

**FIVE TOWN CSD**

**Annual Financial Report**

**For the Year Ended June 30, 2020**

**FIVE TOWN CSD**  
**Financial Statements**  
**For the Year Ended June 30, 2020**

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**FIVE TOWN CSD  
Financial Statements  
For the Year Ended June 30, 2020**

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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, 2020, 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, 2020, 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 March 29, 2021 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.



March 29, 2021  
South Portland, Maine

## **BASIC FINANCIAL STATEMENTS**

**FIVE TOWN CSD**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,631,387
Due from other governments	560,823
Inventory	15,284
Capital assets, not being depreciated	24,000
Capital assets, net	15,563,833
Total assets	19,795,327
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	254,146
Deferred outflows of resources related to OPEB	70,007
Total deferred outflows of resources	324,153
<b>LIABILITIES</b>	
Accrued wages and benefits	1,155,953
Accounts payable	420,680
Unearned revenue	15,658
Noncurrent liabilities:	
Due within one year	1,037,220
Due in more than one year	2,635,780
Total liabilities	5,265,291
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	17,339
Total deferred inflows of resources	17,339
<b>NET POSITION</b>	
Net investment in capital assets	13,586,247
Restricted	876,263
Unrestricted	374,340
<b>Total net position</b>	<b>\$ 14,836,850</b>

*See accompanying notes to basic financial statements.*



**FIVE TOWN CSD**  
**Statement of Activities**  
**For the year ended June 30, 2020**

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	\$ 4,966,401	591,211	28,309	-	(4,346,881)
Special education	1,247,149	-	4,613	-	(1,242,536)
Career and technical education	849,829	-	-	-	(849,829)
Other instruction	485,304	10,447	-	-	(474,857)
Student and staff support	1,002,914	-	-	-	(1,002,914)
System administration	469,461	-	-	-	(469,461)
School administration	501,380	-	-	-	(501,380)
Transportation	410,985	-	-	-	(410,985)
Facilities maintenance	1,865,775	14,601	-	-	(1,851,174)
Maine PERS - on-behalf payments	1,070,849	-	1,070,849	-	-
Program expenses	679,826	364,657	412,733	-	97,564
Food service	368,265	192,314	123,070	-	(52,881)
<b>Total governmental activities</b>	<b>13,918,138</b>	<b>1,173,230</b>	<b>1,639,574</b>	<b>-</b>	<b>(11,105,334)</b>
<b>Total primary government</b>	<b>\$ 13,918,138</b>	<b>1,173,230</b>	<b>1,639,574</b>	<b>-</b>	<b>(11,105,334)</b>
General revenues:					
Local assessments				\$	10,792,769
Local assessments - Adult Education					224,382
State allocation					1,601,010
Unrestricted investment earnings					45,405
Miscellaneous					8,729
<b>Total general revenues</b>					<b>12,672,295</b>
Change in net position					1,566,961
Net position--beginning					13,269,889
<b>Net position--ending</b>				<b>\$</b>	<b>14,836,850</b>

*See accompanying notes to basic financial statements.*

**FIVE TOWN CSD**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Capital Reserve Fund	Other Governmental Funds	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,588,950	-	42,437	3,631,387
Due from other governments	260,395	-	300,428	560,823
Inventory	-	-	15,284	15,284
Interfund receivables	-	612,721	819,020	1,431,741
<b>Total assets</b>	<b>3,849,345</b>	<b>612,721</b>	<b>1,177,169</b>	<b>5,639,235</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accrued wages and benefits	1,141,769	-	14,184	1,155,953
Accounts payable	39,519	-	30,239	69,758
Unearned revenue	-	-	15,658	15,658
Interfund payables	1,524,780	-	257,883	1,782,663
Total liabilities	2,706,068	-	317,964	3,024,032
Fund balances:				
Restricted by grantors and donors	-	-	876,263	876,263
Committed - capital reserve	-	612,721	-	612,721
Assigned	400,000	-	-	400,000
Unassigned	743,277	-	(17,058)	726,219
Total fund balances:	1,143,277	612,721	859,205	2,615,203
<b>Total liabilities and fund balances</b>	<b>\$ 3,849,345</b>	<b>612,721</b>	<b>1,177,169</b>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				15,587,833
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				163,059
Total OPEB liability, including deferred outflows and inflows of resources				(1,527,659)
Notes from direct borrowings				(2,001,586)
<b>Net position of governmental activities</b>			<b>\$</b>	<b>14,836,850</b>

