes (“BANs”), in the principal amount of \$8,000,000, on December 14, 2023 that matured May 1, 2024 (the “2023 Notes”); and its \$82,200,000 BANs on April 30, 2024 that matured on May 15, 2025 (the “2024 Notes”) to provide initial interim funds, to finance the acquisition of land, design and engineering for the Project. The RSU refunded the 2023 Notes, on a current basis, with a portion of the proceeds from the 2024 Notes. A portion of the proceeds from the 2025 Bonds were issued to refund the 2024 Notes, on a current basis, and to provide additional long-term funds for the Project. The 2026 Bonds will provide final funds to complete the Project, as follows:

**Summary of the DOE Final Funding Approval**

	<u>The Project</u>		<u>2025 Bonds</u>		<u>2026 Bonds</u>	
			<u>Amounts</u>	<u>%</u>	<u>Amounts</u>	<u>%</u>
<b>State Subsidized</b>	\$115,955,875	74.43%	\$105,000,000	100.00%	\$10,955,875	21.57%
<b>Local <sup>(1)</sup></b>	<u>39,838,444</u>	<u>25.57%</u>	<u>0</u>	<u>0.00%</u>	<u>39,838,444</u>	<u>78.43%</u>
<b>Project</b>	\$155,794,319	100.00%	\$105,000,000 <sup>(2)</sup>	100.00%	\$50,794,319 <sup>(3)</sup>	100.00%

NOTE: <sup>(1)</sup> Debt service to be paid from assessments of the Member Municipalities.

<sup>(2)</sup> Reflects the \$100,700,000 par amount of the Bonds, plus allocable net Original Issue Premium in the amount of \$4,300,000.

<sup>(3)</sup> A portion of the Bonds, in the amount of \$4,319, will be financed through allocable bid premium for the 2026 Bonds.

**SOURCE OF PAYMENT AND REMEDIES**

**General Obligation Pledge; Local Assessments**

The Bonds are general obligations of the Issuer and their payment is not limited to a particular fund or revenue source. The Issuer comprises the towns of Raymond and Windham. Each Member Municipality’s contribution to the annual school budget, which includes the Issuer’s annual debt service obligation, is determined in accordance with the cost sharing formula approved by the voters of the Member Municipalities.

The Issuer issues warrants to the assessor of each Member Municipality requiring the assessor to assess upon the taxable estates of the respective Member Municipality an amount equal to each Member Municipality’s contribution to the Issuer’s budget. The assessor of each Member Municipality is required to commit the assessment of the Issuer to that Member Municipality’s tax collectors, who have all the same authority to collect the Issuer’s taxes as they do to collect State of Maine, county, and municipal taxes. Ad valorem property taxes to satisfy the Issuer assessment on each Member Municipality may be levied without limit as to rate or amount upon all the taxable property within the territorial limits of each Member Municipality to pay principal of and interest on the Bonds, except to any extent that a Member Municipality may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, to share its assessed valuation with another municipality, and except to the extent that a Member Municipality establishes or has established municipal development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, the captured tax increment of which may not be available for payment of debt service on the Bonds. Each Member Municipality has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the development projects described in the development programs adopted with respect to the districts. Within the limits established by statute, towns have the right to designate additional development districts pursuant to Chapter 206 of Title 30-A and former (now repealed) Chapter 207 of the Maine Revised Statutes. There is no statutory provision for a lien on any portion of the tax levy to secure the Bonds, or judgments thereon, in priority to other claims. The Issuer is, however, subject to suit on the Bonds.

Pursuant to Title 20-A, Section 1490(5) of the Maine Revised Statutes, the Issuer is a quasi-municipal corporation within the meaning of Title 30-A, Section 5701 of the Maine Revised Statutes. Section 5701 provides that the personal property of the residents and the real estate within the boundaries of a quasi-municipal corporation may be taken to pay any debt due from the body corporate. However, there has been no judicial determination of whether this remedy is constitutional under current due process and equal protection standards. Further, Title 20-A, Section 1489(6) of the Maine Revised Statutes, provides that if the treasurer of a Member Municipality fails to pay an assessment when due, the Issuer's Treasurer, following notice and a 60-day cure period from the due date, may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the Member Municipality to the Issuer and shall order the Member Municipality's Treasurer to pay all delinquent installments and accrued interest (along with court costs and reasonable attorney's fees). To ensure prompt payment of the delinquent installments, the court may require that amounts due to the Member Municipality from the State under Title 30-A, Section 5681 and Title 36, Sections 578 and 685 be paid to the Issuer until the amount determined by the court is satisfied. The court shall promptly notify the disbursing State agency of the determination and direct the agency to make the required change in payee and the amounts to be paid. If additional funds are needed to satisfy the amount determined by the court to be paid to the Issuer, the court may order the attachment or trustee process and sale of real or personal property owned by the Member Municipality or the attachment of the Member Municipality's bank accounts or require property tax payments to the Member Municipality to be turned over to the court and may pay the amount owed the Issuer from the proceeds and return any excess to the municipality.

The Issuer's assessments of its Member Municipalities do not include amounts for expenses, including debt service, to the extent the expenses are expected to be paid from budgeted revenues other than revenues from the assessment of taxes. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

The Bonds are not guaranteed by the State.

### **State Subsidy**

The State subsidizes local SAUs pursuant to Chapter 606-B of Title 20-A of the Maine Revised Statutes, which include RSUs. Chapter 606-B, is known as the "Essential Programs and Services Funding Act," (the "EPS Act") and is summarized in this section. Pursuant to Section 15671 of the EPS Act, Essential Programs and Services ("EPS") are identified as those educational resources required for all students to meet the standards in the eight-content standard subject areas of the system of learning results established by statute. In order to achieve this system of learning results, school funding based on EPS must be available in all schools on an equitable basis and utilize resources including federal funds that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. The objective of school funding is to make adequate provision to provide for staffing and other material resource needs of the essential programs and services identified by the Legislature. Funding is subject to appropriation by the State legislature. The EPS Act and State funding under the EPS Act are subject to amendment by the Legislature.

The State and the SAUs are jointly responsible for contributing to the cost of the components of EPS. The State contribution to the cost of the components of EPS is proposed by the Commissioner and established by the Legislature. The current statutory objective is for the State to provide 55% of the statewide EPS

costs to SAUs. See “THE BONDS - SOURCE OF PAYMENT AND REMEDIES - Uncertainty Regarding School Funding,” below.

Based upon the State’s funding level for a fiscal year, the EPS Act establishes that the Commissioner of set a statewide, full-value education mill rate that determines a municipality’s required local contribution. The full-value mill rate is that rate which, if applied to the statewide valuation, would produce a sufficient amount to achieve the statewide total local share of the total State/local allocation. The statewide mill rate applied to a municipality’s property valuation determines the municipality’s required local contribution, also referred to as the “local cost share expectation” for that municipality. The required local contribution is subject to certain adjustments, including, where applicable a minimum receiver adjustment. In some cases, an SAUs’ formula for dividing costs among its member municipalities creates a “re-allocation” of the member municipalities’ contributions towards the SAUs’ local allocation.

Each year, the Commissioner notifies each SAU of the local cost share expectation for the SAU and its member municipalities, and each superintendent reports to the municipal officers whenever an SAU is notified of the local cost share expectation or a change made in the local cost share expectation resulting from an adjustment.

The legislative body of an SAU, such as RSU 14, may approve an additional local appropriation that exceeds the SAUs’ local allocation for EPS costs only if that action is approved in a separate article by a vote of the SAUs’ legislative body as part of the school budget approval process in that SAU and in accordance the EPS Act. For SAUs whose legislative bodies are town or city councils, the vote for additional local appropriation must be accomplished by a majority vote of the full membership of the school board, followed by approval of the town or city council. For SAUs whose legislative bodies are budget meetings conducted as a New England-style open meeting of voters, the additional local appropriation is accomplished by a secret ballot, simple majority vote. In most SAUs, following legislative body approval of the school budget, the voters of an SAU must ratify the school budget by a referendum vote.

In RSU 14, the legislative body comprises the voters of the Member Municipalities. The legislative body initially approves the annual school budget, including additional local appropriations, at an open New England-style budget meeting. The budget approved at the budget meeting is then subject to ratification by the legislative body at a secret ballot referendum. See “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS INTO REGIONAL SCHOOL UNITS - REGIONAL SCHOOL UNITS – Budgets and Assessments,” herein.

### **State General Purpose Aid to Local Schools**

The State established school subsidy programs in 1969. State subsidies for SAUs are based upon a number of factors set forth in the EPS Act that are subject to change each year. In addition, the subsidy formula itself is subject to change each year by the Legislature. Furthermore, subsidies for SAUs are an annual item in the State’s budgetary process and are subject to legislative appropriation each year. In 2005, the State legislature passed a bill that required the State to fund the State contribution to EPS costs to 55%. However, it was not until 2021 that the State met this funding goal. No assurances can be given that future legislation will not have an adverse impact on school funding in Maine. In addition, no assurances can be given regarding the current, or future, annual appropriation by the Legislature of an amount sufficient to fund the State’s share of EPS allocation as it is currently defined and determined under the EPS Act. Because of the uncertainties involved in the legislative process, it is not possible to predict the level of State subsidy to SAUs in future years or indeed, whether the State’s subsidy program will continue in its present form.

From time-to-time, the State Legislature may change the costs includable in EPS and the method of calculating the achievement of the State target. For example, in fiscal year 2013/2014 the State target for the total cost of K-12 education, as measured by the EPS school funding model, included the employer

share of teacher retirement costs that is paid directly by the State. The appropriation increased the State subsidy for that year by approximately \$29 million before it was reduced by \$12.6 million through a curtailment order issued by the Governor in December 2012, as an emergency procedure to keep the State Budget in balance. The \$29 million funding increase, however, was accompanied by the transfer of the financial obligation from the State to the schools for the “normal costs” of teachers’ retirement under MainePERS (as defined herein). Transferring the State funding of these costs to the EPS formula prior to 2021 brought the State closer to its stated 55% funding goal for EPS costs, without providing a net funding increase. Neither the future amount nor future rate of State subsidy can be calculated on a pro forma basis due to the variable nature of the factors included in the State’s determination of funding.

### **State Subsidy for the 2026 Bonds**

The Bonds have been approved for State debt service subsidy (see “THE BONDS - AUTHORIZATION AND PURPOSE, THE PROJECT AND PLAN OF FINANCING” herein. The BOE has established *Rules for Major Capital School Construction Projects* (the “Rules”) to provide a subsidy for all or a portion of the debt service costs for certain eligible new school construction projects and school addition (including addition plus renovation) projects (i.e., “qualified” for State subsidy). With respect to the Issuer, the Bonds and the Project, the debt service costs approved by the BOE will be included in its State local allocation for subsidy purposes.

Following construction bidding, the DOE’s *Final Funding Approval* established the final project budget and amount to be bonded at \$155,794,319. The debt service on \$115,955,875 (74.43%) of bonds for the Project will be eligible for the purpose of calculating the Issuer’s state education subsidy, and the debt service on \$39,838,444 (25.57%) of the bonds for the Project will be paid from assessments of the Member Municipalities.

### **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the Issuer to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs or is ascertained.

The Issuer will make certain representations with respect to the use of the proceeds of the Bonds and the Project and will covenant (i) to comply with the provisions and procedures of the Code applicable to the Bonds and (ii) not to take any action or permit any action that would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to section 103 of the Code.

In the opinion of Bond Counsel and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income tax purposes pursuant to Section 103 of the Code. Interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax; however, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel will rely upon the Issuer’s representations made with respect to the use of the proceeds of the Bonds and the Project and the Issuer’s covenant that it will comply with the Code.

## **Exemption of Interest on the Bonds from Taxation Within the State of Maine**

In the opinion of Bond Counsel, interest paid on the Bonds is not subject to income taxes within the State imposed on individuals under existing statutes, regulations and judicial decisions. See “PROPOSED FORM OF LEGAL OPINION” in APPENDIX D herein.

## **Designated as Qualified Tax-Exempt Obligations**

The Issuer will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

## **Original Issue Discount**

Pursuant to Title 20-A, Section 1490(2)(A) of the Maine Revised Statutes, the Issuer may not sell the initial Bonds priced less than par.

## **Original Issue Premium**

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

## **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be

predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress (“Congress”) and in the states that, if enacted, could alter or amend the federal and State tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds or significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax of interest on the Bonds. Future Congressional proposals could also affect the Bonds, even if never enacted. It cannot be predicted whether, or in what form, any such proposals might ultimately be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

### **Opinion of Bond Counsel**

The legal opinion of the firm of Drummond Woodsum & MacMahon, of Portland, Maine (see APPENDIX D) will be furnished to the original purchaser of the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds.

### **Extent of Opinion**

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, (b) interest on Bonds not being treated as a preference item in calculating the alternative minimum tax under the Code, such interest will be taken into account included in determining the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## **RATINGS**

The Bonds are rated "\_\_\_" by Moody's Ratings ("Moody's") and "\_\_\_" by S&P Global Ratings ("S&P"). The Issuer has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement and is not material to prospective purchasers of the Bonds. The ratings, if obtained, will reflect only the view of Moody's or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently. Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX E and referred to under "THE BONDS – CONTINUING DISCLOSURE" herein, the Issuer has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission's ("SEC") Rule 15c2-12 (the "Rule"), the Issuer will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than March 31 after the end of each fiscal year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events, if material. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System ("EMMA"). The covenants will be contained in a "Continuing Disclosure Agreement" (the "Agreement"; or "CDA"), the proposed form of which is provided in APPENDIX E. The Agreement will be executed by the Treasurer of the Issuer.

The Issuer issued Bond Anticipation Notes (“BANs”) on December 14, 2023 that matured May 1, 2024 (the “2023 Notes”); and BANs on April 30, 2024 that matured on May 15, 2025 (the “2024 Notes”) to provide interim funds, to finance the Project. No Official Statement (“OS”) was produced for the sale of the 2023 Notes pursuant to *Exemptions from the Operation of Rule 15c2-12* <sup>(1a and 1b)</sup>, as explained on page v of the 2023 Note’s Notice of Sale, dated November 27, 2023. It was the intent of the Issuer to apply the same exemption for the sale of the 2024 Notes. However, the Securities and Exchange Commission apparently narrowed its interpretation of the Rule that caused the production and distribution of an Official Statement despite the expectation for exemptions for the sale of the 2024 Notes, leading to conflicting interpretation of the Rule.

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NOTE: <sup>(1a)</sup> Pursuant to 17 C.F.R. § 240.15c2-12(b)(d)(1)(i) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

<sup>(1b)</sup> Pursuant to 17 C.F.R. § 240.15c2-12(b)(d)(1)(ii) of the Rule.

The Issuer entered into a CDA for the 2024 Notes on April 30, 2024 and filed financial information on January 28, 2025, in a timely manner. However, the operating data for this period was not filed. This was corrected for the fiscal year ended June 30, 2024, with filing of a separate Operating Data posted on April 21, 2025 and an “Event Filing – Failure to File”, also posted on April 21, 2025.

The Issuer filed financial information for fiscal year ended June 30, 2025 on January 13, 2026, in a timely manner. A draft of Operating Data for this period was filed on March 25, 2026, in a timely manner. The Issuer contemplates filing the published Preliminary Official Statement for the Bonds of this financing, when available, to become a more formal submission.

## **CUSIP® IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Issuer provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MUNICIPAL ADVISOR**

Moors & Cabot, Inc. is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the Issuer with respect to the issuance of the Bonds pursuant to MSRB Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

## **STATUTORY REFERENCES**

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

## **CONDITIONS PRECEDENT TO DELIVERY**

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

## **Approval of Legality**

The legality of the Bonds will be approved by Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX D will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the Underwriter. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also “PROPOSED FORM OF LEGAL OPINION” in APPENDIX D herein.

## **Certificate With Respect to Official Statement**

At the time of the original delivery of and payment for the Bonds, the Issuer will deliver a certificate of the Treasurer to the effect that the Treasurer has examined this Official Statement and the financial and other data contained therein and that, to the best of the Treasurer’s knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Issuer is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading.

## **No Litigation**

Upon delivery of the Bonds, the Issuer shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by its Secretary, dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of the Treasurer, threatened, affecting the validity of the Bonds or the power of the Issuer to assess and to require each Member Municipality to levy and collect taxes to pay principal of and interest on the Bonds, and that neither the corporate existence nor boundaries of the Issuer, nor the title of any of said officers to their respective offices, is being contested.

## **Certificate With Respect to Treasurers of Member Municipalities**

At the time of the original delivery of and payment for the Bonds, the Issuer will deliver a certification of each of the Member Municipalities that no agreements now exist under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality.

## **Certification of the Bonds**

The Bonds will be certified as to their genuineness by U.S. Bank Trust Company, National Association, Boston, Massachusetts, which certificate will appear on the Bonds.

## **REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS INTO REGIONAL SCHOOL UNITS**

### **THE SCHOOL CONSOLIDATION ACT**

The School Consolidation Act was enacted in 2007 with the goal of reorganizing and consolidating certain existing SAUs into RSUs. The law sets forth State policy to provide for certain existing SAUs to be reorganized into regional, State approved, units of school administration in order to provide: equitable educational opportunities, rigorous academic programs, uniformity in delivering programs, a greater uniformity in tax rates, more efficient and effective use of limited resources, preservation of school choice and maximum opportunity to deliver services in an efficient manner. All SAUs were directed to work with other units to reorganize into larger, more efficient units, or where expansion of the SAU would be impractical or inconsistent with state policy, reorganize their own administrative structures to reduce costs and to achieve administrative efficiencies.

Subject to certain exceptions, existing SAUs were directed to form regional school units of at least 2,500 resident students, or 1,200 resident students in certain situations where geography, demographics, population density, transportation challenges and other obstacles make 2,500 impractical. SAUs that were exempt from the requirement were, nonetheless, required to submit a plan to achieve efficiencies.

The School Consolidation Act also provided for any Maine school administrative district (“SAD”) that had not merged with other SAUs into an RSU by January 30, 2009 to be recreated as an RSU under Title 20-A, Chapter 103-A, effective July 1, 2009, without dissolving the SAD. The School Consolidation Act further provided for such “recreated” RSUs to be subject to all public laws relating to public education and applicable to RSUs, and to remain the same legal entity, but to be permitted to keep and continue to use the same name, including the term “School Administrative District,” for official purposes, including all contracts and debt instruments.

### **REGIONAL SCHOOL UNITS**

#### **Organization**

An RSU is organized under and governed by Chapter 103-A (Sections 1451 – 1512) of Title 20-A of the Maine Revised Statutes. Pursuant to Chapter 103-A, Section 1490(5) of Title 20-A of the Maine Revised Statutes, an RSU is a body politic and corporate of the State and is a quasi-municipal corporation within the meaning of Title 30-A, Section 5701 of the Maine Revised Statutes.

#### **Operation**

Pursuant to Title 20-A, Section 1471 of the Maine Revised Statutes, an RSU is governed by a school board. The school board elects and hires the Superintendent, who serves as its Secretary and Treasurer.

#### **Budget and Assessments**

The RSU budget preparation and approval process are conducted pursuant to Title 20-A, Sections 1482 - 1489 of the Maine Revised Statutes. The RSU budget is prepared by the school board and then must be approved by its voters at a New England town meeting-style budget meeting, followed by voter approval at a budget validation referendum. The budget validation referendum must be held on or before the 45<sup>th</sup> calendar day following the scheduled date of the RSU budget meeting. If the voters do not validate the budget at the budget validation referendum, the school board must hold another budget meeting to approve a new budget at least 10 days and not more than 45 days after the referendum. The new budget approved

at the budget meeting must again be submitted to the voters for validation at referendum. The process must be repeated until a budget is approved at an RSU budget meeting and validated at referendum. The voters of an RSU may vote to discontinue the budget validation referendum process, in which case the RSU budget is finally approved by the voters at an RSU budget meeting.

Pursuant to Title 20-A, Section 1487 of the Maine Revised Statutes, if a budget is not approved prior to July 1st, the latest budget approved at an RSU budget meeting and submitted for approval at a budget validation referendum is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved. If a budget is not approved by July 1st and the officers of an RSU member municipality determine that property taxes must be committed in a timely manner, such property taxes may be committed based on the latest budget approved at an RSU budget meeting and submitted for approval at a budget validation referendum.

In accordance with the approved budget, the RSU's school board issues warrants to the assessors of each member municipality for its share of the RSU's costs. The assessors commit the assessment to the respective tax collectors, who have the authority and powers to collect the RSU's taxes as is vested in them by law to collect state, county, and municipal taxes. The RSU's school board also notifies the member municipalities of the monthly installments that will become payable during the RSU's fiscal year, due on or before the 20th of each month.

In accordance with Title 20-A, Section 1489(6) of the Maine Revised Statutes, if a treasurer of one of the RSU's member municipalities fails to pay an assessment when due, the RSU treasurer, following notice and a 60-day cure period from the due date, may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the RSU and order the municipal treasurer to pay all delinquent installments and accrued interest (along with court costs and reasonable attorney's fees). To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State be paid to the RSU until the amount determined by the court is satisfied, promptly notifying the disbursing state agency of the determination and directing the agency to make the required change in payee and the amounts to be paid; or if additional funds are needed the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the RSU from the proceeds and return any excess to the municipality.

### **Power to Borrow Money**

Pursuant to Title 20-A, Section 1490 of the Maine Revised Statutes, an RSU school board may borrow money to pay for current operating expenses, minor capital costs, and, school construction costs. The aggregate principal amount of outstanding debt issued or assumed by an RSU for major and minor capital costs (i.e., school construction purposes and renovation, improvement, and repair purposes), shall not exceed 10% of the total of the last preceding State valuation of all of the municipalities within the RSU (plus, for State-subsidized school projects, an amount not to exceed 4% of the total RSU valuation set by the BOE at the time of initial approval of a school construction project).

### **Additions to an RSU**

An SAU not originally a member of an RSU may be included in the RSU by filing with the Commissioner a notice of intent to engage in planning and negotiations to join with the RSU. The Commissioner shall provide information regarding the process and whether the intended action complies with the requirements of Chapter 103-A of Title 20-A. An SAU may join an existing RSU generally in the same manner required for the formation of the RSU. The municipal officers of each municipality in a proposed reorganized SAU

shall submit the question to the voters of such SAU. If the SAU vote was in the affirmative, the existing RSU shall call an RSU referendum to vote on the question. If a reorganization plan is approved, the Commissioner shall file notice of approval of the unit with the BOE and the Commissioner shall issue an amended certificate of organization to the reorganized RSU.

### **Withdrawals from an RSU**

A municipality may withdraw from the RSU under the RSU statutes pursuant to Title 20-A, Section 1466 of the Maine Revised Statutes. The process of a municipality's withdrawal from an RSU is initiated by a petition signed by at least 10% of the voters of the municipality that voted in the last gubernatorial election. After a public hearing, the municipality holds a referendum election on whether to file the withdrawal petition with the School Board and the Commissioner of Education. If the municipal vote in favor of the petition receives less than 45% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote.

If the voters approve the withdrawal petition, the municipal officers shall form a withdrawal committee, composed of one of the municipal officers, one member from the general public, one member from the group filing the petition, and one of the municipality's representatives on the school board.

The withdrawal committee must negotiate a withdrawal agreement with the RSU school board. The withdrawal agreement must contain provisions to address aspects of the withdrawal, including distribution of financial commitments arising from the RSU's outstanding bonds, notes, and other contractual obligations. The statute governing withdrawals expressly provides that the RSU "remains intact for the purpose of securing and retiring [outstanding] indebtedness" of the RSU.

The Commissioner then reviews the withdrawal agreement, and either gives it conditional approval or recommends changes. If changes are recommended, they must be made by the withdrawal committee within the time period specified by the commissioner.

After the withdrawal agreement receives conditional approval from the Commissioner, the RSU school board calls a public hearing to discuss the merits of the withdrawal agreement. Following the public hearing, the withdrawal committee forwards the final agreement back to the commissioner. The commissioner then schedules the date and time for the referendum to consider the withdrawal agreement.

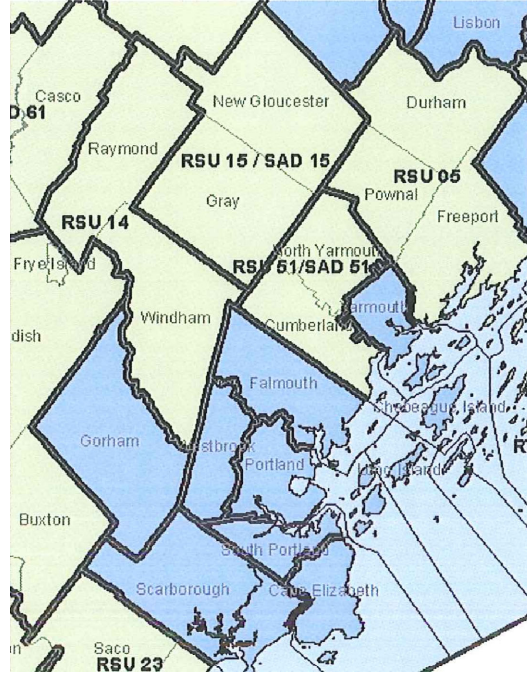
At the referendum, only the municipality proposing to withdraw may vote on whether to approve the withdrawal agreement. For a municipality to withdraw from an RSU formed pursuant to a reorganization plan approval of a withdrawal agreement requires a simple majority vote of the withdrawing municipality, however, the number of votes cast for and against the withdrawal must exceed 50% of the voters in the last gubernatorial election. In this type of RSU, if the municipal vote in favor of the withdrawal agreement receives less than 45% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote. For a municipality to withdraw from an RSU that was reformulated from a school administrative RSU pursuant to Public Law 2007, Chapter 240, Section XXXX-36(12), as amended, approval of the withdrawal agreement requires a 2/3 vote, but there is no minimum number that must vote. In this type of RSU, if the municipal vote in favor of the withdrawal agreement receives less than 60% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote.

Following the above procedures, upon withdrawal of a municipality from an RSU that is composed of a single municipality, the RSU is dissolved.

## REGIONAL SCHOOL UNIT NO. 14

### Regional School Unit 14

Subject to certain exceptions, in 2008 SAUs were directed by the to form RSUs to reduce school administrative costs. The Raymond School Department and the Windham School Department submitted a Reorganization Plan to the Commissioner on September 18, 2008 that was approved to form the Issuer that became operational effective as of July 1, 2009. Since the consolidation, the administration and operations of the Member Municipalities respective School Departments are no longer the responsibility of the Towns. The Issuer’s annual budget is subject to approval by the voters of the Member Municipalities of the Issuer through a RSU budget meeting and Budget Validation Process. The map displays the municipalities that comprise the Issuer’s geographical area.



SOURCE: State of Maine, Department of Education.

### Composition and Apportionment of the RSU’s Governing Body<sup>(1)</sup>

The School Board is comprised of nine members, six of which are elected by the voters of the Town of Windham and three of which are elected by Raymond’s voters. Each School Board member serves three-year staggered terms.

<b>Former Affiliation</b>	<b>Town</b>	<b>2006 Population</b>	<b>% of 2006 Population</b>	<b># Board Members</b>	<b>% Votes per Member</b>	<b>% of 2021 Students<sup>(2)</sup></b>
Individual SAU	Windham	16,546	78.2%	6	73	82.97%
Individual SAU	Raymond	<u>4,601</u>	<u>21.8</u>	<u>3</u>	<u>130</u>	<u>17.03%</u>
		21,147	100.0%	9	203	100.0%

NOTE: <sup>(1)</sup> Reorganization Plan submitted to Maine Commissioner of Education, dated September 18, 2008.

<sup>(2)</sup> Informational only.

### RSU 14 Schools, Locations, Grades and Enrollment

<b>School</b>	<b>Location</b>	<b>Grade</b>	<b>Est. Capacity</b>	<b>Enrollment<sup>(1)</sup></b>
Windham Primary	Windham	K - 3	689	797
Raymond Elementary	Raymond	K - 4	458	257
Manchester	Windham	4 - 5	383	385
Jordan-Small Middle	Raymond	5 - 8	348	178
Windham Middle	Windham	6 - 8	622	591
Windham High	Windham	9 - 12	1,150	890

NOTE: <sup>(1)</sup> Enrollment on October 1, 2025.

**RSU 14 Enrollment Trends**

<b>Oct. 1,</b>	<b>K - 3</b>	<b>4 - 5</b>	<b>6 - 8</b>	<b>9 - 12</b>	<b>Totals</b>
2025	1,000	478	730	890	3,098
2024	962	438	711	941	3,052
2023	961	486	694	935	3,076
2022	956	491	682	980	3,109
2021	1,014	349	768	970	3,101
2020	962	461	807	933	3,163
2019	925	503	769	928	3,125
2018	890	549	732	953	3,124
2017	950	498	765	937	3,150
2016	976	483	737	979	3,175

SOURCE: State of Maine, Department of Education, “Attending Counts by Grade and School”.

**Historical Allocation for the RSU’s Local Costs**

	<u>2023/2024</u>		<u>2024/2025</u>		<u>2025/2026</u>	
<u>Community</u>	<u>Assessment</u>	<u>% Total</u>	<u>Assessment</u>	<u>% Total</u>	<u>Assessment</u>	<u>% Total</u>
Windham	\$25,611,458	68.20%	\$28,096,394	67.92%	\$30,581,935	65.82%
Raymond	11,940,729	31.80%	13,268,555	32.08%	14,746,695	34.18%
Total	\$37,552,187	100.00%	\$41,364,949	100.00%	\$45,328,630	100.00%

**Career and Technical Education**

Title 20-A, Chapter 313 of the Maine Revised Statutes, as amended, provides for “applied technology education” or a course or program of education which is designed to create or improve job-related skills that are part of a secondary school curriculum. The programs may be offered via an applied technology center (a “Center”) or an applied technology region (a “Region”). A Center (a “CTE Center”) is comprised of a single school administrative unit and its obligations are those of the unit. Students of RSU 14 may opt to receive career and technical education at the Portland Arts & Technology High School (“PATHS”) in Portland, Maine, 12 miles distant or Westbrook Regional Vocational Center (the “WRVC”) Westbrook, Maine, approximately 8 miles distant. The law regarding the funding of PATHS and WRVC was changed by Chapter 226 of the Private and Special Laws of Maine (1999) such that CTE Centers are funded through a CTE allocation paid by the State and paid directly to the CTE Region or an SAU that has a CTE Center. The CTE funding statute still allows CTEs to assess members if their budget needs exceed the State CTE allocation and to have cost sharing agreements.

**Portland Arts and Technology High School**

As a Center, PATHS is owned, operated and maintained by the Department of Education of the City of Portland.

**Westbrook Regional Vocational Center**

The Westbrook Regional Vocational Center (the “WRVC”), constructed in 1963 became a Center in 1968. The WRVC is owned, operated and maintained by the Department of Education of the City of Westbrook to provide technical education to students from grades 9 through 12. Westbrook has entered into a cooperative agreement (the “Cooperative Agreement”) among the towns of Gorham, Scarborough, RSU 14 (comprised of Windham and Raymond) and Maine School Administrative District No. 6 (comprised of the towns of Buxton, Hollis, Limington and Standish) (collectively the “Member Units”), which provides for

an Administrative Advisory Committee, made of representatives from the Member Units, to plan, develop, coordinate, and govern services for vocational education for students enrolled by the Member Units, and to devise formulas to share costs.

**LABOR RELATIONS**

Approximately 700 full and part time personnel, including temporary employees, work for the Issuer. This includes a current headcount of 301 Teachers, 240 Support Staff and 12 Administrators. Teachers are represented by the Sebago East Shore Education Association; School Secretaries, Educational Technicians, Food Service and Custodians the Raymond Windham Education Support Professionals, each through its affiliation with the Maine Education Association (“MEA”), as separate bargaining units; school administrators are represented by the Issuer Administrators Association. Non-affiliated Issuer employees are not represented by a union.

<u>Union</u>	<u>Bargaining Unit</u>	<u>Date of Contract</u>	
		<u>Effective</u>	<u>Expiration</u>
Sebago East Shore Ed Assoc	Teachers	8/22/2024	8/21/2027
R/W Education Support Prof Assoc	School Sec., Ed Tech, Food Service, Cust.	7/1/2023	6/30/2026 <sup>(1)</sup>
RSU 14 Administrators Assoc.	Administration	7/1/2025	6/30/2028

NOTE: <sup>(1)</sup> The RSU is currently in the process of negotiating a collective bargaining agreement for the respective unit. The RSU has provided in its budget amounts that it expects that the RSU would incur in the contracts.

**THE MEMBER MUNICIPALITIES**

**Town of Raymond**

The Town of Raymond (“Raymond”) is located in the north center of the County of Cumberland, the County being in the southwestern section of the State of Maine along Maine’s coast. Raymond is approximately 21 miles northwest of Portland, the State’s largest city. Raymond is bordered by the towns of Gray, New Gloucester and Poland forming the eastern and northeastern, respectively, line of Raymond; Windham being contiguous to Raymond’s southeastern boundary and Casco forming the Town’s western border. A portion of the southern corner of the Town is comprised of Jordan Bay in Sebago Lake where Raymond shares its border with Windham. All, or portions of, six lakes or ponds are within Raymond, the most prominent being Sebago Lake.

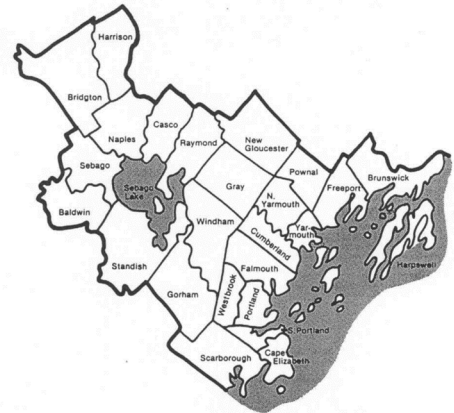
Originally named Raymondtown Plantation, the area was granted in 1767 to Captain William Raymond and Company for their services in 1690 Battle of Quebec under Sir William Phipps, and was first settled in 1771 by Captain Joseph Dingley. On June 21, 1803, the Planation was incorporated as the Town of Raymond. Portions of Raymond were set off in 1829 to form a portion of the Town of Naples and in March 1841 the Town of Casco.

Raymond’s 4,500 year-round population swells by approximately three times during the summer, when local summer camps and seasonal resorts are filled with visitors. Many seasonal residents have made Raymond their summer home for several generations, including the author Nathaniel Hawthorn who lived his boyhood in a house built for his mother in 1812.

Raymond is a rural, residential community with predominantly owner-occupied single-family homes (84.6%, 2020 Census). The principal settlements of Raymond include North Raymond, East Raymond and Raymond Village. Raymond enjoys unusual combinations of scenic ridge areas, 80% forested land and numerous lakes and ponds in the “Lake Region” of Maine. In addition to proximity to a number of lakes, Raymond's total area includes tracts of farm and forest land, open space and lake shorefront areas, totaling 44.75 square miles, the land area being 33.18 square miles.

## Town of Windham

The Town of Windham (“Windham”) is located in the center of the County of Cumberland, approximately 12 miles northwest of Portland. Shaped like an isosceles triangle with its base facing west, Windham is approximately 12 miles long with its greatest width at approximately three miles. The Presumpscot River separates Windham from the Town of Gorham as the base of the triangle, and as Windham’s western border. A major portion of the northwestern corner of Windham is comprised of Jordan Bay in Sebago Lake. The Town of Gray forms the northeastern line of Windham, with the towns of Cumberland, Falmouth and the City of Westbrook all being contiguous to Windham’s southeastern boundary. The Pleasant River flows through Windham’s center from the middle of its northeastern line as a tributary to the Presumpscot River at Windham’s west. All, or portions of, ten lakes or ponds are within Windham, the most prominent being Sebago Lake.



**CUMBERLAND  
COUNTY**

Windham was first established in 1734 when a township of 25,600 acres, consisting of 63 lots, was laid out on the eastern bank of the Presumpscot River and granted to various people from Marblehead, Massachusetts as “New Marblehead”. The area was first settled in 1737 by Captain Thomas Chute and William Mayberry, both from Marblehead. Windham incorporated as Windham on June 12, 1762 with various sources citing the origin of the name as being either from Wymondham, a town in the County of Norfolk, England of the same spelling or from the British contraction of Wymonham, a parish located in Leicestershire in the central part of England. Being the location of its first settlement, South Windham became the initial industrial center of Windham. The Cumberland & Oxford Canal provided transportation to Portland through 20 miles of hand-dug canals, from 1821 until it ceased operations in 1870 due to competition from railroads. In the early 1900’s, due to its rivers and numerous lakes the area became a great source of recreation activities. By the mid-century most of the mills in South Windham stopped operating and the business community shifted to the north area of Windham where most of Windham’s commercial activity is now located.

Today, Windham is a suburban community with primarily owner-occupied dwellings (87.2%, 2020 Census). Windham is a popular recreational area and also the commercial center for the surrounding communities as the “Gateway to the Sebago Lake Region”. Windham’s area totals approximately 50.15 square miles, the land area being 46.56 square miles, comprised of tracts of forest and farm lands, open spaces, riverfront and lakefront areas which are separated into commercial, business park, farm residential, farm, industrial, various residential and aquifer protection zoning districts.

## EMPLOYMENT

<u>People who live in Raymond and work in:</u>	<u>Workers</u>	<u>% Raymond Workforce</u>	<u>People who live in Windham and work in:</u>	<u>Workers</u>	<u>% Windham Workforce</u>
Portland	675	26.39%	Portland	2,757	29.04%
Raymond	369	14.43%	Windham	2,380	25.07%
Windham	257	10.05%	South Portland	1,029	10.84%
Auburn	111	4.34%	Westbrook	833	8.77%
Westbrook	102	3.99%	Scarborough	399	4.20%
Lewiston	97	3.79%	Falmouth	304	3.20%
Scarborough	91	3.56%	Gorham	274	2.89%
Freeport	87	3.40%	Lewiston	132	1.39%
South Portland	83	3.24%	Yarmouth	117	1.23%
Casco	66	2.58%	Freeport	107	1.13%
Gorham	61	2.38%	Standish	92	0.97%
Naples	61	2.38%	Cumberland	89	0.94%
Falmouth	56	2.19%	Augusta	76	0.80%
Gray	51	1.99%	Saco	75	0.79%
Brunswick	35	1.37%	Brunswick	61	0.64%
Paris	34	1.33%	Biddeford	51	0.54%
Standish	33	1.29%	Gray	50	0.53%
Bridgton	28	1.09%	Buxton	47	0.50%
Malden	28	1.09%	Auburn	45	0.47%
New Gloucester	27	1.06%	Casco	45	0.47%
Yarmouth	24	0.94%	Poland	41	0.43%
Cumberland	23	0.90%	Durham	34	0.36%
Oxford	21	0.82%	Bridgton	34	0.36%
Harpswell	16	0.63%	Raymond	33	0.35%
All Other	<u>122</u>	<u>4.77%</u>	All Other	<u>388</u>	<u>4.09%</u>
Total Workers	2,558	100.00%	Total Workers	9,493	100.00%

SOURCE: U.S. Department of Commerce, Bureau of Census - Tables 3 & 4. Residence MCD/County to Workplace MCD/County Commuting Flows for the United States: 5-Year ACS, 2011-2015, the latest information available.

