

FIVE TOWN CSD

Annual Financial Report

For the Year Ended June 30, 2019

FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2019

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Financial Statements
For the Year Ended June 30, 2019**

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Independent Auditor's Report

Board of Directors
Five Town CSD

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Five Town CSD, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Five Town CSD, as of June 30, 2019, and the respective changes in financial position 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.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Five Town CSD's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Maine Department of Education, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements 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 a report dated February 25, 2020 on our consideration of Five Town CSD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Five Town CSD'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 Five Town CSD's internal control over financial reporting and compliance.



February 25, 2020
South Portland, Maine

BASIC FINANCIAL STATEMENTS

FIVE TOWN CSD
Statement of Net Position
June 30, 2019

	Governmental activities
ASSETS	
Cash and cash equivalents	\$ 2,751,817
Due from other governments	145,707
Inventory	14,968
Capital assets, not being depreciated	24,000
Capital assets, net	16,155,636
Total assets	19,092,128
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	234,624
Deferred outflows of resources related to OPEB	33,160
Total deferred outflows of resources	267,784
LIABILITIES	
Accrued wages and benefits	1,210,520
Accounts payable	231,410
Unearned revenue	6,747
Noncurrent liabilities:	
Due within one year	1,035,702
Due in more than one year	3,531,534
Total liabilities	6,015,913
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	12,636
Deferred inflows of resources related to OPEB	61,474
Total deferred inflows of resources	74,110
NET POSITION	
Net investment in capital assets	13,161,630
Restricted	558,430
Unrestricted	(450,171)
Total net position	\$ 13,269,889

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Activities
For the year ended June 30, 2019

Function/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Governmental activities:					
Regular instruction	\$ 4,935,086	508,008	31,691	-	(4,395,387)
Special education	1,147,861	-	3,337	-	(1,144,524)
Career and technical education	61,916	-	-	-	(61,916)
Other instruction	550,735	16,271	-	-	(534,464)
Student and staff support	1,047,002	-	-	-	(1,047,002)
System administration	480,022	-	-	-	(480,022)
School administration	488,436	-	-	-	(488,436)
Transportation	414,350	-	-	-	(414,350)
Facilities maintenance	1,821,851	18,484	-	-	(1,803,367)
Maine PERS - on-behalf payments	848,139	-	848,139	-	-
Program expenses	809,192	347,352	275,378	-	(186,462)
Food service	417,968	311,314	99,359	-	(7,295)
Capital maintenance	21,432	-	-	-	(21,432)
Interest on debt	835,457	-	-	-	(835,457)
Total governmental activities	13,879,447	1,201,429	1,257,904	-	(11,420,114)
Total primary government	\$ 13,879,447	1,201,429	1,257,904	-	(11,420,114)

General revenues:	
Local assessments	\$ 10,375,188
Local assessments - Adult Education	231,126
State allocation	1,605,733
Unrestricted investment earnings	29,242
Miscellaneous	10,922
Total general revenues	12,252,211
Change in net position	832,097
Net position--beginning, restated	12,437,792
Net position--ending	\$ 13,269,889

See accompanying notes to basic financial statements.

**FIVE TOWN CSD
Balance Sheet
Governmental Funds
June 30, 2019**

	General Fund	Capital Reserve	Other Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	\$ 2,709,685	-	42,132	2,751,817
Due from other governments	95,464	-	50,243	145,707
Inventory	-	-	14,968	14,968
Interfund receivables	-	537,721	552,829	1,090,550
Total assets	2,805,149	537,721	660,172	4,003,042
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued wages and benefits	1,183,793	-	26,727	1,210,520
Accounts payable	61,369	-	30,416	91,785
Unearned revenue	-	-	6,747	6,747
Interfund payables	1,183,898	-	46,277	1,230,175
Total liabilities	2,429,060	-	110,167	2,539,227
Fund balances:				
Nonspendable	-	-	5,651	5,651
Restricted by grantors and donors	-	-	552,779	552,779
Committed - capital reserve	-	537,721	-	537,721
Assigned	75,000	-	-	75,000
Unassigned	301,089	-	(8,425)	292,664
Total fund balances:	376,089	537,721	550,005	1,463,815
Total liabilities and fund balances	\$ 2,805,149	537,721	660,172	

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.	16,179,636
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Net pension liability, including deferred outflows and inflows of resources	135,070
Total OPEB liability, including deferred outflows and inflows of resources	(1,490,626)
Capital leases	(193,683)
Notes from direct borrowings	(2,824,323)

Net position of governmental activities	\$ 13,269,889
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See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	General Fund	Capital Reserve	Other Governmental Funds	Totals
Revenues:				
Local assessments	\$ 10,375,188	-	231,126	10,606,314
Intergovernmental	2,488,900	-	374,737	2,863,637
Charges for services	524,279	-	392,269	916,548
Interest earned	26,798	-	2,444	29,242
Other revenues	29,406	-	266,397	295,803
Total revenues	13,444,571	-	1,266,973	14,711,544
Expenditures:				
Current:				
Regular instruction	4,925,346	-	-	4,925,346
Special education	1,147,861	-	-	1,147,861
Career and technical education	61,916	-	-	61,916
Other instruction	550,735	-	-	550,735
Student and staff support	1,135,506	-	-	1,135,506
System administration	480,022	-	-	480,022
School administration	488,436	-	-	488,436
Transportation	414,350	-	-	414,350
Facilities maintenance	1,232,351	-	-	1,232,351
Maine PERS - on-behalf payments	848,139	-	-	848,139
Program expenditures	-	-	809,192	809,192
Food service	-	-	415,430	415,430
Debt service	1,794,972	-	-	1,794,972
Capital outlay	16,432	5,000	-	21,432
Total expenditures	13,096,066	5,000	1,224,622	14,325,688
Excess (deficiency) of revenues over (under) expenditures	348,505	(5,000)	42,351	385,856
Other financing sources (uses):				
Proceeds from capital leases	16,432	-	-	16,432
Transfer in	20,000	125,000	23,000	168,000
Transfer out	(148,000)	-	(20,000)	(168,000)
Total other financing sources (uses)	(111,568)	125,000	3,000	16,432
Net change in fund balances	236,937	120,000	45,351	402,288
Fund balances, beginning of year	139,152	417,721	504,654	1,061,527
Fund balances, end of year	\$ 376,089	537,721	550,005	1,463,815

See accompanying notes to basic financial statements.