*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, 2020**

	General Fund	Capital Reserve Fund	Other Governmental Funds	Totals
<b>Revenues:</b>				
Local assessments	\$ 10,792,769	-	224,382	11,017,151
Intergovernmental	2,704,781	-	535,803	3,240,584
Charges for services	601,658	-	275,316	876,974
Interest earned	39,808	-	5,597	45,405
Other revenues	23,330	-	281,655	304,985
Total revenues	14,162,346	-	1,322,753	15,485,099
<b>Expenditures:</b>				
Current:				
Regular instruction	4,953,652	-	-	4,953,652
Special education	1,247,149	-	-	1,247,149
Career and technical education	67,036	-	-	67,036
Other instruction	485,304	-	-	485,304
Student and staff support	1,096,186	-	-	1,096,186
System administration	469,461	-	-	469,461
School administration	504,317	-	-	504,317
Transportation	410,985	-	-	410,985
Facilities maintenance	1,258,985	-	-	1,258,985
Maine PERS - on-behalf payments	1,070,849	-	-	1,070,849
Program expenditures	-	-	679,826	679,826
Food service	-	-	365,727	365,727
Debt service	1,724,234	-	-	1,724,234
Capital outlay	27,001	-	-	27,001
Total expenditures	13,315,159	-	1,045,553	14,360,712
Excess (deficiency) of revenues over (under) expenditures	847,187	-	277,200	1,124,387
<b>Other financing sources (uses):</b>				
Proceeds from financed purchases	27,001	-	-	27,001
Transfer in	-	75,000	32,000	107,000
Transfer out	(107,000)	-	-	(107,000)
Total other financing sources (uses)	(79,999)	75,000	32,000	27,001
Net change in fund balances	767,188	75,000	309,200	1,151,388
Fund balances, beginning of year	376,089	537,721	550,005	1,463,815
<b>Fund balances, end of year</b>	<b>\$ 1,143,277</b>	<b>612,721</b>	<b>859,205</b>	<b>2,615,203</b>

*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, 2020**

Net change in fund balances--total governmental funds (from Statement 4)	\$	1,151,388
<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	27,001	
Less: depreciation expense	<u>(618,804)</u>	(591,803)
<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 note principal	941,441	
Repayment of financed purchase principal	101,980	
Proceeds from financed purchases	<u>(27,001)</u>	1,016,420
<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 net pension liability, with related deferred outflows and inflows of resources	27,989	
Change in OPEB liability, with related deferred outflows and inflows of resources	<u>(37,033)</u>	(9,044)
<hr/>		
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b><u>1,566,961</u></b>

*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, 2020**

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 10,792,769	10,792,769	10,792,769	-
Intergovernmental	1,593,735	1,593,735	1,633,932	40,197
Charges for services	488,062	488,062	601,658	113,596
Interest earned	6,800	6,800	39,808	33,008
Other revenues	26,200	26,200	23,330	(2,870)
Total revenues	12,907,566	12,907,566	13,091,497	183,931
Expenditures:				
Current:				
Regular instruction	5,228,135	5,228,135	4,995,676	232,459
Special education	1,228,889	1,228,889	1,247,149	(18,260)
Career and technical education	67,036	67,036	67,036	-
Other instruction	571,805	571,805	485,304	86,501
Student and staff support	1,148,984	1,148,984	1,096,186	52,798
System administration	502,714	502,714	469,461	33,253
School administration	521,874	521,874	504,317	17,557
Transportation	448,935	448,935	410,985	37,950
Facilities maintenance	1,382,960	1,382,960	1,258,985	123,975
Other	50,000	50,000	-	50,000
Debt service	1,724,234	1,724,234	1,724,234	-
Total expenditures	12,875,566	12,875,566	12,259,333	616,233
Excess (deficiency) of revenues over (under) expenditures	32,000	32,000	832,164	800,164
Other financing sources (uses):				
Transfer to food service	(32,000)	(32,000)	(32,000)	-
Total other financing sources (uses)	(32,000)	(32,000)	(32,000)	-
Net change in fund balance - budgetary basis	-	-	800,164	800,164
Reconciliation to GAAP basis:				
Transfer to capital reserve			(75,000)	
Change in accrued teacher summer salaries and accrued hourly payroll			42,024	
Net change in fund balance - GAAP basis			767,188	
Fund balance, beginning of year			376,089	
<b>Fund balance, end of year</b>			<b>\$ 1,143,277</b>	

*See accompanying notes to basic financial statements.*

**FIVE TOWN CSD**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

		Private- purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$	419,347	185,471
Interfund receivables		350,922	-
<b>Total assets</b>		<b>770,269</b>	<b>185,471</b>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Due to student groups		-	185,471
Total liabilities		-	185,471
Net position:			
Held in trust		770,269	-
Total net position		770,269	-
<b>Total liabilities and net position</b>	<b>\$</b>	<b>770,269</b>	<b>185,471</b>

*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, 2020**

		<b>Private- purpose Trust Funds</b>
<hr/>		
Additions:		
Contributions	\$	56,302
Interest and dividends		6,744
Total additions		63,046
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Deductions:		
Scholarships and other		50,460
<hr/>		
Change in net position		12,586
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Net position, beginning of year		757,683
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<b>Net position, end of year</b>	<b>\$</b>	<b>770,269</b>

*See accompanying notes to basic financial statements.*

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements**

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**THE REPORTING ENTITY**

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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.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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 cost (first-in, first-out basis). 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 30<sup>th</sup> 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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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- *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**

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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**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, 2020:

Special Education	\$ 18,260
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**C. Deficit Fund Balance** - At June 30, 2020, the following funds had a deficit fund balance:

Special Revenue Funds:	
School Lunch	\$ 12,692
Supporting Effective Instruction	3,082
MaineCare	919
EE Reduction Benefits	365

These deficits will be funded by future operating revenues.

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RISK MANAGEMENT

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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, 2020.