### Representative Employers

<u>Representative Employers</u>	<u>Business</u>	<u>Town</u>	<u>Range</u>
Hannaford Supermarket	Grocery	Windham	100-249
Home Depot	Retail	Windham	100-249
Lowe's	Retail	Windham	100-249
Shaw's Supermarket	Grocery	Windham	100-249
Wal-Mart Supercenter	Retail	Windham	100-249
Sabre Yachts	Boat Manf	Raymond	100-125
RSU No. 14	SAU	Raymond	75-100
Town of Windham	Municipal	Windham	75-100
Dielectric Communications	Ant/Signal Manf.	Raymond	50-75
Good Life Market	Specialty Food	Raymond	25-50
Town of Raymond	Municipal	Raymond	25-50
Port Harbor Marina	Marina	Raymond	25-50

## DEMOGRAPHIC CHARACTERISTICS

Population	Town of		% Change from Previous Census		
	Raymond	Windham	Towns	State	USA
1980	2,251	11,282	41.5%	13.4%	11.4%
1990	3,311	13,020	17.1	9.2	9.8
2000	4,299	14,904	15.0	3.8	13.2
2010	4,436	17,001	10.4	4.2	8.9
2020	4,536	18,434	6.7	1.2	6.3

Population Characteristics	Town of		Cumberland	State of	USA
	Raymond	Windham	County	Maine	
Median age	46.3	41.6	42.2	44.7	38.1
% under 5 yrs.	5.6%	5.4%	4.7%	4.7%	6.0%
% under 18 yrs.	17.7%	19.5%	18.3%	18.5%	22.3%
% 65 and over	22.9%	15.4%	19.0%	21.2%	16.5%
Persons/household	2.34	2.57	2.35	2.32	2.62

Income	Town of		Cumberland	State of	USA
	Raymond	Windham	County	Maine	
Median household income	\$77,222	\$78,284	\$73,072	\$57,918	\$62,843
Per capita income	\$43,395	\$33,846	\$40,527	\$32,637	\$34,103
% below poverty	3.5%	6.5%	8.6%	10.6%	11.4%

Housing	Town of		Cumberland	State of	USA
	Raymond	Windham	County	Maine	
% owner occupied	84.6%	87.2%	69.3%	72.3%	64.0%
Owner oc. med. value	\$289,100	\$248,400	\$278,100	\$190,400	\$217,500
Median gross rent	\$1,388	\$588	\$1,131	\$853	\$1,062
Households	1,940	6,786	120,644	559,921	-

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	Town of		Cumberland	State of	USA
	Raymond	Windham	County	Maine	
2025 <sup>(1)</sup>					
2024	2.6%	2.4%	2.5%	3.1%	4.0%
2023	2.3	2.1	2.4	2.9	3.6
2022	2.2	2.3	2.4	3.0	3.6
2021	3.7	3.6	4.0	4.6	5.5
2020	4.8	4.9	5.3	5.4	8.1
2019	2.4	2.4	2.4	3.0	3.7
2018	2.2	2.3	2.4	3.4	3.9
2017	2.7	2.5	2.5	3.3	4.4
2016	3.1	2.9	2.9	3.9	4.9

SOURCE: Maine Department of Labor, Division of Economic Analysis and Research.

NOTE: <sup>(1)</sup> The Maine Department of Labor, Center for Workforce Research and Information, announced that annual average data for 2025 will not be published until April 8, 2026. Publications dates are delayed this year due to the federal government shutdown of October/November 2025. The Issuer expects to insert this information into the final official Statement.

## ISSUER FINANCES

### BUDGETARY PROCESS

The following table sets forth trends in the Issuer’s General Fund budgets. See “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS IN MAINE INTO REGIONAL SCHOOL UNITS - Regional School Units – Budgets and Assessments” for the Budget process.

#### **General Fund Budgets** **Fiscal Year Ending June 30,**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>REVENUES</b>					
Budgetary Fund Balance	\$11,028,030	\$10,876,180	\$11,813,107	\$12,406,418	NA
Resources:					
State subsidy	18,149,942	16,163,277	16,899,913	16,469,176	\$17,305,025
State agency	80,000	80,000	80,000	80,000	80,000
Other	60,000	60,000	70,000	80,000	80,000
Local Assessments	32,747,280	36,798,687	38,568,838	42,305,227	48,791,370
Carryover	1,000,000	1,200,000	1,000,000	1,000,000	1,200,000
Charges for services	55,000	55,000	52,000	55,000	56,000
Investment income	60,000	60,000	60,000	100,000	250,000
Miscellaneous	<u>81,000</u>	<u>81,000</u>	<u>79,000</u>	<u>96,000</u>	<u>99,000</u>
<b>AVAILABLE FOR APPROPRIATION</b>	63,261,252	65,374,144	56,809,751	60,185,403	67,861,395
<b>EXPENDITURES</b>					
Regular Instruction	20,305,410	20,523,828	22,431,003	24,080,266	26,569,363
Special Ed	9,599,925	9,761,029	10,243,395	10,972,502	11,555,413
Other Instruction	1,357,631	1,054,204	1,090,506	1,207,157	1,359,669
Student/Staff Support	4,638,718	5,024,986	5,300,741	5,532,119	5,969,623
System Administration	1,513,803	1,551,687	1,575,293	1,663,932	1,705,501
School Administration	2,962,518	3,063,074	3,178,932	3,290,793	3,526,369
Transportation	3,274,138	3,496,326	3,525,539	3,898,520	3,992,596
Facilities management	6,388,229	7,833,204	7,455,967	7,993,740	9,077,081
Debt Service	1,887,850	1,809,625	1,728,375	1,286,375	3,825,779
Transfers to other	<u>305,000</u>	<u>380,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
<b>CHARGES AVAILABLE FOR APPROPRIATION</b>	\$52,233,222	\$54,497,963	\$56,809,751	\$60,185,403	\$67,861,395

### FUND BALANCE

#### The 5% Law

Title 20-A, Section 15689-B(6) of the Maine Revised Statutes provides as follows:

“Notwithstanding any other law, general operating fund balances at the end of a school administrative unit’s fiscal year must be carried forward to meet the school unit’s needs in the next year or over a period not to exceed 3 years. Unallocated balances in excess of 5% of the previous year’s school budget must be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy. However, school boards may carry forward unallocated balances in excess of 5% of the

previous year’s school budget and disburse these funds in the next year or over a period not to exceed 3 years” (the “5% Law”). However, for fiscal years 2021/2022, 2022/2023, 2023/2024 and 2024/2025 only, unallocated balances in excess of 9% of the previous fiscal year's school budget must be used to reduce the State and local share of the total allocation for the purpose of computing state subsidy and school boards may carry forward unallocated balances in excess of 9% of the previous fiscal year's school budget and disburse these funds in the next year or over a period not to exceed 3 years.

The Issuer may be subject to reduction in state subsidy if it maintains an unallocated fund balance in an amount exceeding 5% of the budget, and does not disburse the funds above that limit within 3 years. The 5% law applies only to “unallocated” fund balances. An SAU’s “allocated” balances are not subject to this limitation. An SAU’s legislative body may “allocate” its fund balance to the next year’s budget or into a reserve account through their annual budget process and/or a special article. The following is a worksheet that the DOE provides to each SAU to calculate its “unallocated” fund balance.

**Unallocated Fund Balance Calculation**

- 1) Prior Fiscal Year (“Prior FY”) Operating Budget (Prior FY EF-M-46, page 2, column 6, line 22) = \$ \_\_\_\_\_
- 2) x% of Operating Budget (x% x \$ \_\_\_\_\_) = \$ \_\_\_\_\_
- 3) Actual ending balance (Prior FY EF-M-45, page 12, column 1, line 13) = \$ \_\_\_\_\_
- 4) Balance used for budget purposes (allocated) (Current Fiscal Year EF-M-46, page 3, line 30) = \$ \_\_\_\_\_
- 5) **Unallocated** ending balance (3. minus 4.) = \$ \_\_\_\_\_
- 6) x% x prior year’s budget (2.) = \$ \_\_\_\_\_
- 7) Amount in **excess** of x% (5. minus 6. or zero if less than zero) = \$ \_\_\_\_\_

Typically, the State DOE assumes that some or all excess is used to reduce any amounts raised locally without State participation. If some or all of the excess remains, then the State DOE will assume that the State share of the EPS allocation should have been reduced and prorate the State share, accordingly.

**Fund Balance for the Issuer and the Member Municipalities**

	<b><u>RSU 14</u></b>				
<b>Year ended June 30,</b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Assigned & Unassigned:	\$3,046,264	\$6,503,030	\$6,351,180	\$10,053,107	\$12,406,418
Total Revenues:	53,286,556	54,934,511	57,187,449	60,305,793	64,072,937
Fund Bal/Revenues:	5.72%	11.84%	11.11%	16.67%	19.36%
Unassigned:	\$2,446,264	\$5,303,030	\$5,151,180	\$9,053,107	\$11,206,418
Total Revenues:	53,286,556	54,934,511	57,187,449	60,305,793	64,072,937
Fund Bal/Revenues:	4.59%	9.65%	9.01%	15.01%	17.49%

	<b><u>Town of Raymond</u></b>				
<b>Year ended June 30,</b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b> <sup>(1)</sup>
Assigned & Unassigned:	\$238,069	\$2,325,911	\$2,804,746	\$2,893,979	\$1,896,635
Total Revenues:	16,679,397	17,477,742	18,994,554	20,008,390	21,215,266
Fund Bal/Revenues:	1.43%	13.31%	14.77%	14.46%	8.94%
Unassigned:	\$2,080,699	\$2,015,216	\$2,425,051	\$2,589,284	\$1,802,027
Total Revenues:	16,679,397	17,477,742	18,994,554	20,008,390	21,215,266
Fund Bal/Revenues:	12.47%	11.53%	12.77%	12.94%	8.49%

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NOTE: <sup>(1)</sup> Unaudited.

<b>Year ended June 30,</b>	<b><u>Town of Windham</u></b>				
	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Assigned & Unassigned GF Balance	\$13,126,581	\$14,620,734	\$18,264,979	\$21,949,540	\$25,851,768
Total Budgeted Expenditures	47,598,210	48,510,696	52,975,294	58,977,703	65,074,819
Fund Bal. as % Budg'. Expenditures	27.58%	30.14%	34.48%	37.22%	39.73%
Unassigned General Fund Balance	\$9,804,554	\$11,331,562	\$14,464,511	\$17,168,350	\$17,433,993
Total Budgeted Expenditures	47,598,210	48,510,696	52,975,294	58,677,703	65,074,819
Fund Bal. as % Budg'. Expenditures	20.60%	23.36%	27.30%	29.11%	26.79%

## **INVESTMENT POLICY**

Pursuant to Title 20-A, Section 1491(2) of the Maine Revised Statutes “All regional school unit funds, including reserve funds and trust funds to the extent not prohibited by the terms of the instrument or vote creating the fund, must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, chapter 223, subchapter 3-A” of the Maine Revised Statutes. In compliance with Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes (the “Act”) all investments of the Issuer must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. RSU 14’s investment practice is to maintain cash and/or investment pool that is available for use by all funds and consists of short-term investments. RSU 14 is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest. See “APPENDIX A – RSU No. 14, MAINE, ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024 - NOTE 2 – DEPOSITS AND INVESTMENTS” herein.

## **FINANCIAL STATEMENTS**

Title 20-A, Chapter 221, Subchapter 2 of the Maine Revised Statutes provides for independent annual audits of the Issuer’s accounts and establishes procedures for such audits. The Issuer, in conformance with this statute and its Charter, currently engages the services of RHR Smith & Company, Certified Public Accountants (“RHR”). The Issuer’s fiscal year 2025 Annual Report, audited by RHR, is presented as APPENDIX A to this Preliminary Official Statement. The consent of RHR for the incorporation of the Financial Statements included in APPENDIX A has not been requested by the Issuer, nor has it been received.

Title 30-A, Chapter 223, Subchapter 8 of the Maine Revised Statutes, requires independent annual audits of the Member Municipalities financial statements. The Member Municipalities most recent audited fiscal year’s Financial Statements are presented in APPENDIX C (for the Town of Raymond, Maine) and in APPENDIX C (for the Town of Windham, Maine) to this Official Statement. Being of public record, neither the consent of the Member Municipality nor its auditors has been requested by the Issuer, nor has it been received, for the incorporation as appendices to this Official Statement.

## FUNDS

The accounts of the Issuer are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The following fund types and account groups are used by the Issuer:

**Governmental Funds** are used to account for most governmental functions of the Issuer. Governmental Funds include the following fund types:

- The **General Fund** is the general operating fund of the Issuer. It is used to pay the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.
- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trust, or significant capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.
- **Capital Projects Funds** are used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

**Proprietary Funds** include **Enterprise Funds**, used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services on a continuing basis be financed or recovered primarily through charges, or where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Fiduciary Funds** include **Trust and Agency Funds**, used to account for assets held by the Issuer in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### Account Groups

- The **General Long-term Debt Account Group** is established to account for all long-term obligations of the Issuer, except those accounted for in the Proprietary Fund (if any).
- The **General Fixed Assets Account Group** the Issuer does not maintain this group of accounts which would otherwise account for the fixed assets of the Issuer.

## COMPARATIVE FINANCIAL STATEMENTS

### The Issuer

Displayed on the following pages are the comparative financial statements of the *Issuer's Combined Balance Sheet – General Fund* and the *Issuer's Comparative Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund* for its most recent five audited fiscal periods.

**RSU 14**  
**COMPARATIVE BALANCE SHEET**  
**GENERAL FUND**  
**(As of June 30,)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>					
Cash	\$19,524,062	\$18,538,898	\$13,020,813	\$15,066,101	\$14,874,981
Investments	0	-	3,200,787	-	-
Accounts receivable	0	-	-	-	-
Due from other governments	23,411	17,576	31,007	49,171	73,677
Due from other funds	<u>641,384</u>	<u>1,493,077</u>	<u>2,230,276</u>	<u>2,238,602</u>	<u>824,920</u>
<b>TOTAL ASSETS</b>	20,188,857	20,049,551	18,482,883	17,353,874	15,773,578
<b>LIABILITIES</b>					
Accounts payable	627,204	608,503	338,524	396,307	482,628
Accrued expenses	5,432,871	4,974,550	4,774,101	4,636,798	4,219,207
Due to other funds	<u>1,722,364</u>	<u>2,653,391</u>	<u>2,494,078</u>	<u>1,292,739</u>	<u>762,058</u>
<b>TOTAL LIABILITIES</b>	7,782,439	8,236,444	7,606,703	6,325,844	5,463,893
<b>FUND EQUITY:</b>					
Non-spendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	1,760,000	4,525,000	4,525,000	7,263,421
Assigned	1,200,000	1,000,000	1,200,000	1,200,000	600,000
Unassigned	<u>11,206,418</u>	<u>9,053,107</u>	<u>5,151,180</u>	<u>5,303,030</u>	<u>2,446,264</u>
<b>TOTAL FUND EQUITY</b>	\$12,406,418	11,813,107	10,876,180	11,028,030	10,309,685
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$20,188,857</u>	<u>\$20,049,551</u>	<u>\$18,482,883</u>	<u>\$17,353,874</u>	<u>\$15,773,578</u>

Prepared from Audited Financial Statements

**RSU 14**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**(For the Years Ended June 30,)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>					
Local revenues	\$41,015,852	\$37,219,713	\$35,386,811	\$32,747,280	\$33,590,117
Intergovernmental	22,009,056	22,145,116	21,429,287	21,877,039	19,411,202
Charges for services	73,582	60,986	28,300	18,855	0
Interest income	559,787	433,771	123,151	34,337	128,218
Miscellaneous	<u>414,660</u>	<u>446,207</u>	<u>219,900</u>	<u>257,000</u>	<u>157,019</u>
<b>TOTAL REVENUES</b>	64,072,937	60,305,793	57,187,449	54,934,511	53,286,556
<b>EXPENDITURES</b>					
Current:					
Regular instruction	23,020,116	20,895,221	20,344,619	19,465,495	19,175,503
Special education	9,641,619	9,058,900	8,955,714	8,386,400	8,258,079
Other instruction	1,225,881	1,167,090	1,000,899	946,352	860,844
Student/staff support	5,194,669	4,855,064	4,552,603	4,491,121	3,819,496
System administration	1,581,913	1,468,139	1,407,615	1,392,435	1,339,249
School administration	3,184,240	3,128,701	3,005,573	2,884,181	2,683,784
Transportation	3,608,719	3,303,465	3,031,288	3,102,569	2,864,748
Facilities management	9,054,195	8,342,754	7,812,972	7,301,778	6,743,290
State - on-behalf	3,921,899	3,622,824	3,582,291	3,480,791	3,321,969
Debt service	1,286,375	1,728,375	1,809,625	1,887,850	1,961,200
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	61,719,626	57,570,533	55,503,199	53,338,972	51,028,162
Excess (deficiency) Revenues	2,353,311	2,735,260	1,684,250	1,595,539	2,258,394
<b>OTHER SOURCES (USES)</b>					
Transfers In	0	157,667	0	0	0
Transfers Out	<u>(1,760,000)</u>	<u>(1,956,000)</u>	<u>(1,836,100)</u>	<u>(757,666)</u>	<u>(487,505)</u>
<b>TOTAL OTHER SOURCES (USES)</b>	(1,760,000)	(1,798,333)	(1,836,100)	(757,666)	(487,505)
Net change	593,311	936,927	(151,850)	837,873	1,770,889
<b>BEGINNING FUND BALANCE</b>	11,813,107	<u>10,876,180</u>	<u>11,028,030</u>	<u>10,190,157</u>	<u>8,538,796</u>
<b>ENDING FUND BALANCE</b>	\$12,406,418	\$11,813,107	\$10,876,180	\$11,028,030	\$10,309,685

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Prepared from Audited Financial Statements

**The Member Municipalities**

Also displayed on the following pages, are the comparative financial statements of the Member Municipalities *Combined Balance Sheet – General Fund* and the Member Municipalities *Comparative Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund*, for its most recent three audited fiscal periods.

**TOWN OF RAYMOND**

**COMPARATIVE BALANCE SHEET  
GENERAL FUND  
(As of June 30.)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash	\$5,815,895	\$3,926,142	\$3,780,209
Investments	100,056	129,497	0
Accounts receivable	0		
Tax/liens	507,563	459,032	378,163
Other	52,035	184,213	170,151
Due from other governments	89,852	0	0
Prepaid items	124,707	65,679	55,581
Tax acquired property	135,548	131,284	185,099
Due from other funds	<u>27,208</u>	<u>7,951</u>	<u>32,989</u>
<b>TOTAL ASSETS</b>	<b>6,852,864</b>	<b>4,903,798</b>	<b>4,602,192</b>
<b>LIABILITIES</b>			
Accounts payable	112,234	104,468	184,963
Accrued payroll	59,860	0	0
Accrued expenses	4,423	144,992	40,015
Due to other governments	10,803	0	0
Escrows	31,110	0	0
Due to other funds	<u>3,126,381</u>	<u>1,395,764</u>	<u>1,435,901</u>
<b>TOTAL LIABILITIES</b>	<b>3,344,811</b>	<b>1,645,224</b>	<b>1,660,879</b>
<b>DEFERRED INFLOWS</b>	<b>353,819</b>	<b>256,865</b>	<b>374,722</b>
<b>FUND EQUITY:</b>			
Non-spendable	260,255	196,963	240,680
Restricted	0	0	0
Committed	0	0	0
Assigned	304,695	379,695	310,695
Unassigned	<u>2,589,284</u>	<u>2,425,051</u>	<u>2,015,216</u>
<b>TOTAL FUND EQUITY</b>	<b>3,154,234</b>	<b>3,001,709</b>	<b>2,566,591</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$6,852,864</u></b>	<b><u>\$4,903,798</u></b>	<b><u>\$4,602,192</u></b>

**REVENUES, EXPENDITURES  
COMPARATIVE STATEMENT OF  
AND CHANGES IN FUND BALANCES -  
GENERAL FUND  
(For the Years Ended June 30.)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>			
General tax revenue	\$18,218,970	\$17,353,682	\$16,030,549
Intergovernmental	1,025,442	947,578	864,499
Charges for services	531,170	557,007	484,430
Investment income	153,397	37,924	7,637
Other	<u>79,411</u>	<u>98,363</u>	<u>90,627</u>
<b>TOTAL REVENUES</b>	<b>20,008,390</b>	<b>18,994,554</b>	<b>17,477,742</b>
<b>EXPENDITURES</b>			
Current:			
General government	1,647,778	1,593,202	1,406,969
Public safety	1,396,578	1,213,921	982,028
Public works	1,240,569	1,208,784	1,178,946
Benefits	961,998	710,620	649,723
Public health and welfare	21,060	29,131	15,196
Community services	357,090	393,811	251,385
Education	11,940,729	11,347,307	10,789,433
County tax	974,325	817,347	773,657
Debt service	<u>341,500</u>	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b><u>18,881,627</u></b>	<b><u>17,314,123</u></b>	<b><u>16,047,337</u></b>
<b>EXCESS OF REV OVER EXP</b>	<b>1,126,763</b>	<b>1,680,431</b>	<b>1,430,405</b>
<b>OTHER FINANCING</b>	<b>(1,248,195)</b>	<b>(886,000)</b>	<b>(1,118,547)</b>
<b>EXTRAORDINARY</b>			
ADJUSTMENT	540,000	-	-
<b>NET CHANGE IN FUND BAL</b>	<b>418,568</b>	<b>794,431</b>	<b>311,858</b>
<b>FUND BALANCES</b>	<b>3,001,709</b>	<b>-</b>	<b>-</b>
<b>RESTATEMENT ADJUSTMENT</b>	<b>(266,043)</b>	<b>-</b>	<b>-</b>
<b>BEGINNING FUND BALANCE</b>			
(RESTATEMENT)	2,735,666	2,566,591	2,566,733
<b>ENDING FUND BALANCE</b>	<b><u>\$3,154,234</u></b>	<b><u>\$3,361,022</u></b>	<b><u>\$2,878,591</u></b>

Prepared from Audited Financial Statements.

**TOWN OF WINDHAM**

**COMPARATIVE BALANCE SHEET  
GENERAL FUND  
(As of June 30.)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
Cash and equivalents	\$40,087,438	\$30,188,579	\$28,094,235
Receivables:			
Taxes receivable	860,485	785,677	612,617
Accounts receivable	893,256	510,897	646,020
Prepaid	2,126		6,462
Due from other/Prepaid	429,706	1,037,465	532,418
Inter-fund loans receivable	1,721,807	335,381	267,821
Inventory	37,516	39,832	37,805
Receivables (RSU 14)		<u>1,235,000</u>	<u>2,880,000</u>
<b>TOTAL ASSETS</b>	<b>44,032,334</b>	<b>34,132,831</b>	<b>33,077,378</b>
<b>LIABILITIES</b>			
Accounts payable	642,003	649,349	373,401
Accrued payroll	549,549	455,967	376,561
Due to other	14,385,695	7,419,936	8,729,301
Miscellaneous	<u>1,058,720</u>	<u>956,167</u>	<u>1,225,302</u>
<b>TOTAL LIABILITIES</b>	<b>16,635,967</b>	<b>9,481,419</b>	<b>10,704,565</b>
<b>DEFERRED INFLOWS</b>			
Property taxes	592,000	541,000	420,000
RSU 14 debt service	<u>0</u>	<u>1,235,000</u>	<u>2,880,000</u>
<b>TOTAL DEFERRED</b>	<b>592,000</b>	<b>1,776,000</b>	<b>3,300,000</b>
<b>FUND BALANCES</b>			
Non-spendable	39,642	41,117	44,267
Restricted	0	-	-
Committed	912,957	884,755	763,567
Assigned	8,417,775	4,781,190	3,800,468
Unassigned:	17,433,993	17,168,350	14,464,511
<b>TOTAL FUND BALANCES</b>	<b>26,804,367</b>	<b>22,875,412</b>	<b>19,072,813</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$44,032,334</b>	<b>\$34,132,831</b>	<b>\$33,077,378</b>

Prepared from Audited Financial Statements.

**REVENUES, EXPENDITURES  
COMPARATIVE STATEMENT OF  
AND CHANGES IN FUND BALANCES -  
GENERAL FUND  
(For the Years Ended June 30.)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>REVENUES</b>			
Property taxes	\$52,046,960	\$47,086,333	\$42,909,057
Licenses and permits	1,366,944	1,402,501	1,497,916
Intergovernmental	5,345,121	4,344,729	4,666,000
Charges for services	1,817,883	2,338,360	2,114,189
Investment income	1,175,270	1,225,566	992,974
Other	<u>312,763</u>	<u>275,939</u>	<u>795,158</u>
<b>TOTAL REVENUES</b>	<b>62,064,941</b>	<b>56,673,428</b>	<b>52,975,294</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	7,477,652	6,938,841	6,397,233
Public works	4,935,973	4,674,591	4,336,100
Police	3,948,440	3,723,327	3,369,200
Fire/Rescue	3,392,642	3,342,216	2,936,767
Recreation and cultural	1,202,852	1,136,435	1,022,182
Property and inspection	789,061	704,252	659,150
Development and conservation	538,218	600,385	604,893
Health and welfare	447,240	422,740	424,118
County tax	2,012,255	1,813,946	1,630,848
Education	28,096,394	25,611,458	24,320,184
Other	71,459	64,418	83,291
Debt service	2,418,003	2,119,878	1,931,987
Capital outlay	<u>2,590,260</u>	<u>1,181,236</u>	<u>1,533,941</u>
<b>TOTAL EXPENDITURES</b>	<b>57,920,449</b>	<b>52,333,723</b>	<b>49,249,894</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>4,144,492</b>	<b>4,339,705</b>	<b>3,725,400</b>
<b>OTHER FINANCING SOURCES:</b>			
Proceeds from debt/leases	473,036	117,706	822,659
Transfers - in	574,537	400,150	309,165
Transfers - out	<u>(1,263,110)</u>	<u>(1,054,962)</u>	<u>(1,012,482)</u>
<b>TOTAL OTHER</b>	<b>(215,537)</b>	<b>(537,106)</b>	<b>119,342</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<b>3,928,955</b>	<b>3,802,599</b>	<b>3,844,742</b>
<b>FUND BALANCE, JULY 1</b>	<b><u>22,875,412</u></b>	<b><u>19,072,813</u></b>	<b><u>15,228,071</u></b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$26,804,367</b>	<b>\$22,875,412</b>	<b>\$19,072,813</b>

**PROPERTY TAXATION**

The principal tax of the Member Municipalities is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The tax collector for each of the Towns receives the tax commitment from its respective assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed.

For the fiscal year 2024/2025, the tax due dates for the Town of Raymond are October 31, 2025 and April 30, 2026; for the Town of Windham are October 1, 2025 and April 1, 2026. Taxes paid after the due date are subject to interest established under Title 36, Section 505(4) of the Maine Revised Statutes, as set by each town, for both towns' is currently at the rate of 7.5%, respectively, per annum.

Collection of real estate taxes is ordinarily enforced in each Member Municipality by the "tax lien" procedure as provided in the Maine Revised Statutes, for the collection of delinquent real estate taxes. Real Estate tax liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the respective municipality.

## Business Personal Property Taxes

Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, provides for an eligible business equipment tax exemption (“BETE” or the “BETE Act”) for certain types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements. The exemption does not apply to: office furniture; lamps and lighting fixtures used to provide general purpose office or worker lighting; property owned or used by public utilities and persons providing certain television/telecommunications services; telecommunications personal property subject to the tax imposed by section 457 of Title 36; gambling machines or devices and associated equipment; property located at a retail sales facility unless such facility is more than 100,000 square feet in size and owned by a business whose Maine-based operations derive less than 30% of their total annual revenue from sales in the State; and certain energy and pollution control facilities.

Pursuant to the BETE Act, the State will reimburse municipalities with respect to the lost property taxes associated with this new exemption through one of two formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town’s tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality’s 64% “personal property factor”.
3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes.

For the purposes of identifying the municipality’s valuation for determining the local property tax rate, the value of all property made exempt by this legislation in the municipality must be considered part of that municipality’s local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district.

The value of all property made exempt by this law in the Member Municipality will also be considered part of that municipality’s equalized State Valuation to the extent the Member Municipality is being reimbursed for its lost property taxes by the state with an additional adjustment for property in a tax increment financing district. The law provides some additional security for the municipal reimbursement system by funding the reimbursements described above directly from State Income Tax receipts before those receipts are deposited into the State’s General Fund, rather than as an annual General Fund appropriation.

**Town of Raymond, Maine**

<b>Fiscal Year End</b>	<b>Equalized State</b>	<b>Assessed</b>	<b>Tax</b>	<b>Tax</b>	<b>%</b>
<b>June 30,</b>	<b>Valuation</b>	<b>Valuation</b>	<b>Rate</b>	<b>Levy</b>	<b>Collected</b>
					<b>Year End</b>
2026	\$2,327,000,000	\$1,106,468,900	\$18.80	\$20,801,615	NA
2025	2,109,75,0000	1,089,573,310	17.20	18,740,660	NA
2024	1,889,350,000	1,072,037,240	15.90	17,045,392	NA
2023	1,565,250,000	1,061,314,380	15.00	15,919,716	97.56%
2022	1,307,150,000	1,051,179,880	14.10	14,821,636	97.44%

**Town of Windham, Maine**

<b>Fiscal Year End</b>	<b>Equalized State</b>	<b>Assessed</b>	<b>Tax</b>	<b>Tax</b>	<b>%</b>
<b>June 30,</b>	<b>Valuation</b>	<b>Valuation</b>	<b>Rate</b>	<b>Levy</b>	<b>Collected</b>
					<b>Year End</b>
2026	\$4,292,500,000	\$4,202,792,000	\$12.06	\$46,991,710	NA
2025	4,103,400,000	4,096,923,300	11.47	43,430,080	98.81%
2024	3,648,900,000	3,292,632,000	11.20	38,227,466	98.77%
2023	2,914,100,000	2,734,905,000	11.61	34,459,803	98.99%
2022	2,608,150,000	2,734,905,300	12.60	34,255,779	99.19%

**Representative Largest Taxpayers**

<b><u>Raymond Largest Taxpayers (2025)</u></b>	<b><u>Business</u></b>	<b><u>Assessed Total</u></b>	<b><u>Property Tax</u></b>	<b><u>% of Levy</u></b>
Central Maine Power Company	Electric Dist.	\$10,936,800	\$205,612	0.98%
Wohelo Camps	Seasonal Camps	7,319,500	137,607	0.66%
64 Sunset LLC	Residential	6,908,300	129,876	0.62%
TBDD LLC	Residential	6,245,500	117,415	0.56%
Portland Natural Gas	Utility	6,134,300	115,325	0.55%
Raymond Hills LLC	Residential	5,361,800	100,802	0.48%
Agrondia Marta	Residential	5,301,200	99,663	0.48%
Ann S & William B Harrison	Residential	4,225,300	79,436	0.38%
Sabre Corporation	Yacht Manf.	4,161,900	78,244	0.37%
Dielectric LLC	Manufacturing	<u>4,062,200</u>	<u>76,370</u>	<u>0.36%</u>
<b>Top Ten Taxpayers</b>		<b>\$60,656,800</b>	<b>\$1,140,348</b>	<b>5.45%</b>

<b><u>Windham Largest Taxpayers (2025)</u></b>	<b><u>Business</u></b>	<b><u>Assessed Total</u></b>	<b><u>Property Tax</u></b>	<b><u>% of Levy</u></b>
Central Maine Power Company	Electric Distribution	\$52,084,600	\$628,140	1.24%
WS No Windham Properties Ltd	Retail - Walmart	16,800,100	202,609	0.40%
ARC LWWDMMME001 LLC	Retail - Lowes	14,240,200	171,737	0.34%
B33 Windham II LLC	Mall - Shaws Plaza	12,532,400	151,141	0.30%
Jonlee Windham LLC	Mall - Marshalls Plaza	10,961,000	132,190	0.26%
Dusty Rhoades LLC	Multifamily Hsg.	10,917,800	131,669	0.26%
JLB Windham LLC	Retail - Home Depot	10,452,500	126,057	0.25%
Robie Holdings LLC	Multifamily Hsg.	10,418,500	125,647	0.25%
Portland Natural Gas	Gas Distribution	10,353,700	124,866	0.25%
Anglers Road Commons LLC	Multifamily Hsg.	<u>10,309,500</u>	<u>124,333</u>	<u>0.25%</u>
<b>Top Ten Taxpayers</b>		<b>\$159,070,300</b>	<b>\$1,918,389</b>	<b>3.79%</b>

## **Tax Increment Financing Districts and Affordable Housing Development Districts**

Chapter 206 and former (now repealed) Chapter 207 of Title 30-A of the Maine Revised Statutes, enable a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing (“TIF”) district or an affordable housing development district (a “housing district”) for a period of up to 30 years and adopts a development program (the “Development Program”) stating the means and objectives for the development of that district. The municipality may designate, or “capture,” all or a portion of the increase in assessed value resulting from development within the district and dedicate the increased property taxes it receives in future years generated by the “captured” assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs. Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of all TIF districts and the aggregate original assessed value of all housing districts within the municipality as of the April 1<sup>st</sup> preceding the date the Commissioner of the Department of Economic and Community Development, with respect to TIF Districts, or the Director of the Maine State Housing Authority, with respect to housing districts, approves the designation of any such district each cannot exceed 5% of the municipality’s total value of taxable property. Excluded from this limit as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality’s total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones, transit-oriented TIF districts or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3 of the Maine Revised Statutes.

Each Member Municipality has designated tax increment financing districts and may consider proposals for other districts on an ongoing basis, evaluated based upon the towns’ comprehensive plan for economic development. In no event will the districts exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation, as set out above.

## **REVENUES FROM THE STATE**

In accordance with the provisions of applicable Maine law, the State subsidizes most SAUs through the EPS model of calculating and distributing state education aid. All education expenditures, including state approved debt service, flow through the EPS model. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for school administrative units are an annual item in the State’s budgetary process and are subject to legislative appropriation in that process. No assurance can be given that future legislation will not have an adverse impact on school funding in Maine. Because of these uncertainties, it is not possible to predict the level of State subsidy to local units in future years or whether the State’s subsidy program will continue in its present form.

## **LOCAL COST**

That part of the Issuer’s budget not funded from State aid, grants or other programs is funded from assessments to the Member Municipalities (the “Local Cost”). The assessments have two components:

First, the Member Municipalities must share the Issuer’s share (the “Required Local Contribution”) of EPS costs that qualify for State subsidy (the “Total EPS Allocation”). In a school administrative district, regional school unit, or community school district, a member municipality’s contribution to the SAU’s Required Local Contribution is based upon the percentage that the municipality’s most recent calendar year average pupil count is to the SAU’s most recent calendar year pupil count. Each member municipality’s contribution, however, is made subject to a statewide, uniform maximum mill rate cap established by the Commissioner annually, and the State contributes subsidy to these SAUs so that a member municipality’s contribution to the SAU’s Required Local Contribution does not cause that contribution to exceed the amount of the mill rate cap times the member’s adjusted state valuation (the “Mill Rate Cap Amount”). In a year when a member municipality is able to meet its share without exceeding the Mill Rate Cap Amount, however, the State contributes subsidy to the SAU in the form of an alternative “minimum receiver adjustment,” which reduces somewhat that member municipality’s contribution.

Second, the Issuer’s Member Municipalities must also contribute the additional local costs of the RSU, if any, that are not funded by other budgeted revenues or carry-forwards and that do not qualify for inclusion in the Total EPS Allocation (the “Additional Local Costs”). Different methods of sharing Additional Local Costs among member municipalities exist in different school administrative districts, regional school units, and community school districts within the State. For pupil count, see “REGIONAL SCHOOL UNIT NO. 14 - ENROLLMENTS” herein.

**The Issuer’s Budget, Assessments and EPS**

Fiscal Year Ended June 30,	RSU No. 14				
	Budget	Assessment	Assessment as % Budget	EPS	EPS as % Budget
2026	\$67,861,395	\$48,791,370	71.90%	\$49,235,151	72.55%
2025	60,185,403	42,302,227	70.29%	43,069,384	71.56%
2024	56,809,751	38,568,838	67.89%	42,787,087	75.32%
2023	54,497,963	36,798,686	67.52%	40,761,834	74.80%
2022	52,233,222	32,747,280	62.69%	40,355,376	77.26%

**INDEBTEDNESS**

**LIMITATIONS AND EXCLUSIONS**

**The Issuer’s Debt Limitations**

In accordance with Title 20-A, Section 1490(6) of the Maine Revised Statutes, “The aggregate principal amount of outstanding bonds or notes issued by a regional school unit for school construction purposes shall not exceed, at any one time, 10% of the total of the last preceding state valuation of all the municipalities within the regional school unit, plus, in the case of a state-subsidized school construction project, an amount not to exceed 4% of that total regional school unit valuation set by the BOE at the time of the initial approval of the school construction project.”

The 2026 equalized State Valuation for the Member Municipalities is a consolidated \$6,619,500,000. The Issuer’s 10% debt limitation is \$661,950,000. As of June 30, 2025, the Issuer’s long-term debt outstanding was \$101,539,268<sup>(1)</sup>, or 1.53%, of the 2026 equalized State Valuation of the Member Municipalities. The Issuer will certify on the date of issue of the Bonds that the Issuer has not exceeded the foregoing debt limits and that issuance of the Bonds will not cause the Issuer to exceed the debt limit.

NOTE: <sup>(1)</sup> Does not include \$3,535,689 in short-term capital leases.

## The Member Municipalities' Debt Limitations

Although the indebtedness of the Bonds is the indebtedness of the Issuer, and not of the Member Municipalities', the tax base of the Issuer is the same as the tax base of the Member Municipality. Therefore, the current indebtedness of the Member Municipality is included in the discussions below.

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, "No municipality may incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7.5% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and sanitary sewer purposes to an amount outstanding at any time not exceeding 7.5% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set." Title 30-A, Section 5703 of the Maine Revised Statutes, provides that the limitations on municipal debt contained in Section 5702 do not apply "... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under chapter 235 and Title 10, Chapter 110, Subchapter IV, obligations payable from revenues of the current municipal year from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt."

### Town of Raymond, Maine

As of February 1, 2026, the Town of Raymond, Maine's equalized state valuation was \$2,327,000,000. Raymond's overall 15% debt limit is \$349,050,000. As of June 30, 2025, Raymond's long term debt outstanding was projected to be \$920,000, or 0.04% of the 2026 equalized State Valuation.

### Town of Windham, Maine

As of February 1, 2026, the Town of Windham, Maine's equalized state valuation was \$4,292,500,000. Windham's overall 15% debt limit is \$643,875,000. As of June 30, 2025, Windham's long term debt outstanding was \$19,340,000 (audited), or 0.45% of the 2026 equalized State Valuation.

### Member Municipality and Issuer Debt Ratios

Fiscal Yr. End June 30,	Pop.	Consolidated Eq. Val.	Total Consolidated Debt			Debt % Eq. Val.	Debt Per Capita
			Member Muni.	RSU 14	Total		
2025	22,970	\$6,619,500,000	\$20,260,000	\$101,539,268	\$121,799,268	1.84%	\$5,302.54
2024	22,970	6,213,150,000	22,354,010	2,337,671	24,691,681	0.40%	1,074.95
2023	22,970	4,479,350,000	23,327,600	4,117,339	27,444,939	0.61%	1,194.82
2022	22,970	3,915,300,000	23,736,000	5,897,005	29,633,005	0.76%	1,290.07
2021	22,970	3,648,750,000	21,869,000	8,721,409	30,590,409	0.84%	1,331.75
2020	22,970	3,448,050,000	20,032,800	7,765,000	27,797,800	0.81%	1,210.18

## DEBT SUMMARY

<b>Purpose</b>	<b>Issued</b>	<b>Date of Final Maturity</b>	<b>Amount Issued</b>	<b>Balance on June 30,</b>			
				<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
MMBB SRRF <sup>(1)</sup>	9/15/2020	9/15/2030	\$1,441,644	\$488,116	\$406,763	\$325,410	\$244,058
MMBB SRRF <sup>(1)</sup>	9/15/2020	9/15/2030	996,379	351,152	292,627	234,102	175,576
2025 Bonds <sup>(2)</sup>	5/13/2025	11/1/2045	100,700,000	<u>100,700,000</u>	<u>100,700,000</u>	<u>95,668,000</u>	<u>90,630,000</u>
	<b>Sub-total</b>			101,539,268	101,399,390	96,227,512	91,049,634
2026 Bonds <sup>(2)</sup>	4/30/2026	11/1/2046	50,790,000	<u>0</u>	<u>50,790,000</u>	<u>50,790,000</u>	<u>48,250,000</u>
	<b>Totals</b>			\$101,539,268	\$152,189,390	\$147,017,512	\$139,299,634

NOTE: <sup>(1)</sup> "SRRF" indicates a loan financed through the School Revolving Renovation Fund administered through the Maine Municipal Bond Bank in cooperation with the State of Maine Department of Education. The SRRFs' loan is without interest and a portion was forgiven. On September 5, 2020 RSU 14 entered into two loans, each loan for 10 years, in the amounts of \$1,441,643.54 and \$966,379.01, respectively with a portion of principal forgiven in the amounts of \$579,540.70 and \$400,544.36, respectively. SOURCE: <https://www.mmbb.com/borrowers>.

<sup>(2)</sup> The DOE's *Final Funding Approval* established the final project budget and amount to be bonded at \$155,794,319. The debt service on \$115,955,875 (74.43%) of Bonds for the Project will be eligible for the purpose of calculating the Issuer's state education subsidy, and the debt service on \$39,838,444 (25.57%) of the bonds for the Project will be paid from assessments of the Member Municipalities.