FIVE TOWN CSD
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, 2019

Net change in fund balances--total governmental funds (from Statement 4)	\$	402,288
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlays	18,227	
Less: depreciation expense	<u>(617,897)</u>	(599,670)
<p>Debt and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Repayment of debt principal	941,441	
Repayment of capital lease principal	94,824	
Capital lease proceeds	<u>(16,432)</u>	1,019,833
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. More specifically, this represents:</p>		
Change in interest accrual	18,074	
Change in net pension liability, with related deferred outflows and inflows of resources	21,971	
Change in OPEB liability, with related deferred outflows and inflows of resources	<u>(30,399)</u>	9,646
<hr/>		
Change in net position of governmental activities (see Statement 2)	\$	832,097

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2019

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 10,375,188	10,375,188	10,375,188	-
Intergovernmental	1,636,800	1,636,800	1,640,761	3,961
Charges for services	504,744	504,744	524,279	19,535
Interest earned	1,500	1,500	26,798	25,298
Other revenues	26,200	26,200	29,406	3,206
Total revenues	12,544,432	12,544,432	12,596,432	52,000
Expenditures:				
Current:				
Regular instruction	4,980,299	4,980,299	4,850,650	129,649
Special education	1,127,929	1,127,929	1,147,861	(19,932)
Career and technical education	61,916	61,916	61,916	-
Other instruction	544,078	544,078	550,735	(6,657)
Student and staff support	1,164,448	1,164,448	1,135,506	28,942
System administration	468,383	468,383	480,022	(11,639)
School administration	501,710	501,710	488,436	13,274
Transportation	448,935	448,935	414,350	34,585
Facilities maintenance	1,378,762	1,378,762	1,232,351	146,411
Other	50,000	50,000	-	50,000
Debt service	1,794,972	1,794,972	1,794,972	-
Total expenditures	12,521,432	12,521,432	12,156,799	364,633
Excess (deficiency) of revenues over (under) expenditures	23,000	23,000	439,633	416,633
Other financing sources (uses):				
Transfer from other programs	-	-	20,000	20,000
Transfer to food service	(23,000)	(23,000)	(23,000)	-
Total other financing sources (uses)	(23,000)	(23,000)	(3,000)	20,000
Net change in fund balance - budgetary basis	-	-	436,633	436,633
Reconciliation to GAAP basis:				
Transfer to capital reserve			(125,000)	
Change in accrued teacher summer salaries and accrued hourly payroll			(74,696)	
Net change in fund balance - GAAP basis			236,937	
Fund balance, beginning of year			139,152	
Fund balance, end of year			\$ 376,089	

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	618,058	193,875
Interfund receivables		139,625	-
Total assets		757,683	193,875
LIABILITIES AND NET POSITION			
Liabilities:			
Due to student groups		-	193,875
Total liabilities		-	193,875
Net position:			
Held in trust		757,683	-
Total net position		757,683	-
Total liabilities and net position	\$	757,683	193,875

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2019

		Private- purpose Trust Funds
Additions:		
Contributions	\$	47,383
Interest and dividends		4,206
Total additions		51,589
Deductions:		
Scholarships and other		38,550
Change in net position		13,039
Net position, beginning of year		744,644
Net position, end of year	\$	757,683

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Notes to Basic Financial Statements

THE REPORTING ENTITY

The Five Town CSD (District), organized on June 10, 1994 to provide education to children in grades 9 to 12, is located in central Maine's coastal region. The District's Board of Directors consists of 11 elected members representing the Towns of Appleton, Hope, Lincolnville, Camden, and Rockport.

Under provisions of state law, the District had a transition period that began on July 1, 1994, under which it was authorized to perform all acts of a community school district except the assumption of the control and operation of grades 9 to 12. The District assumed control and operation of grades 9 to 12 on July 1, 1999.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

This report includes all funds of the District. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

It is the District's judgment, based on all pertinent facts derived from the analysis of these criteria that there are no entities that would be considered potential component units within the District that should be included as part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements:

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

Capital Reserve Fund - The Capital Reserve Fund is used to account for financial resources segregated for capital needs. Such resources are derived from transfers from the General Fund.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, the District reports non-major funds as follows:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The nonmajor Special Revenue Funds include School Lunch, Adult Education, School Categoricals Fund, MaineCare Fund, F1 Visa Fund, and Other Programs.

2. Fiduciary and Agency Fund Types:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension-trust funds, investment-trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust funds are private purpose trust which accounts for scholarship programs for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District's agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

C. Measurement Focus

1. Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

1. Revenues - Exchange and Non-exchange Transactions:

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 District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: local assessments available as an advance, interest, grants, and student fees.

2. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

- E. Budgetary Accounting** - A budget is formally adopted for the General Fund each year by a referendum vote, and is prepared on a basis consistent with generally accepted accounting principles except for accrued wages and benefits, transfers to reserve, and Maine Public Employees Retirement System on-behalf payments as described later in these notes. The school lunch fund, adult education fund, and other special revenue funds do not have legally adopted budgets, but have adopted budgets through formal authorizations by the Board of Directors and through grant agreements.
- F. Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the District. All encumbrances lapse at year end except those authorized to be carried forward.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- G. Interfund Transactions** - During the course of normal operations, the District has several transactions between funds. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.
- H. Inventories** - Food services inventories are valued at the lower of cost (first-in, first-out basis) or market, and are offset with a reserve for inventories. Inventories include the value of the U.S. Department of Agriculture commodities donated to the School Lunch Fund.
- I. Capital Assets** - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value as of the date received. The School District maintains a capitalization threshold of \$7,500. The District does not possess any material infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Buildings and improvements	20-50 years
Furniture and fixtures	5-20 years
Equipment	5-10 years

- J. Compensated Absences** - Under terms of union contracts and personnel administration policies, employees are granted vacation and sick time in varying amounts. Vacation time must be used by June 30th and sick time is only paid out to certain ed techs and secretaries who meet specific retirement criteria specified in the union contract.
- K. Use of Estimates** - Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.
- L. Fund Balance** - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:
- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
 - *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the District. All encumbrances lapse at year end except those authorized to be carried forward. These amounts are reported as assigned fund balance. The voters at the District budget meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. For assigned fund balance amounts, the Superintendent has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The Board of Directors approves the assigned amounts either before or after year end.