**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, 2020, the District reported deposits of \$4,236,205 with a bank balance of \$4,431,253. As of June 30, 2020, \$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 \$2,431,253 was collateralized by underlying securities which were not in the District's name.

Deposits have been reported as follows:

Reported in governmental funds	\$ 3,631,387
Reported in fiduciary funds	<u>604,818</u>
<b>Total deposits</b>	<b><u>\$ 4,236,205</u></b>

*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, 2020 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	\$ -	1,524,780
<u>Capital Reserve Fund</u>	612,721	-
Nonmajor special revenue funds:		
School Lunch Fund	-	66,006
Adult Education Fund	153,773	-
School Categorical Funds	-	190,958
MaineCare Fund	-	919
F1 Visa Fund	79,940	-
<u>Other programs</u>	<u>585,307</u>	<u>-</u>
<u>Total nonmajor special revenue funds</u>	<u>819,020</u>	<u>257,883</u>
Fiduciary funds:		
<u>Private-purpose trust funds</u>	<u>350,922</u>	<u>-</u>
<u>Total fiduciary funds</u>	<u>350,922</u>	<u>-</u>
<b>Total all funds</b>	<b><u>\$ 1,782,663</u></b>	<b><u>1,782,663</u></b>

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

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**INTERFUND TRANSFERS**

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Individual fund transfers for the year ended June 30, 2020 were as follows:

	Transfers <u>in</u>	Transfers <u>out</u>
General Fund	\$ -	107,000
Capital Reserve Fund	75,000	-
School Lunch Fund	32,000	-
<b>Total transfers</b>	<b>\$ 107,000</b>	<b>107,000</b>

The transfers to the School Lunch fund and the Capital Reserve fund were approved by the Board of Directors.

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**CAPITAL ASSETS**

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

	Balance <u>6/30/19</u>	Increases	Decreases	Balance <u>6/30/20</u>
<b>Governmental activities:</b>				
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	25,587,274	-	-	25,587,274
Equipment	911,478	27,001	11,601	926,878
Furniture and fixtures	118,004	-	5,616	112,388
Total capital assets, being depreciated	26,616,756	27,001	17,217	26,626,540
Less accumulated depreciation:				
Buildings and improvements	9,855,514	562,571	-	10,418,085
Equipment	496,067	50,180	11,601	534,646
Furniture and fixtures	109,539	6,053	5,616	109,976
Total accumulated depreciation	10,461,120	618,804	17,217	11,062,707
Capital assets, being depreciated, net	16,155,636	(591,803)	-	15,563,833
<b>Governmental activities capital assets, net</b>	<b>\$ 16,179,636</b>	<b>(591,803)</b>	<b>-</b>	<b>15,587,833</b>



**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

**CAPITAL ASSETS, CONTINUED**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,705
Food service	2,538
<u>Facilities maintenance</u>	<u>612,561</u>
<b>Total depreciation expense</b>	<b>\$ 618,804</b>

**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, 2020:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
Notes from direct borrowings	\$ 3,018,006	27,001	1,043,421	2,001,586	1,037,220
Total OPEB liability	1,462,312	135,354	-	1,597,666	-
Net pension liability	86,918	-	13,170	73,748	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 4,567,236</b>	<b>162,355</b>	<b>1,056,591</b>	<b>3,673,000</b>	<b>1,037,220</b>

**B. Notes from Direct Borrowings**

Notes from direct borrowings at June 30, 2020 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 6/30/20</u>
Notes payable:					
High School construction	10/28/99	\$ 18,828,817	4.41-5.91%*	11/1/21	1,882,882
Financed purchases:					
Student computers	7/25/17	350,536	0.00%	7/25/20	87,634
Color copiers	8/22/18	16,432	5.47%	8/22/22	9,839
8 passenger van	10/15/19	27,001	3.43%	10/15/23	21,231
Sub-total financed purchases					118,704
<b>Total notes from direct borrowings</b>					<b>\$ 2,001,586</b>

\* All interest on this note is offset by a credit from the Maine Municipal Bond Bank.

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT, CONTINUED**

The District has entered into various lease agreements to finance the cost of computers, copiers, and vehicles. These leases qualify as financed purchased 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 financed purchase agreements:

	<u>Governmental Activities</u>
Computers	\$ 350,536
Copiers	16,431
Van	27,001

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2020 are as follows:

	<u>Notes from Direct Borrowings</u>	
<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,037,220	1,281
2022	949,933	934
2023	8,855	571
2024	5,578	191
<b>Totals</b>	<b>\$ 2,001,586</b>	<b>2,977</b>

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, 2020, the District's direct debt of \$2,001,586 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**

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**PENSIONS**

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***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.mainepepers.org](http://www.mainepepers.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, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the District and 14.33% was required from the State. Contributions to the pension plan from the District were \$246,274 for the year ended June 30, 2020.

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

The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The 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, 2020, 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	\$ 73,748
State's proportionate share of the net pension liability associated with the District	6,471,297
<b>Total</b>	<b>\$ 6,545,045</b>

At June 30, 2019, the District's proportion of the SET Plan was 0.005%.

For the year ended June 30, 2020, the District recognized pension expense of \$1,066,627 and revenue of \$848,342 for support provided by the State for the SET Plan.