## PROJECTED DEBT SERVICE

<b>FY end June 30,</b>	<b>Prior Debt</b>			<b>Projected Debt</b>			<b>Projected Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total Prior</b>	<b>Pro Forma</b>			
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
<b>2026</b>	\$139,878	\$4,867,167	\$5,007,045				
<b>2027</b>	5,174,878	4,909,125	10,084,003				
<b>2028</b>	5,174,878	4,657,375	9,832,253				
<b>2029</b>	5,174,878	4,405,625	9,580,503				
<b>2030</b>	5,174,878	4,153,875	9,328,753				
<b>2031</b>	5,174,878	3,902,125	9,077,003				
<b>2032</b>	5,035,000	3,650,375	8,685,375				
<b>2033</b>	5,035,000	3,398,625	8,433,625				
<b>2034</b>	5,035,000	3,146,875	8,181,875				
<b>2035</b>	5,035,000	2,895,125	7,930,125				
<b>2036</b>	5,035,000	2,643,375	7,678,375				
<b>2037</b>	5,035,000	2,391,625	7,426,625				
<b>2038</b>	5,035,000	2,139,875	7,174,875				
<b>2039</b>	5,035,000	1,888,125	6,923,125				
<b>2040</b>	5,035,000	1,636,375	6,671,375				
<b>2041</b>	5,035,000	1,384,625	6,419,625				
<b>2042</b>	5,035,000	1,132,875	6,167,875				
<b>2043</b>	5,035,000	881,125	5,916,125				
<b>2044</b>	5,035,000	629,375	5,664,375				
<b>2045</b>	5,035,000	377,625	5,412,625				
<b>2046</b>	5,035,000	125,875	5,160,875				
<b>2047</b>	0	0	0				
	<u>\$101,539,268</u>	<u>\$55,217,167</u>	<u>\$156,756,435</u>				

## **OVERLAPPING DEBT**

The Issuer does not have any obligations for which it is responsible for on an overlapping basis.

## **CONTINGENT DEBT**

The Issuer does not have any obligations for which it is responsible for on a contingent basis.

## **FUTURE FINANCING**

The Issuer does not contemplate financing long-term projects for the next calendar year and has no other authorized but unissued debt following the issuance of the 2026 Bonds

## **RETIREMENT**

### **DEFINED BENEFIT PENSION PLAN**

The MainePERS (“MainePERS”) is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at [www.maineopers.org](http://www.maineopers.org).

### **Maine Public Employees Retirement System**

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System’s State Employee and Teacher (“SET”) Plan. The SET plan is a cost-sharing multiple employer defined benefit plan with a special funding situation, established by the Maine State legislature. The State is a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Eligible employees other than teachers participate in the Maine Public Employees Retirement System’s Participating Local District (“PLD”) Plan. The PLD plan is a multiple-employer cost sharing defined benefit plan. Eligible employers (districts) are defined in Maine statute.

### **Pension Benefits**

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them. MainePERS’s retirement programs 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 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. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The MainePERS also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory

provisions. Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the MainePERS's Board of Trustees and is currently 3.88%.

### **Contributions**

Member contribution rates are defined by law or by the MainePERS's Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. The Issuer reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its Annual Financial Statements. Please see "APPENDIX A – RSU No. 14, MAINE, ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025", Note 16, pages 45 *et seq.*, "Defined Benefit Pension Plan" herein.

### **DEFINED BENEFIT OPEB PLAN**

The Issuer sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. The Group Life Insurance Plan for Retired Participating Local District (the "PLD Consolidated Plan") employees is a multiple-employer cost sharing plan. The Group Life Insurance Plan for Retired State Employees and Teachers (the "SET Plan") is a multiple-employer cost sharing plan with a special funding situation. The State is also a non-employer contributing entity in that the State pays contributions for retired public-school teachers in the plan.

#### **Group Life Insurance**

Under both the PLD and SET OPEB Plans, MainePERS 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.

#### **Group Health Insurance**

The Issuer 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 Education Association Benefits Trust ("MEABT"). The State Legislature has the authority to establish and amend the benefit terms and financing requirements.

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

The Issuer reports on the benefits provided and the contributions for these OPEB plans, as well as the actuarial methodology and assumptions in its Annual Financial Statements. Please see "APPENDIX A – RSU No. 14, MAINE, ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025", Note 17, page 52 (LIFE INSURANCE), and Note 18 pages 53 *et seq.* (HEALTH PLAN) herein.

## **ENVIRONMENTAL MATTERS**

Securities and Exchange Commission Regulation 229.103 (the “Regulation”) requires that issuers subject to the disclosure requirements of the Securities Exchange Act of 1934 disclose, among other things, any material pending legal proceedings, including without limitation, legal proceedings involving environmental issues. The Regulation states that no information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten percent (10%) of the current assets of the issuer, and, if a governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the issuer reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000. Although the Issuer, as an issuer of municipal securities, is not subject to the provisions of the Regulation or the Securities Exchange Act of 1934, the Issuer is voluntarily making the disclosure required by the Regulation with respect to environmental liabilities: The Issuer is not subject to any pending legal proceedings involving environmental matters that would require disclosure under the Regulation were the Issuer subject to its provisions.

## **LITIGATION**

In the opinion of Issuer officials there is no litigation pending or threatened against the Issuer which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Issuer’s financial position or its ability to meet its debt service obligations.

**APPENDIX A**

**RSU NO. 14  
ANNUAL FINANCIAL STATEMENTS  
AND SUPPORTING SCHEDULES  
FOR THE  
YEAR ENDED JUNE 30, 2025**

(With Report of Independent Auditors' Thereon)

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Federal Compliance Audit

**Regional School Unit No. 14**

June 30, 2025



*Proven Expertise & Integrity*

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REGIONAL SCHOOL UNIT NO. 14

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## INDEPENDENT AUDITOR'S REPORT

School Board  
Regional School Unit No. 14  
Windham, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School Unit No. 14, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Regional School Unit No. 14's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School Unit No. 14 as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional School Unit No. 14 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional School Unit No. 14's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional School Unit No. 14's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Regional School Unit No. 14's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 66 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional School Unit No. 14's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 December 17, 2025, on our consideration of the Regional School Unit No. 14's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 Regional School Unit No. 14's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
December 17, 2025

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

**(UNAUDITED)**

The following management's discussion and analysis of the Regional School Unit No. 14's financial performance provides an overview of the Unit's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Unit's financial statements.

**Financial Statement Overview**

The Regional School Unit No. 14's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB schedules and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above-mentioned financial statements have one column for the Unit's activity. The type of activity presented for the Unit is:

- *Governmental activities* - All of the Unit's basic services are reported in governmental activities, which include regular instruction, special education, other instruction, student/staff support, system administration, school administration, transportation, facilities management and program expenses. Local assessments, charges for services and state and federal grants finance most of these activities.

### **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 Unit, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Unit consist of two categories: governmental funds and fiduciary funds.

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

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

The Unit presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Unit's major governmental funds are the general fund and middle school capital project fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Unit. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Unit's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **Notes to the Financial Statements**

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

### **Required Supplementary Information**

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

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the Unit's governmental activities. The Unit's total net position increased by \$690,861 from \$46,346,641 to \$47,037,502.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased by \$1,039,599 to a balance of \$7,065,542.

**Table 1**  
**Regional School Unit No. 14**  
**Net Position**  
**June 30,**

	<b>2025</b>	<b>2024</b> <b>(Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 108,238,333	\$ 98,927,865
Noncurrent Assets - Capital	70,401,658	50,250,635
Total Assets	178,639,991	149,178,500
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pensions	1,355,400	1,320,245
Deferred Outflows Related to OPEB	944,556	635,604
Total Deferred Outflows of Resources	2,299,956	1,955,849
<b>Liabilities:</b>		
Current Liabilities	15,856,033	11,210,491
Noncurrent Liabilities	117,132,877	93,040,963
Total Liabilities	132,988,910	104,251,454
<b>Deferred Inflows of Resources:</b>		
Deferred Revenue	1,602	11,414
Deferred Inflows Related to Pensions	159,500	149,822
Deferred Inflows Related to OPEB	752,433	375,018
Total Deferred Inflows of Resources	913,535	536,254
<b>Net Position:</b>		
Net Investment in Capital Assets	39,485,540	39,525,330
Restricted	486,420	795,368
Unrestricted	7,065,542	6,025,943
Total Net Position	\$ 47,037,502	\$ 46,346,641

**Revenues and Expenses**

Revenues for the Unit's governmental activities increased by 7.34% while expenses increased by 10.62% from the prior year. The increase in revenues was primarily due to local revenues and miscellaneous. Expenditures increased in all categories with the exception of program expenses.

**Table 2**  
**Regional School Unit No. 14**  
**Change in Net Position**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 332,967	\$ 357,534
Operating grants and contributions	14,534,956	15,000,249
<i>General revenues:</i>		
Local Revenues	41,015,852	37,219,713
Grants and contributions not restricted to specific programs	18,087,157	18,522,292
Miscellaneous	4,783,385	2,270,736
Total Revenues	<u>78,754,317</u>	<u>73,370,524</u>
<b>Expenses</b>		
Regular instruction	23,020,116	20,895,221
Special education	9,641,619	9,058,900
Other instruction	1,225,881	1,167,090
Student/staff support	5,979,692	5,485,652
System administration	1,581,913	1,468,139
School administration	3,339,101	3,085,875
Transportation	3,999,609	3,715,402
Facilities management	9,440,181	8,857,733
Program expenses	6,113,369	7,489,367
State of Maine - on-behalf payments	9,388,398	9,107,643
Interest on long-term debt	4,333,577	239,889
Total Expenses	<u>78,063,456</u>	<u>70,570,911</u>
Change in Net Position	<u>690,861</u>	<u>2,799,613</u>
Net Position - July 1, As Previously Reported	42,375,248	\$ 39,046,168
Net Position Correction	<u>3,971,393</u>	<u>529,467</u>
Net Position - July 1, As Restated	<u>46,346,641</u>	<u>39,575,635</u>
Net Position - June 30	<u>\$ 47,037,502</u>	<u>\$ 42,375,248</u>

## Financial Analysis of the Unit's Fund Statements

*Governmental funds:* The financial reporting focus of the Unit's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Unit's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

**Table 3**  
**Regional School Unit No. 14**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2025</u>	<u>2024 (Restated)</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Assigned	\$ 1,200,000	\$ 1,000,000	\$ 200,000
Committed	-	1,760,000	(1,760,000)
Unassigned	11,206,418	9,053,107	2,153,311
Total General Fund	<u>\$ 12,406,418</u>	<u>\$ 11,813,107</u>	<u>\$ 593,311</u>
Middle School Capital Project Fund:			
Committed	<u>\$ 83,535,517</u>	<u>\$ 77,977,331</u>	<u>\$ 5,558,186</u>
Total Middle School Capital Project Fund	<u>\$ 83,535,517</u>	<u>\$ 77,977,331</u>	<u>\$ 5,558,186</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 39,055	\$ 41,642	\$ (2,587)
Restricted	486,420	795,368	(308,948)
Committed	201,971	216,783	(14,812)
Unassigned (deficit)	(87,116)	(96,554)	9,438
Capital Projects Funds:			
Committed	2,201,487	1,894,591	306,896
Total Nonmajor Funds	<u>\$ 2,841,817</u>	<u>\$ 2,851,830</u>	<u>\$ (10,013)</u>

The changes to total fund balances for the general fund and nonmajor funds occurred due to the regular activity of operations. The significant increase in the middle school capital project fund was due to the receipt of bond proceeds.

## Budgetary Highlights

There was no difference between the original and final budget of the general fund.

The general fund actual revenues were receipted over budgeted amounts by \$965,635. All revenue categories were within or over budgeted amounts with the exception of intergovernmental revenues - state agency.

The general fund actual expenditures were under budgeted amounts by \$2,387,676. All expenditure categories were under or within budgeted amounts with the exception of other instruction and facilities management.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the Unit increased by \$20,151,023 from the prior year. The increase is the result of current year additions of \$23,620,522 less net disposals of \$6,863 and current year depreciation expense of \$3,462,636.

**Table 4**  
**Regional School Unit No. 14**  
**Capital Assets, (Net of Depreciation)**  
**June 30,**

	<u>2025</u>	<u>2024</u> <u>(Restated)</u>
Land	\$ 3,923,554	\$ 3,823,554
Construction in progress	27,168,327	5,498,643
Buildings and improvements	34,742,723	35,879,314
Furniture and equipment	2,615,520	3,151,301
Vehicles	1,951,534	1,897,823
Total	<u>\$ 70,401,658</u>	<u>\$ 50,250,635</u>

### Debt

At June 30, 2025, the Unit had bonds payable and notes from direct borrowings payable in the amount of \$114,548,391, compared to \$89,122,558 in the prior year. For more detailed information refer to Note 6 of Notes to Financial Statements.

## **Currently Known Facts, Decisions or Conditions**

### **Economic Factors and Next Year's Budgets and Rates**

The Unit does not anticipate that any significant economic factors will affect the 2025-2026 budget, however future budget years may be affected by changes in state subsidy and other reporting issues.

### **Contacting the Unit's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Unit's finances and to show the Unit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional School Unit No. 14 at 228 Windham Center Road, Windham, Maine 04062.

## REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF NET POSITION  
JUNE 30, 2025

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 106,508,352
Due from other governments	1,690,926
Inventory	<u>39,055</u>
Total current assets	<u>108,238,333</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure and other assets not being depreciated	31,091,881
Buildings and equipment, net of accumulated depreciation	<u>39,309,777</u>
Total capital assets	<u>70,401,658</u>
<b>TOTAL ASSETS</b>	<u>178,639,991</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	1,355,400
Deferred outflows related to OPEB	<u>944,556</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>2,299,956</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 180,939,947</u></u>

STATEMENT A (CONTINUED)  
REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF NET POSITION  
JUNE 30, 2025

	Governmental Activities
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 3,785,830
Accrued expenses	5,667,149
Accrued interest	100,437
Current portion of long-term obligations	6,302,617
Total current liabilities	15,856,033
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	95,665,000
Bond premium payable	9,384,699
Notes from direct borrowings payable	3,229,332
Net pension liability	715,732
Net OPEB liability	7,506,228
Accrued compensated absences	631,886
Total noncurrent liabilities	117,132,877
<b>TOTAL LIABILITIES</b>	<b>132,988,910</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue	1,602
Deferred inflows related to pensions	159,500
Deferred inflows related to OPEB	752,433
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>913,535</b>
<b>NET POSITION</b>	
Net investment in capital assets	39,485,540
Restricted	486,420
Unrestricted	7,065,542
<b>TOTAL NET POSITION</b>	<b>47,037,502</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 180,939,947</b>

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

## REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Regular instruction	\$ 23,020,116	\$ 73,582	\$ -	\$ -	\$ (22,946,534)
Special education	9,641,619	-	-	-	(9,641,619)
Other instruction	1,225,881	-	-	-	(1,225,881)
Student/staff support	5,979,692	-	-	-	(5,979,692)
System administration	1,581,913	-	-	-	(1,581,913)
School administration	3,339,101	-	-	-	(3,339,101)
Transportation	3,999,609	-	-	-	(3,999,609)
Facilities management	9,440,181	-	-	-	(9,440,181)
Program expenses	6,113,369	259,385	5,146,558	-	(707,426)
State of Maine - on-behalf payments	9,388,398	-	9,388,398	-	-
Interest on long-term debt	4,333,577	-	-	-	(4,333,577)
Total government	<u>\$ 78,063,456</u>	<u>\$ 332,967</u>	<u>\$ 14,534,956</u>	<u>\$ -</u>	<u>(63,195,533)</u>

STATEMENT B (CONTINUED)  
REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(63,195,533)
General revenues:	
Local assessment	41,015,852
Grants and contributions not restricted to specific programs	18,087,157
Miscellaneous	4,783,385
Total general revenues	63,886,394
Change in net position	690,861
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	42,375,248
NET POSITION CORRECTION	3,971,393
NET POSITION - JULY 1, AS RESTATED	46,346,641
NET POSITION - JUNE 30	\$ 47,037,502

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

## REGIONAL SCHOOL UNIT NO. 14

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	General Fund	Middle School Capital Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,524,062	\$ 86,790,899	\$ 193,391	\$ 106,508,352
Due from other governments	23,411	-	1,667,515	1,690,926
Inventory	-	-	39,055	39,055
Due from other funds	641,384	-	1,722,364	2,363,748
<b>TOTAL ASSETS</b>	<b><u>\$ 20,188,857</u></b>	<b><u>\$ 86,790,899</u></b>	<b><u>\$ 3,622,325</u></b>	<b><u>\$ 110,602,081</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 627,204	\$ 3,158,626	\$ -	\$ 3,785,830
Accrued expenses	5,432,871	-	234,278	5,667,149
Due to other funds	1,722,364	96,756	544,628	2,363,748
<b>TOTAL LIABILITIES</b>	<b><u>7,782,439</u></b>	<b><u>3,255,382</u></b>	<b><u>778,906</u></b>	<b><u>11,816,727</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	1,602	1,602
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,602</u></b>	<b><u>1,602</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	39,055	39,055
Restricted	-	-	486,420	486,420
Committed	-	83,535,517	2,403,458	85,938,975
Assigned	1,200,000	-	-	1,200,000
Unassigned (deficit)	11,206,418	-	(87,116)	11,119,302
<b>TOTAL FUND BALANCES</b>	<b><u>12,406,418</u></b>	<b><u>83,535,517</u></b>	<b><u>2,841,817</u></b>	<b><u>98,783,752</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 20,188,857</u></b>	<b><u>\$ 86,790,899</u></b>	<b><u>\$ 3,622,325</u></b>	<b><u>\$ 110,602,081</u></b>

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

## REGIONAL SCHOOL UNIT NO. 14

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

	Total Governmental Funds
Total Fund Balances	\$ 98,783,752
Amounts reported for governmental activities in the statement are different because:	
Deferred outflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	1,355,400
OPEB	944,556
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	70,401,658
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(100,700,000)
Bond premium payable	(9,384,699)
Notes from direct borrowings payable	(4,463,692)
Net pension liability	(715,732)
Net OPEB liability	(7,506,228)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds:	
Accrued compensated absences	(665,143)
Accrued interest	(100,437)
Pension	(159,500)
OPEB	(752,433)
	\$ 47,037,502
Net position of governmental activities	

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

## REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Middle School Capital Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local revenues	\$ 41,015,852	\$ -	\$ -	\$ 41,015,852
Intergovernmental revenues	22,009,056	-	5,146,558	27,155,614
Charges for services	73,582	-	259,385	332,967
Interest income	559,787	3,418,421	-	3,978,208
Miscellaneous revenues	414,660	-	390,517	805,177
<b>TOTAL REVENUES</b>	<b>64,072,937</b>	<b>3,418,421</b>	<b>5,796,460</b>	<b>73,287,818</b>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	23,020,116	-	-	23,020,116
Special education	9,641,619	-	-	9,641,619
Other instruction	1,225,881	-	-	1,225,881
Student/staff support	5,194,669	-	-	5,194,669
System administration	1,581,913	-	-	1,581,913
School administration	3,184,240	-	-	3,184,240
Transportation	3,608,719	-	-	3,608,719
Facilities management	9,054,195	-	-	9,054,195
State of Maine - on-behalf payments	\$3,921,899	-	-	3,921,899
Program expenses	-	-	6,113,369	6,113,369
Debt service:				
Principal	1,255,000	82,200,000	-	83,455,000
Interest	31,375	4,281,250	-	4,312,625
Capital outlay	-	19,780,583	1,453,104	21,233,687
<b>TOTAL EXPENDITURES</b>	<b>61,719,626</b>	<b>106,261,833</b>	<b>7,566,473</b>	<b>175,547,932</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,353,311</b>	<b>(102,843,412)</b>	<b>(1,770,013)</b>	<b>(102,260,114)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	108,401,598	-	108,401,598
Transfers in	-	-	1,832,050	1,832,050
Transfers (out)	(1,760,000)	-	(72,050)	(1,832,050)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,760,000)</b>	<b>108,401,598</b>	<b>1,760,000</b>	<b>108,401,598</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>593,311</b>	<b>5,558,186</b>	<b>(10,013)</b>	<b>6,141,484</b>
<b>FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED</b>	<b>11,813,107</b>	<b>77,977,331</b>	<b>3,146,944</b>	<b>92,937,382</b>
<b>FUND BALANCE CORRECTION</b>	<b>-</b>	<b>-</b>	<b>(295,114)</b>	<b>(295,114)</b>
<b>FUND BALANCES - JULY 1, AS RESTATED</b>	<b>11,813,107</b>	<b>77,977,331</b>	<b>2,851,830</b>	<b>92,642,268</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 12,406,418</b>	<b>\$ 83,535,517</b>	<b>\$ 2,841,817</b>	<b>\$ 98,783,752</b>

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

## REGIONAL SCHOOL UNIT NO. 14

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, 2025

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 6,141,484</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset acquisitions	23,620,522
Capital asset deletions	(6,863)
Depreciation expense	<u>(3,462,636)</u>
	<u>20,151,023</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	35,155
OPEB	<u>308,952</u>
	<u>344,107</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	<u>(110,465,321)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>85,039,488</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	(9,678)
OPEB	<u>(377,415)</u>
	<u>(387,093)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(113,153)
Accrued interest	(20,952)
Net pension liability	148,507
Net OPEB liability	<u>(147,229)</u>
	<u>(132,827)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 690,861</u>

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

## REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2025

	Total Private-Purpose Trusts
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 350,252
Investments	<u>67,866</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 418,118</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>
<b>NET POSITION</b>	
Held in trust	<u>\$ 418,118</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 418,118</u></u>

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

## REGIONAL SCHOOL UNIT NO. 14

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Total Private-Purpose Trusts
Additions:	
Interest	\$ 1,334
Other	455,706
Total additions	<u>457,040</u>
Deductions:	
Scholarships	<u>402,491</u>
Total deductions	<u>402,491</u>
Change in fiduciary net position	<u>54,549</u>
Net Position - July 1, As Previously Reported	68,578
Net Position Correction	<u>294,991</u>
Net Position, July 1, As Restated	<u>363,569</u>
Net position, ending	<u><u>\$ 418,118</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Regional School Unit No. 14 was formed under the laws of the State of Maine. It is comprised of the municipalities of Windham and Raymond, Maine. The Unit operates under a Board of Directors-superintendent form of government and provides the following services: regular instruction, special education, other instruction, student/staff support, system administration, school administration, transportation, facilities management and program expenses.

The Unit's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2025, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

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

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Unit's functions (regular instruction, transportation, facilities management, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (support from Towns, certain intergovernmental revenues and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Unit are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Unit:

1. Governmental Funds:

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

Major Funds:

- a. The General Fund is the general operating fund of the Unit. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Middle School Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of the Middle School. The major source of revenue is bond proceeds.

Nonmajor Funds:

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Unit programs. The reporting focus is

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Unit's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Regional School Unit No. 14, available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Nonexchange transactions, in which the Regional School Unit No. 14 receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Regional School Unit No. 14 must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Regional School Unit No. 14 on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**Expenditure Recognition**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt which has not matured are recognized when paid. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

**Budget**

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

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 60,151,038
Add: On-behalf payments	<u>3,921,899</u>
Total GAAP basis	<u>\$ 64,072,937</u>
Expenditures per budgetary basis	\$ 59,557,727
Add: On-behalf payments	<u>3,921,899</u>
Total GAAP basis	<u>\$ 63,479,626</u>

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

1. Early in the second half of the prior fiscal year the Unit prepared a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings on the budget were held.
3. The proposed budget was then approved by a majority of the Unit's citizens.

**Deposits and Investments**

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

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

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

The Regional School Unit No. 14 has no formal investment policy but instead follows the State of Maine Statutes.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2025. Accounts receivable netted with allowances for uncollectible accounts were \$1,690,926 for the year ended June 30, 2025.

**Interfund Receivables and Payables**

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

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The special revenue fund inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

**Transactions Between Funds**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimated useful lives are as follows:

Buildings	20 - 50 years
Furniture and fixtures	3 - 50 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, net pension liability, net OPEB liability and accrued compensated absences.

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

**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 State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. 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.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**OPEB**

For purposes of measuring the Unit's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan (the 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 Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

**Net Position**

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balances**

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

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

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

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

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

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

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Unit has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenue qualifies for this type of reporting and is reported on the governmental funds balance sheet and statement of net position. Deferred inflows related to pensions and deferred inflows related to OPEB qualify for reporting in this category. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unit will not be able to recover its deposits. The Unit does not have a policy covering custodial credit risk for deposits. However, the Unit maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2025, the Unit's cash balances amounting to \$106,858,604 were comprised of deposits of \$107,759,712. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Unit's cash balance. \$107,458,210 of bank deposits were insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$301,502 were uninsured and not collateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 946,944
ICS accounts	106,812,768
	<u>\$ 107,759,712</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Unit will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Unit does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Unit does not have a policy related to interest rate risk. Certificates of deposit held with local financial institutions for \$67,866 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2025, of the Unit's certificates of deposits \$67,866 were fully insured by FDIC and consequently were not exposed to custodial credit risk.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 641,384	\$ 1,722,364
Middle school capital project	-	96,756
Nonmajor special revenue funds	440,089	544,628
Nonmajor capital projects funds	1,282,275	-
	<u>\$ 2,363,748</u>	<u>\$ 2,363,748</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2025 consisted of the following:

	Transfers To	Transfers From
General fund	\$ -	\$ 1,760,000
Nonmajor special revenue funds	72,050	72,050
Nonmajor capital projects funds	1,760,000	-
	<u>\$ 1,832,050</u>	<u>\$ 1,832,050</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 4 - INTERFUND TRANSFERS (CONTINUED)

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations. The transfer of \$1,760,000 from the general fund to the capital reserve fund was approved through warrant articles.

NOTE 5 - CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2025 is as follows:

	Balance, 7/1/24 (Restated)	Additions	Transfers/ Deletions	Balance, 6/30/25
<u>Governmental Activities:</u>				
Non-depreciated assets:				
Land	\$ 3,823,554	\$ 100,000	\$ -	\$ 3,923,554
Construction in progress	5,498,643	22,222,986	(553,302)	27,168,327
	<u>9,322,197</u>	<u>22,322,986</u>	<u>(553,302)</u>	<u>31,091,881</u>
Depreciated assets:				
Buildings and improvements	81,060,641	1,092,281	-	82,152,922
Furniture and equipment	7,827,128	292,306	-	8,119,434
Vehicles	4,443,062	466,251	(126,322)	4,782,991
	<u>93,330,831</u>	<u>1,850,838</u>	<u>(126,322)</u>	<u>95,055,347</u>
Less: accumulated depreciation	<u>(52,402,393)</u>	<u>(3,462,636)</u>	<u>119,459</u>	<u>(55,745,570)</u>
	<u>40,928,438</u>	<u>(1,611,798)</u>	<u>(6,863)</u>	<u>39,309,777</u>
Net capital assets	<u>\$ 50,250,635</u>	<u>\$ 20,711,188</u>	<u>\$ (560,165)</u>	<u>\$ 70,401,658</u>
<u>Current year depreciation:</u>				
Student and staff support				\$ 785,023
Transportation				390,890
Facilities management				2,286,723
				<u>\$ 3,462,636</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2025:

	Balance, 7/1/24 (Restated)	Additions	Reductions	Balance, 6/30/25	Current Portion
Bond payable	\$ 83,455,000	\$ 100,700,000	\$ (83,455,000)	\$ 100,700,000	\$ 5,035,000
Notes from direct borrowings payable	4,614,576	1,433,604	(1,584,488)	4,463,692	1,234,360
Bond premium payable	1,052,982	8,331,717	-	9,384,699	-
	<u>\$ 89,122,558</u>	<u>\$ 110,465,321</u>	<u>\$ (85,039,488)</u>	<u>\$ 114,548,391</u>	<u>\$ 6,269,360</u>

The following is a summary of the outstanding bonds payable and notes from direct borrowings payable:

Bond payable:

\$100,700,000 General Obligation Refunding Bonds with U.S. Bank Trust Company dated May of 2025. Annual principal payments of \$5,035,000 with a fixed interest rate of 5.00% per annum. Maturity in November of 2045. The bond has a premium of \$8,331,716.

100,700,000

Total bond payable

\$ 100,700,000

Notes from direct borrowings payable:

On September 15, 2020 The RSU for Raymond Schools entered into a loan agreement with Maine Municipal Bond Bank for the purpose of health, safety and compliance repairs for Raymond Schools. The agreement is a ten-year interest free loan with annual principal payments of \$156,349. However, each year, \$62,852 of that payment is forgiven in lieu of the Maine DOE. Principal payments by the RSU are to be made each September 15, beginning in FY22 for \$93,497 per annum, maturity in 2032.

\$ 560,980

On September 15, 2020 the RSU for Windham Schools entered into a loan agreement with Maine Municipal Bond Bank for the purpose of health, safety and compliance repairs for Windham Schools. The agreement is a ten-year interest free loan with annual principal payments of \$102,292. However, each year, \$41,121 of that payment is forgiven in lieu of the Maine DOE. Principal payments by the RSU are to be made each September 15, beginning in FY22 for \$61,761 per annum, maturity in 2032.

367,023

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT (CONTINUED)

\$53,553 capital lease with Apple Financial for iPads, due in annual principal and interest payments of \$13,689 through August of 2026. Interest is charged at a fixed rate of 1.50% per annum.	27,189
\$257,600, capital lease with Gorham Savings Leasing Group LLC for two buses, due in annual principal and interest payments of \$56,330 through July of 2027. Interest is charged at a fixed rate of 4.57% per annum.	154,644
\$76,313, capital lease with Gorham Savings Leasing Group LLC for two vans, due in annual principal and interest payments of \$20,446 through July of 2026. Interest is charged at a fixed rate of 4.68% per annum.	38,190
\$297,000, capital lease with Androscoggin Bank for three buses, due in annual principal and interest payments of \$61,194 through July of 2025. Interest is charged at a fixed rate of 1.51% per annum.	61,158
\$69,135, capital lease with Gorham Savings Leasing Group LLC for 2023 JD Tractor w/Acc's, due in annual principal and interest payments of \$18,522.62 through July of 2026. Interest is charged at a fixed rate of 4.68% per annum.	34,598
\$859,432, capital lease with Apple Financial for devices, due in annual principal and interest payments of \$214,858 through July of 2026. Interest is charged at a fixed rate of 0% per annum.	214,858
\$466,032, capital lease with Gorham Savings for copiers, due in annual principal and interest payments of \$99,429 through July of 2027. Interest is charged at a fixed rate of 2.95% per annum.	190,393
\$60,045, capital lease with Gorham Savings Leasing Group LLC for a JSS Ventilation System, due in annual principal and interest payments of \$16,087 through July of 2026. Interest is charged at a fixed rate of 4.68% per annum.	30,049
\$315,704 capital lease with Apple Financial for computer hardware, due in annual principal payments of \$190,375 for the first year and principal and interest payments of \$43,036 for the remaining years through August of 2026. Interest is charged at a fixed rate of 1.50% per annum.	84,173

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT (CONTINUED)

\$35,677, capital lease with Androscoggin Bank for a Kia van, due in annual principal and interest payments of \$9,436 through September of 2026. Interest is charged at a fixed rate of 3.89% per annum.	9,083
\$234,000, capital lease with Municipal Leasing Consultants for buses, due in annual principal and interest payments of \$50,643 through November of 2027. Interest is charged at a fixed rate of 4.11% per annum.	95,677
\$1,340,847, capital lease with Municipal Leasing Consultants for HVAC, due in annual principal and interest payments of \$114,687 to \$150,159 through July of 2032. Interest is charged at a fixed rate of 3.426% per annum.	952,240
\$784,532, capital lease with Municipal Leasing Consultants for HVAC, due in annual principal and interest payments of \$67,023 to \$87,930 through July of 2032. Interest is charged at a fixed rate of 3.452% per annum.	557,208
\$77,046, capital lease with Androscoggin Bank for two vans, due in annual principal and interest payments of \$20,906 through July of 2028. Interest is charged at a fixed rate of 5.75% per annum.	56,140
\$266,700, capital lease with Androscoggin Bank for two school buses, due in annual principal and interest payments of \$59,486 through July of 2029. Interest is charged at a fixed rate of 5.77% per annum.	207,214
\$38,390 capital lease with Apple Financial for iPads for elementary, due in annual principal payments of \$10,424 through July of 2028. Interest is charged at a fixed rate of 0% per annum.	31,271
\$412,415 capital lease with Apple Financial for 375 MacBook Airs for GR 6, due in annual principal payments of \$89,563 through July of 2028. Interest is charged at a fixed rate of 0% per annum.	268,688
\$59,385, capital SAN lease with Androscoggin Bank for technology equipment (Dell CTO Unity XT380), due in annual principal and interest payments of \$20,976 through July of 2027. Interest is charged at a fixed rate of 6.09% per annum.	38,409

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT (CONTINUED)

\$300,500, capital lease with Androscoggin Bank for two Viessmann C12-2000 Propane Boilers for RES, due in annual principal and interest payments of \$67,025 through July of 2029. Interest is charged at a fixed rate of 5.77% per annum.	233,475
\$174,700, capital lease with Androscoggin Bank for one Viessmann CA3-2500 condensing gas boiler with indirect water heater for WPS, due in annual principal and interest payments of \$38,966 through July of 2029. Interest is charged at a fixed rate of 5.77% per annum.	135,734
\$157,838, capital lease with Androscoggin Bank for electrical equipment and materials upgrade project for RES, due in annual principal and interest payments of \$43,286 through July of 2029. Interest is charged at a fixed rate of 6.19% per annum.	<u>115,298</u>
Total notes from direct borrowings payable	<u>\$ 4,463,692</u>

The following is a summary of outstanding bond and notes from direct borrowings principal and interest requirements for the fiscal years ending June 30:

Year Ending June 30,	Bond Payable		
	Principal	Interest	Total
2026	\$ 5,035,000	\$ 4,867,167	\$ 9,902,167
2027	5,035,000	4,909,125	9,944,125
2028	5,035,000	4,657,375	9,692,375
2029	5,035,000	4,405,625	9,440,625
2030	5,035,000	4,153,875	9,188,875
2031-2035	25,175,000	16,993,125	42,168,125
2036-2040	25,175,000	10,699,375	35,874,375
2041-2045	25,175,000	3,902,125	29,077,125
	<u>\$ 100,700,000</u>	<u>\$ 54,587,792</u>	<u>\$ 155,287,792</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Notes from Direct Borrowings Payable		
	Principal	Interest	Total
2026	\$ 1,234,360	\$ 125,402	\$ 1,359,762
2027	977,967	94,215	1,072,182
2028	724,965	63,102	788,067
2029	526,260	40,152	566,412
2030	377,203	23,733	400,936
2031-2035	622,937	24,268	647,205
	<u>\$ 4,463,692</u>	<u>\$ 370,872</u>	<u>\$ 4,834,564</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the Unit, for which its full faith and credit are pledged. The Unit is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the municipalities served by the Unit.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Reductions	Balance, 6/30/25	Current Portion
Net pension liability	\$ 864,239	\$ 1,094,236	\$ (1,242,743)	\$ 715,732	\$ -
Net OPEB liability	7,358,999	762,357	(615,128)	7,506,228	-
Accrued compensated absences	551,990	113,153	-	665,143	33,257
	<u>\$ 8,775,228</u>	<u>\$ 1,969,746</u>	<u>\$ (1,857,871)</u>	<u>\$ 8,887,103</u>	<u>\$ 33,257</u>

Please see Notes 14, 15 and 17 for detailed information on each of the other long-term obligations.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets at June 30, 2025:

Investments in capital assets	\$ 126,147,228
Accumulated depreciation	(55,745,570)
Outstanding capital related debt	(114,548,391)
Significant unspent debt proceeds	<u>83,632,273</u>
	<u>\$ 39,485,540</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 9 - RESTRICTED NET POSITION AND FUND BALANCES

The Unit had the following restricted net position and fund balances at June 30, 2025:

Nonmajor Special Revenue Funds (Schedule C):

Local entitlement preschool	\$	47
Program improvement funds		95
School lunch		57,509
Title IA		23,869
Title IIA		19,836
Adult - ed gifts and contributions		5,668
Backpackers		47,345
HiSet completion campaign		417
Ecomaine		163
Exxon Mobil		2,036
Gifts and contributions		525
Go green		5
HR Block contribution		44
Katahdin miscellaneous		5,332
Laptops		243,577
Let's go		11
Mentoring		1,562
Mini-grants		46,935
PROP grant		427
PTA		7,244
School media		1,362
State farm		3,355
Walmart grant		370
Wellness		345
Windham ice hockey		325
Child development services		16,968
Continuity of service		1,048
	<u>\$</u>	<u>486,420</u>

REGIONAL SCHOOL UNIT NO. 14  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 10 - NONSPENDABLE FUND BALANCE

The Unit had the following nonspendable fund balance at June 30, 2025:

Nonmajor Special Revenue Funds (Schedule C):	
School lunch	<u>\$ 39,055</u>

NOTE 11 - COMMITTED FUND BALANCES

The Unit had the following committed fund balances at June 30, 2025:

Middle school capital project	\$ 83,535,517
Nonmajor Special Revenue Funds (Schedule C):	
Student activities fund	192,424
Cumberland county super association	6,230
Admin certification	3,317
Nonmajor Capital Projects Funds (Schedule E):	
New reserve	2,195,702
Renewal and renovations	5,785
	<u>\$ 85,938,975</u>

NOTE 12 - ASSIGNED FUND BALANCE

The following fund balance have been assigned at June 30, 2025 for the following purposes:

General fund:	
FY26 budget reduction	<u>\$ 1,200,000</u>

NOTE 13 - DEFICIT FUND BALANCES

The Unit had the following deficit fund balances at June 30, 2025:

Nonmajor Special Revenue Funds (Schedule C):	
Adult education	\$ 887
Local entitlement	78,017
Title IV	8,198
ARP ESSER learning loss	14
	<u>\$ 87,116</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 14 - OVERSPENT APPROPRIATIONS

The Unit had the following expenditures over appropriations for the year ended June 30, 2025:

Other instruction	\$	18,724
Facilities maintenance		<u>1,060,455</u>
	\$	<u><u>1,079,179</u></u>

NOTE 15 - ACCRUED COMPENSATED ABSENCES

The Unit's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2025, the Unit's liability for compensated absences is \$665,143, which represents a net increase of \$113,153 from the prior year.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school Districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (207) 512-3100.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs 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 (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions. As of June 30, 2024, there were 241 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Unit's teachers are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for teachers covered by this program was approximately \$27,028,939 for the year ended June 30, 2025. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.51% of the Unit's contractually required contributions, which 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 (UAL). Contributions paid by the State were approximately \$3,921,899 for the year ended June 30, 2025. Title 5 of the Maine Revised Statutes Annotated also

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

requires the Unit to contribute at an actuarially determined normal cost rate of 4.47%, which totaled \$803,646 for 2025. In addition, the Unit is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 15.10% of compensation and totaled \$121,351 the year ended June 30, 2025.

**Pension Liabilities**

At June 30, 2025, the Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Unit. The amount recognized by the Unit 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 Unit were as follows:

Unit's proportionate share of the net pension liability	\$ 715,732
State's proportionate share of the net pension liability associated with the Unit	<u>24,700,834</u>
Total	<u>\$ 25,416,566</u>

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Unit's proportion of the net pension liability was based on a projection of the Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State actuarially determined. At June 30, 2024, the Unit's proportion was 0.052159%, which was a decrease of 0.00481% from its proportion measured as of June 30, 2023.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2025, the Unit recognized net expense of \$3,727,462 and revenue of \$5,328,808 for support provided by the State of Maine for the SET plan. At June 30, 2025, the Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	SET Plan	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,396	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	54,512
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,939	104,988
Contributions subsequent to the measurement date	<u>1,233,065</u>	<u>-</u>
Total	<u>\$ 1,355,400</u>	<u>\$ 159,500</u>

\$1,233,065 for the SET plan was reported as deferred outflows of resources related to pensions resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>SET Plan</u>
Plan year ended June 30:	
2025	\$ (63,201)
2026	52,948
2027	(16,415)
2028	(10,497)
2029	-
Thereafter	-

**Actuarial Methods and Assumptions**

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement:

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Actuarial Cost Method*

The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age of the member's expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2024 are as follows:

*Investment Rate of Return* - 6.50% per annum for the year ended June 30, 2024 and 2023, compounded annually.

*Salary Increases, Merit and Inflation* - state employees, 3.26% - 9.43%; teachers, 2.80% - 13.03%.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Mortality Rates* - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

*Cost of Living Benefit Increases* - 2.20% per annum for the year ended June 30, 2024.

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 class of assets. 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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2024 are summarized in the following table.

Asset Class	SET Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	5.6%
US Government	7.5%	2.2%
Private equity	15.0%	7.2%
Real assets:		
Real estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.1%
Traditional credit	7.5%	2.7%
Alternative credit	5.0%	6.4%
Diversifiers	10.0%	4.8%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.50% for 2024 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. 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 liability.

The following table shows how the collective net pension liability as of June 30, 2024 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
District's proportionate share of the net pension liability	\$ 1,501,798	\$ 715,732	\$ 61,464

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2024 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2024 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2023 and 2022, this was three years for the State Employee portion of the SET Plan, four years for Teacher portion. For 2021 through 2017, this was three years for the SET Plan.

*Differences between Expected and Actual Investment Earnings*

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the Actuarial Methods and Assumptions section for information relating to the use of assumptions.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2024 Annual Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE  
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

**Plan Description**

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school Units contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2024, there were 237 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (800) 451-9800.