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

- M. Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the 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.
- N. Deferred Inflows and Outflows of Resources** - In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental activities have deferred outflows and inflows that relate to the net pension and other postemployment benefit liabilities, which include the District’s contributions subsequent to the measurement date, which is recognized as a reduction of the respective liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between the District’s contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. Also included is the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information - The District budget committee is responsible for preparing and submitting a budget to the voters. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for teacher summer salaries and benefits (which are budgeted on a cash basis), transfers to reserves, and Maine Public Employees Retirement System on-behalf payments. Maine Public Employees Retirement System contributions are made by the State of Maine on behalf of the District.

The level of control (level at which expenditures may not exceed budget) is the warrant article. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year.

B. Overspent Appropriations

The following cost centers exceeded budgeted appropriations at June 30, 2019:

Special Education	\$ 19,932
Other Instruction	6,657
System Administration	11,639

C. Deficit Fund Balance - At June 30, 2019, the following funds had a deficit fund balance:

Special Revenue Funds:	
MaineCare Fund	\$ 919
Supporting Effective Instruction	3,082
AEFLA Grant	3,480
EE Reduction Benefits	944

These deficits will be funded by future operating revenues.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, or destruction of assets, errors and omissions, and natural disasters for which the District either carries commercial insurance or participates in a public entity risk pool. The District participates in public entity risk pools sponsored by the Maine School Management Association (MSMA) for both Workers' Compensation coverage and Unemployment coverage.

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2019.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

DEPOSITS

A. Deposits

Custodial Credit Risk-District Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2019, the District reported deposits of \$3,563,750 with a bank balance of \$3,738,955. As of June 30, 2019, \$500,000 of the District's bank balance was covered by the FDIC, \$1,500,000 was collateralized by underlying securities held by the bank in the District's name, and the remaining \$1,738,955 was collateralized by underlying securities which were not in the District's name.

Deposits have been reported as follows:

Reported in governmental funds	\$ 2,751,817
Reported in fiduciary funds	<u>811,933</u>
Total deposits	<u>\$ 3,563,750</u>

Interest Rate Risk: The District does not have a formal policy with respect to interest rate risk. However, the District's practice is to invest excess funds in overnight repurchase agreements thereby eliminating interest rate risk.

INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables at June 30, 2019 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	\$ -	1,183,898
<u>Capital Reserve Fund</u>	537,721	-
Nonmajor special revenue funds:		
School Lunch Fund	9,361	-
Adult Education Fund	82,655	-
School Categorical Funds	-	45,358
MaineCare Fund	-	919
F1 Visa Fund	62,071	-
Other programs	398,742	-
<u>Total nonmajor special revenue funds</u>	<u>552,829</u>	<u>46,277</u>
Fiduciary funds:		
Private-purpose trust funds	139,625	-
<u>Total fiduciary funds</u>	<u>139,625</u>	<u>-</u>
<u>Total all funds</u>	<u>\$ 1,230,175</u>	<u>1,230,175</u>

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2019 were as follows:

	Transfers <u>in</u>	Transfers <u>out</u>
General Fund	\$ 20,000	148,000
Capital Reserve Fund	125,000	-
Nonmajor special revenue funds:		
School Lunch Fund	23,000	-
Other Programs	-	20,000
Total nonmajor special revenue funds	23,000	20,000
Total transfers	\$ 168,000	168,000

The transfers to the School Lunch fund and the Capital Reserve fund were approved by the Board of Directors. Transfers to the General fund were made to reimburse the General fund for expenditures related to Other Programs.

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance <u>06/30/18</u>	Increases	Decreases	Balance <u>06/30/19</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,000	-	-	24,000
Total capital assets, not being depreciated	24,000	-	-	24,000
Capital assets, being depreciated:				
Buildings and improvements	25,578,487	8,787	-	25,587,274
Equipment	902,038	9,440	-	911,478
Furniture and fixtures	118,004	-	-	118,004
Total capital assets, being depreciated	26,598,529	18,227	-	26,616,756
Less accumulated depreciation:				
Buildings and improvements	(9,292,376)	(563,138)	-	(9,855,514)
Equipment	(447,361)	(48,706)	-	(496,067)
Furniture and fixtures	(103,486)	(6,053)	-	(109,539)
Total accumulated depreciation	(9,843,223)	(617,897)	-	(10,461,120)
Capital assets, being depreciated, net	16,755,306	(599,670)	-	16,155,636
Governmental activities capital assets, net	\$ 16,779,306	(599,670)	-	16,179,636

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 7,632
Food service	2,538
<u>Operations and maintenance of plant</u>	<u>607,727</u>
<u>Total depreciation expense</u>	<u>\$ 617,897</u>

LONG-TERM DEBT

A. Changes in Long-term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2019:

	Beginning balance, <u>restated</u>	<u>Additions</u>	<u>Deletions</u>	Ending balance	Due within <u>one year</u>
Governmental activities:					
Notes from direct borrowings	\$ 3,765,764	-	941,441	2,824,323	941,441
Capital leases	272,075	16,432	94,824	193,683	94,261
Total OPEB liability	1,492,241	-	29,929	1,462,312	-
<u>Net pension liability</u>	<u>74,675</u>	<u>12,243</u>	<u>-</u>	<u>86,918</u>	<u>-</u>
Governmental activities					
<u>long-term liabilities</u>	<u>\$ 5,604,755</u>	<u>28,675</u>	<u>1,066,194</u>	<u>4,567,236</u>	<u>1,035,702</u>