At June 30, 2020, 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	\$ 5,737	-
Changes of assumptions	2,135	-
Net difference between projected and actual earnings on pension plan investments	-	10,410
Changes in proportion and differences between District contributions and proportionate share of contributions	-	6,929
District contributions subsequent to the measurement date	246,274	-
<b>Total</b>	<b>\$ 254,146</b>	<b>17,339</b>

An amount of \$246,274 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	3,040
2022	(10,200)
2023	(2,339)
2024	32

**Actuarial Assumptions** - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>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**

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**PENSIONS, CONTINUED**

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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, 2019 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, 2019 are summarized in the following table:

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

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% for the 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	\$ 133,335	73,748	24,094

**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, 2020.

**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.maineopers.org](http://www.maineopers.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 \$11,754 for the year ended June 30, 2020. 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, 2020, 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 \$127,700 as of June 30, 2020. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of information from an actuarial valuation as of June 30, 2018. 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, 2019, the District’s proportion was 0.00%.

For the year ended June 30, 2020, the District recognized OPEB expense of \$11,754 and also revenues of \$11,754 for support provided by the State. At June 30, 2020, 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, 2019 measurement 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%

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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**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.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE

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**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, 2019, 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	<u>116</u>
Total	<u><u>139</u></u>



**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 \$1,597,666 was measured as of June 30, 2019, and was determined by a roll forward of an actuarial valuation as of June 30, 2018.

*Changes in the Total OPEB Liability*

Balance at June 30, 2019	\$ 1,462,312
Changes for the year:	
Service cost	18,956
Interest	56,690
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	92,868
Benefit payments	<u>(33,160)</u>
Net changes	<u>135,354</u>
Balance at June 30, 2020	\$ <u>1,597,666</u>

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

For the year ended June 30, 2020, The District recognized OPEB expense of \$37,033. At June 30, 2020, 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	\$ 28,373	-
District contributions subsequent to measurement date	<u>41,634</u>	-
Total	\$ <u>70,007</u>	<u>-</u>

\$41,634 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 3,021
2022	3,021
2023	3,021
2024	3,021
2025	3,023
Thereafter	13,266

**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, 2019 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	3.50% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

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

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

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 1,893,427	1,597,666	1,363,744

**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	\$ 1,336,425	1,597,666	1,931,751

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

**BUDGETARY ACCOUNTING**

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

Fund balance - June 30, 2020 - GAAP basis (Statement 4)	\$ 1,143,277
<u>Teacher summer salaries and accrued hourly payroll and benefits</u>	<u>1,141,769</u>
 <b><u>Fund balance, June 30, 2020 - budgetary basis</u></b>	 <b><u>\$ 2,285,046</u></b>

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 30<sup>th</sup> 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 versus reporting under accounting principles generally accepted in the United States of America of \$1,070,849.

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.

**FUND BALANCE**

As of June 30, 2020, fund balance components consisted of the following:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund – reserve contributions	\$ -	-	75,000
General Fund – subsequent budget	-	-	325,000
Capital reserve	-	612,721	-
Nonmajor special revenue funds:			
Adult Education	142,486	-	-
School categoricals	49,999	-	-
F1 Visa	79,940	-	-
Other Programs	603,473	-	-
<b>Totals</b>	<b>\$ 876,263</b>	<b>612,721</b>	<b>400,000</b>

The General fund also reports an unassigned fund balance of \$743,277 at year-end. In addition, the School Lunch, School Categorical, MaineCare, and the Other Programs funds report an unassigned fund deficit of \$12,692, \$3,082, \$919, and \$365, respectively.

**FIVE TOWN CSD**  
**Notes to Basic Financial Statements, Continued**

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**NET POSITION**

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**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 notes 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, 2020:

Capital assets	\$ 26,650,540
Accumulated depreciation	(11,062,707)
Notes from direct borrowing	(2,001,586)
<b><u>Total net investment in capital assets</u></b>	<b><u>\$ 13,586,247</u></b>

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>SET Plan</b>						
District's proportion of the net pension liability	0.0050%	0.0064%	0.0051%	0.0080%	0.0097%	0.0084%
District's proportionate share of the net pension liability	\$ 73,748	86,918	74,675	141,245	130,529	90,251
State's proportionate share of the net pension liability associated with the District	<u>6,471,297</u>	<u>6,058,936</u>	<u>6,320,975</u>	<u>11,187,649</u>	<u>5,494,004</u>	<u>4,442,374</u>
<b>Total</b>	<b>\$ <u>6,545,045</u></b>	<b><u>6,145,854</u></b>	<b><u>6,395,650</u></b>	<b><u>11,328,894</u></b>	<b><u>5,624,533</u></b>	<b><u>4,532,625</u></b>
District's covered payroll	\$ 5,705,368	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	1.29%	1.55%	1.38%	2.70%	2.73%	1.93%
Plan fiduciary net position as a percentage of the total pension liability	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year. Only six years of information is available.