**Benefits Provided**

The Group Life Insurance Plan (the Plan) 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 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions**

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Unit's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE  
INSURANCE PLAN (CONTINUED)

contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2025, was approximately \$87,271.

**OPEB Liabilities and OPEB Expense**

At June 30, 2025, the Unit reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Unit. The total portion of the net OPEB liability that was associated with the Unit were as follows:

Unit's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Unit		<u>428,940</u>
Total	\$	<u>428,940</u>

For the year ended June 30, 2025, the Unit recognized net OPEB expense of \$50,420 and revenue of \$50,420 for support provided by the State of Maine.

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

**Plan Description**

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

*Pensions.* MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

**Employees Covered by Benefit Terms**

At June 30, 2025, the following employees were covered by the benefit terms:

Active members	514
Retirees and spouses	<u>180</u>
Total	<u><u>694</u></u>

**Cost Sharing Provisions/Contributions**

Retirees are eligible for a State subsidy of 60% (effective November 1, 2023) and 55% (effective July 1, 2021) of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree pays 40% (November 1, 2023 and later) and 45% (July 1, 2021) of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree (and/or spouse). The Maine Education Association Benefits Trust is not responsible for the premium, but instead, the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability throughout this report.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

**Employee/Retiree Premium Amounts**

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

<b><u>Pre-Medicare</u></b>	<b>Employee Only</b>	<b>Employee/ Spouse</b>	<b>Employee/ Child(ren)</b>	<b>Employee/ Family</b>
Choice Plus	\$ 976.03	\$2,199.79	\$1,727.36	\$2,677.44
Standard \$500 Ded	\$ 927.22	\$2,089.81	\$1,641.00	\$2,543.57
Standard \$1,000 Ded	\$ 884.29	\$1,993.02	\$1,564.99	\$2,425.77

**Medicare**

Medicare-Eligible Retirees	\$ 356.17	\$ 712.34		
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**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2025, the Unit reported a liability of \$7,506,228 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date. The Unit's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2025, the Unit recognized OPEB pension expense of \$215,692. At June 30, 2025, the Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 220,026	\$ 489,117
Changes of assumptions	486,817	263,316
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	237,713	-
<b>Total</b>	<b>\$ 944,556</b>	<b>\$ 752,433</b>

\$237,713 were reported as deferred outflows of resources related to OPEB resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MEABT
Plan year ended June 30:	
2025	\$ 73,002
2026	15,005
2027	(35,584)
2028	(44,159)
2029	(29,278)
Thereafter	(24,576)

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2024. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.93% per annum for June 30, 2025 was based upon a measurement date of June 30, 2024. The sensitivity of total OPEB liability to changes in discount rate are as follows:

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Total OPEB liability	\$ 8,637,968	\$ 7,506,228	\$ 6,588,183
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 8,637,968</u>	<u>\$ 7,506,228</u>	<u>\$ 6,588,183</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 6,518,925	\$ 7,506,228	\$ 8,747,455
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 6,518,925</u>	<u>\$ 7,506,228</u>	<u>\$ 8,747,455</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

*Assumptions*

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, ie trend rates, were developed based on historical and future projections of long term health care rates:

Discount Rate - 3.93% per annum for year-end 2025 reporting, 3.65% per annum for year-end 2024 reporting.

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2025\_1b. The following assumptions were applied in this model as below:

Trend Assumption Inputs

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.75%
Rate of Growth in Real Income/GDP per capita 2032+	1.70%
Extra Trend due to Taste/Technology 2032+	0.90%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2045

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. Short-term trends reflect the known non-Medicare plan renewal for the year beginning July 1, 2025, and the guaranteed Medicare Advantage premium through December 31, 2025. We assumed an increase in the Medicare Advantage premium of 12.0% for January 1, 2026, to account for CMS-mandated changes that will affect the current guaranteed premium rate.

Pre-Medicare - Initial trend of 9.0% applied in FYE 2025 grading over 20 years to 4.50% per annum.

Medicare - Initial trend of 6.0% applied in FYE 2025 and 5.7% applied in FYE 2026 grading over 18 years to 4.5% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2024, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Administrative expenses - Included in the per capita claims cost

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

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2024 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2024 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

Rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2024, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2024 and projects through June 30, 2025 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

Medical Plan Election - Employees are assumed that 52.6% of retirees would elect the Choice plan, 40.6% elect the Standard \$200 plan, 3.1% elect the Standard \$500 plan and 3.7% elect the Standard \$1000 plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

**Changes in Total OPEB Liability**

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2024, there were no differences between expected and actual experience.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2019. For the fiscal year ended June 30, 2024, there were no changes in assumptions.

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN  
(CONTINUED)

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Regional School Unit No. 14 at 228 Windham Center Road, Windham, Maine 04062.

NOTE 19 - DEFERRED COMPENSATION PLAN

The Unit offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 403(b). 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.

NOTE 20 - CONTINGENCIES

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

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

The Unit receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the School and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2026 could include expenditures from the fiscal year of 2025 that would normally be accrued. The actual amount cannot be determined at this time, however, it is the position of the Regional School Unit No. 14 that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine school districts concerning this matter.

REGIONAL SCHOOL UNIT NO. 14

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 21 - RISK MANAGEMENT - PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Unit 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 Unit either carries commercial insurance or participates in a public entity risk pool, which is sponsored by the Maine School Management Association (MSMA) for Property and Casualty coverage and MEMIC for Workers' Compensation coverage. Based on the coverage provided by the pool described above, as well as coverage provided by commercial insurance purchased, the Unit is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2025.

NOTE 22 - RESTATEMENT

During fiscal year 2025, the Unit determined that certain transactions were incorrectly posted or omitted in the prior year. The governmental activities were restated to reflect the increase of capital asset corrections and notes from direct borrowings payable corrections which resulted in an increase to net position. Additionally, certain other fund balance corrections related to student activities were required. These changes resulted in adjustments too and restatements of net position and fund balance as follows:

	6/30/24 As Previously Reported	Fund Balance Correction	Net Position Correction	6/30/24 As Restated
Government-Wide				
Governmental Activities	<u>\$ 42,375,248</u>	<u>\$ -</u>	<u>\$ 3,971,393</u>	<u>\$ 46,346,641</u>
Governmental Funds				
Major Funds:				
General Fund	\$ 11,813,107	\$ -	\$ -	\$ 11,813,107
Middle School Capital Project	77,977,331	-	-	77,977,331
Other Governmental Funds	<u>3,146,944</u>	<u>(295,114)</u>	-	<u>2,851,830</u>
	<u>\$ 92,937,382</u>	<u>\$ (295,114)</u>	<u>\$ -</u>	<u>\$ 92,642,268</u>

## Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the Net OPEB Liability - SET Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

REGIONAL SCHOOL UNIT NO. 14

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,813,107	\$ 11,813,107	\$ 11,813,107	\$ -
Resources (Inflows):				
Intergovernmental revenues:				
Education subsidy	17,755,551	17,755,551	17,833,441	77,890
State agency	80,000	80,000	25,233	(54,767)
Other	70,000	70,000	228,483	158,483
Local assessment	41,015,852	41,015,852	41,015,852	-
Charges for services	15,000	15,000	73,582	58,582
Investment income	100,000	100,000	559,787	459,787
Miscellaneous revenues	149,000	149,000	414,660	265,660
Amounts Available for Appropriation	<u>70,998,510</u>	<u>70,998,510</u>	<u>71,964,145</u>	<u>965,635</u>
Charges to Appropriations (Outflows):				
Current:				
Regular instruction	24,080,260	24,080,260	23,020,116	1,060,144
Special education	10,972,503	10,972,503	9,641,619	1,330,884
Other instruction	1,207,157	1,207,157	1,225,881	(18,724)
Student/staff support	5,532,120	5,532,120	5,194,669	337,451
System administration	1,663,930	1,663,930	1,581,913	82,017
School administration	3,290,798	3,290,798	3,184,240	106,558
Transportation	3,878,520	3,878,520	3,608,719	269,801
Facilities management	7,993,740	7,993,740	9,054,195	(1,060,455)
Debt service:				
Principal	1,255,000	1,255,000	1,255,000	-
Interest	31,375	31,375	31,375	-
Transfers to other funds	280,000	2,040,000	1,760,000	280,000
Total Charges to Appropriations	<u>60,185,403</u>	<u>61,945,403</u>	<u>59,557,727</u>	<u>2,387,676</u>
Budgetary Fund Balance, June 30	<u>\$ 10,813,107</u>	<u>\$ 9,053,107</u>	<u>\$ 12,406,418</u>	<u>\$ 3,353,311</u>
Utilization of committed fund balance	\$ -	\$ 1,760,000	\$ -	\$ (1,760,000)
Utilization of assigned fund balance	1,000,000	1,000,000	-	(1,000,000)
	<u>\$1,000,000</u>	<u>\$2,760,000</u>	<u>-</u>	<u>(2,760,000)</u>

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

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>SET Plan:</u>										
Unit's proportion of the net pension liability (asset)	0.05%	0.06%	0.06%	0.05%	0.05%	0.06%	0.05%	0.06%	0.05%	0.05%
Unit's proportionate share of the net pension liability (asset)	\$ 715,732	\$ 864,239	\$ 912,122	\$ 401,108	\$ 806,986	\$ 808,665	\$ 703,397	\$ 857,592	\$ 850,647	\$ 708,339
State's proportionate share of the net pension liability (asset) associated with the Unit	<u>24,700,834</u>	<u>24,654,544</u>	<u>24,530,025</u>	<u>13,978,570</u>	<u>26,825,828</u>	<u>23,822,916</u>	<u>\$ 22,049,305</u>	<u>\$ 23,436,406</u>	<u>\$ 29,834,658</u>	<u>\$ 23,625,902</u>
Total	<u>\$ 25,416,566</u>	<u>\$ 25,518,783</u>	<u>\$ 25,442,147</u>	<u>\$ 14,379,678</u>	<u>\$ 27,632,814</u>	<u>\$ 24,631,581</u>	<u>\$ 22,752,702</u>	<u>\$ 24,293,998</u>	<u>\$ 30,685,305</u>	<u>\$ 24,334,241</u>
Unit's covered payroll	\$ 24,967,771	\$ 24,998,540	\$ 24,358,233	\$ 23,181,917	\$ 22,162,700	\$ 21,457,615	\$ 20,716,937	\$ 20,250,559	\$ 20,507,033	\$ 20,626,208
Unit's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2.87%	3.46%	3.74%	1.73%	3.64%	3.77%	3.40%	4.23%	4.15%	3.43%
Plan fiduciary net position as a percentage of the total pension liability	87.59%	86.03%	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%

\* The amounts presented for each fiscal year were determined as of June 30.

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

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF CONTRIBUTIONS - PENSION  
LAST 10 FISCAL YEARS

SET Plan:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution										
Contributions in relation to the contractually required contribution	\$1,233,065	\$ 1,149,559	\$ 1,086,913	\$ 935,291	\$ 1,053,264	\$ 921,967	\$ 851,867	\$ 822,415	\$ 680,419	\$ 689,036
	<u>(1,233,065)</u>	<u>(1,149,559)</u>	<u>(1,086,913)</u>	<u>(935,291)</u>	<u>(1,053,264)</u>	<u>(921,967)</u>	<u>(851,867)</u>	<u>(822,415)</u>	<u>(680,419)</u>	<u>(689,036)</u>
Contribution deficiency (excess)										
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unit's covered payroll										
Contributions as a percentage of covered payroll	\$27,028,939	\$ 24,967,771	\$ 24,998,540	\$ 24,358,233	\$ 23,181,917	\$ 22,162,700	\$ 21,457,615	\$ 20,716,937	\$ 20,250,559	\$ 20,507,033
	4.56%	4.60%	4.35%	3.84%	4.54%	4.16%	3.97%	3.97%	3.36%	3.36%

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

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SET PLAN  
LAST 10 FISCAL YEARS\*

	2025	2024	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>								
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unit's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Unit	428,940	622,812	672,427	344,182	710,943	666,417	667,664	651,065
Total	<u>\$ 428,940</u>	<u>\$ 622,812</u>	<u>\$ 672,427</u>	<u>\$ 344,182</u>	<u>\$ 710,943</u>	<u>\$ 666,417</u>	<u>\$ 667,664</u>	<u>\$ 651,065</u>
Covered payroll	\$ 24,967,771	\$ 24,998,540	\$ 24,358,233	\$ 23,181,917	\$ 22,162,700	\$ 21,457,615	\$ 20,716,937	\$ 20,250,559
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	66.13%	56.97%	52.39%	62.90%	55.40%	49.51%	49.22%	48.04%

\* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

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

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN  
FOR THE YEAR ENDED JUNE 30, 2025

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/23 (Reporting June 30, 2024)	\$ 7,358,999	\$ -	\$ 7,358,999
Changes for the year:			
Service cost	154,573	-	154,573
Interest	270,989	-	270,989
Changes of benefits	-	-	-
Differences between expected and actual experience	(558,991)	-	(558,991)
Changes of assumptions	460,681	-	460,681
Contributions - employer	-	180,023	(180,023)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(180,023)	(180,023)	-
Administrative expense	-	-	-
Net changes	<u>147,229</u>	<u>-</u>	<u>147,229</u>
Balances at 6/30/24 (Reporting June 30, 2025)	<u>\$ 7,506,228</u>	<u>\$ -</u>	<u>\$ 7,506,228</u>

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

## REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
MEABT PLAN  
LAST 10 FISCAL YEARS\*

	2025	2024	2023	2022	2021	2020	2019
<u>Total OPEB liability</u>							
Service cost (BOY)	\$ 154,573	\$ 144,837	\$ 184,075	\$ 155,864	\$ 75,629	\$ 63,590	\$ 68,193
Interest (includes interest on service cost)	270,989	258,683	157,161	155,314	253,074	259,451	247,028
Changes of benefit terms	-	-	-	-	(775,755)	-	-
Differences between expected and actual experience	(558,991)	-	173,275	-	423,543	-	-
Changes of assumptions	460,681	(118,929)	(277,429)	60,024	(69,427)	405,991	(316,109)
Benefit payments, including refunds of member contributions	(180,023)	(174,837)	(158,586)	(143,956)	(235,221)	(194,020)	(187,314)
Net change in total OPEB liability	<u>\$ 147,229</u>	<u>\$ 109,754</u>	<u>\$ 78,496</u>	<u>\$ 227,246</u>	<u>\$ (328,157)</u>	<u>\$ 535,012</u>	<u>\$ (188,202)</u>
Total OPEB liability - beginning	\$ 7,358,999	\$ 7,249,245	\$ 7,170,749	\$ 6,943,503	\$ 7,271,660	\$ 6,736,648	\$ 6,924,850
Total OPEB liability - ending	<u>\$ 7,506,228</u>	<u>\$ 7,358,999</u>	<u>\$ 7,249,245</u>	<u>\$ 7,170,749</u>	<u>\$ 6,943,503</u>	<u>\$ 7,271,660</u>	<u>\$ 6,736,648</u>
<u>Plan fiduciary net position</u>							
Contributions - employer	180,023	174,837	158,586	143,956	235,221	194,020	187,314
Contributions - member	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(180,023)	(174,837)	(158,586)	(143,956)	(235,221)	(194,020)	(187,314)
Administrative expense	-	-	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 7,506,228</u>	<u>\$ 7,358,999</u>	<u>\$ 7,249,245</u>	<u>\$ 7,170,749</u>	<u>\$ 6,943,503</u>	<u>\$ 7,271,660</u>	<u>\$ 6,736,648</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-	-
Covered payroll	\$ 23,027,100	\$ 23,101,448	\$ 22,428,458	\$ 22,403,890	\$ 21,857,454	\$ 22,430,447	\$ 21,830,119
Net OPEB liability as a percentage of covered payroll	32.6%	31.9%	32.3%	32.0%	31.8%	32.4%	30.9%

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

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

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	2025	2024	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 27,028,939	\$ 24,967,771	\$ 24,998,540	\$ 24,358,233	\$ 23,181,917	\$ 22,162,700	\$ 21,457,615	\$ 20,716,937
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2025	2024	2023	2022	2021	2020	2019	
<u>MEABT:</u>								
Employer contributions	\$ 180,023	\$ 174,837	\$ 158,586	\$ 143,956	\$ 235,221	\$ 194,020	\$ 187,314	
Benefit payments	(180,023)	(174,837)	(158,586)	(143,956)	(235,221)	(194,020)	(187,314)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 23,027,100	\$ 23,101,448	\$ 22,428,458	\$ 22,403,890	\$ 21,857,454	\$ 22,430,447	\$ 21,830,119	
Contributions as a percentage of covered payroll	0.78%	0.76%	0.71%	0.64%	1.08%	0.86%	0.86%	

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

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

REGIONAL SCHOOL UNIT NO. 14

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025

**Changes of Assumptions**

MEPERS SET Plan:

There was a change to the annual salary increases, including inflation, to state employees, 3.26% - 9.43% per year from state employees, 2.75% - 11.48%.

MEPERS SET OPEB Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEABT OPEB Plan:

There was a change in the discount rate from 3.65% to 3.93% per GASB 75 discount rate selection. There was also updated census, economic and health cost assumptions.

## Other Supplementary Information

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

- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Schedule of Net Position - Private-Purpose Trust Funds
- Combining Schedule of Changes in Net Position - Private Purpose Trust Funds

## REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 193,391	\$ -	\$ 193,391
Due from other governments	748,303	919,212	1,667,515
Inventory	39,055	-	39,055
Due from other funds	440,089	1,282,275	1,722,364
<b>TOTAL ASSETS</b>	<u>\$ 1,420,838</u>	<u>\$ 2,201,487</u>	<u>\$ 3,622,325</u>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 234,278	\$ -	\$ 234,278
Due to other funds	544,628	-	544,628
<b>TOTAL LIABILITIES</b>	<u>778,906</u>	<u>-</u>	<u>778,906</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	1,602	-	1,602
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,602</u>	<u>-</u>	<u>1,602</u>
<b>FUND BALANCES</b>			
Nonspendable	39,055	-	39,055
Restricted	486,420	-	486,420
Committed	201,971	2,201,487	2,403,458
Assigned	-	-	-
Unassigned (deficits)	(87,116)	-	(87,116)
<b>TOTAL FUND BALANCES</b>	<u>640,330</u>	<u>2,201,487</u>	<u>2,841,817</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,420,838</u>	<u>\$ 2,201,487</u>	<u>\$ 3,622,325</u>

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

## REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenue	\$ 5,146,558	\$ -	\$ 5,146,558
Charges for services	259,385	-	259,385
Other	390,517	-	390,517
TOTAL REVENUES	<u>5,796,460</u>	<u>-</u>	<u>5,796,460</u>
EXPENDITURES			
Program expenses	6,113,369	-	6,113,369
Capital outlay	-	1,453,104	1,453,104
TOTAL EXPENDITURES	<u>6,113,369</u>	<u>1,453,104</u>	<u>7,566,473</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(316,909)</u>	<u>(1,453,104)</u>	<u>(1,770,013)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	72,050	1,760,000	1,832,050
Transfers (out)	<u>(72,050)</u>	<u>-</u>	<u>(72,050)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,760,000</u>	<u>1,760,000</u>
NET CHANGE IN FUND BALANCES	<u>(316,909)</u>	<u>306,896</u>	<u>(10,013)</u>
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	1,252,353	1,894,591	3,146,944
FUND BALANCE CORRECTION	<u>(295,114)</u>	<u>-</u>	<u>(295,114)</u>
FUND BALANCES - JULY 1, AS RESTATED	<u>957,239</u>	<u>1,894,591</u>	<u>2,851,830</u>
FUND BALANCES - JUNE 30	<u>\$ 640,330</u>	<u>\$ 2,201,487</u>	<u>\$ 2,841,817</u>

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

## Special Revenue Funds

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

## REGIONAL SCHOOL UNIT NO. 14

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2025

	Adult Education	ARP SLRF Pre-K	McKinney- Vento Homeless	MLTI	Local Entitlement
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	18,240	38,943	1,944	-	282,541
Inventory	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 18,240</u></b>	<b><u>\$ 38,943</u></b>	<b><u>\$ 1,944</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 282,541</u></b>
<b>LIABILITIES</b>					
Accrued liabilities	\$ 12,189	\$ -	\$ -	\$ -	\$ 50,576
Due to other funds	6,938	37,831	1,944	-	309,982
<b>TOTAL LIABILITIES</b>	<b><u>19,127</u></b>	<b><u>37,831</u></b>	<b><u>1,944</u></b>	<b><u>-</u></b>	<b><u>360,558</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue	-	1,112	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>1,112</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(887)	-	-	-	(78,017)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b><u>(887)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(78,017)</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b><u>\$ 18,240</u></b>	<b><u>\$ 38,943</u></b>	<b><u>\$ 1,944</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 282,541</u></b>

REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

	Local Entitlement Preschool	Program Improvement Funds	Restorative Practices	School Lunch	Title IA	Title IIA	Title IV	Student Activities Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 967	\$ -	\$ -	\$ -	\$ 192,424
Due from other governments	-	-	-	116,073	74,777	29,608	7,760	-
Inventory	-	-	-	39,055	-	-	-	-
Due from other funds	47	95	450	59,953	-	5,001	-	-
<b>TOTAL ASSETS</b>	<b>\$ 47</b>	<b>\$ 95</b>	<b>\$ 450</b>	<b>\$ 216,048</b>	<b>\$ 74,777</b>	<b>\$ 34,609</b>	<b>\$ 7,760</b>	<b>\$ 192,424</b>
<b>LIABILITIES</b>								
Accrued liabilities	\$ -	\$ -	\$ -	\$ 119,484	\$ 28,415	\$ 14,773	\$ -	\$ -
Due to other funds	-	-	450	-	22,493	-	15,958	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>119,484</b>	<b>50,908</b>	<b>14,773</b>	<b>15,958</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	39,055	-	-	-	-
Restricted	47	95	-	57,509	23,869	19,836	-	-
Committed	-	-	-	-	-	-	-	192,424
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(8,198)	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>47</b>	<b>95</b>	<b>-</b>	<b>96,564</b>	<b>23,869</b>	<b>19,836</b>	<b>(8,198)</b>	<b>192,424</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 47</b>	<b>\$ 95</b>	<b>\$ 450</b>	<b>\$ 216,048</b>	<b>\$ 74,777</b>	<b>\$ 34,609</b>	<b>\$ 7,760</b>	<b>\$ 192,424</b>

REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

	Federal Title IA Disadvantaged	Adult-Ed Gifts and Contributions	Backpackers	HiSet Completion Campaign	Ecomaine	Exxon Mobil	Gifts and Contributions	Go Green
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	849	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	-	5,668	47,345	417	163	2,036	525	5
<b>TOTAL ASSETS</b>	<b>\$ 849</b>	<b>\$ 5,668</b>	<b>\$ 47,345</b>	<b>\$ 417</b>	<b>\$ 163</b>	<b>\$ 2,036</b>	<b>\$ 525</b>	<b>\$ 5</b>
<b>LIABILITIES</b>								
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	849	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	5,668	47,345	417	163	2,036	525	5
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>5,668</b>	<b>47,345</b>	<b>417</b>	<b>163</b>	<b>2,036</b>	<b>525</b>	<b>5</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 849</b>	<b>\$ 5,668</b>	<b>\$ 47,345</b>	<b>\$ 417</b>	<b>\$ 163</b>	<b>\$ 2,036</b>	<b>\$ 525</b>	<b>\$ 5</b>

REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

	HR Block Contribution	Katahdin Miscellaneous	Laptops	Cumberland County Super Assoc.	Let's Go	Mentoring	Mini-Grants	PROP Grant
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	100	-	-	3,000	-
Inventory	-	-	-	-	-	-	-	-
Due from other funds	44	5,332	243,577	6,130	11	1,562	43,935	427
<b>TOTAL ASSETS</b>	<u>\$ 44</u>	<u>\$ 5,332</u>	<u>\$ 243,577</u>	<u>\$ 6,230</u>	<u>\$ 11</u>	<u>\$ 1,562</u>	<u>\$ 46,935</u>	<u>\$ 427</u>
<b>LIABILITIES</b>								
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	44	5,332	243,577	-	11	1,562	46,935	427
Committed	-	-	-	6,230	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>44</u>	<u>5,332</u>	<u>243,577</u>	<u>6,230</u>	<u>11</u>	<u>1,562</u>	<u>46,935</u>	<u>427</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 44</u>	<u>\$ 5,332</u>	<u>\$ 243,577</u>	<u>\$ 6,230</u>	<u>\$ 11</u>	<u>\$ 1,562</u>	<u>\$ 46,935</u>	<u>\$ 427</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

	PTA	Admin Certification	School Media	State Farm	Walmart Grant	Wellness	ARP SLFR	ARP SLFR - ELO
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	490	45,551
Inventory	-	-	-	-	-	-	-	-
Due from other funds	7,244	3,317	1,362	3,355	370	345	-	-
<b>TOTAL ASSETS</b>	<u>\$ 7,244</u>	<u>\$ 3,317</u>	<u>\$ 1,362</u>	<u>\$ 3,355</u>	<u>\$ 370</u>	<u>\$ 345</u>	<u>\$ 490</u>	<u>\$ 45,551</u>
<b>LIABILITIES</b>								
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	45,551
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,551</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	-	-	-	-	-	490	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	7,244	-	1,362	3,355	370	345	-	-
Committed	-	3,317	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>7,244</u>	<u>3,317</u>	<u>1,362</u>	<u>3,355</u>	<u>370</u>	<u>345</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 7,244</u>	<u>\$ 3,317</u>	<u>\$ 1,362</u>	<u>\$ 3,355</u>	<u>\$ 370</u>	<u>\$ 345</u>	<u>\$ 490</u>	<u>\$ 45,551</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

	ARP ESSER Learning Loss	Windham Ice Hockey	Child Development Services	Continuity of Service	Agency Fund Transportation	Federal K Transition Grant	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,391
Due from other governments	-	-	114,049	-	6,964	7,414	748,303
Inventory	-	-	-	-	-	-	39,055
Due from other funds	-	325	-	1,048	-	-	440,089
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 325</b>	<b>\$ 114,049</b>	<b>\$ 1,048</b>	<b>\$ 6,964</b>	<b>\$ 7,414</b>	<b>\$ 1,420,838</b>
<b>LIABILITIES</b>							
Accrued liabilities	\$ -	\$ -	\$ 8,841	\$ -	\$ -	\$ -	\$ 234,278
Due to other funds	14	-	88,240	-	6,964	7,414	544,628
<b>TOTAL LIABILITIES</b>	<b>14</b>	<b>-</b>	<b>97,081</b>	<b>-</b>	<b>6,964</b>	<b>7,414</b>	<b>778,906</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	-	-	-	-	-	-	1,602
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,602</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	39,055
Restricted	-	325	16,968	1,048	-	-	486,420
Committed	-	-	-	-	-	-	201,971
Assigned	-	-	-	-	-	-	-
Unassigned	(14)	-	-	-	-	-	(87,116)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(14)</b>	<b>325</b>	<b>16,968</b>	<b>1,048</b>	<b>-</b>	<b>-</b>	<b>640,330</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 325</b>	<b>\$ 114,049</b>	<b>\$ 1,048</b>	<b>\$ 6,964</b>	<b>\$ 7,414</b>	<b>\$ 1,420,838</b>

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

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Adult Education	ARP SLRF Pre-K	McKinney- Vento Homeless	MLTI	Local Entitlement
REVENUES					
Intergovernmental	\$ 592,127	\$ 47,288	\$ 13,324	\$ 172,125	\$ 907,849
Charges for services	53,167	-	-	-	-
Other	6,780	-	-	-	-
TOTAL REVENUES	<u>652,074</u>	<u>47,288</u>	<u>13,324</u>	<u>172,125</u>	<u>907,849</u>
EXPENDITURES					
Program expenses	663,583	47,288	13,324	172,125	919,126
TOTAL EXPENDITURES	<u>663,583</u>	<u>47,288</u>	<u>13,324</u>	<u>172,125</u>	<u>919,126</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,509)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,277)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(11,509)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,277)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	10,622	-	-	-	(66,740)
FUND BALANCE CORRECTION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>10,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,740)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (887)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,017)</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Local Entitlement Preschool	Program Improvement Funds	Restorative Practices	School Lunch	Title IA	Title IIA	Title IV	Student Activities Funds
REVENUES								
Intergovernmental	\$ 22,279	\$ 11,505	\$ -	\$ 2,369,883	\$ 511,195	\$ 115,000	\$ 63,514	\$ -
Charges for services	-	-	-	206,218	-	-	-	-
Other	-	-	-	2,671	-	-	-	216,284
TOTAL REVENUES	<u>22,279</u>	<u>11,505</u>	<u>-</u>	<u>2,578,772</u>	<u>511,195</u>	<u>115,000</u>	<u>63,514</u>	<u>216,284</u>
EXPENDITURES								
Program expenses	<u>22,279</u>	<u>16,692</u>	<u>-</u>	<u>2,891,576</u>	<u>582,499</u>	<u>96,531</u>	<u>-</u>	<u>233,350</u>
TOTAL EXPENDITURES	<u>22,279</u>	<u>16,692</u>	<u>-</u>	<u>2,891,576</u>	<u>582,499</u>	<u>96,531</u>	<u>-</u>	<u>233,350</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(5,187)</u>	<u>-</u>	<u>(312,804)</u>	<u>(71,304)</u>	<u>18,469</u>	<u>63,514</u>	<u>(17,066)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	72,050	-	-	-
Transfers (out)	-	-	-	-	-	(11,282)	(60,768)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,050</u>	<u>(11,282)</u>	<u>(60,768)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>-</u>	<u>(5,187)</u>	<u>-</u>	<u>(312,804)</u>	<u>746</u>	<u>7,187</u>	<u>2,746</u>	<u>(17,066)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	47	5,282	-	409,368	23,123	12,649	(10,944)	504,604
FUND BALANCE CORRECTION	-	-	-	-	-	-	-	(295,114)
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>47</u>	<u>5,282</u>	<u>-</u>	<u>409,368</u>	<u>23,123</u>	<u>12,649</u>	<u>(10,944)</u>	<u>209,490</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 47</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 96,564</u>	<u>\$ 23,869</u>	<u>\$ 19,836</u>	<u>\$ (8,198)</u>	<u>\$ 192,424</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Federal Title IA Disadvantaged	Adult-Ed Gifts and Contributions	Backpackers	HiSet Completion Campaign	Ecomaine	Exxon Mobil	Gifts and Contributions	Go Green
REVENUES								
Intergovernmental	\$ 57,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other	-	14	38,928	-	-	501	-	-
TOTAL REVENUES	<u>57,243</u>	<u>14</u>	<u>38,928</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Program expenses	40,658	-	35,865	-	-	-	(50)	-
TOTAL EXPENDITURES	<u>40,658</u>	<u>-</u>	<u>35,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,585</u>	<u>14</u>	<u>3,063</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>50</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>16,585</u>	<u>14</u>	<u>3,063</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>50</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	(16,585)	5,654	44,282	417	163	1,535	475	5
FUND BALANCE CORRECTION	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>(16,585)</u>	<u>5,654</u>	<u>44,282</u>	<u>417</u>	<u>163</u>	<u>1,535</u>	<u>475</u>	<u>5</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 5,668</u>	<u>\$ 47,345</u>	<u>\$ 417</u>	<u>\$ 163</u>	<u>\$ 2,036</u>	<u>\$ 525</u>	<u>\$ 5</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	HR Block Contribution	Katahdin Miscellaneous	Laptops	Cumberland County Super Assoc.	Let's Go	Mentoring	Mini-Grants	PROP Grant
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,240	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other	-	150	72,481	2,000	-	-	21,295	-
TOTAL REVENUES	-	150	72,481	2,000	-	-	35,535	-
EXPENDITURES								
Program expenses	-	993	91,608	666	-	-	28,212	-
TOTAL EXPENDITURES	-	993	91,608	666	-	-	28,212	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(843)	(19,127)	1,334	-	-	7,323	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(843)	(19,127)	1,334	-	-	7,323	-
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	44	6,175	262,704	4,896	11	1,562	39,612	427
FUND BALANCE CORRECTION	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	44	6,175	262,704	4,896	11	1,562	39,612	427
FUND BALANCES (DEFICITS) - JUNE 30	\$ 44	\$ 5,332	\$ 243,577	\$ 6,230	\$ 11	\$ 1,562	\$ 46,935	\$ 427

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	PTA	Admin Certification	School Media	State Farm	Walmart Grant	Wellness	ARP SLFR	ARP SLFR - ELO
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,383
Charges for services	-	-	-	-	-	-	-	-
Other	2,000	3,975	394	-	-	500	-	-
TOTAL REVENUES	<u>2,000</u>	<u>3,975</u>	<u>394</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>58,383</u>
EXPENDITURES								
Program expenses	1,150	3,055	-	-	46	502	-	58,383
TOTAL EXPENDITURES	<u>1,150</u>	<u>3,055</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>502</u>	<u>-</u>	<u>58,383</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>850</u>	<u>920</u>	<u>394</u>	<u>-</u>	<u>(46)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>850</u>	<u>920</u>	<u>394</u>	<u>-</u>	<u>(46)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	6,394	2,397	968	3,355	416	347	-	-
FUND BALANCE CORRECTION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>6,394</u>	<u>2,397</u>	<u>968</u>	<u>3,355</u>	<u>416</u>	<u>347</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 7,244</u>	<u>\$ 3,317</u>	<u>\$ 1,362</u>	<u>\$ 3,355</u>	<u>\$ 370</u>	<u>\$ 345</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	ARP ESSER Learning Loss	Windham Ice Hockey	Child Development Services	Continuity of Service	Agency Fund Transportation	Federal K Transition Grant	Total
REVENUES							
Intergovernmental	\$ 64,641	\$ -	\$ 125,962	\$ -	\$ -	\$ 7,414	\$ 5,146,558
Charges for services	-	-	-	-	-	-	259,385
Other	-	-	-	-	22,544	-	390,517
TOTAL REVENUES	<u>64,641</u>	<u>-</u>	<u>125,962</u>	<u>-</u>	<u>22,544</u>	<u>7,414</u>	<u>5,796,460</u>
EXPENDITURES							
Program expenses	<u>63,815</u>	<u>-</u>	<u>107,549</u>	<u>-</u>	<u>22,544</u>	<u>7,414</u>	<u>6,113,369</u>
TOTAL EXPENDITURES	<u>63,815</u>	<u>-</u>	<u>107,549</u>	<u>-</u>	<u>22,544</u>	<u>7,414</u>	<u>6,113,369</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>826</u>	<u>-</u>	<u>18,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,909)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	72,050
Transfers (out)	-	-	-	-	-	-	(72,050)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>826</u>	<u>-</u>	<u>18,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,909)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	(840)	325	(1,445)	1,048	-	-	1,252,353
FUND BALANCE CORRECTION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(295,114)</u>
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	<u>(840)</u>	<u>325</u>	<u>(1,445)</u>	<u>1,048</u>	<u>-</u>	<u>-</u>	<u>957,239</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (14)</u>	<u>\$ 325</u>	<u>\$ 16,968</u>	<u>\$ 1,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,330</u>

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

## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

## REGIONAL SCHOOL UNIT NO. 14

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2025

	Capital Reserve	Renewal and Renovations	Total
<b>ASSETS</b>			
Due from other governments	\$ 919,212	\$ -	\$ 919,212
Due from other funds	1,276,490	5,785	1,282,275
<b>TOTAL ASSETS</b>	<u>\$ 2,195,702</u>	<u>\$ 5,785</u>	<u>\$ 2,201,487</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	2,195,702	5,785	2,201,487
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,195,702</u>	<u>5,785</u>	<u>2,201,487</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,195,702</u>	<u>\$ 5,785</u>	<u>\$ 2,201,487</u>

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

## REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Reserve	Renewal and Renovations	Total
REVENUES			
Other	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital outlay	1,453,104	-	1,453,104
TOTAL EXPENDITURES	<u>1,453,104</u>	<u>-</u>	<u>1,453,104</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,453,104)</u>	<u>-</u>	<u>(1,453,104)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,760,000	-	1,760,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,760,000</u>	<u>-</u>	<u>1,760,000</u>
NET CHANGE IN FUND BALANCES	306,896	-	306,896
FUND BALANCES - JULY 1	<u>1,888,806</u>	<u>5,785</u>	<u>1,894,591</u>
FUND BALANCES - JUNE 30	<u>\$ 2,195,702</u>	<u>\$ 5,785</u>	<u>\$ 2,201,487</u>

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

## Private-Purpose Trust Funds

Private-purpose trust funds are used to account for assets held by the Unit that are legally restricted for purposes that benefit parties outside of Unit.

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
JUNE 30, 2025

	Project Graduation Molly Call Fund	Lake Pine Association Scholarship	Kelli Hutchinson Scholarship	Johanna C. Bell Scholarship	Paul Folan Scholarship	Langley Scholarship	Student Council Scholarship	Manchester Scholarship	Varney Scholarship	High School	Total
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,252	\$ 350,252
Investments	1,791	13,008	1,127	-	555	4,327	7,577	-	39,481	-	67,866
<b>TOTAL ASSETS</b>	<b>\$ 1,791</b>	<b>\$ 13,008</b>	<b>\$ 1,127</b>	<b>\$ -</b>	<b>\$ 555</b>	<b>\$ 4,327</b>	<b>\$ 7,577</b>	<b>\$ -</b>	<b>\$ 39,481</b>	<b>\$ 350,252</b>	<b>\$ 418,118</b>
<b>LIABILITIES</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>											
Held in trust	1,791	13,008	1,127	-	555	4,327	7,577	-	39,481	350,252	418,118
<b>TOTAL NET POSITION</b>	<b>1,791</b>	<b>13,008</b>	<b>1,127</b>	<b>-</b>	<b>555</b>	<b>4,327</b>	<b>7,577</b>	<b>-</b>	<b>39,481</b>	<b>350,252</b>	<b>418,118</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>											
	<b>\$ 1,791</b>	<b>\$ 13,008</b>	<b>\$ 1,127</b>	<b>\$ -</b>	<b>\$ 555</b>	<b>\$ 4,327</b>	<b>\$ 7,577</b>	<b>\$ -</b>	<b>\$ 39,481</b>	<b>\$ 350,252</b>	<b>\$ 418,118</b>

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

REGIONAL SCHOOL UNIT NO. 14

COMBINING SCHEDULE OF CHANGES IN NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Project Graduation Molly Call Fund	Lake Pine Association Scholarship	Kelli Hutchinson Scholarship	Johanna C. Bell Scholarship	Paul Folan Scholarship	Langley Scholarship	Student Council Scholarship	Manchester Scholarship	Varney Scholarship	High School	Total
ADDITIONS											
Investment income	\$ 54	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ 25	\$ -	\$ 1,214	\$ -	\$ 1,334
Other	-	-	-	-	-	-	-	-	-	455,706	455,706
TOTAL ADDITIONS	54	-	41	-	-	-	25	-	1,214	455,706	457,040
DEDUCTIONS											
Scholarships	-	725	-	790	178	338	-	15	-	400,445	402,491
TOTAL DEDUCTIONS	-	725	-	790	178	338	-	15	-	400,445	402,491
NET CHANGE IN NET POSITION	54	(725)	41	(790)	(178)	(338)	25	(15)	1,214	55,261	54,549
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	1,737	13,733	1,086	790	733	4,665	7,552	15	38,267	-	68,578
NET POSITION CORRECTION	-	-	-	-	-	-	-	-	-	294,991	294,991
NET POSITION - JULY 1, AS RESTATED	1,737	13,733	1,086	790	733	4,665	7,552	15	38,267	294,991	363,569
NET POSITION - JUNE 30	\$ 1,791	\$ 13,008	\$ 1,127	\$ -	\$ 555	\$ 4,327	\$ 7,577	\$ -	\$ 39,481	\$ 350,252	\$ 418,118

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

## Federal Compliance Description

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2025

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing	Pass Through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through State of Maine-Department of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	3014	\$ 536,388	\$ -
National School Lunch Program	10.555	3022	1,633,291	-
Subtotal Child Nutrition Cluster			<u>2,169,679</u>	<u>-</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	4790	<u>71,406</u>	<u>-</u>
Total Department of Agriculture			<u>2,241,085</u>	<u>-</u>
U.S. Department of Education				
Passed through State of Maine-Department of Education and Cultural Services:				
Adult Education - Basic Grants to States	84.002	N/A	<u>16,945</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010A	3106	<u>573,077</u>	<u>-</u>
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	3046	846,776	-
Special Education Preschool Grants	84.173A	6247	<u>22,279</u>	<u>-</u>
Subtotal Special Education Cluster (IDEA)			<u>869,055</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367A	3042	<u>103,889</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424A	N/A	<u>60,768</u>	<u>-</u>
Education Stabilization Fund	84.425U	2627	<u>60,092</u>	<u>-</u>
Total Department of Education			<u>1,683,826</u>	<u>-</u>
U.S. Department of Treasury				
Passed through State of Maine-Department of Education and Cultural Services:				
Coronavirus Relief Fund	21.027	N/A	25,154	-
Coronavirus Relief Fund	21.027	N/A	<u>59,483</u>	<u>-</u>
Total U.S. Department of Treasury			<u>84,637</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 4,009,548</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 14

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Regional School Unit No. 14 under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional School Unit No. 14, it is not intended to and does not present the financial position, changes in net position or cash flows of the Regional School Unit No. 14.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Regional School Unit No. 14 has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



Proven Expertise & Integrity

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

Board of Directors  
Regional School Unit No. 14  
Windham, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School Unit No. 14 as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Regional School Unit No. 14's basic financial statements and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Regional School Unit No. 14's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional School Unit No. 14's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regional School Unit No. 14's internal control.