B. Notes from Direct Borrowings

Notes from direct borrowings at June 30, 2019 are comprised of the following individual issues:

	Date of <u>issue</u>	Amount <u>issued</u>	Interest <u>rate</u>	Maturity <u>date</u>	Balance <u>6/30/19</u>
<u>High School construction</u>	<u>10/28/99</u>	<u>\$ 18,828,817</u>	<u>4.41-5.91%</u>	<u>11/1/21</u>	<u>2,824,323</u>
<u>Total notes from direct borrowings</u>					<u>\$ 2,824,323</u>

C. Capital Leases

The District has entered into various lease agreements to finance the cost of computers and copiers. These leases qualify as capital leases for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments as of their inception. The following is a summary of equipment leased under capital lease agreements:

	Governmental <u>Activities</u>
Computers	\$ 350,536
Copiers	34,549

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

Capital leases payable at June 30, 2019 are comprised of the following individual issues:

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 06/30/19</u>
Capital leases payable:					
Copiers	8/25/15	\$ 13,347	2.83%	8/25/20	2,780
Computers #3 – 2018	7/25/17	350,536	0.00%	7/25/20	175,268
Copiers	9/27/17	4,770	4.52%	9/27/21	2,858
Color copiers	8/22/18	16,432	5.47%	8/22/22	12,777
Total capital leases payable					\$ 193,683

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2019 are as follows:

<u>Year ended June 30,</u>	<u>Capital leases</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 94,261	970	941,441	-
2021	91,688	643	941,441	-
2022	4,273	424	941,441	-
2023	3,461	194	-	-
Totals	\$ 193,683	2,231	2,824,323	-

All debt service requirements are paid by the General Fund.

The statutes of the State of Maine provide, in part, that the aggregate principal amount of bonds and notes issued by a School Administrative District for capital outlay purposes shall not exceed, at any one time outstanding, the limit of indebtedness of the sum of 10% of the total of the last preceding state valuation of the member municipalities, plus an amount set by the State Board of Education at the time of initial approval of the school construction project not to exceed 4% of the state valuation of the participating municipalities. At June 30, 2019, the District's direct debt of \$2,824,323 was within the minimum statutory limit of 10% of the five participating municipalities.

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

The State of Maine reimburses the District for a portion of financing costs of the new school building. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS

General Information about the Pension Plan

Plan Description - Employees of the District are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineipers.org.

Benefits Provided - The SET Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET plan members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age 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 statute.

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

Maine statute requires the State to contribute a portion of the District's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The District's contractually required contribution rate for the year ended June 30, 2019, was 15.05% of annual payroll of which 3.97% of payroll was required from the District and 11.08% was required from the State. Contributions to the pension plan from the District were \$226,503 for the year ended June 30, 2019.

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

The net pension liabilities were measured as of June 30, 2018, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The District's proportion of the net pension liability was based on projections of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Administrative Districts and the State.

SET Plan - At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District 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 District were as follows:

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

District's proportionate share of the net pension liability	\$ 86,918
State's proportionate share of the net pension liability associated with the District	6,058,936
Total	\$ 6,145,854

At June 30, 2018, the District's proportion of the SET Plan was 0.0064%.

For the year ended June 30, 2019, the District recognized pension expense of \$836,687 and revenue of \$632,155 for support provided by the State for the SET Plan.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,654	-
Changes of assumptions	5,467	-
Net difference between projected and actual earnings on pension plan investments	-	11,299
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,337
District contributions subsequent to the measurement date	226,503	-
Total	\$ 234,624	12,636

An amount of \$226,503 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	(597)
2021	7,163
2022	(8,044)
2023	(3,037)

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SET Plan</u>
Inflation	2.75%
Salary Increases, per year	2.75% to 14.50%
Investment return, per annum, compounded annually	6.75%
Cost of living benefit increases, per annum	2.20%

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.75% for the SET Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
District’s proportionate share of the net pension liability	\$ 160,624	86,918	25,532

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

Payables to the Pension Plan - None as of June 30, 2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plan

Plan Description - The District sponsors a post-retirement benefit plan providing group term life insurance to retiring Teachers. The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at www.maineipers.org.

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

Contributions - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The State of Maine is required to remit the total dollar amount of each year’s annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the School District were \$12,303 for the year ended June 30, 2019. Employers and employees are not required to contribute to the OPEB plan.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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

At June 30, 2019, the District reported no liability related to the plan. The State of Maine’s proportionate share of the net OPEB liability associated with the District was \$134,825 as of June 30, 2019. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District’s proportion was 0.00%.

For the year ended June 30, 2019, the District recognized OPEB expense of \$12,303 and also revenues of \$12,303 for support provided by the State. At June 30, 2019, the District reported no deferred outflows of resources nor deferred inflows of resources related to the OPEB plan.

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 14.50%
Investment rate of return	6.75%

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US Government Securities	10.0%	2.3%
Total	<u>100.0%</u>	

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE

General Information about the OPEB Plan

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

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

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

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employee entitled to but not yet receiving benefits	-
Active employees	116
Total	139

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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

The District's total OPEB liability of \$1,462,312 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2018		\$ 1,492,241
Changes for the year:		
Service cost		20,227
Interest		53,578
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		(71,720)
Benefit payments		<u>(32,014)</u>
Net changes		<u>(29,929)</u>
Balance at June 30, 2019		<u>\$ 1,462,312</u>

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

For the year ended June 30, 2019, The District recognized OPEB expense of \$30,399. At June 30, 2019, The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ -	61,474
District contributions subsequent to measurement date	<u>33,160</u>	<u>-</u>
Total	<u>\$ 33,160</u>	<u>61,474</u>