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 246,274	226,503	222,168	181,814	175,513	126,739	124,030
Contributions in relation to the contractually required contribution	<u>(246,274)</u>	<u>(226,503)</u>	<u>(222,168)</u>	<u>(181,814)</u>	<u>(175,513)</u>	<u>(126,739)</u>	<u>(124,030)</u>
<b>Contribution deficiency (excess)</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
District's covered payroll	<b>5,920,042</b>	<b>5,705,368</b>	<b>5,596,168</b>	<b>5,411,131</b>	<b>5,223,599</b>	<b>4,782,609</b>	<b>4,680,371</b>
Contributions as a percentage of covered payroll	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

\* Only seven years of information is 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>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.00%	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	127,700	134,825	125,356
<b>Total</b>	<b>\$ 127,700</b>	<b>134,825</b>	<b>125,356</b>
Plan fiduciary net position as a percentage of the total OPEB liability	49.22%	48.04%	47.29%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year. Only three years of information is available.

**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\*

	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 18,956	20,227
Interest	56,690	53,578
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	92,868	(71,720)
Benefit payments	(33,160)	(32,014)
Net change in total OPEB Liability	135,354	(29,929)
Total OPEB liability - beginning	1,462,312	1,492,241
<b>Total OPEB liability - ending</b>	<b>\$ 1,597,666</b>	<b>1,462,312</b>
Covered-employee payroll	\$ 5,856,383	5,699,643
Total OPEB liability as a percent of covered-employee payroll	27.28%	25.66%

*\*Only two years of information available.*



**FIVE TOWN CSD**  
**Notes to Required Supplementary Information**

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**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 Healthy Annuitant Mortality Table.

**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	6.750%	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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	3.50%	3.87%	3.58%

*\* 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.*

## **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, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,588,950	2,709,685
Due from other governments	260,395	95,464
<b>Total assets</b>	<b>3,849,345</b>	<b>2,805,149</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accrued wages and benefits	1,141,769	1,183,793
Accounts payable	39,519	61,369
Interfund payables	1,524,780	1,183,898
Total liabilities	2,706,068	2,429,060
Fund balance:		
Assigned - reserve contributions	75,000	75,000
Assigned - subsequent budget	325,000	-
Unassigned	743,277	301,089
Total fund balance	1,143,277	376,089
<b>Total liabilities and fund balance</b>	<b>\$ 3,849,345</b>	<b>2,805,149</b>

**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, 2020**  
**(With comparative actual amounts for June 30, 2019)**

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Camden	\$ 4,091,539	4,091,539	-	3,866,832
Rockport	3,659,828	3,659,828	-	3,584,628
Appleton	527,766	527,766	-	542,623
Hope	850,470	850,470	-	804,076
Lincolntonville	1,663,166	1,663,166	-	1,577,029
Total local assessments	10,792,769	10,792,769	-	10,375,188
Intergovernmental:				
State allocation	1,563,735	1,601,010	37,275	1,605,733
State Agency Client	-	4,613	4,613	3,337
National Board Salary Supplement	30,000	28,309	(1,691)	31,691
Total intergovernmental	1,593,735	1,633,932	40,197	1,640,761
Charges for services:				
Tuition	475,062	591,211	116,149	508,008
Athletic receipts	13,000	10,447	(2,553)	16,271
Total charges for services	488,062	601,658	113,596	524,279
Investment income:				
General investment earnings	6,800	39,808	33,008	26,798
Total investment income	6,800	39,808	33,008	26,798
Other revenues:				
HAL revenue - Curriculum ITS	3,000	-	(3,000)	2,457
Rentals	16,000	14,601	(1,399)	18,484
Miscellaneous revenue	7,200	8,729	1,529	8,465
Total other revenues	26,200	23,330	(2,870)	29,406
Total revenues	12,907,566	13,091,497	183,931	12,596,432

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

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures:				
Current:				
Regular instruction:				
Instructional services 9-12	\$ 4,867,100	4,670,588	196,512	4,498,168
ESL	28,670	27,933	737	27,346
Instructional services - Horizon	44,358	36,458	7,900	39,800
Alternative education	288,007	260,697	27,310	285,336
Total regular instruction	5,228,135	4,995,676	232,459	4,850,650
Special education programs:				
Instructional services	1,032,153	1,113,158	(81,005)	979,471
Administration	196,736	129,378	67,358	156,342
State Agency Client grant	-	4,613	(4,613)	12,048
Total special education programs	1,228,889	1,247,149	(18,260)	1,147,861
Career and technical education	67,036	67,036	-	61,916
Other instruction - extra/co-curricular	571,805	485,304	86,501	550,735
Student and staff support:				
Guidance 9-12	548,251	520,038	28,213	521,754
Health	96,757	94,213	2,544	98,891
Curriculum development	71,034	63,240	7,794	58,212
Library 9-12	118,005	115,287	2,718	108,733
Technical services	309,812	299,055	10,757	342,466
Assessment	5,125	4,353	772	5,450
Total student and staff support	1,148,984	1,096,186	52,798	1,135,506
Transportation	448,935	410,985	37,950	414,350
Administration:				
School Board	69,487	78,943	(9,456)	65,119
Business Office	151,328	203,485	(52,157)	163,501
Office of Superintendent	281,899	187,033	94,866	251,402
Principal's office and staff	521,874	504,317	17,557	488,436
Total administration	1,024,588	973,778	50,810	968,458
Facilities maintenance:				
Operations of building	1,314,702	1,188,272	126,430	1,153,343
Auditorium	68,258	70,713	(2,455)	79,008
Total facilities maintenance	1,382,960	1,258,985	123,975	1,232,351