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

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

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional School Unit No. 14's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

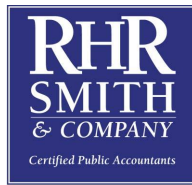
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Regional School Unit No. 14's in a separate letter dated December 17, 2025.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
December 17, 2025



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Regional School Unit No. 14  
Windham, Maine

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Regional School Unit No. 14's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Example Entity's major federal programs for the year ended June 30, 2025. Regional School Unit No. 14's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Regional School Unit No. 14 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Regional School Unit No. 14 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Regional School Unit No. 14's compliance with the compliance requirements referred to above.

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## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Regional School Unit No. 14's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Regional School Unit No. 14's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Regional School Unit No. 14's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Regional School Unit No. 14's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Regional School Unit No. 14's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Regional School Unit No. 14's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
December 17, 2025

REGIONAL SCHOOL UNIT NO. 14

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR section 200.516(a)? yes no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

**Section II - Financial Statement Findings**

None

**Section III - Findings and Questioned Costs for Federal Awards**

None

## State Compliance

State compliance includes financial information and reports that are presented for purposes of additional analysis as required by Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Independent Auditor's Report on State Requirements
- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System



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## INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Board of Directors  
Regional School Unit No. 14  
Windham, Maine

We have audited the financial statements of the Regional School Unit No. 14 for the year ended June 30, 2025 and have issued our report thereon dated December 17, 2025. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Regional School Unit No. 14's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Regional School Unit No. 14 complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Regional School Unit No. 14 was in noncompliance with or in violation of, those provisions.

Management has determined that no adjustments were necessary to the fiscal books of the Regional School Unit No. 14 and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education financial system maintained at the Maine Department of Education.

This report is intended solely for the information of the School Board, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

*RHR Smith & Company*

Buxton, Maine  
December 17, 2025

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REGIONAL SCHOOL UNIT NO. 14

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED  
TO THE MAINE EDUCATION FINANCIAL SYSTEM  
JUNE 30, 2025

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Funds (3000/4000)	Totals
June 30 balance per MEFS	\$ -	\$ 290,316	\$ -	\$ 290,316
Fund balances not reported:				
1000 General Fund	12,406,418	-	-	12,406,418
2310 Program Improvement Funds	-	95	-	95
2690 Title IIA	-	19,836	-	19,836
2400 Title IV	-	(8,198)	-	(8,198)
2029 Backpackers	-	47,345	-	47,345
2214 HiSet Completion Campaign	-	417	-	417
2008 Ecomaine	-	163	-	163
2025 Exxon Mobil	-	2,036	-	2,036
2021 Gifts and Contributions	-	525	-	525
2026 Go Green	-	5	-	5
2081 Katahdin Miscellaneous	-	5,332	-	5,332
2030 Laptops	-	243,577	-	243,577
2023 Mentoring	-	1,562	-	1,562
2017 Mini-Grants	-	46,935	-	46,935
2024 PROP Grant	-	427	-	427
2014 PTA	-	7,244	-	7,244
2011 State Farm	-	3,355	-	3,355
2627 ARP ESSER Learning Loss	-	(14)	-	(14)
6700 Child Development Services	-	16,968	-	16,968
2243 Continuity of Service	-	1,048	-	1,048
3000 Middle School Capital Project	-	-	83,535,517	83,535,517
4000 Capital Reserve	-	-	2,195,702	2,195,702
4370 Renewal and Renovations	-	-	5,785	5,785
Inactive fund balance adjustments	-	(21,373)	-	(21,373)
Revenue and expense adjustments				
1500/2072/2215/2950/6150 Adult Ed	-	(57,816)	-	(57,816)
2009 Wellness	-	251	-	251
2012 Walmart Grant	-	109	-	109
2018 School Media	-	1,322	-	1,322
2019 HR Block Contribution	-	(477)	-	(477)
2020 Let's Go	-	(1,264)	-	(1,264)
2071 Adult-Ed Gifts and Contributions	-	4,199	-	4,199
2300 Title IA	-	8,132	-	8,132
2470 Local Entitlement	-	(137,068)	-	(137,068)
2510 Local Entitlement Preschool	-	(637)	-	(637)
2930 School Lunch	-	(36,318)	-	(36,318)
9070 Windham Ice Hockey	-	325	-	325
9018 Cumberland County Super Assoc	-	6,230	-	6,230
9019 Admin Certification	-	3,317	-	3,317
9501-9590 Student Activities	-	192,424	-	192,424
Audited GAAP Basis Fund balance June 30	<u>\$12,406,418</u>	<u>\$ 640,330</u>	<u>\$ 85,737,004</u>	<u>\$98,783,752</u>

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**APPENDIX B**

**TOWN OF RAYMOND, MAINE  
ANNUAL FINANCIAL STATEMENTS  
AND SUPPORTING SCHEDULES  
FOR THE  
YEAR ENDED JUNE 30, 2024**

**(With Report of Independent Auditors' Thereon)**

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Audited Financial Statements  
and Other Financial Information

**Town of Raymond, Maine**

June 30, 2024

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TOWN OF RAYMOND, MAINE

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JUNE 30, 2024

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BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Raymond  
Raymond, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Raymond, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Raymond, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Raymond, Maine as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension information on pages 5 through 12 and 55 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Raymond, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor 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 April 29, 2025, on our consideration of the Town of Raymond, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Raymond, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Raymond, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
April 29, 2025

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

(UNAUDITED)

The following management's discussion and analysis of Town of Raymond, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above-mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Raymond are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, fringe benefits, public health and welfare, community services, education and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Raymond include the Tassel Top Park.

**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 Raymond, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Raymond can be divided into two categories: governmental funds and proprietary funds.

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

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

comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

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

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

**Proprietary Funds:** The Town of Raymond maintains one proprietary fund, the Tassel Top Park. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

#### Notes to the Financial Statements

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

#### Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and Schedule of Contributions - Pension.

#### Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds and other detailed budgetary information for the general fund.

### Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$1,332,399 from \$10,717,861 to \$12,050,260. For the business-type activities, total net position increased by \$127,542 from \$52,920 to \$180,462.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased to a balance of \$4,262,212 at the end of this year for governmental activities and increased to a balance of \$27,580 for the business-type activities.

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

	Governmental Activities		Business-type Activities	
	2024	2023 (Restated)	2024	2023
<b>Assets:</b>				
Current Assets	\$ 7,555,747	\$ 5,644,079	\$ 28,527	\$ 22,994
Noncurrent Assets - Capital Assets	7,043,360	6,915,119	152,882	31,967
Total Assets	14,599,107	12,559,198	181,409	54,961
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	88,168	-	-	-
Total Deferred Outflows of Resources	88,168	-	-	-
<b>Liabilities:</b>				
Current Liabilities	792,144	606,440	947	2,041
Noncurrent Liabilities	1,445,639	852,940	-	-
Total Liabilities	2,237,783	1,459,380	947	2,041
<b>Deferred Inflows of Resources:</b>				
Deferred Revenue	344,090	325,696	-	-
Prepaid Taxes	55,142	56,261	-	-
Total Deferred Inflows of Resources	399,232	381,957	-	-
<b>Net Position:</b>				
Net Investment in Capital Assets	5,217,935	5,912,868	152,882	31,967
Restricted	2,570,113	1,118,126	-	-
Unrestricted	4,262,212	3,686,867	27,580	20,953
Total Net Position	\$ 12,050,260	\$ 10,717,861	\$ 180,462	\$ 52,920

**Revenues and Expenses**

Revenues for the Town's governmental activities increased by 3.78%, while total expenses increased by 7.04%. The increase in revenues was primarily due to taxes. The increase in expenses was primarily due to fringe benefits and education.

Revenues increased by 2.32% in the Town's business type activities, while the total expenses increased by 0.99%.

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

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 603,731	\$ 609,444	\$ 144,953	\$ 142,352
Operating grants and contributions	193,729	98,949	-	-
<i>General Revenues:</i>				
Taxes	18,286,347	17,209,469	-	-
Grants and contributions not restricted to specific programs	945,689	872,720	-	-
Investment income	239,584	229,009	-	-
Miscellaneous	181,519	666,575	703	-
Total Revenues	<u>20,430,599</u>	<u>19,686,166</u>	<u>145,656</u>	<u>142,352</u>
<b>Expenses</b>				
General government	1,638,667	1,599,775	-	-
Public safety	1,308,410	1,213,921	-	-
Public works	1,240,569	1,242,423	-	-
Fringe benefits	961,998	710,620	-	-
Public health and welfare	21,060	29,131	-	-
Community services	357,090	393,811	-	-
Education	11,940,729	11,347,307	-	-
County tax	974,325	817,347	-	-
Capital outlay	299,690	198,743	-	-
Program expenses	294,529	270,868	-	-
Unallocated depreciation (Note 5)*	473,244	409,947	-	-
Interest on long-term debt	26,287	17,314	-	-
Tassel Top Park	-	-	141,913	140,520
Total Expenses	<u>19,536,598</u>	<u>18,251,207</u>	<u>141,913</u>	<u>140,520</u>
Special and extraordinary items	562,197	-	-	-
Change in Net Position	1,332,399	1,434,959	127,542	1,832
Net Position - July 1, As Previously Reported	10,717,861	9,575,497	52,920	51,088
Corrections	-	(292,595)	-	-
Net Position - July 1, As Restated	<u>10,717,861</u>	<u>9,282,902</u>	<u>52,920</u>	<u>51,088</u>
Net Position - June 30	<u>\$ 12,050,260</u>	<u>\$ 10,717,861</u>	<u>\$ 180,462</u>	<u>\$ 52,920</u>

**Financial Analysis of the Town's Fund Statements**

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

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

	2024	2023 (Restated)	Increase/ (Decrease)
<b>Major Funds:</b>			
<i>General Fund:</i>			
Nonspendable	\$ 260,255	\$ 196,963	\$ 63,292
Assigned	304,695	379,695	(75,000)
Unassigned	2,589,284	2,159,008	430,276
<i>Bond Fund:</i>			
Restricted	985,694	-	985,694
Total Major Funds	<u>\$ 4,149,928</u>	<u>\$ 2,735,666</u>	<u>\$ 1,414,262</u>
<b>Nonmajor Funds:</b>			
<i>Special Revenue Funds:</i>			
Nonspendable	\$ 9,531	\$ 8,126	\$ 1,405
Restricted	1,040,816	922,060	118,756
Unassigned (deficit)	(2,268)	(2,268)	-
<i>Capital Projects Funds:</i>			
Committed	943,475	674,909	268,566
<i>Permanent Funds:</i>			
Nonspendable	224,786	224,786	-
Restricted	308,817	237,323	71,494
Total Nonmajor Funds	<u>\$ 2,533,350</u>	<u>\$ 2,064,936</u>	<u>\$ 468,414</u>

The changes to total fund balances for the general fund and aggregate nonmajor funds occurred due to the regular activity of operations. The bond fund activity occurred due to debt issuance and the use of bond proceeds.

*Proprietary funds:* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Tassel Top Park had an increase in net position of \$127,542 primarily due to governmental activity contributions toward capital asset additions.

**Budgetary Highlights**

The difference between the original and final budget for the general fund was due to use of assigned fund balance.

The general fund actual revenues exceeded budgeted amounts by \$296,045. This was due to all revenue categories being receipted within or in excess of budgeted amounts with the exception of other revenue

The general fund actual expenditures exceeded budgeted amounts by \$167,477. All expenditure categories exceeded or were within budgeted amounts with the exception of public works, community services, debt service - interest and overlay.

**Capital Asset and Debt Administration**

**Capital Assets**

As of June 30, 2024, the net book value of capital assets recorded by the Town increased by \$249,156. This increase is a result of capital additions of \$725,284 less current year depreciation expense of \$476,128. Refer to Note 5 of Notes to Financial Statements for additional information.

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

	2024	2023
Land	\$ 326,423	\$ 326,423
Construction in progress	1,109,042	748,547
Buildings and improvements	1,975,498	1,977,571
Machinery, equipment and vehicles	2,201,971	2,229,400
Infrastructure	1,583,308	1,665,145
<b>Total</b>	<b>\$ 7,196,242</b>	<b>\$ 6,947,086</b>

**Debt**

At June 30, 2024, the Town had \$1,825,425 in bonds and note from direct borrowings payable versus \$1,002,251 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

**Currently Known Facts, Decisions or Conditions**

**Economic Factors and Next Year's Budgets and Rates**

The Town is working toward maintaining a sufficient unassigned fund balance to sustain government operations for a period of approximately two months. The Town maintains significant reserve accounts.

**Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 401 Webbs Mills Road, Raymond, Maine 04071.

TOWN OF RAYMOND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General government	\$ 1,638,667	\$ 246,317	\$ -	\$ -	\$ (1,392,350)	\$ -	\$ (1,392,350)
Public safety	1,308,410	284,447	-	-	(1,023,963)	-	(1,023,963)
Public works	1,240,569	110	61,496	-	(1,178,963)	-	(1,178,963)
Fringe benefits	961,998	-	-	-	(961,998)	-	(961,998)
Public health and welfare	21,060	-	18,257	-	(2,803)	-	(2,803)
Community services	357,090	296	-	-	(356,794)	-	(356,794)
Education	11,940,729	-	-	-	(11,940,729)	-	(11,940,729)
County tax	974,325	-	-	-	(974,325)	-	(974,325)
Program expenses	294,529	72,561	113,976	-	(107,992)	-	(107,992)
Capital outlay	299,690	-	-	-	(299,690)	-	(299,690)
Unallocated depreciation (Note 5)*	473,244	-	-	-	(473,244)	-	(473,244)
Interest on long-term debt	26,287	-	-	-	(26,287)	-	(26,287)
<b>Total governmental activities</b>	<b>19,536,598</b>	<b>603,731</b>	<b>193,729</b>	<b>-</b>	<b>(18,739,138)</b>	<b>-</b>	<b>(18,739,138)</b>
<b>Business-type activities:</b>							
Tassel top	141,913	144,953	-	-	-	3,040	3,040
<b>Total business-type activities</b>	<b>141,913</b>	<b>144,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,040</b>	<b>3,040</b>
<b>Total government</b>	<b>\$ 19,678,511</b>	<b>\$ 748,684</b>	<b>\$ 193,729</b>	<b>\$ -</b>	<b>(18,739,138)</b>	<b>3,040</b>	<b>(18,736,098)</b>

\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT A

TOWN OF RAYMOND, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 6,022,262	\$ 600	\$ 6,022,862
Investments	639,044	-	639,044
Accounts receivable (net of allowance for uncollectibles):			
Taxes	507,563	-	507,563
Other	55,167	-	55,167
Due from other governments	89,852	-	89,852
Prepaid items	134,238	-	134,238
Tax acquired property	1,35,548	-	1,35,548
Internal balances	(27,927)	27,927	-
<b>Total current assets</b>	<b>7,555,747</b>	<b>28,527</b>	<b>7,584,274</b>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	1,326,883	108,582	1,435,465
Buildings and vehicles net of accumulated depreciation	5,716,477	44,300	5,760,777
<b>Total noncurrent assets</b>	<b>7,043,360</b>	<b>152,882</b>	<b>7,196,242</b>
<b>TOTAL ASSETS</b>	<b>14,599,107</b>	<b>181,409</b>	<b>14,780,516</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	88,166	-	88,166
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>88,166</b>	<b>-</b>	<b>88,166</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 14,687,273</b>	<b>\$ 181,409</b>	<b>\$ 14,868,684</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 119,060	\$ 947	\$ 120,007
Accrued expenses	4,423	-	4,423
Current portion of long-term obligations	566,888	-	566,888
<b>Total current liabilities</b>	<b>792,144</b>	<b>947</b>	<b>793,091</b>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	920,000	-	920,000
Note from direct borrowings payable	347,892	-	347,892
Accrued compensated absences	177,747	-	177,747
<b>Total noncurrent liabilities</b>	<b>1,445,639</b>	<b>-</b>	<b>1,445,639</b>
<b>TOTAL LIABILITIES</b>	<b>2,237,783</b>	<b>947</b>	<b>2,238,730</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	344,090	-	344,090
Prepaid taxes	55,142	-	55,142
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>399,232</b>	<b>-</b>	<b>399,232</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,217,935	152,882	5,370,817
Restricted	2,570,113	-	2,570,113
Unrestricted	4,262,212	27,580	4,289,792
<b>TOTAL NET POSITION</b>	<b>12,050,260</b>	<b>180,462</b>	<b>12,230,722</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 14,687,273</b>	<b>\$ 181,409</b>	<b>\$ 14,868,684</b>

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

STATEMENT B (CONTINUED)  
TOWN OF RAYMOND, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(18,739,138)	3,040	(18,736,098)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	16,932,411	-	16,932,411
Excise taxes	1,333,936	-	1,333,936
Grants and contributions not restricted to specific programs	945,689	-	945,689
Investment income, net of unrealized gains/(losses)	239,584	-	239,584
Miscellaneous	181,519	703	182,222
Transfers	(123,799)	123,799	-
Total general revenues	19,509,340	124,502	19,633,842
Special and extraordinary items	562,197	-	562,197
Change in net position	1,332,399	127,542	1,459,941
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	11,010,456	52,920	11,063,376
NET POSITION CORRECTIONS	(292,595)	-	(292,595)
NET POSITION - JULY 1, AS RESTATED	10,717,861	52,920	10,770,781
NET POSITION - JUNE 30	\$ 12,050,260	\$ 180,462	\$ 12,230,722

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

STATEMENT C  
TOWN OF RAYMOND, MAINE  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Bond Fund	Governmental Funds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,815,895	\$ -	\$ -	\$ 206,367	\$ 6,022,262
Investments	100,056	-	-	538,988	639,044
Accounts receivables (net of allowance for uncollectibles):					
Taxes/lens	507,563	-	-	-	507,563
Other	52,035	-	-	3,132	55,167
Due from other governments	89,852	-	-	-	89,852
Prepaid items	124,707	-	-	9,531	134,238
Tax acquired property	135,548	-	-	-	135,548
Due from other funds	27,208	985,694	2,102,760	-	3,125,662
TOTAL ASSETS	\$ 6,852,864	\$ 985,694	\$ 2,860,778	-	\$ 10,709,336
LIABILITIES					
Accounts payable	\$ 112,234	\$ -	\$ -	\$ 6,826	\$ 119,060
Accrued payroll	59,860	-	-	-	59,860
Accrued expenses	4,423	-	-	-	4,423
Due to other governments	10,803	-	-	-	10,803
Escrows	31,110	-	-	-	31,110
Due to other funds	3,126,381	-	-	27,208	3,153,589
TOTAL LIABILITIES	3,344,811	-	-	34,034	3,378,845
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	50,696	-	-	293,394	344,090
Prepaid taxes	55,142	-	-	-	55,142
Deferred tax revenues	247,981	-	-	-	247,981
TOTAL DEFERRED INFLOWS OF RESOURCES	353,819	-	-	293,394	647,213
FUND BALANCES					
Nonspendable	260,255	-	-	234,317	494,572
Restricted	-	985,694	-	1,349,633	2,345,327
Committed	-	-	-	943,475	943,475
Assigned	304,695	-	-	8,193	312,888
Unassigned	2,589,284	-	-	(2,268)	2,587,016
TOTAL FUND BALANCES	3,154,234	985,694	-	2,533,350	6,683,278
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,852,864	\$ 985,694	\$ 2,860,778	-	\$ 10,709,336

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

STATEMENT D

TOWN OF RAYMOND, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

Total Fund Balances	\$ 6,683,278	Total Governmental Funds	7,043,360
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation			247,981
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:			88,168
Taxes and liens receivable			(1,435,000)
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds			(390,425)
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:			(187,102)
Bonds payable			
Note from direct borrowings payable			
Accrued compensated absences			
Net position of governmental activities			<u>\$ 12,050,260</u>

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

STATEMENT E

TOWN OF RAYMOND, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
General tax revenue	\$ 18,218,970	\$ -	\$ -	\$ 18,218,970
Intergovernmental revenue	1,025,442	-	113,976	1,139,418
Charges for services	531,170	-	72,561	603,731
Investment income, net of unrealized gains/(losses)	153,397	-	86,187	239,584
Other revenue	79,411	-	102,108	181,519
<b>TOTAL REVENUES</b>	<u>20,008,390</u>	<u>-</u>	<u>374,832</u>	<u>20,383,222</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,647,778	-	-	1,647,778
Public safety	1,396,578	-	-	1,396,578
Public works	1,240,569	-	-	1,240,569
Fringe benefits	961,998	-	-	961,998
Public health and welfare	21,060	-	-	21,060
Community services	357,090	-	-	357,090
Education	11,940,729	-	-	11,940,729
County tax	974,325	-	-	974,325
Program expenses	-	-	294,529	294,529
Debt service:				
Principal	315,213	-	11,613	326,826
Interest	26,287	-	-	26,287
Capital outlay	-	148,000	753,175	901,175
<b>TOTAL EXPENDITURES</b>	<u>18,861,627</u>	<u>148,000</u>	<u>1,059,317</u>	<u>20,068,944</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,126,763</u>	<u>(148,000)</u>	<u>(684,485)</u>	<u>294,278</u>
<b>OTHER FINANCING SOURCES</b>				
Bond proceeds	-	1,150,000	-	1,150,000
Transfers in	34,000	-	1,282,195	1,316,195
Transfers (out)	(1,282,195)	(28,503)	(129,296)	(1,439,994)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,248,195)</u>	<u>1,121,497</u>	<u>1,152,899</u>	<u>1,026,201</u>
<b>SPECIAL AND EXTRAORDINARY ITEMS</b>				
Premium on bond issuance	-	29,731	-	29,731
Bond issuance costs	-	(7,534)	-	(7,534)
Legal settlement	540,000	-	-	540,000
<b>TOTAL SPECIAL AND EXTRAORDINARY ITEMS</b>	<u>540,000</u>	<u>22,197</u>	<u>-</u>	<u>562,197</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>418,568</u>	<u>995,694</u>	<u>468,414</u>	<u>1,882,676</u>
<b>FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED</b>	<u>3,001,709</u>	<u>-</u>	<u>2,091,488</u>	<u>5,093,197</u>
<b>FUND BALANCE CORRECTIONS</b>	<u>(266,043)</u>	<u>-</u>	<u>(26,552)</u>	<u>(292,595)</u>
<b>FUND BALANCES - JULY 1, AS RESTATED</b>	<u>2,735,666</u>	<u>-</u>	<u>2,064,936</u>	<u>4,800,602</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 3,154,234</u>	<u>\$ 995,694</u>	<u>\$ 2,533,350</u>	<u>\$ 6,683,278</u>

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

STATEMENT F

TOWN OF RAYMOND, 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, 2024

Net change in fund balances - total governmental funds (Statement E) \$ 1,882,676

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

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

Capital asset acquisitions	601,485
Depreciation expense	<u>(473,244)</u>
	128,241

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

Pension	<u>88,168</u>
---------	---------------

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported:

Taxes and liens receivable	<u>47,377</u>
	(1,150,000)
	<u>326,826</u>

Debt proceeds provide current financial resources to governmental funds, but  
issuing debt increases long-term liabilities in the Statement of Net Position

Repayment of long-term debt principal is an expenditure in the governmental funds,  
but the repayment reduces long-term obligations in the Statement of Net Position

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and therefore are not reported as expenditures in  
governmental funds:

Accrued compensated absences	<u>9,111</u>
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Change in net position of governmental activities (Statement B) \$ 1,332,399

STATEMENT G

TOWN OF RAYMOND, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2024

Enterprise Fund	
Tassel	
Top Park	

ASSETS		
Current assets:		
Cash and cash equivalents	\$ 600	
Due from other funds	27,927	
Total current assets	<u>28,527</u>	
Noncurrent assets:		
Capital assets:		
Construction in progress	108,582	
Buildings and improvements	40,017	
Infrastructure	16,438	
Total capital assets	<u>165,037</u>	
Less: accumulated depreciation	<u>(12,155)</u>	
Total noncurrent assets	<u>152,882</u>	
TOTAL ASSETS	<u>\$ 181,409</u>	

LIABILITIES		
Current liabilities:		
Accounts payable	\$ 947	
Total current liabilities	<u>947</u>	
TOTAL LIABILITIES	<u>947</u>	

NET POSITION		
Net investment in capital assets	152,882	
Unrestricted	27,580	
TOTAL NET POSITION	<u>180,462</u>	
TOTAL LIABILITIES AND NET POSITION	<u>\$ 181,409</u>	

## STATEMENT H

## TOWN OF RAYMOND, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Fund Tassel Top Park
OPERATING REVENUES	
Charges for services	\$ 144,953
Other	703
TOTAL OPERATING REVENUES	<u>145,656</u>
OPERATING EXPENSES	
Salaries and wages	89,704
Contracted services	17,842
Utilities	4,581
Repairs, maintenance and equipment	13,259
Supplies and office	13,643
Depreciation	2,884
TOTAL OPERATING EXPENSES	<u>141,913</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>3,743</u>
TRANSFERS	
Transfers in	123,799
TOTAL TRANSFERS	<u>123,799</u>
CHANGE IN NET POSITION	127,542
NET POSITION - JULY 1	<u>52,920</u>
NET POSITION - JUNE 30	<u>\$ 180,462</u>

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

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## STATEMENT I

## TOWN OF RAYMOND, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Fund Tassel Top Park
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 144,953
Other receipts	703
Internal activity - receipts (payments) from/to other funds	(6,197)
Payments to employees	(89,704)
Payments to suppliers	(50,419)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(664)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital assets purchased	(123,799)
Transfers in/(out)	123,799
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(664)
CASH AND CASH EQUIVALENTS - JULY 1	<u>1,264</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 600</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 3,743
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	2,884
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in due from other funds	(6,197)
(Decrease) increase in accounts payable	(1,094)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (664)</u>

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Raymond was incorporated under the laws of the State of Maine. The Town operates under Selectboard-manager form of government and provides the following services: general government, public safety, public works, fringe benefits, public health and welfare, community services, education and program expenses.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Tassel Top Park fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

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

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

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

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

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

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Bond Fund is used to account for bond proceeds that are legally restricted to expenditures for specified purposes.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, infrastructure and/or equipment.
- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

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

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

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

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations
- Repurchase agreements whose underlying collateral consist of the foregoing
- Money market mutual funds whose portfolios consist of the foregoing

It is the policy of the Town of Raymond, Maine to invest public funds in a manner in which will provide safety of principal with a market rate of return while meeting the daily cash flow demands of the Town and conforming to all state and local statutes governing the investment of public funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$40,000 as of June 30, 2024. Accounts receivable netted with allowances for uncollectibles were \$145,019 for the year ended June 30, 2024.

**Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Tax Acquired Property**

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired the Selectboard is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by the provisions of the Town Policy.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

Buildings and land improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, a note from direct borrowings payable and accrued compensated absences.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Pension**

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 Participating Local District (PLD) Plan and additions to/deductions from the PLD Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Plan. 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.

**Net Position**

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

**Fund Balance**

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town or the Selectboard in accordance with its charter. The inhabitants of the Town, through Town meetings, are the highest level of decision-making authority of the Town. Commitments may be modified or rescinded in the same manner they were established.

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

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

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For this item, the Town has deferred outflows related to pensions that qualify for reporting in this category. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and/or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied September 13, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due on October 31, 2023 and April 30, 2024. Interest on unpaid taxes commenced on November 1, 2023 and May 1, 2024, at 8% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$48,099 for the year ended June 30, 2024.

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

**Program Revenues**

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

**Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds under the Treasurer's control.

**Deposits:**

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

At June 30, 2024, the Town's cash and cash equivalents balance of \$6,022,862 was comprised of bank deposits and cash equivalents amounting to \$6,254,007. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. The bank deposits of \$6,186,491 were fully insured by federal depository insurance (FDIC) and consequently were not exposed to custodial credit risk and cash and cash equivalents of \$2,516 were uninsured and uncollateralized.

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking accounts	\$ 65,000
IntraFi/ICS account	6,186,483
Cash and cash equivalents	2,524
	<u>\$ 6,254,007</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. However, in accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. Of the Town's investments, \$100,056 were covered by the federal depository insurance (FDIC) consequently were not exposed to custodial credit risk. The remaining investments of \$538,988 were uninsured and uncollateralized.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2024, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years	>5 Years
Debt securities:					
U.S. Agency Securities	\$ 119,926	\$ -	\$ -	\$ 24,934	\$ 94,992
Mutual funds	38,022	38,022	-	-	-
Brokered Certificates of deposit	100,056	-	100,056	-	-
Equity securities:					
Mutual funds	1,025	1,025	-	-	-
Exchange traded funds	380,015	380,015	-	-	-
	<u>\$ 639,044</u>	<u>\$ 419,062</u>	<u>\$ 100,056</u>	<u>\$ 24,934</u>	<u>\$ 94,992</u>

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Fair Value Hierarchy**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2024:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Observable Inputs (Level II)	Other Significant Inputs (Level III)	Significant Unobservable Inputs (Level III)
Investments by fair value level:				
Debt securities:				
U.S. Agency Securities	\$ 119,926	\$ 119,926	\$ -	\$ -
Mutual funds	38,022	38,022	-	-
Brokered Certificates of deposit	100,056	100,056	-	-
Total debt securities	258,004	258,004	-	-
Equity securities:				
Mutual funds	1,025	1,025	-	-
Exchange traded funds	380,015	380,015	-	-
Total equity securities	381,040	381,040	-	-
Total investments by fair value level	639,044	639,044	258,004	\$ -
Cash equivalents measured at the net asset value (NAV)				
Money market mutual funds	2,516			
Total cash equivalents measured at the NAV	2,516			
Total investments and cash equivalents measured at fair value	\$ 641,560			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2024 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 27,208	\$ 3,126,381
Bond fund	995,694	-
Nonmajor special revenue funds	1,162,417	19,308
Nonmajor capital projects funds	940,343	-
Nonmajor permanent funds	-	7,900
Proprietary funds	27,927	-
	<u>\$ 3,153,589</u>	<u>\$ 3,153,589</u>

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

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2024, the Town had the following interfund transfers:

	Transfers In	Transfers Out
General fund	\$ 34,000	\$ 1,282,195
Capital projects funds	-	28,503
Nonmajor special revenue funds	352,195	125,296
Nonmajor capital projects funds	930,000	-
Nonmajor permanent funds	-	4,000
Proprietary funds	123,799	-
	<u>\$ 1,439,994</u>	<u>\$ 1,439,994</u>

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

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Disposals	Balance, 6/30/24
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 326,423	\$ -	\$ -	\$ 326,423
Construction in progress	748,547	251,913	-	1,000,460
	1,074,970	251,913	-	1,326,883
Depreciated assets:				
Buildings and improvements	3,855,591	86,749	-	3,942,340
Machinery, equipment and vehicles	4,803,414	262,823	-	5,066,237
Infrastructure	2,411,601	-	-	2,411,601
	11,070,606	349,572	-	11,420,178
Less: accumulated depreciation	(5,230,457)	(473,244)	-	(5,703,701)
	5,840,149	(123,672)	-	5,716,477
Net capital assets	\$ 6,915,119	\$ 128,241	\$ -	\$ 7,043,360
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ 108,582	\$ -	\$ 108,582
	-	108,582	-	108,582
Depreciated assets:				
Buildings and improvements	\$ 24,800	\$ 15,217	\$ -	\$ 40,017
Infrastructure	16,438	-	-	16,438
	41,238	15,217	-	56,455
Less: accumulated depreciation	(9,271)	(2,884)	-	(12,155)
	31,967	12,333	-	44,300
Net capital assets	\$ 31,967	\$ 120,915	\$ -	\$ 152,882
<u>Current year depreciation expense:</u>				
Town-wide				
Subtotal governmental activities				473,244
				473,244
Tassel Top Park				2,884
Subtotal business-type activities				2,884
Total depreciation expense				\$ 476,128

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 570,000	\$ 1,150,000	\$ (285,000)	\$ 1,435,000	\$ 515,000
Note from direct borrowings payable	432,251	-	(41,826)	390,425	42,533
Total governmental activities	\$ 1,002,251	\$ 1,150,000	\$ (326,826)	\$ 1,825,425	\$ 557,533

The following is a summary of the outstanding bonds and note from direct borrowings payable:

Bonds:

2013 General Obligation Bond due in semi-annual principal installments of \$200,000. Interest is charged at a fixed rate of 2.0% to 2.5% per annum. Maturity in November of 2024.

\$ 200,000

2015 General Obligation Bond due in semi-annual principal installments of \$85,000. Interest is charged at a fixed rate of 2.0% to 2.5% per annum. Maturity in November of 2024.

85,000

2024 General Obligation Bond due in semi-annual principal installments of \$230,000. Interest is charged at a fixed rate ranging from 4.0% to 5.0% per annum. Maturity in November of 2028.

1,150,000

Total bonds payable

\$ 1,435,000

Note from direct borrowings payable:

\$489,250 Lease purchase agreement for a Rescue Vehicle. Annual principal and interest payments of \$58,063. Interest is charged at a fixed rate of 3.97% per annum. Final payment due August 2031.

\$ 390,425

TOWN OF RAYMOND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

	Governmental Activities				Total
	Bonds Payable		Note from Direct Borrowings Payable		
	Principal	Interest	Principal	Interest	
2025	\$ 515,000	\$ 49,350	\$ 42,533	\$ 15,530	\$ 622,413
2026	230,000	36,800	44,213	13,850	324,863
2027	230,000	27,600	45,968	12,095	315,663
2028	230,000	17,250	47,793	10,270	305,313
2029	230,000	5,750	49,668	8,395	293,813
2030-2034	-	-	160,250	13,939	174,189
	<u>\$ 1,435,000</u>	<u>\$ 136,750</u>	<u>\$ 390,425</u>	<u>\$ 74,079</u>	<u>\$ 2,036,254</u>

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
Governmental activities: Accrued compensated absences	\$ 196,213	\$ -	\$ (9,111)	\$ 187,102	\$ 9,355

Refer to Note 8 for more detailed information regarding other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the

TOWN OF RAYMOND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8 - ACCRUED COMPENSATED ABSENCES (CONTINUED)

compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2024, the Town's liability for compensated absences is \$187,102.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024:

	Governmental Activities	Business-type Activities
Invested in capital assets	\$ 12,747,061	\$ 165,037
Accumulated depreciation	(5,703,701)	(12,155)
Outstanding capital related debt	(1,825,425)	-
	<u>\$ 5,217,935</u>	<u>\$ 152,882</u>

NOTE 10 - RESTRICTED NET POSITION

At June 30, 2024, the Town had the following restricted net position:

Bond fund	\$ 995,694
Nonmajor special revenue funds (Schedule E):	
Grant unrestricted	73,859
Library	90,208
Parks and recreation	10,114
Community assistance fund	59,044
Veteran's memorial	4,457
Beautification committee	3,065
Panther Pond projects	1,268
Conservation commissions	1,640
Economic development	1,240
Forestry grant	500
Revaluation	288,872
Age Friendly Raymond	1,018
Community celebration	1,455
Fire department donations	100
Tax increment financing	503,976

TOWN OF RAYMOND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10 - RESTRICTED NET POSITION (CONTINUED)

Nonmajor permanent funds (Schedule I):	
Nonexpendable principal:	
Cemetery funds	83,363
Riverside Cemetery	38,461
Laurette Files account	3,781
North Raymond Cemetery	4,889
Carlton E. Edwards scholarship	15,852
George Woods scholarship	19,585
Collins-Day scholarship	13,580
Alva Clough scholarship	5,122
Torstein Johannes Lund scholarship	2,928
Ministerial fund	2,175
Recreation fund	10,050
Spiegel fund	25,000
Expendable principal:	
Cemetery funds	96,481
Riverside Cemetery	46,480
Laurette Files account	20,759
North Raymond Cemetery	7,302
Carlton E. Edwards scholarship	15,775
George Woods scholarship	12,059
Collins-Day scholarship	3,848
Alva Clough scholarship	1,316
Torstein Johannes Lund scholarship	7,093
Ministerial fund	42,098
Recreation fund	10,392
Spiegel fund	45,214
	<u>\$ 2,570,113</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2024, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 124,707
Tax acquired property	135,548
Nonmajor special revenue funds (Schedule E)	9,531
Nonmajor permanent funds (Schedule I)	224,786
	<u>\$ 494,572</u>

TOWN OF RAYMOND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 12 - RESTRICTED FUND BALANCES

At June 30, 2024, the Town had the following restricted fund balances:

Bond fund	\$ 995,694
Nonmajor special revenue funds (Schedule E)	1,040,816
Nonmajor permanent funds (Schedule I)	308,817
	<u>\$ 2,345,327</u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2024, the Town had the following committed fund balances:

Nonmajor capital projects funds (Schedule G)	\$ 943,475
--	------------

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2024, the Town had the following assigned fund balances:

General fund:	
FY25 budget	\$ 200,000
Health insurance reserve	94,380
RSU withdrawal committee	10,315
Nonmajor special revenue funds (Schedule E)	8,193
	<u>\$ 312,888</u>

NOTE 15 - DEFICIT FUND BALANCES

At June 30, 2024, the Town had the following deficit fund balances:

Backpack program	\$ 618
Keep Maine healthy	1,650
	<u>\$ 2,268</u>

NOTE 16 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of Cumberland County and Portland Water District debt. As of June 30, 2024, the Town's share was:

	Outstanding Debt	Town's Percentage	Total Share
County of Cumberland	\$ 7,389,442	2.31%	\$ 170,696
Portland Water District	65,451,334	3.64%	2,382,429

NOTE 17 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.maineipers.org](http://www.maineipers.org) or by contacting the System at (207) 512-3100.

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). 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 or 65. The monthly benefit of members who retire before normal

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with other PLD employers under applicable statutory provisions. As of June 30, 2023, there were 327 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's 3C plan members are required to contribute 9.3% of their annual covered salary. The Town is required to contribute at an actuarially determined rate. The current rate is 12.8% for the 3C plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2024 was \$88,168.

**Pension Liabilities**

*PLD Consolidated Plan*

At June 30, 2024, the Town reported a liability of \$0 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2023, the Town's proportion was 0.0%.

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the Town recognized total pension expense of \$0 for the PLD plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	88,168	-
<b>Total</b>	<b>\$ 88,168</b>	<b>\$ -</b>

\$88,168 for the PLD plan was 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 years ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Plan year ended June 30:	
2024	\$ -
2025	-
2026	-
2027	-
2028	-
Thereafter	-

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions**

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

*Investment Rate of Return* - 6.50% per annum for the year ended June 30, 2023 and 2022, compounded annually.

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Salary Increases, Merit and Inflation* - 2.75% to 11.48% per year

*Mortality Rates* - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

*Cost of Living Benefit Increases* - 1.91%

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 class of assets. 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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2023 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.6%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.0%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.50% for 2023 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions 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

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

payments to current plan members. 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 liability.

The following table shows how the collective net pension liability as of June 30, 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the Plan.

PLD Plan: Discount rate	1% Discount Rate	
	Decrease	Increase
	5.50%	6.50%
Town's proportionate share of the net pension liability/(asset)	\$ -	\$ -

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2023 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2023 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2023 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

*Differences between Expected and Actual Investment Earnings*

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

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the [MainePERS' 2023 Annual Comprehensive Financial Report](http://www.mainePers.org) available online at [www.mainePers.org](http://www.mainePers.org) or by contacting the System at (207) 512-3100

NOTE 18 - DEFERRED COMPENSATION

MissionSquare Retirement

The Town of Raymond provides retirement pension plan for its employees through a deferred compensation plan.