\$33,160 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (10,246)
2021	(10,246)
2022	(10,246)
2023	(10,246)
2024	(10,246)
Thereafter	(10,244)

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

Discount Rate - The rate used to measure the total OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the District's total OPEB liability calculated using the discount rate of 3.87%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 1,731,928	1,462,312	1,248,724

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,234,997	1,462,312	1,751,099

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PRIOR PERIOD RESTATEMENT

In the prior year, certain data related to the OPEB liability for health insurance was unknown and not able to be accurately estimated. As such, no liability was reported. In the current year, management elected to restate the prior year financials to include information that has become available. Adjustments to net position as of July 1, 2018 were as follows:

	Governmental Activities
Net position, July 1, 2018, as previously reported	\$ 13,898,019
Recognition of OPEB liability for health insurance	(1,492,241)
Recognition of deferred outflows related to the OPEB liability for health insurance	32,014
Net position, July 1, 2018, as restated	\$ 12,437,792

BUDGETARY ACCOUNTING

The following is a reconciliation of the General Fund GAAP and budgetary fund balances:

Fund balance - June 30, 2019 - GAAP basis (Statement 4)	\$ 376,089
<u>Teacher summer salaries and accrued hourly payroll and benefits</u>	<u>1,183,793</u>
<u>Fund balance, June 30, 2019 - budgetary basis</u>	<u>\$ 1,559,882</u>

The accrued wages represents summer salaries for teachers whose contract obligations have been fulfilled, but are unpaid at June 30 and payment for wages earned as of June 30th but paid in July and August.

Additionally, as required by accounting principles generally accepted in the United States of America, the District has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the District. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$848,139.

These amounts have been included as an intergovernmental revenue and an education expense/expenditure in the General Fund on Statement 2 and Statement 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

FUND BALANCE

As of June 30, 2019, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund – reserve contributions	\$ -	-	-	75,000
Capital reserve	-	-	537,721	-
Nonmajor special revenue funds:				
School Lunch	5,651	-	-	-
Adult Education	-	77,486	-	-
F1 Visa	-	62,071	-	-
Other Programs	-	413,222	-	-
Totals	\$ 5,651	552,779	537,721	75,000

The General fund also reports an unassigned fund balance of \$301,089 at year-end. In addition, the School Categorical, MaineCare, and the Other Programs funds report an unassigned fund deficit of \$6,562, \$919, and \$944, respectively.

NET POSITION

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's net investment in capital assets is calculated as follows at June 30, 2019:

Capital assets	\$ 26,640,756
Accumulated depreciation	(10,461,120)
Bonds payable	(2,824,323)
Capital leases	(193,683)
<u>Total net investment in capital assets</u>	<u>\$ 13,161,630</u>

FIVE TOWN CSD
Required Supplementary Information

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

Last 10 Fiscal Years*

<u>SET Plan</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
District's proportion of the net pension liability	0.0064%	0.0051%	0.0080%	0.0097%	0.0084%
District's proportionate share of the net pension liability	\$ 86,918	74,675	141,245	130,529	90,251
State's proportionate share of the net pension liability associated with the District	6,058,936	6,320,975	11,187,649	5,494,004	4,442,374
Total	\$ 6,145,854	6,395,650	11,328,894	5,624,533	4,532,625
District's covered payroll	5,596,168	5,411,131	5,223,599	4,782,609	4,680,371
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.55%	1.38%	2.70%	2.73%	1.93%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	80.78%	76.21%	81.18%	83.91%

* Only five years of information available

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

FIVE TOWN CSD
Required Supplementary Information, Continued

Schedule of District Contributions – Pension
Maine Public Employees Retirement System State Employee and Teacher Plan (SET)

	Last 10 Fiscal Years*					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
SET Plan						
Contractually required contribution	\$ 226,503	222,168	181,814	175,513	126,739	124,030
Contributions in relation to the contractually required contribution	(226,503)	(222,168)	(181,814)	(175,513)	(126,739)	(124,030)
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	5,705,368	5,596,168	5,411,131	5,223,599	4,782,609	4,680,371
Contributions as a percentage of covered payroll	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only six years of information available

FIVE TOWN CSD
Required Supplementary Information, Continued

Schedule of District's Proportionate Share of the Net OPEB Liability – Life Insurance

Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.00%	0.00%
District's proportionate share of the net OPEB liability	\$ -	-
State's proportionate share of the net OPEB liability associated with the District	134,825	125,356
Total	\$ 134,825	125,356
Plan fiduciary net position as a percentage of of the total OPEB liability	48.04%	47.29%

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

FIVE TOWN CSD
Required Supplementary Information, Continued

Schedule of Changes in the District's Total OPEB Liability and Related Ratios – Health Insurance
Last 10 Fiscal Years*

		<u>2019</u>
Total OPEB Liability		
Service cost	\$	20,227
Interest		53,578
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions or other inputs		(71,720)
Benefit payments		<u>(32,014)</u>
Net change in total OPEB Liability		<u>(29,929)</u>
Total OPEB liability - beginning		<u>1,492,241</u>
Total OPEB liability - ending	\$	<u>1,462,312</u>
Covered-employee payroll	\$	5,699,643
Total OPEB liability as a percentage of covered-employee payroll		25.66%

* Only one year of information available.

FIVE TOWN CSD
Notes to Required Supplementary Information

Changes of Benefit Terms (Pension) - None

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

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate	6.75%	6.875%	7.125%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

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

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

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

	<u>2018</u>	<u>2017</u>
Discount rate	6.75%	6.875%
Inflation rate	2.75%	2.75%
Salary increases	2.75-14.50%	2.75-14.50%

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

Changes of Assumptions (OPEB – Health Insurance) - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year	Discount Rate
2019	3.87%
2018	3.58%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

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

Combining statements are presented when there is more than one of a given fund type.

