

TOWN OF WINDHAM, MAINE

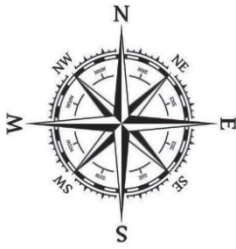
**Reports Required by *Government Auditing
Standards* and the Uniform Guidance**

For the Year Ended June 30, 2025

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TOWN OF WINDHAM, MAINE
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the year ended June 30, 2025

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**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**

To the Town Council
Town of 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, 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, and have issued our report thereon dated January 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 which we reported to management and governance of the Town of Windham, Maine in a separate letter dated January 26, 2026.

Purpose of This Report

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

PETER J HALL CPA LLC

**South Portland, Maine
January 26, 2026**

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

To the Town Council
Town of Windham, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Windham, Maine'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 the Town of Windham, Maine's major federal programs for the year ended June 30, 2025. The Town of Windham, Maine'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, the Town of Windham, Maine ("the Town") complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the Town 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 the Town's compliance with the compliance requirements referred to above.

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 the Town'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 the Town'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 generally accepted auditing standards, *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 the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Town'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 Town'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 Town'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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 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. We issued our report thereon dated January 26, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for

purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PETER J HALL CPA LLC

**South Portland, Maine
January 26, 2026**

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Town of Windham, Maine

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2025

Federal Agency/ Listing Number	Federal Program Name	Cluster Title	Pass-Through Grantor	Pass-Through Grantor Number	Program Expenditures	Cluster or Listing Total	Pass-Through to Sub- recipients
Department of Commerce							
11.307	Economic Adjustment Assistance	n/a	State of Maine DECD	n/a	49,738		-
	Total Department of Commerce				<u>49,738</u>		
Department of Housing and Urban Development							
14.218	Community Development Block Grants/Entitlement Grants	n/a	Direct	n/a	195,107		-
	Total Department of Housing and Urban Development				<u>195,107</u>		
Department of Justice							
16.607	Bulletproof Vest Partnership Program	n/a	Direct	n/a	1,790		-
16.710	COPS Hiring Program 2020	n/a	Direct	n/a	1,518		-
16.738	Edward Byrne JAG Grant 2022	n/a	State of Maine Dept of Public Safety	n/a	14,884		-
16.738	Edward Byrne JAG Grant 2021	n/a	State of Maine Dept of Public Safety	n/a	13,340	28,224	-
16.922	Equitable Sharing Program	n/a	Direct	n/a	41,652		-
	Total Department of Justice				<u>73,184</u>		
Department of Transportation							
20.600	High Visibility Enforcement - Impaired	n/a	Direct	n/a	1,098		-
20.600	Speed enforcement	n/a	Direct	n/a	6,890		-
20.600	High Visibility Enforcement - Speed	n/a	Direct	n/a	3,866		-
20.600	Pedestrian Safety	n/a	Direct	n/a	2,807		-
20.600	High Visibility Enforcement - Education	n/a	Direct	n/a	216	14,877	-
20.616	Distracted Driving	n/a	Direct	n/a	5,388		-
20.616	Distracted Driving (DD24-030)	n/a	Direct	n/a	1,572	6,960	-
	Total Department of Transportation				<u>21,837</u>		
Department of Treasury							
21.027	COVID-19 - State and Local Fiscal Recovery Funds	n/a	Cumberland County, Maine	n/a	2,730,000		2,730,000
	Total Department of Treasury				<u>2,730,000</u>		
Environmental Protection Agency							
66.202	Congressionally Mandated Projects	n/a	Direct	n/a	2,000,000		-
	Total Environmental Protection Agency				<u>2,000,000</u>		
Department of Health and Human Services							
93.276	Drug Free Community Continuation	n/a	Direct	n/a	140,179		-
	Total Department of Health and Human Services				<u>140,179</u>		
Department of Homeland Security							
97.036	Disaster Grants - Public Assistance	n/a	Direct	n/a	211,199		-
	Total Department of Homeland Security				<u>211,199</u>		
	Total Expenditures of Federal Awards				<u><u>5,421,244</u></u>		

Town of Windham, Maine

Notes to the schedule of expenditures of federal awards

June 30, 2025

I. Purpose of the schedule

Office of Management and Budget (OMB)'s Uniform Guidance requires a schedule of expenditures of federal awards showing total expenditures for each federal award program as identified in the Assistance Listings in the System for Award Management.

II. Summary of significant accounting policies

A. Reporting entity

The accompanying schedule includes all federal award programs of the Town of Windham, Maine for the fiscal year ended June 30, 2025. The reporting entity is defined in the notes to the financial statements of the Town.

B. Basis of presentation

The information in the accompanying schedule of expenditures of federal awards is presented in accordance with the Uniform Guidance. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.

Major programs

The Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for the Town are identified in the summary of auditor's results section in the schedule of findings and questioned costs.

C. Basis of accounting

The information presented in the schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is consistent with the reporting in the Town's fund financial statements.

D. Indirect cost rate

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF WINDHAM, MAINE
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 on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? No
Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:
Material weaknesses identified? No
Significant deficiencies identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? No

Identification of major federal programs:

Assistance Listing

Name of Federal Program or Cluster

21.027

State and Local Fiscal Recovery Funds

66.202

Congressionally Mandated Projects

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

Auditee qualified as low-risk auditee? No

TOWN OF WINDHAM, MAINE
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

NONE

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TOWN OF WINDHAM, MAINE
Schedule of Findings and Questioned Costs, Continued

Section III - Findings and Questioned Costs for Federal Awards

NONE

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TOWN OF WINDHAM, MAINE
Schedule of Findings and Questioned Costs, Continued

Section IV - Status of Prior Year Findings and Questioned Costs for Federal Awards

NONE

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