The government offers its employees a deferred compensation plan created on November 17, 1992 in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until

NOTE 18 - DEFERRED COMPENSATION (CONTINUED)

future years. Participation in the plan is optional. Currently, twenty-four employees participate in the International City/County Management Association Retirement Corporation (ICMA-RC) (now known as Mission Square) plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of a general creditor of the government in an amount equal to the fair market value of the deferred account for each participant. It is the opinion of the government's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The government believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The Town of Raymond, under ICMA 457 Deferred Compensation Plan (now known as Mission Square), contributes 1.00% - 6% of the employee's annual salary for regular full-time employees, after six months of employment for employees who contribute as least as much as the Town contributes. Contributions by the town are based on length of employment. Employees eligible to receive family health care benefits but electing not to take advantage of the employee benefit will be eligible to receive one-half the cash value (up to a dollar value of \$3,454 family or \$2,413 two person) of the difference in cost between the family plan and the single subscriber plan. This benefit will be paid in the form of an increased retirement contribution to qualified programs outlined in personnel policy or utilized toward the cost of Town sponsored life insurance premiums. Currently, five employees receive an additional match to their deferred compensation plan. Investments are managed by the plan's trustee under several different investment options. The choice of the investment options is made by the participants. Total eligible pension plan wages were \$1,346,370 for the year ended June 30, 2024. Total contributions on behalf of the Town amounted to \$111,643. Eligible wages and employer contributions for the current and past five years are as follows:

Year	Employer contribution		Eligible wages
	rate	contributions	
2024	1.00%-6.00%	\$ 111,643	\$ 1,346,370
2023	1.00%-6.00%	115,186	1,481,675
2022	1.00%-6.00%	75,971	1,134,142
2021	1.00%-6.00%	71,643	1,072,935
2020	1.00%-6.00%	53,446	864,640

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 19 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2024, the Town had the following overspent appropriations:

General government (Article 4)	\$ 202,168
Public safety (Article 6)	<u>115,146</u>
	<u>\$ 317,314</u>

NOTE 20 - EXTRAORDINARY AND SPECIAL ITEMS

The Town was awarded a legal settlement in the year ended June 30, 2024 in the amount of \$540,000 related to a multi-year litigation which was received during the year.

Also in the year ended June 30, 2024 the Town received a premium on bond issuance related to the 2023 general obligation bond issued November 21, 2023. Associated bond administrative issuance costs were expensed and applied against the bond premium as allowable.

NOTE 21 - JOINT VENTURES

The Town is a member of an interlocal solid waste agreement with 11 other participating municipalities. Maine Waste to Energy is a quasi-governmental organization, created as a not-for-profit corporation by twelve area municipalities in 1986. The Town of Raymond's proportionate interest in the net position of Maine Waste to Energy on June 30, 2023 (the most recent information available), was approximately 6.75% which amounted to \$578,034. As this interest does not constitute an explicit measurable equity interest, however, it is not recorded as an asset by the Town. Complete financial statements may be obtained from Maine Waste to Energy at 110 Goldthwaite Road, Auburn, ME 04211-1750 or calling 207-783-8805.

NOTE 22 - TAX INCREMENT FINANCING DISTRICT

On March 20, 1999, the Town of Raymond voters designated certain property along the Portland Natural Gas Transmission System as a municipal development and tax increment financing (TIF) district pursuant to the Maine Revised Statutes. The TIF district will be utilized to facilitate economic and community development within the Town of Raymond's business district.

The Town will retain the net new property tax generated by new investment in the TIF district for the activities that will provide new employment and community development opportunities and/or improve and broaden the tax base. Over the 30-year life of the TIF, approximately \$2.5 million will be generated.

TOWN OF RAYMOND, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

NOTE 23 - CONTINGENCIES

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

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

NOTE 24 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Town carries commercial insurance.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 25 - RELATED PARTIES

A selectboard member owns Innovative Distribution Services which the Town paid \$62,451 to provide mowing services in FY 2024.

TOWN OF RAYMOND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 26 - RESTATEMENTS

During fiscal year 2024, the Town determined corrections were needed to correct Tax Increment Fund and General Fund fund balances and to reclassify ARPA funds to deferred revenue, which resulted in adjustments to and restatements of beginning net position for governmental activities and fund balances, as follows:

	6/30/2023 As Previously Reported	Corrections	6/30/2023 As Restated
Government-Wide			
Governmental Activities	\$ 11,010,456	\$ (292,595)	\$ 10,717,861
Business-type Activities	52,920	-	52,920
Total Government-Wide	<u>\$ 11,063,376</u>	<u>\$ (292,595)</u>	<u>\$ 10,770,781</u>
Governmental Funds			
Major Funds:			
General Fund	\$ 3,001,709	\$ (266,043)	\$ 2,735,666
Other Governmental Funds:			
Nonmajor Special Revenue	954,470	(26,552)	927,918
Nonmajor Capital Projects	674,909	-	674,909
Nonmajor Permanent	462,109	-	462,109
Total Governmental Funds	<u>\$ 5,093,197</u>	<u>\$ (292,595)</u>	<u>\$ 4,800,602</u>

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Contributions - Pension

SCHEDULE 1

TOWN OF RAYMOND, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 2,735,666	\$ 2,735,666	\$ 2,735,666	\$ -
Resources (Inflows):				
General tax revenue	18,142,968	18,142,968	18,218,970	76,002
Intergovernmental revenue	951,986	951,986	1,025,442	73,456
Charges for services	482,600	482,600	531,170	48,570
Investment income	14,720	14,720	153,397	138,677
Other revenue	120,071	120,071	79,411	(40,660)
Transfers from other funds	34,000	34,000	34,000	-
Amounts Available for Appropriation	<u>22,482,011</u>	<u>22,482,011</u>	<u>22,778,056</u>	<u>296,045</u>
Charges to Appropriations (Outflows):				
General government	1,443,276	1,518,276	1,647,778	(129,502)
Public safety	1,281,432	1,281,432	1,396,578	(115,146)
Public works	1,328,456	1,328,456	1,240,569	87,887
Fringe benefits	895,661	895,661	961,998	(66,337)
Public health and welfare	15,000	15,000	21,060	(6,060)
Community services	370,671	370,671	357,090	13,581
Education	11,940,729	11,940,729	11,940,729	-
County tax	974,325	974,325	974,325	-
Debt service:				
Principal	315,213	315,213	315,213	-
Interest	26,288	26,288	26,287	1
Overlay	48,099	48,099	-	48,099
Transfers to other funds	1,282,195	1,282,195	1,282,195	-
Total Charges to Appropriations	<u>19,921,345</u>	<u>19,996,345</u>	<u>20,163,822</u>	<u>(167,477)</u>
Budgetary Fund Balance, June 30	\$ 2,560,666	\$ 2,485,666	\$ 2,614,234	\$ 128,568
Utilization of unassigned fund balance	\$ 175,000	\$ 175,000	\$ -	\$ (175,000)
Utilization of assigned fund balance	-	75,000	-	(75,000)
	<u>\$ 175,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ (250,000)</u>

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

SCHEDULE 2

TOWN OF RAYMOND, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION  
LAST 10 FISCAL YEARS\*

	2024
<u>PLD Plan:</u>	
Contractually required contribution	\$ 88,168
Contributions in relation to the contractually required contribution	<u>(88,168)</u>
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 688,814
Contributions as a percentage of covered payroll	12.80%

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

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

Other Supplementary Information

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

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

SCHEDULE A

TOWN OF RAYMOND, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUDGET AND ACTUAL - GENERAL FUND REVENUES  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 16,932,468	\$ 16,932,468	\$ 16,885,034	\$ (47,434)
Vehicle excise taxes	1,180,000	1,180,000	1,303,221	123,221
Boat excise taxes	30,500	30,500	30,715	215
Intergovernmental revenues:				
Homestead exemption	246,133	246,133	246,133	-
State revenue sharing	464,260	464,260	486,157	21,897
BETE	50,161	50,161	50,211	50
Tree growth	8,769	8,769	9,385	616
Veterans	3,290	3,290	1,143	(2,147)
LRAP	53,600	53,600	61,496	7,896
General assistance	10,500	10,500	18,257	7,757
Snowmobile	2,350	2,350	1,960	(390)
Senior stabilization	112,923	112,923	113,169	246
Education refund	-	-	37,531	37,531
Charges for services:				
Recreation fees	500	500	-	(500)
Library fees	-	-	296	296
Town clerk fees	29,000	29,000	33,535	4,535
CEO/planning fees	140,000	140,000	212,782	72,782
Solid waste/recycling	100	100	110	10
Fire/rescue collections	220,000	220,000	263,691	43,691
Public safety	15,000	15,000	16,406	1,406
Animal control	1,000	1,000	1,715	715
Public works	74,000	74,000	-	(74,000)
Fire permits	3,000	3,000	2,635	(365)
Investment income:				
Investment income	14,720	14,720	153,397	138,677
Other income:				
Interest/fees on taxes	42,800	42,800	39,379	(3,421)
Payment in lieu of taxes	5,000	5,000	5,000	-
Cable franchise fees	40,400	40,400	19,206	(21,194)
Misc grants	24,871	24,871	-	(24,871)
Other	7,000	7,000	15,826	8,826
Transfers from other funds:				
Special revenue funds	30,000	30,000	30,000	-
Permanent funds	4,000	4,000	4,000	-
<b>TOTAL REVENUES</b>	<b>\$ 19,746,345</b>	<b>\$ 19,746,345</b>	<b>\$ 20,042,390</b>	<b>\$ 296,045</b>

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

SCHEDULE B

TOWN OF RAYMOND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
<b>General government</b>					
Administration	632,487	75,000	707,487	850,281	\$ (142,804)
Compensation and training	75,000	-	75,000	75,000	-
Insurance	154,200	-	154,200	164,135	(9,935)
Assessing	83,437	-	83,437	75,687	7,750
Municipal building	46,000	-	46,000	40,146	5,854
Technology	226,260	-	226,260	228,272	(2,012)
Code enforcement	225,892	-	225,892	214,247	11,645
	<u>1,443,276</u>	<u>75,000</u>	<u>1,518,276</u>	<u>1,647,778</u>	<u>(129,502)</u>
<b>Public safety</b>					
Fire department	1,239,271	-	1,239,271	1,358,760	(119,489)
Animal control	42,161	-	42,161	37,818	4,343
	<u>1,281,432</u>	<u>-</u>	<u>1,281,432</u>	<u>1,396,578</u>	<u>(115,146)</u>
<b>Public works</b>					
Public works	930,356	-	930,356	829,088	101,268
Solid waste	398,100	-	398,100	411,481	(13,381)
	<u>1,328,456</u>	<u>-</u>	<u>1,328,456</u>	<u>1,240,569</u>	<u>87,887</u>
<b>Fringe benefits</b>					
	895,661	-	895,661	961,988	(66,327)
<b>Public health and welfare</b>					
	15,000	-	15,000	21,060	(6,060)
<b>Community services</b>					
Provider agencies	1,000	-	1,000	500	500
Raymond Village library	161,403	-	161,403	158,279	3,124
Cemetery	45,184	-	45,184	40,812	4,372
Recreation	163,084	-	163,084	157,489	5,595
	<u>370,671</u>	<u>-</u>	<u>370,671</u>	<u>357,090</u>	<u>13,581</u>
<b>Education</b>					
	11,940,729	-	11,940,729	11,940,729	-
<b>County tax</b>					
	974,325	-	974,325	974,325	-
<b>Debt service</b>					
Principal	315,213	-	315,213	315,213	-
Interest	26,288	-	26,288	26,287	1
	<u>341,501</u>	<u>-</u>	<u>341,501</u>	<u>341,500</u>	<u>1</u>
<b>Overlay</b>					
	48,099	-	48,099	-	48,099
<b>Transfers to other funds</b>					
Special revenue funds	352,195	-	352,195	352,195	-
Capital projects funds	930,000	-	930,000	930,000	-
	<u>1,282,195</u>	<u>-</u>	<u>1,282,195</u>	<u>1,282,195</u>	<u>-</u>
Total Departmental Operations	<u>\$ 19,921,345</u>	<u>\$ 75,000</u>	<u>\$ 19,996,345</u>	<u>\$ 20,163,822</u>	<u>\$ (167,477)</u>

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

SCHEDULE C

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 203,852	\$ -	\$ 2,515	\$ 206,367
Investments	-	-	538,988	538,988
Accounts receivable (net of allowance for uncollectibles)	-	3,132	-	3,132
Prepaid items	9,531	-	-	9,531
Due from other funds	1,162,417	940,343	-	2,102,760
<b>TOTAL ASSETS</b>	<u>\$ 1,375,800</u>	<u>\$ 943,475</u>	<u>\$ 541,503</u>	<u>\$ 2,860,778</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,826	\$ -	\$ -	\$ 6,826
Due to other funds	19,308	-	7,900	27,208
<b>TOTAL LIABILITIES</b>	<u>26,134</u>	<u>-</u>	<u>7,900</u>	<u>34,034</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	293,394	-	-	293,394
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>293,394</u>	<u>-</u>	<u>-</u>	<u>293,394</u>
<b>FUND BALANCES</b>				
Nonspendable	9,531	-	224,786	234,317
Restricted	1,040,816	-	308,817	1,349,633
Committed	-	943,475	-	943,475
Assigned	8,193	-	-	8,193
Unassigned (deficits)	(2,268)	-	-	(2,268)
<b>TOTAL FUND BALANCES</b>	<u>1,056,272</u>	<u>943,475</u>	<u>533,603</u>	<u>2,533,350</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,375,800</u>	<u>\$ 943,475</u>	<u>\$ 541,503</u>	<u>\$ 2,860,778</u>

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

Special Revenue Funds

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

TOWN OF RAYMOND, MAINE  
SCHEDULE D

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenues	\$ 113,976	\$ -	\$ -	\$ 113,976
Charges for services	72,561	-	-	72,561
Investment income, net of unrealized gains/(losses)	-	-	77,994	77,994
Interest income	8,193	-	-	8,193
Other income	102,108	-	-	102,108
<b>TOTAL REVENUES</b>	<b>296,838</b>	<b>-</b>	<b>77,994</b>	<b>374,832</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal	11,613	-	-	11,613
Capital outlay	109,596	643,579	-	753,175
Other	274,174	17,855	2,500	294,529
<b>TOTAL EXPENDITURES</b>	<b>395,383</b>	<b>661,434</b>	<b>2,500</b>	<b>1,059,317</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(98,545)</b>	<b>(661,434)</b>	<b>75,494</b>	<b>(684,485)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	352,195	930,000	-	1,282,195
Transfers (out)	(125,296)	-	(4,000)	(129,296)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>226,899</b>	<b>930,000</b>	<b>(4,000)</b>	<b>1,152,899</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>128,354</b>	<b>268,566</b>	<b>71,494</b>	<b>468,414</b>
<b>FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED</b>	<b>964,470</b>	<b>674,909</b>	<b>462,109</b>	<b>2,091,488</b>
<b>FUND BALANCE CORRECTIONS</b>	<b>(26,552)</b>	<b>-</b>	<b>-</b>	<b>(26,552)</b>
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>927,918</b>	<b>674,909</b>	<b>462,109</b>	<b>2,064,936</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,056,272</b>	<b>\$ 943,475</b>	<b>\$ 533,603</b>	<b>\$ 2,533,350</b>

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

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Forestry Grant	Revaluation	Age Friendly Raymond	Community Celebration	Fire Department Donations	Tax Increment Financing	Backpack Program	Keep Maine Healthy	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,852
Prepaid items	-	-	-	-	-	9,531	-	-	9,531
Due from other funds	500	288,872	1,018	1,455	100	503,976	-	-	1,162,417
<b>TOTAL ASSETS</b>	<b>\$ 500</b>	<b>\$ 288,872</b>	<b>\$ 1,018</b>	<b>\$ 1,455</b>	<b>\$ 100</b>	<b>\$ 513,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,375,800</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,826
Due to other funds	-	-	-	-	-	-	618	1,650	19,308
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>618</b>	<b>1,650</b>	<b>26,134</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred revenue	-	-	-	-	-	-	-	-	293,394
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293,394</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	9,531	-	-	9,531
Restricted	500	288,872	1,018	1,455	100	503,976	-	-	1,040,816
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	8,193
Unassigned	-	-	-	-	-	-	(618)	(1,650)	(2,268)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>500</b>	<b>288,872</b>	<b>1,018</b>	<b>1,455</b>	<b>100</b>	<b>513,507</b>	<b>(618)</b>	<b>(1,650)</b>	<b>1,056,272</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 500</b>	<b>\$ 288,872</b>	<b>\$ 1,018</b>	<b>\$ 1,455</b>	<b>\$ 100</b>	<b>\$ 513,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,375,800</b>

See accompanying independent auditor's report and notes to financial statements.  
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TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Grants Other	Library	Parks and Recreation	ARPA	Community Assistance Fund	Veteran's Memorial	Beautification Committee	Panther Pond Projects	Conservation Commission	Economic Development
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 203,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	-	-	-	-	-	-	-	-	-	-
Due from other funds	73,859	90,208	131,715	-	59,044	4,457	3,065	1,268	1,640	1,240
<b>TOTAL ASSETS</b>	<b>\$ 73,859</b>	<b>\$ 90,208</b>	<b>\$ 131,715</b>	<b>\$ 203,852</b>	<b>\$ 59,044</b>	<b>\$ 4,457</b>	<b>\$ 3,065</b>	<b>\$ 1,268</b>	<b>\$ 1,640</b>	<b>\$ 1,240</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ 6,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	17,040	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>6,826</b>	<b>17,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred revenue	-	-	114,775	178,619	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>114,775</b>	<b>178,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	73,859	90,208	10,114	-	59,044	4,457	3,065	1,268	1,640	1,240
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	8,193	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>73,859</b>	<b>90,208</b>	<b>10,114</b>	<b>8,193</b>	<b>59,044</b>	<b>4,457</b>	<b>3,065</b>	<b>1,268</b>	<b>1,640</b>	<b>1,240</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 73,859</b>	<b>\$ 90,208</b>	<b>\$ 131,715</b>	<b>\$ 203,852</b>	<b>\$ 59,044</b>	<b>\$ 4,457</b>	<b>\$ 3,065</b>	<b>\$ 1,268</b>	<b>\$ 1,640</b>	<b>\$ 1,240</b>

TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Forestry Grant	Revaluation	Age Friendly Raymond	Community Celebration	Fire Department Donations	Tax Increment Financing	Backpack Program	Keep Maine Healthy	Total
<b>REVENUES</b>									
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,976
Charges for services	-	-	-	-	-	-	-	-	72,561
Interest income	-	-	-	-	-	-	-	-	8,193
Other income	-	8,972	-	1,191	-	-	-	-	102,108
<b>TOTAL REVENUES</b>	-	8,972	-	1,191	-	-	-	-	296,838
<b>EXPENDITURES</b>									
Debt service:									
Principal	-	-	-	-	-	11,613	-	-	11,613
Capital outlay	-	-	-	-	8,000	84,769	-	-	109,596
Other	-	-	-	-	-	165,828	-	-	274,174
<b>TOTAL EXPENDITURES</b>	-	-	-	-	8,000	262,210	-	-	395,383
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>									
	-	8,972	-	1,191	(8,000)	(262,210)	-	-	(98,545)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	80,000	-	-	-	272,195	-	-	352,195
Transfers (out)	-	-	-	-	-	-	-	-	(125,296)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	80,000	-	-	-	272,195	-	-	226,899
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>									
	-	88,972	-	1,191	(8,000)	9,985	-	-	128,354
<b>FUND BALANCES (DEFICITS), JULY 1, AS PREVIOUSLY REPORTED</b>									
	500	199,900	1,018	264	8,100	237,479	(618)	(1,650)	954,470
<b>FUND BALANCE CORRECTIONS</b>									
	-	-	-	-	-	266,043	-	-	(26,552)
<b>FUND BALANCES (DEFICITS), JULY 1, AS RESTATED</b>									
	500	199,900	1,018	264	8,100	503,522	(618)	(1,650)	927,918
<b>FUND BALANCES (DEFICITS), JUNE 30</b>									
	\$ 500	\$ 288,872	\$ 1,018	\$ 1,455	\$ 100	\$ 513,507	\$ (618)	\$ (1,650)	\$ 1,056,272

See accompanying independent auditor's report and notes to financial statements.  
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TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Grants Other	Library	Parks and Recreation	ARPA	Community Assistance Fund	Veteran's Memorial	Beautification Committee	Panther Pond Projects	Conservation Commission	Economic Development
<b>REVENUES</b>										
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 113,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	72,561	-	-	-	-	-	-	-
Interest income	-	-	-	8,193	-	-	-	-	-	-
Other income	71,970	-	2,104	-	15,551	50	2,270	-	-	-
<b>TOTAL REVENUES</b>	71,970	-	74,665	122,169	15,551	50	2,270	-	-	-
<b>EXPENDITURES</b>										
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	16,827	-	-	-	-	-	-
Other	-	10,320	85,935	1,853	7,994	-	2,244	-	-	-
<b>TOTAL EXPENDITURES</b>	-	10,320	85,935	18,680	7,994	-	2,244	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>										
	71,970	(10,320)	(11,270)	103,489	7,557	50	26	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	(30,000)	-	(95,296)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(30,000)	-	(95,296)	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>										
	71,970	(40,320)	(11,270)	8,193	7,557	50	26	-	-	-
<b>FUND BALANCES (DEFICITS), JULY 1, AS PREVIOUSLY REPORTED</b>										
	1,889	130,528	21,384	292,595	51,487	4,407	3,039	1,268	1,640	1,240
<b>FUND BALANCE CORRECTIONS</b>										
	-	-	-	(292,595)	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JULY 1, AS RESTATED</b>										
	1,889	130,528	21,384	-	51,487	4,407	3,039	1,268	1,640	1,240
<b>FUND BALANCES (DEFICITS), JUNE 30</b>										
	\$ 73,859	\$ 90,208	\$ 10,114	\$ 8,193	\$ 59,044	\$ 4,457	\$ 3,065	\$ 1,268	\$ 1,640	\$ 1,240

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	Fire Department Reserve	Public Works Paving Reserve	Sidewalk Match	Patricia Ave. Recreational Facilities	Technology	Public Works Snow Equipment
<b>ASSETS</b>						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	112,950	258,866	41,734	21,138	246,946	1,972
<b>TOTAL ASSETS</b>	<b>\$ 112,950</b>	<b>\$ 258,866</b>	<b>\$ 41,734</b>	<b>\$ 21,138</b>	<b>\$ 246,946</b>	<b>\$ 1,972</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	112,950	258,866	41,734	21,138	246,946	1,972
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>112,950</b>	<b>258,866</b>	<b>41,734</b>	<b>21,138</b>	<b>246,946</b>	<b>1,972</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 112,950</b>	<b>\$ 258,866</b>	<b>\$ 41,734</b>	<b>\$ 21,138</b>	<b>\$ 246,946</b>	<b>\$ 1,972</b>

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	Hazardous Waste Reserve	Municipal Facilities	Town Hall Feasibility Study	Playground	Land Improvements	Open Space Reserve	Total
<b>ASSETS</b>							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ 3,132	\$ -	\$ -	\$ 3,132
Due from other funds	2,971	50,649	213	32,248	10,000	28,707	940,343
<b>TOTAL ASSETS</b>	<b>\$ 2,971</b>	<b>\$ 50,649</b>	<b>\$ 213</b>	<b>\$ 35,380</b>	<b>\$ 10,000</b>	<b>\$ 28,707</b>	<b>\$ 943,475</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	2,971	50,649	213	35,380	10,000	28,707	943,475
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>2,971</b>	<b>50,649</b>	<b>213</b>	<b>35,380</b>	<b>10,000</b>	<b>28,707</b>	<b>943,475</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,971</b>	<b>\$ 50,649</b>	<b>\$ 213</b>	<b>\$ 35,380</b>	<b>\$ 10,000</b>	<b>\$ 28,707</b>	<b>\$ 943,475</b>

See accompanying independent auditor's report and notes to financial statements.  
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TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	Public Works Equipment	Fire Department Review Fees	Fire Department IRT Projects	Assessing Software Reserve	Water Watch Account	Sheri Gagnon Park
<b>ASSETS</b>						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	103,061	13,255	6,456	5,000	4,161	16
<b>TOTAL ASSETS</b>	<b>\$ 103,061</b>	<b>\$ 13,255</b>	<b>\$ 6,456</b>	<b>\$ 5,000</b>	<b>\$ 4,161</b>	<b>\$ 16</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	103,061	13,255	6,456	5,000	4,161	16
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>103,061</b>	<b>13,255</b>	<b>6,456</b>	<b>5,000</b>	<b>4,161</b>	<b>16</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 103,061</b>	<b>\$ 13,255</b>	<b>\$ 6,456</b>	<b>\$ 5,000</b>	<b>\$ 4,161</b>	<b>\$ 16</b>

TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Public Works Equipment	Fire Department Review Fees	Fire Department IRT Projects	Assessing Software Reserve	Water Watch Account	Sheri Gagnon Park
REVENUES						
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	202,800	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	202,800	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(202,800)	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	225,000	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	225,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES	22,200	-	-	-	-	-
FUND BALANCES - JULY 1	80,861	13,255	6,456	5,000	4,161	16
FUND BALANCES - JUNE 30	\$ 103,061	\$ 13,255	\$ 6,456	\$ 5,000	\$ 4,161	\$ 16

TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Fire Department Reserve	Public Works Paving Reserve	Sidewalk Match	Patricia Ave. Recreational Facilities	Technology	Public Works Snow Equipment
REVENUES						
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	-	310,717	-	-	-	-
Other	-	-	-	-	17,855	-
TOTAL EXPENDITURES	-	310,717	-	-	17,855	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(310,717)	-	-	(17,855)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	75,000	410,000	-	-	100,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	75,000	410,000	-	-	100,000	-
NET CHANGE IN FUND BALANCES	75,000	99,283	-	-	82,145	-
FUND BALANCES - JULY 1	37,950	159,583	41,734	21,138	164,801	1,972
FUND BALANCES - JUNE 30	\$ 112,950	\$ 258,866	\$ 41,734	\$ 21,138	\$ 246,946	\$ 1,972

Permanent Funds

Permanent funds are used to account for assets held by the Town of Raymond, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the preservation and/or maintenance of cemeteries.

TOWN OF RAYMOND, MAINE

SCHEDULE H (CONTINUED)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Hazardous Waste Reserve	Municipal Facilities	Town Hall Feasibility Study	Playground	Land Improvements	Open Space Reserve	Total
REVENUES							
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	67,842	-	62,220	-	-	643,579
Other	-	-	-	-	-	-	17,855
TOTAL EXPENDITURES	-	67,842	-	62,220	-	-	661,434
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(67,842)	-	(62,220)	-	-	(661,434)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	85,000	-	35,000	-	-	930,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	85,000	-	35,000	-	-	930,000
NET CHANGE IN FUND BALANCES	-	17,158	-	(27,220)	-	-	268,566
FUND BALANCES - JULY 1	2,971	33,491	213	62,600	10,000	28,707	674,909
FUND BALANCES - JUNE 30	\$ 2,971	\$ 50,649	\$ 213	\$ 35,380	\$ 10,000	\$ 28,707	\$ 943,475

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

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2024

	Collins-Day Scholarship	Alva Clough Scholarship	Torstein Johannas Lund Scholarship	Ministerial Fund	Recreation Fund	Spiegel Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 81	\$ 30	\$ 47	\$ 206	\$ 95	\$ 327	\$ 2,515
Investments	17,392	6,424	10,000	44,182	20,400	70,071	538,988
<b>TOTAL ASSETS</b>	<b>\$ 17,473</b>	<b>\$ 6,454</b>	<b>\$ 10,047</b>	<b>\$ 44,388</b>	<b>\$ 20,495</b>	<b>\$ 70,398</b>	<b>\$ 541,503</b>
<b>LIABILITIES</b>							
Due to other funds	\$ 45	\$ 16	\$ 26	\$ 115	\$ 53	\$ 184	\$ 7,900
<b>TOTAL LIABILITIES</b>	<b>45</b>	<b>16</b>	<b>26</b>	<b>115</b>	<b>53</b>	<b>184</b>	<b>7,900</b>
<b>FUND BALANCES</b>							
Nonspendable	13,580	5,122	2,928	2,175	10,050	25,000	224,786
Restricted	3,848	1,316	7,093	42,098	10,392	45,214	308,817
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>17,428</b>	<b>6,438</b>	<b>10,021</b>	<b>44,273</b>	<b>20,442</b>	<b>70,214</b>	<b>533,603</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,473</b>	<b>\$ 6,454</b>	<b>\$ 10,047</b>	<b>\$ 44,388</b>	<b>\$ 20,495</b>	<b>\$ 70,398</b>	<b>\$ 541,503</b>

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

TOWN OF RAYMOND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2024

	Cemetery Funds	Riverside Cemetery	Laurette Files Account	North Raymond Cemetery	Carlton E. Edwards Scholarship	George Woods Scholarship
<b>ASSETS</b>						
Cash and cash equivalents	\$ 856	\$ 396	\$ 114	\$ 57	\$ 159	\$ 147
Investments	183,464	84,765	24,489	12,166	34,057	31,578
<b>TOTAL ASSETS</b>	<b>\$ 184,320</b>	<b>\$ 85,161</b>	<b>\$ 24,603</b>	<b>\$ 12,223</b>	<b>\$ 34,216</b>	<b>\$ 31,725</b>
<b>LIABILITIES</b>						
Due to other funds	\$ 4,476	\$ 220	\$ 63	\$ 32	\$ 2,589	\$ 81
<b>TOTAL LIABILITIES</b>	<b>4,476</b>	<b>220</b>	<b>63</b>	<b>32</b>	<b>2,589</b>	<b>81</b>
<b>FUND BALANCES</b>						
Nonspendable	83,363	38,461	3,781	4,889	15,852	19,585
Restricted	96,481	46,480	20,759	7,302	15,775	12,059
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>179,844</b>	<b>84,941</b>	<b>24,540</b>	<b>12,191</b>	<b>31,627</b>	<b>31,644</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 184,320</b>	<b>\$ 85,161</b>	<b>\$ 24,603</b>	<b>\$ 12,223</b>	<b>\$ 34,216</b>	<b>\$ 31,725</b>

## TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Collins-Day Scholarship	Alva Clough Scholarship	Torstein Johannas Lund Scholarship	Ministerial Fund	Recreation Fund	Spiegel Fund	Total
<b>REVENUES</b>							
Investment income, net of unrealized gains/(losses)	\$ 2,517	\$ 930	\$ 1,447	\$ 6,393	\$ 2,952	\$ 10,139	\$ 77,994
<b>TOTAL REVENUES</b>	<b>2,517</b>	<b>930</b>	<b>1,447</b>	<b>6,393</b>	<b>2,952</b>	<b>10,139</b>	<b>77,994</b>
<b>EXPENDITURES</b>							
Other	-	-	-	-	-	-	2,500
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,517</b>	<b>930</b>	<b>1,447</b>	<b>6,393</b>	<b>2,952</b>	<b>10,139</b>	<b>75,494</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(4,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,517</b>	<b>930</b>	<b>1,447</b>	<b>6,393</b>	<b>2,952</b>	<b>10,139</b>	<b>71,494</b>
<b>FUND BALANCES - JULY 1</b>	<b>14,911</b>	<b>5,508</b>	<b>8,574</b>	<b>37,880</b>	<b>17,490</b>	<b>60,075</b>	<b>462,109</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 17,428</b>	<b>\$ 6,438</b>	<b>\$ 10,021</b>	<b>\$ 44,273</b>	<b>\$ 20,442</b>	<b>\$ 70,214</b>	<b>\$ 533,603</b>

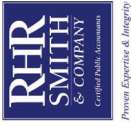
See accompanying independent auditor's report and notes to financial statements.

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## TOWN OF RAYMOND, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Cemetery Funds	Riverside Cemetery	Laurette Files Account	North Raymond Cemetery	Carlton E. Edwards Scholarship	George Woods Scholarship
<b>REVENUES</b>						
Investment income, net of unrealized gains/(losses)	\$ 26,548	\$ 12,266	\$ 3,544	\$ 1,760	\$ 4,928	\$ 4,570
<b>TOTAL REVENUES</b>	<b>26,548</b>	<b>12,266</b>	<b>3,544</b>	<b>1,760</b>	<b>4,928</b>	<b>4,570</b>
<b>EXPENDITURES</b>						
Other	-	-	-	-	2,500	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>26,548</b>	<b>12,266</b>	<b>3,544</b>	<b>1,760</b>	<b>2,428</b>	<b>4,570</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers (out)	(4,000)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>22,548</b>	<b>12,266</b>	<b>3,544</b>	<b>1,760</b>	<b>2,428</b>	<b>4,570</b>
<b>FUND BALANCES - JULY 1</b>	<b>157,296</b>	<b>72,675</b>	<b>20,996</b>	<b>10,431</b>	<b>29,199</b>	<b>27,074</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 179,844</b>	<b>\$ 84,941</b>	<b>\$ 24,540</b>	<b>\$ 12,191</b>	<b>\$ 31,627</b>	<b>\$ 31,644</b>



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

Selectboard  
Town of Raymond  
Raymond, Maine

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Raymond, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Raymond, Maine's basic financial statements and have issued our report thereon dated April 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to the management of the Town of Raymond in a separate letter dated April 29, 2025.

Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
April 29, 2025

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**APPENDIX C**

**TOWN OF WINDHAM, MAINE  
ANNUAL FINANCIAL STATEMENTS  
AND SUPPORTING SCHEDULES  
FOR THE  
YEAR ENDED JUNE 30, 2025**

**(With Report of Independent Auditors' Thereon)**

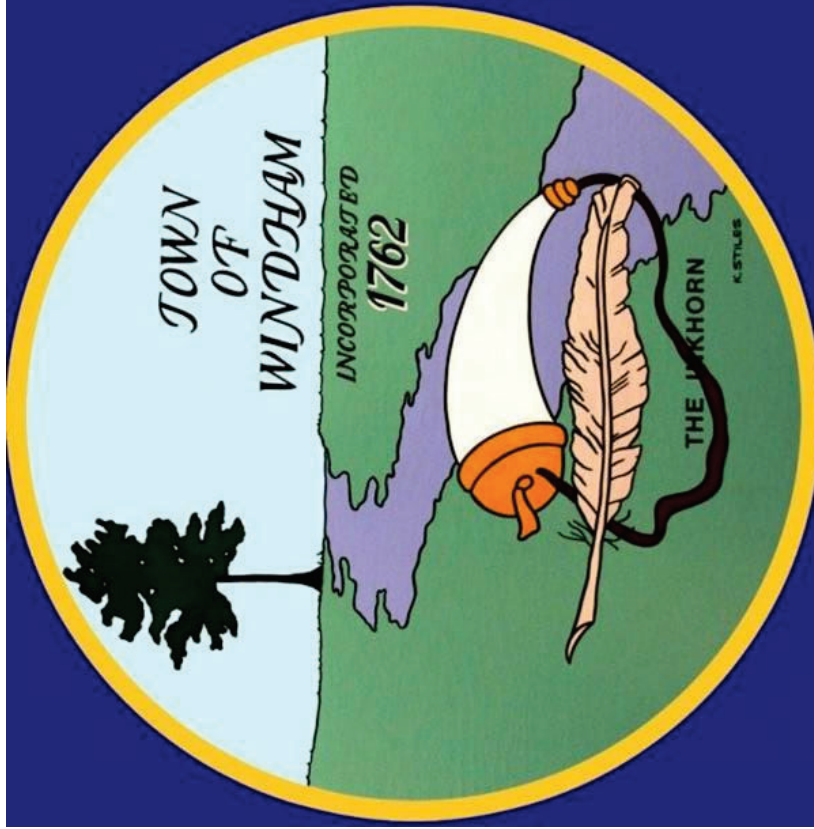
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# Town of Windham, Maine

Annual financial report  
For the fiscal year ended June 30, 2025

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# TOWN OF WINDHAM, MAINE

ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED, JUNE 30, 2025



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**INDEPENDENT AUDITOR'S REPORT**

To the Town Council  
Town of Windham, Maine

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windham, Maine ("the Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2025, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material

**Town of Windham, Maine**

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are prepared for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

Town of Windham, Maine

provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.



PETER J HALL CPA LLC

South Portland, Maine  
February 27, 2026

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## Town of Windham, Maine Management's Discussion and Analysis

As management of the Town of Windham, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025.

### Financial highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$50,168,643 (net position). The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was \$23,184,405.
- The Town's total net position increased \$4,359,937 primarily due to revenues exceeding expenditures in the governmental funds. The Town's governmental fund balance increased by \$11,022,012 during the year. There are certain adjustments to this figure when reporting the change in net position, the largest of which was the issuance of debt, including premiums, of \$11,183,608. This was offset by capital outlays exceeding depreciation expense and disposed assets by \$3,479,300 and principal payments of debt totaling \$2,968,571.
- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$38,604,959, an increase of \$11,022,012 in comparison with the prior year. Of this amount, \$17,052,993, or 44%, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund was \$26,764,725, or approximately 45% of total general fund expenditures and transfers to other funds.

### Overview of the financial statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support 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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, 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 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 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, public works, police, fire and rescue, recreation and culture, property and inspection, development and conservation, and health and welfare. It also includes assessments made by RSU 14 for education and Cumberland County for county services. The Town does not have any business-type activities.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate economic development agency, Windham Economic Development Corporation, for which the Town is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-15 of this report.

**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, 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 three categories: governmental funds, proprietary 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 assessing 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 government'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 maintains fourteen 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, the American rescue plan fund, and the 2025 bond issue fund, which are considered to be major funds. Data from the other eleven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor

governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Town 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 16-19 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains one type of fiduciary fund. The *private-purpose trust fund* is used to report resources held for scholarships that benefit members of the community.

The fiduciary fund financial statements can be found on pages 20-21 of this report.

**Notes to the financial statements.** The notes provide additional information that is necessary to acquire 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 22-42 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 43-45.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 46-55 of this report.

**Government-wide overall financial analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,168,643 at the close of the most recent fiscal year.

	Governmental activities		
	2025	2024 restated	Change
<b>Assets</b>			
Current and other assets	\$ 44,970,683	34,096,112	10,874,571
Capital assets, net	45,649,638	42,284,836	3,364,802
Total assets	90,620,321	76,380,948	14,239,373
Total deferred outflows of resources	2,210,401	1,919,704	290,697
<b>Liabilities</b>			
Long-term liabilities	36,707,744	27,426,337	9,281,407
Other liabilities	5,277,350	4,260,693	1,016,657
Total liabilities	41,985,094	31,687,030	10,298,064
Total deferred inflows of resources	676,985	804,916	(127,931)
<b>Net position</b>			
Net investment in capital assets	23,356,511	23,864,900	(508,389)
Restricted	3,627,727	2,902,252	725,475
Unrestricted	23,184,405	19,041,554	4,142,851
Total net position	\$ 50,168,643	45,808,706	4,359,937

Current and other assets increased in governmental activities by \$10,874,571 which coincides with the increase in fund balance. Cash is up nearly \$10 million due to the issuance of \$10.7 million in bonds, while only spending \$3.3 million of that during the fiscal year. The remaining bond proceeds will be utilized during the next fiscal year. Funds raised in the current year for capital projects that will be spent in a future fiscal year (carried to the next fiscal year as assigned fund balance) also contributed to the increase in cash.

Capital assets increased over \$3.3 million due to capital outlays exceeding depreciation expense during the year. Capital assets are discussed in more detail later in this management's discussion and analysis.

Other liabilities in governmental activities increased \$1 million from the previous year due to increases in payables, accrued wages, site surety and inspection deposits, and accrued interest.

Long-term liabilities, which consist of bonds, notes, compensated absences and postemployment benefit obligations, increased by \$9.3 million from the previous year. Bonds, premium, and notes issued during the year totaled \$11.6 million. This was partially offset by principal payments and premium amortization of \$3.1 million. The net pension and postemployment benefits liabilities also increased \$668 thousand.

By far, the largest portion of the Town's net position, \$23,356,511, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be

noted that the resources used 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, \$3,627,727, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the Town's unrestricted net position was a balance of \$23,184,405.