GENERAL FUND

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

**FIVE TOWN CSD
General Fund
Comparative Balance Sheets
June 30, 2019 and 2018**

	2019	2018
ASSETS		
Cash and equivalents	\$ 2,709,685	2,284,832
Due from other governments	95,464	94,120
Total assets	2,805,149	2,378,952
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages and benefits	1,183,793	1,109,097
Accounts payable	61,369	183,625
Interfund payables	1,183,898	947,078
Total liabilities	2,429,060	2,239,800
Fund balance:		
Assigned - reserve contributions	75,000	125,000
Unassigned	301,089	14,152
Total fund balance	376,089	139,152
Total liabilities and fund balance	\$ 2,805,149	2,378,952

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2019
(With comparative actual amounts for June 30, 2018)

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Camden	\$ 3,866,832	3,866,832	-	3,941,162
Rockport	3,584,628	3,584,628	-	3,593,382
Appleton	542,623	542,623	-	462,560
Hope	804,076	804,076	-	683,608
Lincolnvile	1,577,029	1,577,029	-	1,549,380
Total local assessments	10,375,188	10,375,188	-	10,230,092
Intergovernmental:				
State allocation	1,601,500	1,605,733	4,233	2,009,357
State Agency Client	5,300	3,337	(1,963)	29,733
National Board Salary Supplement	30,000	31,691	1,691	30,000
Total intergovernmental	1,636,800	1,640,761	3,961	2,069,090
Charges for services:				
Tuition	494,744	508,008	13,264	403,139
Athletic receipts	10,000	16,271	6,271	9,881
Total charges for services	504,744	524,279	19,535	413,020
Investment income:				
General investment earnings	1,500	26,798	25,298	4,930
Total investment income	1,500	26,798	25,298	4,930
Other revenues:				
HAL revenue - Curriculum ITS	3,000	2,457	(543)	776
Rentals	16,000	18,484	2,484	23,056
E-Rate revenue	-	-	-	1,624
Miscellaneous revenue	7,200	8,465	1,265	33,785
Total other revenues	26,200	29,406	3,206	59,241
Total revenues	12,544,432	12,596,432	52,000	12,776,373

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2019
(With comparative actual amounts for June 30, 2018)

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures:				
Current:				
Regular instruction:				
Instructional services 9-12	\$ 4,609,956	4,498,168	111,788	4,427,467
ESL	30,300	27,346	2,954	27,615
Instructional services - Horizon	44,183	39,800	4,383	37,690
Alternative education	295,860	285,336	10,524	284,017
Total regular instruction	4,980,299	4,850,650	129,649	4,776,789
Special education programs:				
Instructional services	971,793	979,471	(7,678)	958,203
Administration	150,836	156,342	(5,506)	147,156
State Agency Client grant	5,300	12,048	(6,748)	-
Total special education programs	1,127,929	1,147,861	(19,932)	1,105,359
Career and technical education	61,916	61,916	-	1,079,957
Other instruction - Extra/co-curricular	544,078	550,735	(6,657)	508,264
Student and staff support:				
Guidance 9-12	535,700	521,754	13,946	508,114
Health	102,831	98,891	3,940	98,280
Curriculum development	62,440	58,212	4,228	50,248
Library 9-12	113,722	108,733	4,989	106,752
Technical services	344,630	342,466	2,164	331,913
Assessment	5,125	5,450	(325)	5,500
Total student and staff support	1,164,448	1,135,506	28,942	1,100,807
Transportation	448,935	414,350	34,585	418,622
Administration:				
School Board	69,403	65,119	4,284	43,754
Business Office	153,977	163,501	(9,524)	155,000
Office of Superintendent	245,003	251,402	(6,399)	249,302
Principal's office and staff	501,710	488,436	13,274	485,583
Total administration	970,093	968,458	1,635	933,639
Facilities maintenance:				
Operations of building	1,299,962	1,153,343	146,619	1,154,574
Auditorium	78,800	79,008	(208)	62,931
Total facilities maintenance	1,378,762	1,232,351	146,411	1,217,505

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2019
(With comparative actual amounts for June 30, 2018)

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Other	\$ 50,000	-	50,000	-
Debt service	1,794,972	1,794,972	-	1,162,085
Total expenditures	12,521,432	12,156,799	364,633	12,303,027
Excess (deficiency) of revenues over (under) expenditures	23,000	439,633	416,633	473,346
Other financing sources (uses):				
Transfer from other programs	-	20,000	20,000	-
Transfer to food service	(23,000)	(23,000)	-	(18,000)
Total other financing sources (uses)	(23,000)	(3,000)	20,000	(18,000)
Net change in fund balance - budgetary basis	-	436,633	436,633	455,346
Reconciliation to GAAP basis:				
Transfer to capital reserve		(125,000)		(125,000)
Change in accrued teacher summer salaries and accrued hourly payroll		(74,696)		6,485
Net change in fund balance		236,937		336,831
Fund balance (deficit), beginning of year		139,152		(197,679)
Fund balance, end of year	\$	376,089		139,152

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

FIVE TOWN CSD
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other Programs	Total
ASSETS							
Cash and equivalents	\$ -	71	-	-	-	42,061	42,132
Due from other governments	3,647	7,800	38,796	-	-	-	50,243
Inventory	14,968	-	-	-	-	-	14,968
Interfund receivables	9,361	82,655	-	-	62,071	398,742	552,829
Total assets	27,976	90,526	38,796	-	62,071	440,803	660,172
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accrued wages and benefits	13,687	13,040	-	-	-	-	26,727
Accounts payable	1,891	-	-	-	-	28,525	30,416
Unearned revenues	6,747	-	-	-	-	-	6,747
Interfund payables	-	-	45,358	919	-	-	46,277
Total liabilities	22,325	13,040	45,358	919	-	28,525	110,167
Fund balances (deficits):							
Nonspendable	5,651	-	-	-	-	-	5,651
Restricted	-	77,486	-	-	62,071	413,222	552,779
Unassigned	-	-	(6,562)	(919)	-	(944)	(8,425)
Total fund balances (deficits)	5,651	77,486	(6,562)	(919)	62,071	412,278	550,005
Total liabilities and fund balances	\$ 27,976	90,526	38,796	-	62,071	440,803	660,172