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

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Other	\$ 50,000	-	50,000	-
Debt service	1,724,234	1,724,234	-	1,794,972
Total expenditures	12,875,566	12,259,333	616,233	12,156,799
Excess (deficiency) of revenues over (under) expenditures	32,000	832,164	800,164	439,633
Other financing sources (uses):				
Transfer from other programs	-	-	-	20,000
Transfer to food service	(32,000)	(32,000)	-	(23,000)
Total other financing sources (uses)	(32,000)	(32,000)	-	(3,000)
Net change in fund balance - budgetary basis	-	800,164	800,164	436,633
Reconciliation to GAAP basis:				
Transfer to capital reserve		(75,000)		(125,000)
Change in accrued teacher summer salaries and accrued hourly payroll		42,024		(74,696)
Net change in fund balance		767,188		236,937
Fund balance, beginning of year		376,089		139,152
<b>Fund balance, end of year</b>	<b>\$</b>	<b>1,143,277</b>		<b>376,089</b>

## **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, 2020**

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other Programs	Total
<b>ASSETS</b>							
Cash and equivalents	\$ 226	150	-	-	-	42,061	42,437
Due from other governments	62,553	-	237,875	-	-	-	300,428
Inventory	15,284	-	-	-	-	-	15,284
Interfund receivables	-	153,773	-	-	79,940	585,307	819,020
<b>Total assets</b>	<b>78,063</b>	<b>153,923</b>	<b>237,875</b>	<b>-</b>	<b>79,940</b>	<b>627,368</b>	<b>1,177,169</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accrued wages and benefits	8,012	6,172	-	-	-	-	14,184
Accounts payable	1,079	5,265	-	-	-	23,895	30,239
Unearned revenues	15,658	-	-	-	-	-	15,658
Interfund payables	66,006	-	190,958	919	-	-	257,883
Total liabilities	90,755	11,437	190,958	919	-	23,895	317,964
Fund balances (deficits):							
Restricted	-	142,486	49,999	-	79,940	603,838	876,263
Unassigned	(12,692)	-	(3,082)	(919)	-	(365)	(17,058)
Total fund balances (deficits)	(12,692)	142,486	46,917	(919)	79,940	603,473	859,205
<b>Total liabilities and fund balances</b>	<b>\$ 78,063</b>	<b>153,923</b>	<b>237,875</b>	<b>-</b>	<b>79,940</b>	<b>627,368</b>	<b>1,177,169</b>

FIVE TOWN CSD  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the year ended June 30, 2020

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other Programs	Totals
Revenues:							
Local assessments	\$ -	224,382	-	-	-	-	224,382
Intergovernmental	123,070	100,977	311,756	-	-	-	535,803
Charges for services	192,314	64,282	-	-	18,720	-	275,316
Investment income	-	-	168	-	-	5,429	5,597
Other income	-	1,862	-	-	-	279,793	281,655
<b>Total revenues</b>	<b>315,384</b>	<b>391,503</b>	<b>311,924</b>	<b>-</b>	<b>18,720</b>	<b>285,222</b>	<b>1,322,753</b>
Expenditures:							
Current:							
Food service	371,402	-	-	-	-	-	371,402
Recreation - cultural	-	-	-	-	-	55,521	55,521
Education	-	333,371	258,445	-	851	38,506	631,173
<b>Total expenditures</b>	<b>371,402</b>	<b>333,371</b>	<b>258,445</b>	<b>-</b>	<b>851</b>	<b>94,027</b>	<b>1,058,096</b>
Other financing sources:							
Transfer from General Fund	32,000	-	-	-	-	-	32,000
<b>Total other financing sources</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>
Net change in fund balance - budgetary basis	(24,018)	58,132	53,479	-	17,869	191,195	296,657
Reconciliation to GAAP basis:							
Change in accrued payroll	5,675	6,868	-	-	-	-	12,543
Net change in fund balance	(18,343)	65,000	53,479	-	17,869	191,195	309,200
Fund balances (deficits), beginning of year	5,651	77,486	(6,562)	(919)	62,071	412,278	550,005
<b>Fund balances (deficits), end of year</b>	<b>\$ (12,692)</b>	<b>142,486</b>	<b>46,917</b>	<b>(919)</b>	<b>79,940</b>	<b>603,473</b>	<b>859,205</b>

**FIVE TOWN CSD**  
**School Categoricals and Other Programs**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2020**