The Town's overall net position increased \$4,359,937 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

		2025	2024	Change
<b>Governmental activities</b>				
Revenues				
Program revenues				
Charges for services	\$	4,172,317	4,550,046	(377,729)
Operating grants and cont.		2,190,947	1,291,347	899,600
Capital grants and cont.		5,417,817	219,652	5,198,165
General revenues				
Property taxes		52,097,960	47,207,333	4,890,627
Unrestricted grants and cont.		3,960,375	3,896,873	63,502
Other		1,354,390	1,357,909	(3,519)
<b>Total revenues</b>		<b>69,193,806</b>	<b>58,523,160</b>	<b>10,670,646</b>

Expenses				
General government		8,519,938	7,875,905	644,033
Public works		6,686,958	7,363,127	(676,169)
Police, fire, and rescue		8,194,027	7,744,839	449,188
Recreation and cultural		1,872,690	1,644,308	228,382
Property and development		1,319,718	1,323,991	(4,273)
Health and welfare		590,673	546,822	43,851
County tax		2,012,255	1,813,946	198,309
Education		28,096,394	25,611,458	2,484,936
All other		7,541,216	1,455,600	6,085,616
<b>Total expenses</b>		<b>64,833,869</b>	<b>55,379,996</b>	<b>9,453,873</b>
Increase (decrease) in net position		4,359,937	3,143,164	
Net position - beginning, restated		45,808,706	43,086,507	
<b>Net position - ending</b>		<b>50,168,643</b>	<b>46,229,671</b>	

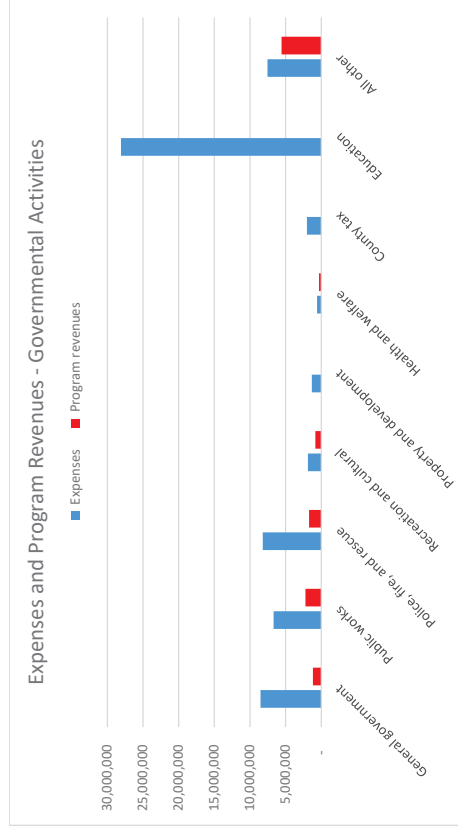
**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$4,359,937 from the prior fiscal year for an ending balance of \$50,168,643. The increase in the overall net position is primarily due to revenues exceeding expenditures in the governmental funds, reduced by the issuance of debt offset by capital outlays exceeding depreciation expense on capitalized assets.

Revenues increased nearly \$10.7 million or 18% from the prior year, with the largest increases being property taxes and capital grants. The tax commitment was 11% higher than in the prior year. The local

education and county tax appropriations increased over 9.7% and 10.9%, respectively. The large increase in capital grants is due to receiving \$2 million in CDS grant funds and \$2.7 million in Cumberland County addendum grant funds for the sewer project in North Windham.

Expenses grew 17% during the current year, increasing from \$55.4 million in the prior year to \$64.8 million. 65% of this increase was in all other, which includes interest on debt and the North Windham sewer project. Interest on debt increased due to the issuance of a \$9.5 million bond. The accrued interest for the bond was \$400 thousand. The Town made payments of \$5.5 million to Portland Water District during the year for the project. 26% of this increase is due to the local assessment increase from RSU 14. General government, and police, fire, and rescue expenses were up \$644 thousand (8.1%), and \$449 thousand (5.8%), respectively, from the prior year. The majority of the increases were salary and benefit related. \$250 thousand of the increase in general government expenses were related to increases in the net pension and other post-employment benefits (OPEB) liabilities.

As shown in the chart below, revenues generated by the Town's programs are not sufficient to cover the costs. The Town relies on property taxes, state revenue sharing, homestead and BETE exemptions, investment income and other general revenues to cover the costs associated with the various programs.



### Financial analysis of governmental funds

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

**Governmental Funds.** The focus of the Town's *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, unassigned fund balance may serve as a useful measure of

a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town's Council.

At June 30, 2025, the Town's governmental funds reported combined fund balances of \$38,604,959, an increase of \$11,022,012 in comparison with the prior year. Of this amount, \$17,052,993, or 44%, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is (1) not in spendable form, \$39,642; (2) not spendable because it is legally required to be maintained intact, \$41,874; (3) restricted for particular purposes, \$3,585,853; (4) committed for particular purposes, \$9,466,822; (5) assigned for particular purposes, \$5,078,026; or (6) assigned for the subsequent budget, \$3,339,749.

*Analysis of Individual Funds*

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,433,993, while total fund balance increased to \$26,804,367. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers to other funds. Unassigned fund balance represents 29% of total general fund expenditures and transfers to other funds, while total fund balance represents 45% of that same amount.

The fund balance of the Town's general fund increased by \$3,928,955 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to revenues exceeding expenditures. Actual revenues exceeded budgeted amounts by \$639 thousand, actual transfers to the general fund were under budget by \$770 thousand, actual expenditures came in under budgeted figures by \$7.7 million, and there was a budgeted use of fund balance of \$3.9 million.

The American Rescue Plan fund increased by \$92 thousand due to interest earned on the funding received by Town. The Town plans to utilize these funds next fiscal year for the North Windham sewer project. Funds of \$2.1 million are available for the project.

The 2025 bond issue fund had bond and premium proceeds of \$10.7 million and interest revenue of \$390 thousand. Total expenditures were \$3.3 million, which increased fund balance \$7.8 million. These funds will be spent in future fiscal years on capital projects related to the bond issuance.

**General fund budgetary highlights**

**Original budget compared to final budget.** The final budget for the general fund includes \$2,513,268 of amounts carried forward from the year ending June 30, 2024. Most of this amount was capital related, \$2,417,225, as projects do not always finish by year end and get extended into the next fiscal year. Other amounts are related to unspent budgeted amounts from the 2024 fiscal year that were assigned at year end. The following function budgets were increased due to these carry forwards: general government \$40,025; public works \$33,500; police \$28,125; and property and inspection \$375.

**Final budget compared to actual results.** The most significant differences between estimated revenues and actual revenues were as follows:

Revenue source	Estimated revenues	Actual revenues	Difference
Excise taxes	\$ 4,000,000	4,933,779	933,779
MDOT municipal partnership initiative	2,085,000	602,777	(1,482,223)
Registrations and fees	158,840	268,595	109,755
Rescue fees	850,500	1,112,637	262,137
RSU - officer	264,389	140,486	(123,903)
Interest	550,000	1,175,270	625,270

Excise tax revenue exceeded projections due to the Town expecting less new car purchases with the current economic environment and increases in automobile prices. The project covered by the MDOT municipal partnership initiative will not be completed until a later fiscal year. Subdivision review fees were the main cause of registration and fees exceeding budgeted figures. The rescue fees are budgeted conservatively due to the nature of the revenue and the volatility of collections. Actual revenues increased \$75,961 from the prior year. Less school resource officer time at RSU 14 was the cause of that revenue line coming in under budget. Interest revenues came in higher than expected due to conservative budgeting and the Town moving funds to take advantage of higher interest rates.

Expenditures	Estimated expenditures	Actual expenditures	Difference
Highway maintenance	\$ 961,640	859,285	102,355
Dundee Park	126,913	82,921	43,992
Planning	425,433	312,065	113,368
Social services	330,957	163,624	167,333
New bond issuance	773,379	-	773,379
Capital outlay	8,982,809	3,380,334	5,602,475

Savings in wages and less contracted services used caused highway maintenance to come in under budget. Dundee Park was closed for a portion of the year due to lack of staffing. Planning had savings in wages and did not utilize contracted services to the extent expected. Some of these funds have been carried forward to the next fiscal year. Less general assistance costs than anticipated was the largest portion of social services coming in under budget. General assistance revenues were also under budget by \$62,670. The Town was expecting to issue the 2025 bond earlier in the year, which would have included a payment during the fiscal year. A later issuance date moved the first debt payment into the 2025-2026 fiscal year. Unspent budgeted capital projects are carried forward each year until the projects are finished. The Town has assigned over \$3.8 million of this amount for capital purposes in the next fiscal year. Other amounts are related to road work utilizing Maine Department of Transportation funding, which will be completed in future fiscal years.

**Capital asset and debt administration**

**Capital assets.** The Town's investment in capital assets as of June 30, 2025, amounts to \$45,649,638 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery,

equipment, vehicles, recreation facilities, and roads. The total increase in capital assets for the current fiscal year was 7%.

	Capital assets, net	
	2025	2024
Land	\$ 2,094,564	2,094,564
Construction in progress	6,467,205	3,555,169
Land improvements	1,215,670	945,096
Buildings and improvements	16,355,435	17,003,458
Equipment and furniture	2,759,095	1,500,593
Vehicles	2,919,649	3,160,396
Infrastructure	13,838,020	14,359,660
	<u>45,649,638</u>	<u>42,618,936</u>

Major capital assets events during the current fiscal year included the following:

- Work Route 202 and River Road intersection incurring costs of \$3,117,649.
- Town work on the Morell property totaling \$307,277.
- An MT7 trackless sidewalk machine with accessories was acquired for \$231,651.
- A 2024 freightliner pumper/tanker truck was purchased at a cost of \$586,719.
- A 2024 GMC 3500 Micro Bird commercial bus was purchased for \$107,100.
- Three 2025 Ford Explorer Interceptors were purchased for the police department for \$148,210.
- Three 2021 Hyundai Konas were acquired at a total cost of \$68,447.
- A 2023 Ford E-450 ambulance chassis was purchased for \$214,685.
- 60 MSA G1 fire service SCBA with attachments and batteries were acquired for \$529,625.

Additional information on the Town's capital assets can be found in Note III.D of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$29,247,090. The remainder of the Town's long-term obligations is comprised of notes payable.

	Outstanding debt	
	2025	2024
Bonds payable	\$ 19,340,000	11,775,000
Notes payable	9,907,090	10,009,010
	<u>29,247,090</u>	<u>21,784,010</u>

The Town's total debt increased by \$7,463,080 (34%) during the current fiscal year. The Town issued \$9,535,000 in bonds and \$896,651 in notes during the year. These increases were offset by regular principal payments on bonds (\$1,970,000) and notes (\$998,571) payable.

The Town has an "AA+" rating from Standard & Poor's for general obligation debt. In Standard & Poor's words, "The upgrade reflects our view of the town's improved reserve position over the past two years, supported by positive financial results, while maintaining a manageable debt and contingent liability profile."

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of the average full valuation of taxable property within the jurisdiction. The current debt limitation for the Town is \$615 million, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III.E and III.F of this report.

**Economic factors and next year's budget**

At the end of the current fiscal year, the fund balance in the general fund was \$26,804,367. The Town has appropriated \$8,417,775 of this amount for spending in the 2025-2026 fiscal year budget. This includes a budgeted \$3,339,749 use of fund balance for the 2025-2026 fiscal year. This action was taken as an additional measure to lessen the burden of the local taxpayers. The amount also includes \$3,854,934 of capital-related projects that were not completed during the fiscal year and \$1,223,092 of other unspent amounts being assigned for future purposes.

In adopting the budget for the ensuing 2025-2026 fiscal year, Town officials considered many factors in making judgments and estimates about the finances for the upcoming year. A primary objective was to continue to provide basic town services to the citizens while attempting to keep the property tax rate steady, while balancing the need for visioning projects and upgrades. The Town Council continued to focus on the tax rate during the 2025-2026 budgeting process. The budget for the fiscal year starting July 1, 2025, was approved by the Town Council with a tax rate of 12.06 mills.

The goal of the FY2026 budget is to maintain the services and programs, while implementing capital improvements to improve the community.

- There was additional staffing budgeted for the Town:
  - Projects Manager
- Excise taxes in this budget year increased by \$600,000 over FY 25
- Building fees in this budget year increased by \$180,000 over FY 25
- Interest on investments in this budget year increased by \$250,000 over FY 25
- COLA of 3.5% to bring town staff near par with competing municipalities
- Utilized \$1,285,000 in reserves to fund FY 26 capital requests

**Mill rate:**

Tax Commitment

State law mandates that it is the responsibility of the assessor to maintain assessed values according to just value or market value. Real estate sale prices in Windham continued to rise this year, but this was not enough to trigger a large-scale valuation update. Only select neighborhoods and groups of properties experienced valuation adjustments this year based on sales data and review. Most of these adjustments were minor but were necessary to maintain the alignment between assessed and market value to certify a 100% ratio with the State of Maine. Rising cost of construction materials and continued strong development within the Town were the main contributors to higher real estate sales.

Tax rate was set by Town Council for the FY 2025-2026 tax year at 12.06 mills (4.27 municipal, 7.28 School, 0.51 County) with a certified assessment ratio of 100%. Windham has 9,130 real estate parcels and 1,159 personal property accounts with a combined taxable value of \$4,202,792,000, an increase of \$105,868,700 (2.6%) from last year. Approximately \$60M of that increase was due to new growth, \$28M to residential adjustments, and \$18M to commercial adjustments.

	FY 2025	FY 2024	Increase (decrease)
Revenues			
Town non-property taxes	16,683,109	15,465,641	1,217,468
Property tax	46,991,710	42,430,080	4,561,630
Fund balance	1,400,000	500,000	900,000
Total revenues	65,074,819	58,395,721	6,679,098
Expenditures			
Municipal	34,966,170	30,970,317	3,995,853
School	28,096,394	25,611,458	2,484,936
County tax	2,012,255	1,813,946	198,309
Total expenditures	65,074,819	58,395,721	6,679,098

**New and on-going projects:**

Local access roads and sidewalks

Southwest Route 202 intersection and sidewalks - \$3,912,186 to complete the revitalization of the southwest village, to build and/or rebuild sidewalks along Route 202 (Main St) with user-friendly facilities to make it a more attractive location, and also to improve pedestrian mobility and safety, drainage and geometric improvements at the intersection of River Road.

Windham Center Road sidewalk improvements - \$3,500,000 for design, engineering, planning and construction of a sidewalk and other road improvements along Windham Center Road from approximate location of Windham High School to Windham Middle School.

Projects in progress

North Windham Wastewater Treatment System – Land acquisition, site improvements, and construction of a new wastewater treatment facility in North Windham that will improve water quality in the Sebago Lake watershed, ensure protecting of public health through safer drinking water, and encourage business development. Total facility project cost is currently \$49M, which will be paid from TIF funds. Other funding sources include SRF loans (which includes partial principal forgiveness), EPA and ARPA grants. Sewer service connections will be established utilizing \$1.81M of grant funds. The next step of the treatment plant is Phase 1 & 2 of the Windham School Conveyance Project with a total cost estimate of \$13.47M, which will be paid from TIF funds and includes SRF loans (which includes partial principal forgiveness) as a funding source.

Northwest mobility plan (access roads)- recently secured a \$25M Raise Grant and \$3.125M State funding with a required \$3.125M local match to fund the connector roads; legal survey, engineering costs to stem

traffic jams and improve pedestrian access on Route 302, limiting left turns consolidating business entrances and installing sidewalks, including traffic lights.

East Windham Conservation Project - purchased approximately 750 acres from 4 landowners to create open space within the Town. Part of the FY23 Bond (\$2,300,000) to do the design, construction, improvement, landscaping, creating trails and equipping the properties to provide public access for recreational purposes. The Town was awarded a \$495,756 grant from the Land and Water Conservation Fund for the construction of the universal access trails within the conservation area.

New North Windham Fire Station – \$350,000 from fund balance in FY 25 to begin preliminary design & engineering work that will replace the old, outdated fire station in need of significant upgrades and improvements with a new facility on Franklin Drive to be shared with the Cumberland County Sheriff's Department. Additional funding was approved in FY 26 to fully fund and finance construction of this facility including \$2.4 million from fund balance, \$1.1 million from public safety impact fees, and \$6.5 million through a general obligation bond issuance with debt payments being partially repaid by TIF funds.

Community Center development & engineering - \$200,000 from fund balance in FY 25 to begin preliminary design & engineering work on the conversion of the old middle school into a community center that will serve the needs of the Town.

Windham Knight Bridge - \$750,000 - repairs shared with Maine Department of Transportation.

**Requests for information**

This financial report is designed to provide a general overview of the Town'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 Finance Director, 8 School Road, Windham, Maine 04062.

# Town of Windham, Maine

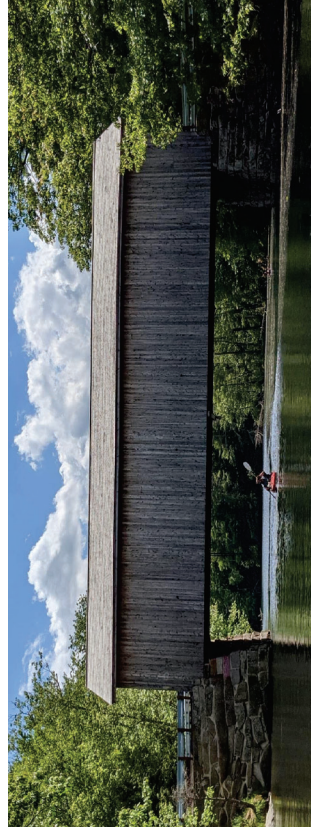
Statement of net position

June 30, 2025

	Governmental activities	Component Unit - WEDC
<b>Assets</b>		
Cash and cash equivalents	\$ 40,393,180	220,568
Note proceeds held at financial institution	1,012,594	-
Taxes receivable	860,485	-
Accounts receivable	942,975	-
Intergovernmental receivables	1,721,807	-
Prepaid expenses	2,126	-
Inventory	37,516	-
Capital assets, net being depreciated	8,561,769	-
Capital assets, net of accumulated depreciation	37,087,869	2,719
Total assets	<u>90,620,321</u>	<u>223,287</u>
<b>Deferred outflows of resources</b>		
Pension related	1,927,313	-
OPEB related	283,088	-
Total deferred outflows of resources	<u>2,210,401</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable	1,329,151	-
Accrued wages and benefits	549,549	-
Site surety and inspection deposits	1,058,061	-
Unearned revenue	1,824,369	-
Accrued interest	516,220	-
Noncurrent liabilities:		
Due within one year	3,014,663	-
Due in more than one year	33,693,081	-
Total liabilities	<u>41,985,094</u>	<u>-</u>
<b>Deferred inflows of resources</b>		
Pension related	349,962	-
OPEB related	327,023	-
Total deferred inflows of resources	<u>676,985</u>	<u>-</u>
<b>Net position</b>		
Net investment in capital assets	23,356,511	2,719
Restricted	3,627,727	-
Unrestricted	23,184,405	220,568
Total net position	<u>\$ 50,168,643</u>	<u>223,287</u>

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

## BASIC FINANCIAL STATEMENTS



## Town of Windham, Maine

Balance sheet  
Governmental funds  
June 30, 2025

	General	American rescue plan	2025 bond issue	Total nonmajor funds	Total governmental funds
<b>Assets</b>					
Cash and cash equivalents	\$ 40,087,438	-	-	305,742	40,393,180
Taxes receivable	860,485	-	-	-	860,485
Accounts receivable, net	893,256	-	-	48,719	941,975
Intergovernmental receivables	1,721,807	-	-	-	1,721,807
Due from other funds	429,706	2,108,521	7,439,671	4,837,503	14,815,401
Prepaid expenditures	2,126	-	-	-	2,126
Inventory	37,516	-	-	-	37,516
<b>Total assets</b>	<b>\$ 44,032,334</b>	<b>2,108,521</b>	<b>7,439,671</b>	<b>5,191,964</b>	<b>58,772,490</b>
<b>Liabilities</b>					
Accounts payable	642,003	-	299,138	388,010	1,329,151
Accrued wages and benefits	549,549	-	-	-	549,549
Site surety and inspection deposits	1,058,061	-	-	-	1,058,061
Unearned revenue	659	1,823,710	-	-	1,824,369
Due to other funds	14,385,695	-	-	428,706	14,814,401
<b>Total liabilities</b>	<b>16,635,967</b>	<b>1,823,710</b>	<b>299,138</b>	<b>816,716</b>	<b>19,575,531</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	592,000	-	-	-	592,000
<b>Total deferred inflows of resources</b>	<b>592,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>592,000</b>
<b>Fund balances</b>					
Nonspendable	39,642	-	-	41,874	81,516
Restricted	-	284,811	-	3,301,042	3,585,853
Committed	912,957	-	7,140,533	1,413,332	9,466,822
Assigned	8,417,775	-	-	-	8,417,775
Unassigned	17,433,993	-	-	(381,000)	17,052,993
<b>Total fund balances</b>	<b>26,804,367</b>	<b>284,811</b>	<b>7,140,533</b>	<b>4,375,248</b>	<b>38,604,959</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 44,032,334</b>	<b>2,108,521</b>	<b>7,439,671</b>	<b>5,191,964</b>	<b>58,772,490</b>

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.	45,649,638	
Note proceeds held at financial institution	1,012,594	
Other long-term assets are not available to pay for current expenditures and are deferred in the funds	592,000	
Unavailable revenue - property taxes		(19,340,000)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		(1,727,405)
Bonds payable		(9,907,090)
Premium on bonds		(516,220)
Notes payable		(1,239,977)
Accrued interest on long-term debt		(1,599,207)
Compensated absences		(1,360,643)
Net pension liability with related deferred inflows and outflows		50,168,643
<b>Total OPEB liability with related deferred inflows and outflows</b>		<b>50,168,643</b>
<b>Net position of governmental funds</b>		<b>50,168,643</b>

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

## Town of Windham, Maine

Statement of activities  
For the year ended June 30, 2025

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Component unit
Primary government:						
Governmental activities:						
General government	\$ 8,519,938	1,007,900	155,483	-	(7,356,555)	
Public works	6,686,958	1,034,414	1,176,708	-	(4,475,836)	
Police	4,269,327	168,877	305,127	-	(3,795,323)	
Fire and rescue	3,924,700	1,112,647	121,036	-	(2,691,017)	
Recreation and cultural	1,872,690	636,325	189,353	-	(1,047,012)	
Property and inspection	791,086	-	-	-	(791,086)	
Development and conservation	528,632	-	-	-	(528,632)	
Health and welfare	590,673	62,910	243,240	-	(284,523)	
County tax	2,012,255	-	-	-	(2,012,255)	
Education	28,096,394	-	-	-	(28,096,394)	
Miscellaneous	71,459	-	-	-	(71,459)	
Interest on debt	1,048,595	-	-	-	(1,048,595)	
Capital maintenance	6,421,162	149,244	-	5,417,817	(854,101)	
<b>Total governmental activities</b>	<b>64,833,869</b>	<b>4,172,317</b>	<b>2,190,947</b>	<b>5,417,817</b>	<b>(53,052,788)</b>	
<b>Total primary government</b>	<b>\$ 64,833,869</b>	<b>4,172,317</b>	<b>2,190,947</b>	<b>5,417,817</b>	<b>(53,052,788)</b>	
Component unit						
Windham Economic Development Corp.	75,034	2,340	52,754	-	(19,940)	
	75,034	2,340	52,754	-	(19,940)	
General revenues:						
Property taxes				52,097,960	-	
Grants and contributions not restricted to specific programs				3,960,375	-	
Unrestricted investment earnings				1,175,270	455	
Miscellaneous				179,120	187	
<b>Total general revenues</b>				<b>57,412,725</b>	<b>642</b>	
<b>Change in net position</b>				<b>4,359,937</b>	<b>(19,298)</b>	
<b>Net position - beginning, as previously presented</b>				<b>46,229,671</b>	<b>242,585</b>	
Prior period restatements (see note disclosure)				(420,965)	-	
<b>Net position - beginning, restated</b>				<b>45,808,706</b>	<b>242,585</b>	
<b>Net position - ending</b>				<b>\$ 50,168,643</b>	<b>223,287</b>	

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

## Town of Windham, Maine

Statement of revenues, expenditures, and changes in fund balances  
Governmental Funds

For the year ended June 30, 2025

	General	American rescue plan	2025 bond issue	Total nonmajor funds	Total governmental funds
<b>Revenues</b>					
Property taxes	\$ 52,046,960	-	-	-	52,046,960
Intergovernmental	5,345,121	-	-	5,284,758	10,629,879
Licenses and permits	1,366,944	-	-	-	1,366,944
Charges for services	1,817,883	-	-	987,490	2,805,373
Interest	1,175,270	92,129	390,003	115,843	1,773,245
Miscellaneous	312,763	-	-	207,642	520,405
Total revenues	62,064,941	92,129	390,003	6,595,733	69,142,806
<b>Expenditures</b>					
Current					
General government	7,477,652	-	-	650,365	8,128,017
Public works	4,935,973	-	-	473,064	5,409,037
Police	3,948,440	-	-	78,131	4,026,571
Fire and rescue	3,392,642	-	-	81,101	3,473,743
Recreation and cultural	1,202,852	-	-	5,422,214	1,745,066
Property and inspection	789,061	-	-	-	789,061
Development and conservation	538,218	-	-	-	538,218
Health and welfare	447,240	-	-	140,179	587,419
County tax	2,012,255	-	-	-	2,012,255
Education	28,096,394	-	-	-	28,096,394
Miscellaneous	71,459	-	-	-	71,459
Debt service	2,418,003	-	71,417	-	2,489,420
Capital outlay	2,590,260	-	3,264,152	6,083,330	11,937,742
Total expenditures	57,920,449	-	3,335,569	8,048,384	69,304,402
Excess (deficiency) of revenues over (under) expenditures	4,144,492	92,129	(2,945,566)	(1,452,651)	(161,596)
<b>Other financing sources (uses)</b>					
Transfers in	574,537	-	-	1,263,110	1,837,647
Transfers out	(1,263,110)	-	-	(574,337)	(1,837,447)
Bonds, notes, and premium issued	473,036	-	10,710,572	-	11,183,608
Total other financing sources (uses)	(215,537)	-	10,710,572	688,773	11,183,608
Net change in fund balances	3,928,955	92,129	7,765,006	(764,078)	11,022,012
Fund balances - beginning	22,875,412	192,682	-	4,514,853	27,582,947
Prior period restatements (see note disclosure)	-	-	(624,473)	624,473	-
Fund balances - beginning, restated	22,875,412	192,682	(624,473)	5,139,326	27,582,947
Fund balances - ending	26,804,367	284,811	7,140,533	4,375,248	38,604,959

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

## Town of Windham, Maine

Reconciliation of the statement of revenues, expenditures, and changes in fund balances - governmental funds to the government-wide statement of activities  
For the year ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 11,022,012
Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is allocated over their useful lives and reported as depreciation expense.	5,689,925
Capital outlays	(2,210,625)
Depreciation expense	(114,498)
Book value of disposed capital assets	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	51,000
Earned but unavailable taxes	
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(11,183,608)
Bonds, notes, and premium issued	1,970,000
Principal paid on bonds	998,571
Principal paid on notes	110,967
Amortization of bond premium	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(403,713)
Accrued interest on long-term debt	(85,281)
Compensated absences	
Changes in pension liabilities and related deferred outflows and inflows of resources	(207,838)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(41,975)
The Town has bonds that were originally issued for School purposes. These amounts are funded by RSU 14 when the debt service payments are due. This is the amount of principal paid by RSU 14 during the year.	(1,235,000)
Change in net position of governmental activities	\$ 4,359,937

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

## Town of Windham, Maine

General fund  
Statement of revenues, expenditures, and changes in fund balance  
Budget and actual  
For the year ended June 30, 2025

	Original budget	Final budget	Actual	Variance positive (negative)
<b>Revenues</b>				
Property taxes	\$ 51,116,015	51,116,015	52,046,960	930,945
Intergovernmental	6,371,800	6,371,800	5,161,277	(12,10,523)
Licenses and permits	898,811	898,811	1,007,989	109,178
Charges for services	1,688,463	1,688,463	1,794,556	106,093
Interest	550,000	550,000	1,175,270	625,270
Miscellaneous	101,300	101,300	179,120	77,820
Total revenues	60,726,389	60,726,389	61,365,172	638,783

### Expenditures

Current:

General government	7,815,439	7,855,464	7,477,652	377,812
Public works	5,166,044	5,199,544	4,933,614	265,930
Police	3,884,830	3,912,955	3,864,383	48,572
Fire and rescue	3,374,183	3,374,183	3,390,498	(16,315)
Recreation and cultural	1,241,631	1,241,631	1,173,607	68,024
Property and inspection	818,712	819,087	789,061	30,026
Development and conservation	688,912	682,930	538,218	144,712
Health and welfare	521,307	521,307	426,540	94,767
County tax	2,012,255	2,012,255	2,012,255	-
Education	28,096,394	28,096,394	28,096,394	-
Overlay/abateements	205,790	205,790	70,531	135,259
General and emergency contingency	200,004	200,004	928	199,076
Debt service	3,197,359	3,197,359	2,418,003	779,356
Capital outlay	5,302,474	7,719,699	2,117,224	5,602,475
Total expenditures	62,525,334	65,038,602	57,308,908	7,729,694

Excess (deficiency) of revenues over (under) expenditures

(1,798,945) (4,312,213) 4,056,264 8,368,477

### Other financing sources (uses)

Transfers in	1,662,055	1,662,055	891,609	(770,446)
Transfers out	(1,263,110)	(1,263,110)	(1,263,110)	-
Use of fund balance	1,400,000	3,913,268	-	(3,913,268)
Total other financing sources (uses)	1,798,945	4,312,213	(371,501)	(4,683,714)

Net change in fund balance - budgetary basis

- - 3,684,763 3,684,763

Reconciliation to GAAP

Change in committed and assigned balances

244,192

Net change in fund balance - GAAP basis

3,928,955

Fund balance - beginning

22,875,412

Fund balance - end

\$ 26,804,367

## Town of Windham, Maine

Statement of fiduciary net position  
Fiduciary funds  
June 30, 2025

<b>Assets</b>		<b>Private-purpose trust funds</b>
Cash and cash equivalents	\$ 74,944	
Total assets	74,944	
<b>Liabilities</b>		
Due to other funds	1,000	
Total liabilities	1,000	

### Net position

Restricted	73,944
Total net position	\$ 73,944

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

**Town of Windham, Maine**  
Statement of changes in fiduciary net position  
**Fiduciary funds**  
For the year ended June 30, 2025

<b>Additions</b>	
Contributions	
Investment earnings:	
Interest	3,279
Total additions	<u>3,279</u>
<b>Deductions</b>	
Scholarships	1,000
Total deductions	<u>1,000</u>
Net increase (decrease) in fiduciary net position	2,279
Net position - beginning	71,665
Net position - ending	<u><u>73,944</u></u>

Private-purpose trust funds

\$	-
	<u>3,279</u>
	<u><u>3,279</u></u>

\$

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

**Town of Windham, Maine**  
Notes to the financial statements  
June 30, 2025

**I. Summary of significant accounting policies**

The financial statements of the Town of Windham, Maine (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

**A. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting entity**

The Town is a municipal corporation governed by an elected seven-member Governing Council (Town Council). The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Discretely presented component unit

The Windham Economic Development Corporation (WEDC) was created to promote economic development in the Town. WEDC is governed by three members who are appointed by the Town Council. The Town provides funding for the operation of WEDC. WEDC is reported in a separate column in the government-wide financial statements and does not issue separate financial statements.

**C. Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds,

while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the general fund and the enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The Town does not report any enterprise funds.

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 accounted for in another fund.

The *American rescue plan fund* accounts for federal funds received through the American Rescue Plan Act.

The *2025 bond issue fund* accounts for capital projects funded through a bond issuance.

Additionally, the Town reports the following fund type:

The *private-purpose trust fund* accounts for scholarships that benefit members of the community.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and 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 Town 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, charges for service, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

#### **F. Budgetary information**

##### Budgetary basis of accounting

An annual budget of the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The capital project funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one year.

The appropriated budget is prepared by department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

#### Excess of expenditures over appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations for fire and rescue by \$16,315 in the general fund.

#### **G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

##### Cash and cash equivalents

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

##### Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

##### Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$25,000 for land, buildings, and improvements; \$5,000 for equipment and vehicles; and \$100,000 for infrastructure projects; and an estimated useful life in excess of two years.

As the Town constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs,

which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings and improvements	10-50
Equipment and vehicles	5-20
Infrastructure	15-40

##### Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category, deferred amounts related to pension and OPEB. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has four items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and debt service payments from Regional School Unit 14 (RSU 14). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the Town reports deferred amounts related to pension and OPEB.

##### Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted resources in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Although not a formal policy, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

#### Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

*Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

*Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

*Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an order committing fund balance for a specified purpose by the Town's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.

*Assigned* fund balance represents amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council approves carry forward amounts presented by the finance director to assign fund balance. The Town Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance) in order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Although not a formal policy, the Town considers restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **H. Revenues and expenditures/expenses**

##### Program revenues

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### Property taxes

Property taxes were committed on August 20, 2024, on the assessed value listed as of the previous April 1. Taxes are due in two installments, on October 1, 2024, and April 1, 2025. Taxes unpaid by the due date are assessed interest. Tax liens are placed on real property of delinquent tax accounts within twelve months following the date taxes are committed for collection.

The Town is permitted by the laws of the State of Maine to levy taxes up to 5% 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 \$205,790 for the year ended June 30, 2025.

The following summarized the 2025, 2024, and 2023 tax levies:

	2025	2024	2023
Assessed value	\$4,096,923,300	3,788,400,000	3,292,632,700
Tax rate (per \$1,000)	11.47	11.20	11.61
Commitment	46,991,710	42,430,080	38,227,466
Supplemental taxes assessed	36,423	42,671	11,274
Abatements	(54,195)	(63,718)	(23,896)
Total taxes assessed less abatements	46,973,938	42,409,033	38,214,844
Collections	(46,410,846)	(41,885,429)	(37,827,728)
<u>Receivable at June 30</u>	<u>\$563,092</u>	<u>523,604</u>	<u>387,116</u>

Compensated absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The Town's policy permits employees to accumulate earned but unused vacation and sick leave, which are eligible for payment upon separation from government service. A portion of sick leave is valued based on the vesting method that calculates the amount of sick leave that is expected to become eligible for payout at termination. The sick leave accrual also contains an estimate of the amount of sick time that is "more likely than not" to be used as time off (\$87,922). The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**II. Stewardship, compliance, and accountability**

**A. Violations of legal or contractual provisions**

Note I.F. Excess of expenditures over appropriations describes any budgetary violations that occurred for the year ended June 30, 2025.

**B. Deficit fund balance**

At June 30, 2025, the following funds had deficit balances:

Little falls sewer operation	\$117,457	Be the influence grant	1,318
Justice assistance grant	20	Depot Street TIF	261,428
Caregiver arts and crafts	6	Alfond training fund	771

These deficits will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers from the general fund).

**III. Detailed notes on activities and funds**

**A. Cash and investments**

It is the policy of the Town to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Town and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield. The Town is not invested in any obligations typically known as derivatives.

**B. Cash deposits with financial institutions**

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that, in the event of a bank's failure, the Town's deposits may not be returned to it. The Town minimizes custodial credit risk by obtaining collateral for all uninsured amounts on deposit. Time deposits are insured up to \$250,000 by the F.D.I.C. The Town's custodian agrees to provide safekeeping services and to hold the securities (in book entry) pledged by a financial institution in a custodial account established for the benefit of the Town as a secured party. This account shall be kept separate and apart from the general assets of the custodian, and will not, under any circumstances, be commingled with or become part of, the backing for any other deposit or liability of the Town. The Town minimizes custodial credit risk by limiting cash held by a broker to certificates of deposit protected up to full value by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC) and excess coverage purchased from a private insurer. Certificates of deposit which exceed the F.D.I.C. insured amount are collateralized in accordance with Title 30-A, Section 5706 of the Maine Revised Statutes.

As of June 30, 2025, the Town's bank balance was \$41,964,087, all of which was covered by F.D.I.C. or collateral held by the financial institution. As of June 30, 2025, WEDC's bank balance was \$228,317, all of which was covered by the F.D.I.C.

**C. Receivables**

Amounts other than leases receivable are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below are the details of receivables for the general fund in the aggregate, including the applicable allowances for doubtful accounts:

	Accounts	Ambulance	Total
Receivable	\$722,250	194,892	917,142
Allowance	-	(23,886)	(23,886)
<u>Total receivable, net</u>	<u>\$722,250</u>	<u>171,006</u>	<u>893,256</u>

**D. Capital assets**

Capital assets activity for the year ended June 30, 2025, was as follows:

	Restated balance beginning of year	Additions	Deletions	Balance end of year
Governmental activities				
Capital assets, not being depreciated				
Land	\$2,094,564	-	-	2,094,564
Construction in progress	3,221,069	3,812,080	565,944	6,467,205
Total capital assets, not being depreciated	5,315,633	3,812,080	565,944	8,561,769
Capital assets, being depreciated				
Buildings and improvements	24,461,052	351,259	-	24,812,311
Machinery and equipment	5,734,881	1,623,662	2,180	7,356,363
Vehicles	7,777,030	468,868	324,608	7,921,290
Infrastructure	27,169,253	-	-	27,169,253
Total capital assets, being depreciated	65,142,216	2,443,789	326,788	67,259,217
Less accumulated depreciation for				
Buildings and improvements	6,512,498	728,708	-	7,241,206
Machinery and equipment	4,234,288	365,160	2,180	4,597,268
Vehicles	4,616,634	595,117	210,110	5,001,641
Infrastructure	12,809,593	521,640	-	13,334,233
Total accumulated depreciation	28,173,013	2,210,625	212,290	30,171,348
Total capital assets, being depreciated, net	36,969,203	233,164	114,498	37,087,869
Total governmental activities capital assets	\$42,284,836	4,045,244	680,442	45,649,638

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

General government	\$88,792
Public works	1,290,200
Police	376,381
Fire and rescue	335,878
Recreation and cultural	119,374
Total depreciation expense	\$2,210,625

**Component unit capital assets**

Capital assets for WEDC consists of a sign with a historical cost of \$9,064. As of June 30, 2025, accumulated depreciation was \$6,345 and the net book value was \$2,719. Depreciation expense was \$907 for the year ended June 30, 2025.

**E. Changes in long-term liabilities**

Changes in the Town's long-term liabilities for the year ended June 30, 2025, are as follows:

	Restated balance beginning of year	Additions	Deletions	Balance end of year	Amount due within one year
Governmental activities					
Bonds payable	\$11,775,000	9,535,000	1,970,000	19,340,000	1,390,000
Bond premium	662,800	1,175,572	110,967	1,727,405	322,908
Notes payable	10,009,010	896,651	998,571	9,907,090	972,027
Compensated absences	1,154,696	85,281*	-	1,239,977	329,728
Net pension (asset) liability	2,562,471	614,087	-	3,176,558	-
Total OPEB liability	1,262,360	54,354	-	1,316,714	-
Total governmental activities	\$27,426,337	12,360,945	3,079,538	36,707,744	3,014,663

\*Net change in compensated absences.

**F. Bonds and notes payable**

The Town issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities and equipment. Bonds and notes payable at June 30, 2025:

	Original borrowing	Interest rates	Final maturity	Outstand- ing at year end
Governmental activities				
Bonds payable				
Public safety building and infrastructure	\$4,450,000	1.0%-5.0%	2041	\$3,210,000
Infrastructure and fire pumper truck	4,790,000	2.0%-4.0%	2042	3,935,000
Property acquisition and refunding	5,815,000	4.0%-5.0%	2044	2,660,000
Infrastructure and equipment	9,535,000	4.0%-5.0%	2045	9,535,000
Total bonds payable				19,340,000
Notes payable				
Shared maintenance facility	1,668,000	0.25%-3.5%	2037	1,000,800
Public safety building	9,300,000	2.2%-4.227%	2039	6,510,000
Cardiac monitors	93,899	1.82%	2027	38,580
Sidewalk tractor	157,996	2.12%	2029	93,009
Plow truck and sweeper	415,343	2.84%	2029	246,874
Trucks and compression units	131,434	4.45%	2030	97,677
Dump truck with plow	170,919	4.45%	2030	127,382
Ambulance and truck	229,000	4.45%	2031	200,815
ATV and trailer	36,442	4.45%	2031	31,921
Freightliner and trucks	362,496	4.52%	2031	310,711
Vehicles	580,685	5.50%	2031	497,730
Public works vehicles	896,651	4.36%	2032	751,591
Total notes payable				9,907,090
Total governmental activities				\$29,247,090

The debt service requirements for the Town's bonds and notes are as follows:

Year ending June 30	Bonds payable		Notes payable		Total
	Principal	Interest	Principal	Interest	
2026	\$1,390,000	1,080,348	972,027	357,653	3,800,028
2027	1,355,000	700,660	982,848	325,191	3,363,699
2028	1,355,000	640,010	974,283	291,679	3,260,972
2029	1,330,000	579,985	985,623	257,497	3,153,105
2030	1,330,000	519,885	906,639	221,938	2,978,462
2031-2035	6,180,000	1,793,250	3,058,870	678,874	11,710,994
2036-2040	5,135,000	713,210	2,026,800	160,051	8,035,061
2041-2045	1,265,000	86,180	-	-	1,351,180
<b>Totals</b>	<b>\$19,340,000</b>	<b>6,113,528</b>	<b>9,907,090</b>	<b>2,292,883</b>	<b>37,653,501</b>

### G. Overlapping debt

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town, is summarized as follows:

	Total debt	Town %	Town share
Cumberland County	\$27,686,649	4.76%	1,318,926
Regional School Unit 14	105,163,692	67.47%	70,953,943
Portland Water District - water	65,168,606	7.05%	4,594,386
Portland Water District - sewer	63,979,391	19.50%	12,477,252

### H. Pension plan

#### Plan description

The Town participates in the Participating Local District (PLD) Consolidated Plan, which is a cost-sharing, multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System (MPERS), which is a component unit of the State of Maine. MPERS assets are held in trust for the plan beneficiaries. MPERS is established and administered under the laws of the State of Maine.