FIVE TOWN CSD
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2019

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other Programs	Totals
Revenues:							
Local assessments	\$ -	231,126	-	-	-	-	231,126
Intergovernmental	99,359	74,850	200,528	-	-	-	374,737
Charges for services	307,661	77,108	-	-	7,500	-	392,269
Investment income	-	-	-	-	-	2,444	2,444
Other income	3,653	8,107	-	-	-	254,637	266,397
Total revenues	410,673	391,191	200,528	-	7,500	257,081	1,266,973
Expenditures:							
Current:							
Food service	411,653	-	-	-	-	-	411,653
Recreation - cultural	-	-	-	-	-	171,156	171,156
Education	-	395,249	207,090	-	11,947	21,032	635,318
Total expenditures	411,653	395,249	207,090	-	11,947	192,188	1,218,127
Other financing sources:							
Transfer from General Fund	23,000	-	-	-	-	-	23,000
Transfer to General Fund	-	-	-	-	-	(20,000)	(20,000)
Total other financing sources	23,000	-	-	-	-	(20,000)	3,000
Net change in fund balance - budgetary basis	22,020	(4,058)	(6,562)	-	(4,447)	44,893	51,846
Reconciliation to GAAP basis:							
Change in accrued payroll	(3,777)	(2,718)	-	-	-	-	(6,495)
Net change in fund balance	18,243	(6,776)	(6,562)	-	(4,447)	44,893	45,351
Fund balances (deficits), beginning of year	(12,592)	84,262	-	(919)	66,518	367,385	504,654
Fund balances (deficits), end of year	\$ 5,651	77,486	(6,562)	(919)	62,071	412,278	550,005

FIVE TOWN CSD
School Categorys and Other Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2019

	Fund balances (deficits) beginning of year	Program revenues			Transfers	Program expenditures	Fund balances (deficits) end of year
		Federal	State	Other			
Federal and state programs:							
Local Entitlement	\$ -	174,501	-	-	-	174,501	-
Supporting Effective Instruction	-	5,960	-	-	-	9,042	(3,082)
AEFLA Grant	-	20,067	-	-	-	23,547	(3,480)
Proficiency Grant	-	-	-	-	-	-	-
PEPG Educator Effectiveness Grant	-	-	-	-	-	-	-
Total school categorical funds	-	200,528	-	-	-	207,090	(6,562)
Other programs:							
EE Reduction benefits	(1,472)	-	-	16,142	-	15,614	(944)
Bisbee Sport Fund	135,268	-	-	77,905	-	61,814	151,359
Bisbee Washington Fund	20,206	-	-	130,007	-	109,342	40,871
ADF	56,256	-	-	442	-	4,023	52,675
R. Clark Bequest	49,854	-	-	278	-	-	50,132
Emily Hall	30,927	-	-	173	-	-	31,100
Carl & Stella Hopkins Fund	5,343	-	-	30	-	-	5,373
Zenith McLean	407	-	-	2	-	-	409
Zenith Housing	20,404	-	-	114	-	-	20,518
Zenith Homeless	21,295	-	-	119	-	-	21,414
Zenith Greenhouse	1,018	-	-	6	-	-	1,024
Nurse Grant SLVC	1,756	-	-	10	-	-	1,766
Trailblazers	5,260	-	-	29	-	-	5,289
MLTI protection plan	19,360	-	-	102	-	1,042	18,420
Professional Development	1,497	-	-	1,666	-	353	2,810
Bleacher Account	6	-	-	-	-	-	6
Ice Hockey	-	-	-	30,056	(20,000)	-	10,056
Total other programs	367,385	-	-	257,081	(20,000)	192,188	412,278
Total	\$ 367,385	200,528	-	257,081	(20,000)	399,278	405,716

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the District in a trustee or agent capacity. These include Private-purpose Trust Funds and Agency Funds.

FIVE TOWN CSD
Fiduciary Funds - Scholarship Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2019

	Balances (deficits) beginning of year	Additions			Balances (deficits) end of year
		Interest earned	Contributions and other receipts	Deductions	
Private-purpose trust funds:					
Scholarship Funds:					
Alfred Litzermman Memorial Scholarship	\$ 1,224	4	-	500	728
Amelia Bucholz Scholarship	307	6	1,000	300	1,013
Appleton H.S. Alumni Association	28,043	156	995	1,000	28,194
B. G. Gushee Scholarship	4,459	25	-	-	4,484
Basil Arau Scholarship	12,649	68	-	500	12,217
A. Mosher Bradford Scholarship	2,918	16	-	-	2,934
Camden Rotary	1,120	6	-	-	1,126
Camden Real Estate	-	11	2,000	-	2,011
Carelton Wood	218	1	-	-	219
Chickawaukee	721	4	-	-	725
David Eaton Scholarship	4,593	23	-	500	4,116
Sarah Doubleday	19,622	119	3,770	2,000	21,511
Emma M. Brewster Scholarship	(3)	-	-	-	(3)
Ernest Earl Mahoney Scholarship	4,846	27	-	-	4,873
Eugene T. Pitney Scholarship	1,102	6	-	-	1,108
Florence Kimball Fine Arts Scholarship	4,268	24	-	-	4,292
Forest Priestly Memorial	1,972	10	-	250	1,732
Gladys P. Larrabee	16,839	91	-	500	16,430
Harold Tribou	1,970	11	-	-	1,981
Ken & Prudence Dickey Bus	213,388	1,190	-	-	214,578
Leforest Doucette	1,041	6	-	-	1,047
Linwood Thorndike	598	2	101	300	401
Megunticook Fish & Game	287	2	-	-	289
Miscellaneous	6,835	38	-	-	6,873
Nancy Crawford	25	-	-	-	25
Olive Coates Trust	41,709	298	34,687	22,900	53,794
Polson - Back to school	468	3	-	-	471
RC Gushee	894	-	-	1,500	(606)
Reny Charitable	4,067	6	-	3,000	1,073
Richard Sorenson	192	1	-	-	193
Rockport Alumni Association	1,348	8	3,330	3,300	1,386
Sarah Hunter Memorial Scholarship	7,570	42	-	-	7,612
Senior Class	345	2	-	-	347
Simel Education Trust	299,470	1,670	-	-	301,140
T.W. Williams Scholarship	28,275	155	-	500	27,930
Timothy Crockett Scholarship	30,229	169	-	-	30,398
West Bay Rotary	1,035	6	-	-	1,041
Billy Williams	-	-	1,500	1,500	-
Total private-purpose trusts	\$ 744,644	4,206	47,383	38,550	757,683