	Fund balances (deficits) beginning of year	Program revenues			Transfers	Program expenditures	Fund balances (deficits) end of year
		Federal	State	Other			
<b>Federal and state programs:</b>							
Local Entitlement	\$ -	162,738	-	-	-	162,738	-
Rural Education Achievement Program	-	2,395	-	-	-	2,395	-
Supporting Effective Instruction	(3,082)	-	-	-	-	-	(3,082)
AEFLA Grant	(3,480)	55,386	-	-	-	21,036	30,870
AEFLA Grant (pass-through)	-	88,593	-	168	-	69,632	19,129
College Transitions	-	-	2,644	-	-	2,644	-
<b>Total school categorical funds</b>	<b>(6,562)</b>	<b>309,112</b>	<b>2,644</b>	<b>168</b>	<b>-</b>	<b>258,445</b>	<b>46,917</b>
<b>Other programs:</b>							
Full Plates Full Potential	-	-	-	500	-	-	500
EE Reduction Benefits	(944)	-	-	20,217	-	19,638	(365)
Bisbee Sport Fund	151,359	-	-	80,500	-	38,826	193,033
Bisbee Washington Fund	40,871	-	-	134,106	-	16,695	158,282
ADF	52,675	-	-	442	-	69	53,048
R. Clark Bequest	50,132	-	-	443	-	-	50,575
Emily Hall	31,100	-	-	275	-	-	31,375
Carl & Stella Hopkins Fund	5,373	-	-	44	-	343	5,074
Zenith McLean	409	-	-	-	-	-	409
Zenith Housing	20,518	-	-	181	-	-	20,699
Zenith Homeless	21,414	-	-	189	-	-	21,603
Zenith Greenhouse	1,024	-	-	9	-	-	1,033
Nurse Grant SLVC	1,766	-	-	3	-	1,435	334
The Hatchery	-	-	-	5,044	-	-	5,044
Innovation Conference	-	-	-	5,041	-	315	4,726
Trailblazers	5,289	-	-	35	-	1,345	3,979
MLTI Protection Plan	18,420	-	-	35,586	-	15,000	39,006
Professional Development	2,810	-	-	2,518	-	361	4,967
Bleacher Account	6	-	-	-	-	-	6
Ice Hockey	10,056	-	-	89	-	-	10,145
<b>Total other programs</b>	<b>412,278</b>	<b>-</b>	<b>-</b>	<b>285,222</b>	<b>-</b>	<b>94,027</b>	<b>603,473</b>
<b>Total</b>	<b>\$ 405,716</b>	<b>309,112</b>	<b>2,644</b>	<b>285,390</b>	<b>-</b>	<b>352,472</b>	<b>650,390</b>

## **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, 2020**

	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 Litzerman Memorial Scholarship	\$ 728	3	-	350	381
Amelia Bucholz Scholarship	1,013	24	2,250	500	2,787
Appleton H.S. Alumni Association	28,194	243	-	500	27,937
B. G. Gushee Scholarship	4,484	35	-	500	4,019
Basil Arau Scholarship	12,217	107	-	-	12,324
A. Mosher Bradford Scholarship	2,934	26	-	-	2,960
Camden Rotary	1,126	10	-	-	1,136
Camden Real Estate	2,011	44	5,000	2,000	5,055
Carelton Wood	219	2	-	-	221
Chickawaukee	725	6	-	-	731
David Eaton Scholarship	4,116	32	-	500	3,648
Sarah Doubleday	21,511	216	4,640	1,500	24,867
Emma M. Brewster Scholarship	(3)	-	-	-	(3)
Ernest Earl Mahoney Scholarship	4,873	43	-	-	4,916
Eugene T. Pitney Scholarship	1,108	10	-	-	1,118
Florence Kimball Fine Arts Scholarship	4,292	37	-	-	4,329
Forest Priestly Memorial	1,732	11	-	500	1,243
Gladys P. Larrabee	16,430	140	-	500	16,070
Harold Tribou	1,981	17	-	-	1,998
Ken & Prudence Dickey Bus	214,578	1,883	-	-	216,461
Leforest Doucette	1,047	9	-	-	1,056
Linwood Thorndike	401	4	-	-	405
Megunticook Fish & Game	289	3	-	-	292
Miscellaneous	6,873	60	-	-	6,933
Nancy Crawford	25	-	-	-	25
Olive Coates Trust	53,794	480	35,552	34,680	55,146
Polson - Back to school	471	4	-	-	475
RC Gushee	(606)	-	-	2,500	(3,106)
Reny Charitable	1,073	-	-	3,000	(1,927)
Richard Sorenson	193	2	-	-	195
Rockport Alumni Association	1,386	32	3,460	1,180	3,698
Sarah Hunter Memorial Scholarship	7,612	62	-	500	7,174
Senior Class	347	3	-	-	350
Simel Education Trust	301,140	2,634	-	1,000	302,774
T.W. Williams Scholarship	27,930	243	-	250	27,923
Timothy Crockett Scholarship	30,398	262	-	500	30,160
West Bay Rotary	1,041	9	-	-	1,050
Billy Williams	-	20	2,300	-	2,320
JR Kindness	-	3	300	-	303
The Rae Scholarship for Women Artists	-	3	300	-	303
Aleishas Scholarship	-	22	2,500	-	2,522
<b>Total private-purpose trusts</b>	<b>\$ 757,683</b>	<b>6,744</b>	<b>56,302</b>	<b>50,460</b>	<b>770,269</b>

**FIVE TOWN CSD**  
**Agency Fund - High School Activity Funds**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For the year ended June 30, 2020**