#### Benefits provided

Benefit terms are established in Maine statute; in the case of the PLD plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them. MPERS retirement programs 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 (the prior ten-year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is age 60 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years

of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits which are established by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the MPERS Board of Trustees and is currently 3.88%.

#### Contributions

Retirement benefits are funded by contributions from employees and employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Employee and employer contribution rates are each a percentage of applicable employee compensation. Employee contribution rates are defined by law, or by the MPERS Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

Employees were required to contribute 6.75%, 7.5%, and 9.2% of their annual pay for the age 65 AC Plan, the age 60 AC Plan, and the Special 3C Plan, respectively. The Town's contractually required rate for the year ended June 30, 2025, was 9.9% and 12.8% of annual pay for the AC Plan and 3C Plan, respectively. The Town made contributions to the pension plan of \$840,165 for the year ended June 30, 2025.

#### Proportionate share of the net pension (asset) liability

At June 30, 2025, the Town reported a liability of \$3,176,558 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the pension liability was based on the Town's contributions recognized by the plan during the measurement period, adjusted for contributions for employer-specific and employer-paid employee contributions. The Town's proportionate share was 0.7936% at the end of the measurement period and 0.803% for the beginning of the period, which represents a decrease of 0.0094%.

#### Actuarial assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal
Assumptions	
Investment rate of return	6.50%
Inflation rate	2.75%
Annual salary increases	2.75%-11.48%
Cost of living adjustments	1.91%

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

The actuarial assumptions used for the year ended June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

Long-term expected rate of return

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 class of assets. 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 geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table:

Asset class	Long-term expected real rate of return
Public equities	5.6%
U.S. government	2.2%
Private equity	7.2%
Real assets:	
Real estate	5.8%
Infrastructure	5.3%
Natural resources	5.1%
Traditional credit	2.7%
Alternative credit	6.4%
Diversifiers	4.8%

Discount rate

The discount rate used to measure the collective total pension liability was 6.5% for 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. 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 liability.

Discount rate sensitivity analysis

The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Proportionate share net pension (asset) liability 1% decrease Current rate 1% increase  
 \$7,937,080 3,176,558 (745,565)

Pension expense and deferred items summary

For the year ended June 30, 2025, the Town recognized pension expense of \$1,062,029 for its proportionate share of the pension expense. At June 30, 2025, the Town reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows	Deferred inflows
Differences between expected and actual experience	\$942,788	-
Differences between expected and actual investment earnings	-	330,280
Changes of assumptions	-	-
Changes in proportion	144,360	19,682
Contributions paid subsequent to the measurement date	840,165	-
<u>Total deferred outflows and inflows of resources</u>	<u>\$1,927,313</u>	<u>349,962</u>

Deferred outflows of resources reported \$840,165 related to pensions resulting from the Town's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending	
June 30	
2026	\$84,703
2027	760,505
2028	(44,022)
2029	(64,000)

Pension plan fiduciary net position

The MPERS fiduciary net position has been determined using the same basis used to determine the net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Detailed information about the MPERS fiduciary net position is available in a separately issued MPERS financial report. That report may be obtained on the MPERS website at [www.maineperps.org](http://www.maineperps.org).

**I. Other postemployment benefit (OPEB) obligations – health insurance**

Plan description

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

Plan membership

At January 1, 2024, membership consisted of:

Inactive members currently receiving benefits	4
Inactive members entitled to but not yet receiving benefits	-
Active members	114
<b>Total</b>	<b>118</b>

Benefits provided

Healthcare and life insurance benefits are provided for retirees and their dependents. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for postretirement benefits. The retiree pays 100% of the premium equivalent rate for coverage elected. The non-Medicare retirees are offered the same plans that are available to the active employees. Medicare retirees are assumed to be enrolled in Medicare Parts A and B, which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage. Medical benefits are provided for the life of the retiree and surviving spouses. The \$3,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$3,000 life insurance benefit as well.

Net OPEB liability

At June 30, 2025, the Town reported a total OPEB liability of \$1,316,714. The OPEB liability was measured as of January 1, 2025, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	January 1, 2024
Measurement date	January 1, 2025
Actuarial cost method	Entry age normal

Assumptions

Inflation rate	2.38%
Annual salary increases	2.75%
Healthcare cost trend rates - non-Medicare decreasing to	10.14% in 2024 3.81% in 2044
Healthcare cost trend rates - Medicare decreasing to	7.66% in 2024 3.81% in 2044

Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Actuarial assumptions used for the January 1, 2024, valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020.

Discount rate

Using the Bond Buyer 20-Bond GO Index, the discount rate used to measure the total OPEB liability was 4.08%. These rates are assumed to be an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in total OPEB liability

Balances beginning of year	\$1,262,360
Changes for the period	
Service cost	80,238
Interest	43,457
Changes of benefits	-
Differences between expected and actual experience	-
Changes of assumptions	(50,088)
Benefit payments	(19,253)
Net changes	54,354
<b>Balances end of year</b>	<b>\$1,316,714</b>

Discount rate and healthcare rate sensitivity analysis

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability calculated using the discount rate of 4.08% as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB liability	<u>1%</u> decrease	<u>Current rate</u>	<u>1%</u> increase
	\$1,546,713	1,316,714	1,131,123

The table below presents the total OPEB liability of the Town calculated using the healthcare rates disclosed above as well as what the total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB liability	1% decrease	Current rate	1% increase
	\$1,099,639	1,316,714	1,598,512

**OPEB expense and deferred items summary**

For the year ended June 30, 2025, the Town recognized OPEB expense of \$64,646. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred outflows	Deferred inflows
Differences between expected and actual experience	\$71,143	186,511
Changes of assumptions	198,900	140,512
Contributions paid subsequent to the measurement date	13,045	-
<b>Total deferred outflows and inflows of resources</b>	<b>\$283,088</b>	<b>327,023</b>

Deferred outflows of resources reported \$13,045 related to OPEB resulting from the Town's contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending	
June 30, 2026	(\$48,418)
2027	(33,387)
2028	(33,385)
2029	7,270
2030	669
Thereafter	50,271

**J. Jointly Governed Organization**

The Town participates in a jointly governed organization, which is not part of the Town's reporting entity, ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2025, includes total assets and deferred outflows of \$116,210,851, total liabilities and deferred inflows of \$67,906,658 and unrestricted net position of \$16,506,145. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

**K. Fund balance**

Components of fund balance	Nonspendable	Restricted	Committed	Assigned
General fund				
Inventory and prepaids	\$39,642	-	-	-
Impact fee projects	-	-	912,957	-
Capital projects and equipment	-	-	-	3,854,934
Police related activities and projects	-	-	-	313,034
Health and welfare	-	-	-	695,153
Other	-	-	-	214,905
Budget appropriation	-	-	-	3,339,749
American rescue plan	-	284,811	-	-
2025 bond issue fund	-	-	7,140,533	-
Special revenue funds	-	-	-	-
Recreation	-	-	-	-
Tax incremental financing districts	-	2,771,030	-	273,505
Other	-	266,144	-	-
Capital projects - bond issuances	-	-	-	1,139,827
Permanent funds				
Held in perpetuity	41,874	-	-	-
Cemetery upkeep	-	263,868	-	-
<b>Total</b>	<b>\$81,516</b>	<b>3,585,853</b>	<b>9,466,822</b>	<b>8,417,775</b>

**L. Interfund balances**

The outstanding balances between funds result from receipts and disbursements being made through consolidated cash accounts held by the general fund. The composition of interfund balances as of June 30, 2025, is as follows:

Receivable fund (due from)	Payable fund (due to)	Amount
General fund	Special revenue funds	\$428,706
General fund	Fiduciary fund	1,000
American rescue plan	General fund	2,108,521
2025 bond issue fund	General fund	7,439,671
Special revenue funds	General fund	3,697,676
Capital project funds	General fund	1,139,827
<b>Total</b>	<b>General fund</b>	<b>\$14,815,401</b>

**M. Interfund transfers**

The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	Transfers in		Total
	General fund	Special Revenue funds	
Transfers out			
General fund	\$ -	1,263,110	1,263,110
Special revenue funds	208,122	-	208,122
Capital project funds	366,415	-	366,415
<u>Total</u>	<u>\$574,537</u>	<u>1,263,110</u>	<u>1,837,647</u>

During the year, transfers are used to move revenues from the fund with collection authorization to the tax incremental financing funds (\$1,263,110) for approved activities and projects. Transfers are also used to move funds accumulated in the tax incremental financing funds to the general fund (\$91,604) to cover approved activities and projects that are accounted for in the general fund, i.e., economic development.

Further, during the year ended June 30, 2025, the Town made the following one-time transfers:

Transfers of \$10,182, \$201,531, and \$154,702 from the 2021, 2022, and 2023 bond issue funds, respectively, to the general fund to close out finished projects

Transfer of \$1,518 from the special revenue funds to the general fund to cover costs accounted for in the general fund that were covered by grant funds.

Transfer of \$115,000 from recreational programs fund to the general fund for recreational costs incurred in the general fund.

**N. 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. The Town carries commercial insurance and participates in public entity risk pools sponsored by the Maine Municipal Association. Based on the coverages provided, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2025.

**O. Contingencies**

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, will be immaterial.

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**P. Tax abatements**

The Town has entered into property tax abatement agreements (credit enhancement agreements) with individual organizations under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. For the year ended June 30, 2025, the Town abated property taxes totaling \$12,375 through these credit enhancement agreements. Avesta New Marblehead One LP received a 100% property tax abatement on all new value created with the development of affordable housing. The abatement amounted to \$12,375.

**Q. Construction and other significant commitments**

The Town has active construction projects as of June 30, 2025. These projects include Route 202 sidewalk and intersection construction. At year end, the Town's commitments are as follows:

Project	Spent-to-date	Remaining commitment
Route 202 sidewalks and intersection	\$3,191,997	853,276

**R. Adjustments and restatements of beginning balances**

During fiscal year 2025, the Town has adopted Governmental Accounting Standards Board Statement No. 101 *Compensated Absences*. Under this new standard, the Town is required to record a liability for sick time that is "more likely than not" to be used for time off. The Town removed construction in progress (CIP) related to the North Windham sewer project as it was determined that Portland Water District will own and operate the infrastructure at the end of the project. Also, the 2025 bond issue fund is now being reported as a major fund. It was a nonmajor fund in the prior year. The following accounts were restated as of July 1, 2024:

	For the year ended June 30, 2024	
	Original amount	Restated amount
<u>Adopting GASB 101 and CIP restatement</u>		
Accrued compensated absences	\$1,067,831	86,865
Construction in progress	3,555,169	(334,100)
Net position, beginning	46,229,671	(420,965)
		45,808,706
<u>New major fund</u>		
2025 bond issue fund	-	(624,473)
Nonmajor funds	4,514,853	624,473
		5,139,326

## Town of Windham, Maine

### Required supplementary information

#### Schedule of changes in the Town's total OPEB liability and related ratios Last ten fiscal years (only eight years available)

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 80,238	45,598	54,500	57,126	49,600	41,443	46,754	41,139
Interest	43,457	35,254	20,890	22,689	26,302	52,982	47,513	53,779
Changes of benefits	-	-	-	-	-	(23,450)	-	-
Differences between expected and actual experience	-	86,953	-	(114,150)	-	(354,061)	-	(22,665)
Changes of assumptions	(50,088)	201,553	(108,572)	12,656	59,401	(11,841)	(120,234)	(62,413)
Benefit payments	(19,253)	(18,023)	(30,562)	(33,140)	(31,865)	(58,867)	(56,603)	(57,285)
Net change in total OPEB liability - MMEHT plan	54,354	351,335	(63,744)	(54,819)	103,438	(353,794)	(82,570)	(47,445)
Total OPEB liability - beginning	1,262,360	911,025	974,769	1,029,588	926,150	1,279,944	1,362,514	1,409,959
Total OPEB liability - ending	\$ 1,316,714	1,262,360	911,025	974,769	1,029,588	926,150	1,279,944	1,362,514
Covered-employee payroll	\$ 7,495,250	7,495,520	5,299,494	5,299,494	4,816,048	4,816,048	4,728,753	4,728,753
Total OPEB liability as a percentage of covered-employee payroll	17.57%	16.84%	17.19%	18.39%	21.38%	19.23%	27.07%	28.81%

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## Town of Windham, Maine

### Required supplementary information

#### Schedule of Town's proportionate share of the net pension liability

##### Maine Public Employees Retirement System

##### Last ten fiscal years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>PLD plan</b>										
Town's proportion of the net pension liability	0.7936%	0.8030%	0.6450%	0.5627%	0.5196%	0.5168%	0.4279%	0.3447%	0.3467%	0.3902%
Town's proportionate share of the net pension liability	\$ 3,176,558	2,562,471	1,714,672	(180,842)	2,064,363	1,579,721	1,171,079	1,411,252	1,842,379	1,244,764
Town's covered payroll	6,479,044	5,726,840	4,089,285	2,954,352	2,595,191	2,312,849	2,306,612	2,087,654	1,908,722	2,043,137
Town's proportionate share of the net pension liability as a percentage of its covered payroll	49.03%	44.74%	41.93%	-6.12%	79.55%	68.30%	50.77%	67.60%	96.52%	60.92%
Plan fiduciary net position as a percentage of the total pension liability	91.06%	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%

#### Schedule of Town's pension contributions

##### Maine Public Employees Retirement System

##### Last ten fiscal years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>PLD plan</b>										
Contractually determined contribution	\$ 840,165	764,874	702,215	519,731	381,111	332,125	293,732	247,799	176,664	162,710
Contributions in relation to the contractually required contribution	(840,165)	(764,874)	(702,215)	(519,731)	(381,111)	(332,125)	(293,732)	(247,799)	(176,664)	(162,710)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Town's covered payroll	7,185,302	6,479,044	5,726,840	4,089,285	2,954,352	2,595,191	2,312,849	2,306,612	2,087,654	1,908,722
Contributions as a percentage of covered payroll	11.69%	11.81%	12.26%	12.71%	12.90%	12.80%	12.70%	10.74%	8.46%	8.52%

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## Town of Windham, Maine

General fund  
Statement of revenues, expenditures, and changes in fund balance  
Budget and actual  
For the year ended June 30, 2025  
(with comparative totals for the year ended June 30, 2024)

	2025			Variance positive (negative)	2024 actual
	Original budget	Final budget	Actual		
<b>Revenues</b>					
Property taxes					
Real estate and personal property	\$ 46,991,715	46,991,715	46,946,867	(44,848)	42,286,215
Supplemental taxes	6,000	6,000	39,757	33,757	42,617
Tax lien fees	20,000	20,000	17,192	(2,808)	13,855
Payments in lieu of taxes	8,000	8,000	10,777	2,777	10,649
Interest on taxes	50,300	50,300	62,529	12,229	51,871
Excise taxes	4,000,000	4,000,000	4,933,779	933,779	4,643,103
Boat excise	40,000	40,000	36,059	(3,941)	38,023
Total property taxes	51,116,015	51,116,015	52,046,960	930,945	47,086,333
Intergovernmental					
State revenue sharing	2,600,000	2,600,000	2,626,992	26,992	2,611,234
Homestead exemption	1,144,760	1,144,760	1,144,770	10	1,113,634
Veterans exemption	7,800	7,800	6,612	(1,188)	6,300
Business equipment tax reimbursemen	144,060	144,060	144,366	306	128,562
Tree growth	30,180	30,180	37,635	7,455	37,143
Local road assistance program (LRAP)	260,000	260,000	307,356	47,356	303,480
MDOT municipal partnership initiative	2,085,000	2,085,000	602,777	(1,482,223)	-
FEMA disaster recovery	-	-	253,439	253,439	-
General assistance	100,000	100,000	37,330	(62,670)	85,225
Total intergovernmental	6,371,800	6,371,800	5,161,277	(1,210,523)	4,285,578
Licenses and permits					
Registrations and fees	158,840	158,840	268,595	109,755	219,315
Building permits	377,500	377,500	388,251	10,751	382,958
Plumbing permits	45,000	45,000	49,503	4,503	39,038
Clerk fees	65,220	65,220	63,841	(1,379)	95,437
Marijuana applications and education	29,251	29,251	48,650	19,399	86,600
Cable television franchise fees	223,000	223,000	189,149	(33,851)	208,591
Total licenses and permits	898,811	898,811	1,007,989	109,178	1,031,939
Charges for services					
Dundee Park	65,200	65,200	19,502	(45,698)	50,392
Rescue fees	850,500	850,500	1,112,637	262,137	1,036,676
Solid waste	259,024	259,024	269,805	10,781	783,403
RSU - officer	264,389	264,389	140,486	(123,903)	183,432
RSU - maintenance facility	238,750	238,750	235,788	(2,962)	241,057
Police	7,500	7,500	10,891	3,391	10,812
Fire	100	100	10	(90)	20
Library	3,000	3,000	5,437	2,437	5,026
Total charges for services	1,688,463	1,688,463	1,794,556	106,093	2,310,818

## Town of Windham, Maine

Notes to required supplementary information

### Pension plans

Changes of benefit terms - None

Changes of assumptions - The following are changes in actuarial assumptions used in valuations:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Discount rate	6.50%	6.50%	6.50%	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	2.75-11.48%	2.75-11.48%	2.75-11.48%	2.75-11.48%	2.75% + merit	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Cost of living increases	1.91%	1.91%	1.91%	1.91%	1.91%	2.20%	2.20%	2.20%	2.55%	3.12%

Mortality rates - **2015:** RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. **2016:** RP2014 Total Data Set Healthy Annuitant Mortality Table. **2021:** 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table

### Other postemployment benefit (OPEB) obligations - health insurance

Changes of benefit terms - None

Changes of assumptions - The following are changes in actuarial assumptions used in valuations:

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Discount rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%

Valuation method - In 2018, changed from the projected unit credit funding method to the entry age normal funding method.

## Town of Windham, Maine

General fund  
Statement of revenues, expenditures, and changes in fund balance  
Budget and actual  
For the year ended June 30, 2025  
(with comparative totals for the year ended June 30, 2024)

	2025				Variance positive (negative)	2024 actual
	Original budget	Final budget	Actual			
<b>Revenues</b>						
Interest	550,000	550,000	1,175,270	625,270	1,225,566	
Miscellaneous	101,300	101,300	179,120	77,820	132,343	
<b>Total revenues</b>	<b>607,263,389</b>	<b>607,263,389</b>	<b>61,365,172</b>	<b>638,783</b>	<b>56,072,577</b>	
<b>Expenditures</b>						
Current:						
General government						
Town council	278,598	278,598	258,635	19,963	257,711	
Town management	1,153,189	1,153,189	1,066,765	86,424	951,112	
Collection and registration	231,972	231,972	213,233	18,739	222,637	
Information services	706,643	711,643	695,261	16,382	640,763	
Boards and commissions	87,866	112,891	79,044	33,847	92,723	
Communication and e-government	177,227	177,227	157,649	19,578	143,678	
Town clerk	310,744	310,744	289,882	20,862	296,467	
Insurance	191,361	191,361	197,882	(6,521)	182,219	
Employee benefits	4,677,839	4,687,839	4,519,301	168,538	4,149,450	
Total general government	<b>7,815,439</b>	<b>7,855,464</b>	<b>7,477,852</b>	<b>377,612</b>	<b>6,936,760</b>	
Public works						
Administration	392,246	425,746	355,052	70,694	314,609	
Highway maintenance	961,640	961,640	859,285	102,355	1,023,673	
Traffic safety	208,580	208,580	218,595	(10,015)	78,462	
Snow removal	575,000	575,000	507,728	67,272	440,816	
Building maintenance	785,729	785,729	802,903	(17,174)	683,908	
Grounds maintenance	278,173	278,173	228,956	49,217	204,039	
Vehicle maintenance	733,246	733,246	668,235	65,011	634,231	
Waste management	1,231,430	1,231,430	1,292,860	(61,430)	1,202,763	
Total public works	<b>5,166,044</b>	<b>5,199,544</b>	<b>4,933,614</b>	<b>265,930</b>	<b>4,582,501</b>	
Police						
Administration	3,128,025	3,156,150	3,103,174	52,976	2,865,903	
Communications	539,853	539,853	554,143	(14,290)	528,220	
Animal control	91,458	91,458	92,514	(1,056)	80,456	
Vehicle maintenance	1,25,494	1,25,494	1,14,552	10,942	98,140	
Total police	<b>3,884,830</b>	<b>3,912,955</b>	<b>3,864,383</b>	<b>48,572</b>	<b>3,572,719</b>	
Fire and rescue						
Administration	3,045,335	3,045,335	3,070,430	(25,095)	2,983,273	
Water	128,000	128,000	121,525	6,475	126,170	
Emergency management	1,400	1,400	-	1,400	500	
Vehicle maintenance	199,448	199,448	196,543	905	212,999	
Total fire and rescue	<b>3,374,183</b>	<b>3,374,183</b>	<b>3,390,498</b>	<b>(16,315)</b>	<b>3,332,942</b>	

## Town of Windham, Maine

General fund  
Statement of revenues, expenditures, and changes in fund balance  
Budget and actual  
For the year ended June 30, 2025  
(with comparative totals for the year ended June 30, 2024)

	2025				Variance positive (negative)	2024 actual
	Original budget	Final budget	Actual			
<b>Expenditures</b>						
Current:						
Recreation and culture						
Administration	357,446	357,446	346,941	10,505	325,094	
Parks and trails	89,920	89,920	84,972	4,948	80,317	
Dundee Park	126,913	126,913	82,921	43,992	96,031	
Summerfest	13,630	13,630	13,630	-	11,800	
Public library	653,722	653,722	645,143	8,579	587,265	
Total recreation and culture	<b>1,241,631</b>	<b>1,241,631</b>	<b>1,173,607</b>	<b>68,024</b>	<b>1,100,507</b>	
Property and inspection						
Code enforcement	445,743	445,743	421,349	24,394	370,266	
Assessing	372,969	373,344	367,712	5,632	333,986	
Total property and inspection	<b>818,712</b>	<b>819,087</b>	<b>789,061</b>	<b>30,026</b>	<b>704,252</b>	
Development and conservation						
Planning	458,433	425,433	312,065	113,368	395,742	
Comprehensive planning	2,500	29,518	11,618	17,900	202,798	
WEDC	227,979	227,979	214,535	13,444	202,798	
Total development and inspection	<b>688,912</b>	<b>682,930</b>	<b>538,218</b>	<b>144,712</b>	<b>598,540</b>	
Health and welfare						
Social services	330,957	330,957	163,624	167,333	198,702	
Agency funding	30,350	30,350	28,850	1,500	19,785	
Property tax assistance program	160,000	160,000	234,066	(74,066)	141,905	
Total health and welfare	<b>521,307</b>	<b>521,307</b>	<b>426,540</b>	<b>94,767</b>	<b>360,392</b>	
County tax	2,012,255	2,012,255	2,012,255	-	1,813,946	
Education	28,096,394	28,096,394	28,096,394	-	25,611,458	
Overlay/abatements	205,790	205,790	70,531	135,259	63,718	
General and emergency contingency	200,004	200,004	928	199,076	700	
Debt service						
Principal	2,518,400	2,518,400	2,518,400	-	2,893,400	
Interest	604,785	604,785	635,281	(30,496)	753,883	
New bond issuance	773,379	773,379	-	773,379	-	
RSU 14 share of debt service	(1,286,375)	(1,286,375)	(1,286,375)	-	(1,728,375)	
Lease payments	587,170	587,170	550,697	36,473	200,970	
Debt service	<b>3,197,359</b>	<b>3,197,359</b>	<b>2,418,003</b>	<b>779,356</b>	<b>2,119,878</b>	

# Town of Windham, Maine

Combining statement of revenues, expenditures, and changes in fund balances  
 General fund committed and assigned balances  
 For the year ended June 30, 2025

	Beginning fund balance	Revenues	Expenditures	Transfers in (out)	Ending fund balance
Seized/safekept funds	\$ 29,044	31,595	-	-	60,639
State forfeited assets	14,421	-	8,000	-	6,421
DARE	13,498	4,125	8,461	-	9,162
Federal equitable sharing	52,270	175,201	41,652	-	185,819
Police donations	6,575	4,601	4,395	-	6,781
Opiod funds	22,260	8,643	4,149	-	26,754
Summerfest	5,373	24,205	40,552	13,630	2,656
Fire benevolence fund	4,028	2,240	2,144	-	4,124
Canada Hill subdivision	20,168	-	-	-	20,168
Fuel system maintenance	26,153	3,132	-	-	29,285
Rio Drive utilities	(3,192)	-	-	-	(3,192)
Wellness incentives	828	-	-	-	828
Heating assistance	(1,587)	1,000	5,082	10,000	4,331
BTI - donation account	6,352	-	1,114	-	5,238
Library donations	4,543	3,076	2,323	-	5,296
Diesel exhaust fuel	(1,040)	2,695	2,359	-	(704)
PS memorial fund	(2,471)	131	-	-	(2,340)
Recreation donations	6,270	439	-	-	6,709
Marijuana education	5,062	14,260	13,775	-	5,547
Rt 302 crossing guards	-	17,500	17,400	-	100
Homeless/affordable housing	210,452	-	-	-	210,452
Impact fees - recreation	43,215	75,440	-	(119,234)	(579)
Impact fees route 302 north	80,914	765	-	-	81,679
Impact fees sidewalk - north	56,661	-	-	-	56,661
Impact fees sidewalk - south	10,434	-	-	-	10,434
Impact fees - open space	217,174	71,450	-	(197,838)	90,786
Public safety bldg impact fee	267,634	148,479	-	-	416,113
Town hall impact fees	208,723	48,561	-	-	257,284
Windham human services	417,255	62,231	729	(10,000)	468,757
	\$ 1,721,017	699,769	152,135	(303,442)	1,965,209

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## Town of Windham, Maine

General fund  
 Statement of revenues, expenditures, and changes in fund balance  
 Budget and actual  
 For the year ended June 30, 2025  
 (with comparative totals for the year ended June 30, 2024)

	2025		Variance positive (negative)	2024	
	Original budget	Final budget		Actual	actual
<b>Expenditures</b>					
Capital outlay					
Capital equipment	608,200	1,495,936	247,446	1,248,490	362,140
Road improvements	3,201,518	4,049,662	1,611,864	2,437,818	655,730
Building and facilities improvements	997,000	1,614,770	244,359	1,370,411	22,738
TIF transfer (transfer out)	1,263,110	1,263,110	-	-	1,018,762
Recreation improvements	495,756	559,311	13,555	545,756	22,922
Total capital outlay	6,565,584	8,982,809	3,380,334	5,602,475	2,082,292
Total expenditures	63,768,444	66,301,712	58,572,018	7,729,694	52,880,605
Excess (deficiency) of revenues over (under) expenditures	(3,062,055)	(5,575,323)	2,793,154	8,368,477	3,191,972
<b>Other financing sources (uses)</b>					
Transfers in	1,662,055	1,662,055	891,609	(770,446)	620,920
Transfers out	-	-	-	-	(36,200)
Use of fund balance	1,400,000	3,913,268	-	(3,913,268)	-
Total other financing sources (uses)	3,062,055	5,575,323	891,609	(4,683,714)	584,720
Net change in fund balance - budgetary basis	-	-	3,684,763	3,684,763	3,776,692
Reconciliation to GAAP					
Change in committed and assigned balances		244,192			25,907
Net change in fund balance - GAAP basis		3,928,955			3,802,599
Fund balance - beginning		22,875,412			19,072,813
Fund balance - end		\$ 26,804,367			22,875,412

## Town of Windham, Maine

Combining statement of revenues, expenditures, and changes in fund balances  
 Nonmajor governmental funds  
 For the year ended June 30, 2025

	Special revenue funds	Capital project funds	Permanent funds	Total nonmajor governmental funds
<b>Revenues</b>				
Intergovernmental	\$ 5,284,758	-	-	5,284,758
Charges for services	980,690	-	6,800	987,490
Interest	-	102,707	13,136	115,843
Miscellaneous	207,642	-	-	207,642
Total revenues	6,473,090	102,707	19,936	6,595,733
<b>Expenditures</b>				
Current:				
General government	650,365	-	-	650,365
Public works	473,064	-	-	473,064
Police	78,131	-	-	78,131
Fire and rescue	81,101	-	-	81,101
Recreation and cultural	542,214	-	-	542,214
Health and welfare	140,179	-	-	140,179
Capital outlay	4,925,107	1,158,223	-	6,083,330
Total expenditures	6,890,161	1,158,223	-	8,048,384
Excess (deficiency) of revenues over (under) expenditures	(417,071)	(1,055,516)	19,936	(1,452,651)
<b>Other financing sources (uses)</b>				
Transfers in	1,263,110	-	-	1,263,110
Transfers out	(208,122)	(366,415)	-	(574,537)
Total other financing sources (uses)	1,054,988	(366,415)	-	688,573
Net change in fund balances	637,917	(1,421,931)	19,936	(764,078)
Fund balances - beginning, restated	2,291,762	2,561,758	285,806	5,139,326
Fund balances - ending	\$ 2,929,679	1,139,827	305,742	4,375,248

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## Town of Windham, Maine

Combining balance sheet  
 Nonmajor governmental funds  
 June 30, 2025

	Special revenue funds	Capital project funds	Permanent funds	Total nonmajor governmental funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	-	305,742	305,742
Accounts receivable	48,719	-	-	48,719
Due from other funds	3,697,676	1,139,827	-	4,837,503
Total assets	\$ 3,746,395	1,139,827	305,742	5,191,964
<b>Liabilities</b>				
Accounts payable	388,010	-	-	388,010
Due to other funds	428,706	-	-	428,706
Total liabilities	816,716	-	-	816,716
<b>Fund balances</b>				
Nonspendable	-	-	41,874	41,874
Restricted	3,037,174	-	263,868	3,301,042
Committed	273,505	1,139,827	-	1,413,332
Unassigned	(381,000)	-	-	(381,000)
Total fund balances	2,929,679	1,139,827	305,742	4,375,248
Total liabilities and fund balances	\$ 3,746,395	1,139,827	305,742	5,191,964

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# Town of Windham, Maine

## Combining balance sheet

### Capital project funds

June 30, 2025

	2021 bond issue	2022 bond issue	2023 bond issue	Total capital project funds
<b>Assets</b>				
Due from other funds	\$ 68,509	678,106	393,212	1,139,827
Total assets	\$ 68,509	678,106	393,212	1,139,827
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
<b>Fund balances</b>				
Committed	68,509	678,106	393,212	1,139,827
Total fund balances	68,509	678,106	393,212	1,139,827
Total liabilities and fund balances	\$ 68,509	678,106	393,212	1,139,827

### Town of Windham, Maine Combining statement of revenues, expenditures, and changes in fund balances Special revenue funds For the year ended June 30, 2025

	Beginning fund balance	Revenues	Expenditures	Transfers in (out)	Ending fund balance
Little falls sewer operations	(160,587)	516,194	473,064	-	(117,457)
Recreation programs	337,484	464,496	413,475	(115,000)	273,505
Be the influence grant	(1,318)	140,179	140,179	-	(1,318)
Justice assistance grant	(20)	28,224	28,224	-	(20)
Community development block grant	60,000	195,107	195,107	-	60,000
Tax increment financing districts:					
Pipeline development TIF	663,400	-	597,630	72,940	138,710
Marblehead manor TIF	-	-	12,375	12,376	1
Roosevelt promenade TIF	490,503	-	284,537	284,537	775,040
Gateway north A TIF	238,801	-	224,778	192,519	463,579
Gateway north B TIF	359,284	-	-	142,869	511,162
Boody's TIF	368,293	-	-	28,490	(261,428)
Depot Street TIF	(289,918)	-	-	44,599	109,659
Enterprise development TIF	65,060	-	-	13,451	24,019
SW Industrial TIF	10,568	-	-	79,223	121,333
Boody's Corner B TIF	42,110	-	-	73,827	73,827
Boody's Corner C TIF	-	-	-	1,897	1,897
Gateway south TIF	-	-	-	-	4,866
Miscellaneous grants:	4,866	-	-	-	-
AARP grant	10,000	10,000	10,000	-	-
Pedestrian safety grant	-	2,807	2,807	-	-
Ed MacDonald enhancement grant	-	5,940	5,940	-	-
Bullet proof vest	(1,652)	3,442	1,790	-	-
Distracted driving enforcement	-	6,959	6,959	-	-
NHSTA speed enforcement	-	10,755	10,755	-	-
Maine Community Foundation	5,000	-	5,000	-	-
Impaired driving	-	1,314	1,314	-	-
DEA education foundation	100	-	-	-	100
Caregiver arts and crafts	63	-	69	(6)	-
COPS grant	-	1,518	-	-	-
MMA safety grant	-	3,081	3,081	(1,518)	-
ARP - Childcare	1,403	-	1,403	-	-
Mountain Trail Division	(15,690)	35,972	5,271	-	15,011
Southern Maine Agency Aging ARPA	712	-	712	-	-
Bingham Foundation grant	-	5,000	4,593	-	407
ADA picnic tables	10,000	-	-	-	-
Maine Community Foundation - other	2,500	2,123	-	-	4,623
Alford training fund	(301)	11,127	11,597	-	(771)
MMA - MLEAP	-	2,500	-	-	2,500
Enforce underage drinking law	81,101	8,745	8,745	-	113,796
Maine EMS stabilization	10,000	113,796	81,101	-	-
Community library grant	10,000	-	10,000	-	-
Blue card - incident control	10,000	-	-	-	10,000
Outdoor recreation grant	-	63,176	49,738	-	13,438
Enbridge grant	-	5,000	-	-	5,000
Community park basketball lighting	-	24,985	16,910	-	8,075
Walmart grant	-	3,500	-	-	3,500
Chef's grant - age friendly	-	7,500	6,446	-	1,054
Community connector	-	37,150	13,846	-	23,304
Nook solo pad - GPCCOG	-	7,500	7,030	-	470
EPA Grant - CDS	-	2,000,000	2,000,000	-	-
Cumberland County addendum grant	-	2,730,000	2,730,000	-	-
Land for Maine's future	-	25,000	25,000	-	-
	\$ 2,291,762	6,473,090	6,890,161	1,054,988	2,929,679

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## Town of Windham, Maine

### Combining statement of revenues, expenditures, and changes in fund balances

#### Capital project funds

For the year ended June 30, 2025

	2021 bond issue	2022 bond issue	2023 bond issue	Total capital project funds
<b>Revenues</b>				
Interest	\$ 3,409	69,907	29,391	102,707
Total revenues	<u>3,409</u>	<u>69,907</u>	<u>29,391</u>	<u>102,707</u>
<b>Expenditures</b>				
Current:				
Capital outlay	-	871,931	286,292	1,158,223
Total expenditures	<u>-</u>	<u>871,931</u>	<u>286,292</u>	<u>1,158,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,409</u>	<u>(802,024)</u>	<u>(256,901)</u>	<u>(1,055,516)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(10,182)	(201,531)	(154,702)	(366,415)
Total other financing sources (uses)	<u>(10,182)</u>	<u>(201,531)</u>	<u>(154,702)</u>	<u>(366,415)</u>
Net change in fund balances	(6,773)	(1,003,555)	(411,603)	(1,421,931)
Fund balances - beginning	<u>75,282</u>	<u>1,681,661</u>	<u>804,815</u>	<u>2,561,758</u>
Fund balances - ending	<u>\$ 68,509</u>	<u>678,106</u>	<u>393,212</u>	<u>1,139,827</u>

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**APPENDIX D**

**PROPOSED FORM  
OF  
LEGAL OPINION**

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April 30, 2026

**FORM OF OPINION**

[address]

Attn: [underwriter]

Re: Regional School Unit No. 14  
April 30, 2026 in principal amount of \$50,790,000, dated April 30, 2026  
CUSIP: 75915PBT6

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Regional School Unit No. 14 (the “Issuer”) of the Issuer’s registered 2025 General Obligation Bonds in the principal amount of \$50,790,000, dated April 30, 2026 (the “Bonds”).

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. In our examination of the foregoing, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us, and we have not undertaken to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto.

The Bonds are dated April 30, 2026, and will bear interest payable on November 1, 2026, and semi-annually thereafter on May 1 and November 1 of each year thereafter until maturity. The Bonds are issued in the following denominations and principal amounts and will mature on November 1 of each year as reflected hereinbelow:

Year	Installment	Interest Rate	Year	Installment	Interest Rate
2026	\$ 0.00	%	2037	\$ 2,540,000	%
2027	\$ 2,540,000		2038	\$ 2,540,000	
2028	\$ 2,540,000		2039	\$ 2,540,000	
2029	\$ 2,540,000		2040	\$ 2,540,000	
2030	\$ 2,540,000		2041	\$ 2,540,000	
2031	\$ 2,540,000		2042	\$ 2,540,000	
2032	\$ 2,540,000		2043	\$ 2,540,000	
2033	\$ 2,540,000		2044	\$ 2,540,000	
2034	\$ 2,540,000		2045	\$ 2,535,000	
2035	\$ 2,540,000		2046	\$ 2,535,000	
2036	\$ 2,540,000		Total	\$ 50,790,000	

Bonds maturing on and before November 1, 2035 are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on and after November 1, 2036 are subject to optional redemption prior to their stated dates of maturity, at the option of the Issuer, on and after November 1, 2035.

Each of the Bonds have been signed by the Treasurer of the Issuer, countersigned by the Chair of the School Board of the Issuer, and attested to by the Secretary of the Issuer, and bear the signed certificate of the authenticating agent identified thereon. The Bonds are issued in fully registered form without coupons and, when issued, will be

registered in the name of Cede & Co., as nominee for The Depository Trust Company. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof.

In formulating our opinion we have made such examination of Maine law and federal tax law as we have deemed relevant for the purposes of this opinion but have not made an independent review of the laws of any other state or jurisdiction. Accordingly, we express no opinion as to the laws of any state or jurisdiction other than those of the State of Maine and the tax laws of the United States of America.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds, executed and authenticated as described above, have been duly authorized and are valid and binding general obligations of the Issuer, enforceable in accordance with its terms.
2. Unless paid from other sources, the Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the Issuer (which territory comprises the Towns of Raymond and Windham, Maine) and taxable by it, except to the extent that any municipality within the territory of the Issuer may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality; and except to the extent that any municipality within the territory of the Issuer establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds.
3. Under existing statutes and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The opinions set forth herein are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements, however, may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of the issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.
4. Interest payable on the Bonds is not subject to Maine income taxes imposed upon individuals under existing statutes, regulations, and court decisions. We express no opinion with respect to taxation of the Bonds and the interest thereon under the laws of any state other than the State of Maine.
5. The Bonds are **not** designated as a qualified tax-exempt obligations by the Issuer pursuant to section 265(b)(3) of the Code.

The foregoing opinions are qualified to the extent that the enforceability of obligations of the Issuer, including the Bonds, may be limited by bankruptcy, moratorium, or insolvency, or other laws affecting the rights and remedies of creditors generally and are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have not examined and assume no responsibility for the financial condition of the Issuer and nothing set forth herein shall be construed as an assurance as to the Issuer's financial condition or ability to make payment on the Bonds.

April 30, 2026  
Regional School Unit No. 14  
CUSIP 75915PBT6  
Page 3 of 3

The opinions rendered herein are given as of the date hereof and we assume no obligation to update, revise or supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

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DRUMMOND WOODSUM & MACMAHON

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**APPENDIX E**

**PROPOSED FORM  
OF  
CONTINUING DISCLOSURE AGREEMENT**

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**REGIONAL SCHOOL UNIT NO. 14  
PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Regional School Unit No. 14, Maine (the “Issuer”) of its \$ \_\_, \_\_\_\_,000 2026 General Obligation Bonds dated \_\_\_\_\_, 2026 (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under this Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer reserves the right to incorporate by reference its Official Statement dated \_\_\_\_\_, 2026 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005, which is subject to change from time to time.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than March 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “ISSUER FINANCES,”

“INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults, if material
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - g. Modifications to rights of security holders, if material;
  - h. Bond calls, if material, and tender offers;
  - i. Defeasances;
  - j. The release, substitution, or sale of property securing repayment of the Bonds;
  - k. Rating changes;
  - l. Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);
  - m. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
  - n. Appointment of a successor or additional trustee or the change of name of a trustee;
  - o. Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material; and

- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by the Issuer's undertakings under this Agreement and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the Issuer's undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.
6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.
7. The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: Christopher Howell, Treasurer, Regional School Unit No. 14, 228 Windham Center Road, Windham, ME 04062, [chowell@rsu14.org](mailto:chowell@rsu14.org).

REGIONAL SCHOOL UNIT NO. 14

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Christopher Howell, Treasurer

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