FIVE TOWN CSD
Agency Fund - High School Activity Funds
Statement of Cash Receipts, Disbursements, and Changes in Balances
For the year ended June 30, 2019

	Balances (deficits) beginning of year	Additions	Deductions	Balances (deficits) end of year
AP	\$ 5,796	21,680	20,775	6,701
Amnesty International	599	-	-	599
Anime Club	65	979	846	198
Art Club	40	-	-	40
Athletic Account	1,960	730	1,913	777
Athletic Reimbursement	-	1,810	1,851	(41)
Alpine Ski	3,580	8,492	3,547	8,525
Band	909	2,350	1,879	1,380
Baseball-Softball Boosters	261	-	-	261
Basketball Boosters	343	1,000	1,000	343
Botany	6,578	2,587	2,308	6,857
Captains Council	390	-	-	390
Chorus	1,699	4,069	3,990	1,778
Civil Rights	1,971	-	-	1,971
Class of 2008	2,564	-	2,564	-
Class of 2009	1,755	-	-	1,755
Class of 2010	1,586	-	-	1,586
Class of 2011	1,926	-	-	1,926
Class of 2012	1,542	-	-	1,542
Class of 2013	1,023	-	-	1,023
Class of 2015	3,554	-	2,000	1,554
Class of 2016	2,771	-	500	2,271
Class of 2017	2,326	-	-	2,326
Class of 2018	5,304	150	2,000	3,454
Class of 2019	7,664	11,864	17,909	1,619
Class of 2020	1,165	11,183	4,123	8,225
Class of 2021	69	2,053	1,715	407
Class of 2022	-	195	-	195
Club for Community	843	1,646	500	1,989
Coffee	2	429	428	3
Community Fund	489	8,287	3,427	5,349
Digital Film	708	-	-	708
Doc Littlefield	864	-	-	864
Drama	1,980	8,296	6,940	3,336
Dramafest	2,335	6,234	5,759	2,810
Empty Bowl	320	3,208	2,950	578
FCA	100	-	-	100
Field Hockey	4,317	5,834	3,562	6,589
Football Boosters	3,789	10,126	10,674	3,241
Gamers Guild	53	-	-	53
General	640	6,663	5,087	2,216
Golf	8	-	-	8
GSTA	-	181	-	181
Intercultural	-	63	-	63
Ice Hockey	78	-	-	78
Subtotal	\$ 73,966	120,109	108,247	85,828

FIVE TOWN CSD
Agency Fund - High School Activity Funds
Statement of Cash Receipts, Disbursements, and Changes in Balances, Continued

		Balances (deficits) beginning of year	Additions	Deductions	Balances (deficits) end of year
Jewelry	\$	(12)	380	-	368
Kiva Club		329	-	-	329
Lacrosse Boosters		151	-	-	151
Laptop Fund		672	17,689	170	18,191
Latin Club		39	1,465	2,690	(1,186)
Liberian Education Fund		100	315	-	415
Library		739	82	96	725
Life Skills		79	3,688	2,721	1,046
Math Team		170	-	-	170
Mountain biking		2,443	2,590	3,629	1,404
Musicals		8,122	29,558	32,354	5,326
Nordic Ski Team		9,123	5,206	5,591	8,738
NHS		2,878	1,588	2,321	2,145
PALS		56	-	39	17
Peers		2	-	-	2
Photography		618	-	-	618
Phys Ed		205	-	-	205
Physics		243	120	-	363
Principal's Fund		2,962	952	1,658	2,256
Project Fund		6,212	7,654	3,906	9,960
Sailing		19	335	-	354
School Store		(320)	3,800	1,405	2,075
Senior Banquet		3,937	8,714	7,988	4,663
Soccer Boosters		4,148	6,519	10,487	180
Student Camp		500	-	-	500
Student Council		630	619	885	364
Student Trips		30,467	184,099	185,984	28,582
Sunshine Club		49	385	197	237
Swim Team		203	-	-	203
Tennis Team		151	-	-	151
Track Team		2,805	1,672	2,578	1,899
Washington Trip		6,266	21,175	21,025	6,416
Wellness Program		4,425	2,020	3,729	2,716
Windplanners		1,521	51	366	1,206
Windsong		441	-	-	441
X-Country		1,149	3,463	3,487	1,125
Yearbook		3,463	7,226	4,998	5,691
Zenith		406	221	627	-
Other/miscellaneous		(55)	56	-	1
Totals	\$	169,302	431,751	407,178	193,875

Five Town CSD
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- through/ Grantor Number	Total Federal Expenditures	Cluster Totals	Passed Through to Subrecipients
U. S. Department of Education, passed through Maine					
Department of Education:					
Adult Education Basic Grant	84.002	6162	\$ 23,547		-
Special Education Cluster:					
Local Entitlement	84.027	3046	174,501		-
Total Special Education Cluster				174,501	
Supporting Effective Instruction	84.367	3042	9,042		-
Total U. S. Department of Education			207,090		-
U. S. Department of Agriculture, passed through					
Maine Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	3024	63,852		-
National School Lunch Program - Breakfast Program	10.553	3014	10,351		-
National School Lunch Program - Donated Commodities	10.555	N/A	21,077		-
Total Child Nutrition Cluster				95,280	
Total U. S. Department of Agriculture			95,280		-
Totals			\$ 302,370		-

See accompanying notes to schedule of expenditures of federal awards.