		Balances (deficits) beginning of year	Additions	Deductions	Balances (deficits) end of year
AP	\$	6,701	14,296	21,183	(186)
Amnesty International		599	-	-	599
Anime Club		198	270	-	468
Art Club		40	-	-	40
Athletic Account		777	7,960	8,734	3
Athletic Reimbursement		(41)	3,932	3,871	20
Alpine Ski		8,525	8,412	8,325	8,612
Band		1,380	1,424	1,188	1,616
Baseball-Softball Boosters		261	-	-	261
Basketball Boosters		343	-	-	343
Botany		6,857	2,844	5,213	4,488
Captains Council		390	-	-	390
Chorus		1,778	2,649	1,451	2,976
Civil Rights		1,971	-	-	1,971
Class of 2009		1,755	-	-	1,755
Class of 2010		1,586	500	500	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		1,554	-	-	1,554
Class of 2016		2,271	-	-	2,271
Class of 2017		2,326	-	-	2,326
Class of 2018		3,454	-	-	3,454
Class of 2019		1,619	1,020	-	2,639
Class of 2020		8,225	9,594	15,077	2,742
Class of 2021		407	5,751	1,856	4,302
Class of 2022		195	3,774	-	3,969
Class of 2023		-	4,580	20	4,560
Club for Community		1,989	91	744	1,336
Coffee		3	54	27	30
Community Fund		5,349	11,600	5,643	11,306
Digital Film		708	-	-	708
Doc Littlefield		864	-	-	864
Drama		3,336	2,085	3,159	2,262
Dramafest		2,810	350	598	2,562
Empty Bowl		578	3,351	3,754	175
FCA		100	-	-	100
Field Hockey		6,589	5,306	851	11,044
Football Boosters		3,241	8,160	9,939	1,462
Gamers Guild		53	-	-	53
General		2,216	19,042	17,710	3,548
Golf		8	-	-	8
GSTA		181	41	-	222
Intercultural		63	-	-	63
Ice Hockey		78	500	-	578
<b>Subtotal</b>	<b>\$</b>	<b>85,828</b>	<b>117,586</b>	<b>109,843</b>	<b>93,571</b>

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

		<b>Balances (deficits) beginning of year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances (deficits) end of year</b>
Jewelry	\$	368	100	-	468
Kiva Club		329	-	-	329
K12		-	33,116	32,908	208
Lacrosse Boosters		151	-	-	151
Laptop Fund		18,191	17,053	35,244	-
Latin Club		(1,186)	3,030	1,351	493
Liberian Education Fund		415	119	534	-
Library		725	86	66	745
Life Skills		1,046	2,918	1,424	2,540
Math Team		170	-	-	170
Mountain biking		1,404	-	855	549
Musicals		5,326	51,205	34,117	22,414
Nordic Ski Team		8,738	6,939	5,137	10,540
NHS		2,145	49	1,150	1,044
Nurse		-	1,110	99	1,011
PALS		17	-	-	17
Peers		2	-	-	2
Photography		618	-	74	544
Phys Ed		205	-	-	205
Physics		363	-	-	363
Principal's Fund		2,256	1,511	770	2,997
Project Fund		9,960	-	2,777	7,183
Sailing		354	-	-	354
School Store		2,075	664	50	2,689
Senior Banquet		4,663	1,500	5,042	1,121
Soccer Boosters		180	302	120	362
Student Camp		500	-	-	500
Student Council		364	1,017	911	470
Student Trips		28,582	248,588	262,239	14,931
Sunshine Club		237	715	637	315
Swim Team		203	919	996	126
Tennis Team		151	-	-	151
Track Team		1,899	198	78	2,019
Washington Trip		6,416	24,125	24,435	6,106
Wellness Program		2,716	455	2,540	631
Windplanners		1,206	-	-	1,206
Windsong		441	-	-	441
WMS Student Org		-	671	634	37
X-Country		1,125	3,380	3,732	773
Yearbook		5,691	7,580	5,657	7,614
Zenith		-	80	-	80
Other/miscellaneous		1	-	-	1
<b>Totals</b>	<b>\$</b>	<b>193,875</b>	<b>525,016</b>	<b>533,420</b>	<b>185,471</b>

**Five Town CSD**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- through/ Grantor Number	Total Federal Expenditures	Cluster Totals	Passed Through to Subrecipients
U. S. Department of Education, passed through Maine					
Department of Education:					
Adult Education Basic Grant	84.002	6162	\$ 90,668		69,632
Special Education Cluster:					
Local Entitlement	84.027	3046	162,738		-
Total Special Education Cluster				162,738	
Rural Education Achievement Program	84.358	N/A	2,395		-
Total U. S. Department of Education			255,801		69,632
U. S. Department of Agriculture, passed through					
Maine Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	3024	36,821		-
National School Lunch Program - Breakfast Program	10.553	3014	5,611		-
National School Lunch Program - Donated Commodities	10.555	N/A	22,037		-
Summer Food Service Program	10.559	3016	49,011		-
COVID-19 - Summer Food Service Program	10.559	7008	4,828		-
Total Child Nutrition Cluster				118,308	
Total U. S. Department of Agriculture			118,308		-
<b>Totals</b>			<b>\$ 374,109</b>		<b>69,632</b>

*See accompanying notes to schedule of expenditures of federal awards.*