

FIVE TOWN CSD

Annual Financial Report

For the Year Ended June 30, 2021

**FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2021**

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**FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2021**

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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, 2021, 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, 2021, 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.

Change in Accounting Principle

As described in the notes to the financial statements, in 2021, Five Town CSD adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2022 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.



April 28, 2022
South Portland, Maine

BASIC FINANCIAL STATEMENTS

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FIVE TOWN CSD
Statement of Net Position
June 30, 2021

	Governmental activities
ASSETS	
Cash and cash equivalents	\$ 5,036,708
Due from other governments	831,846
Inventory	6,275
Capital assets, not being depreciated	24,000
Capital assets, net	14,953,606
Total assets	20,852,435
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	260,126
Deferred outflows of resources related to OPEB	567,133
Total deferred outflows of resources	827,259
LIABILITIES	
Accrued wages and benefits	1,061,644
Accounts payable	1,132,264
Unearned revenue	75,536
Noncurrent liabilities:	
Due within one year	985,483
Due in more than one year	2,207,712
Total liabilities	5,462,639
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	11,762
Total deferred inflows of resources	11,762
NET POSITION	
Net investment in capital assets	13,904,451
Restricted	1,084,849
Unrestricted	1,215,993
Total net position	\$ 16,205,293

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Activities
June 30, 2021

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	\$ 4,755,527	714,382	28,112	-	(4,013,033)
Special education	1,273,816	-	11,147	-	(1,262,669)
Career and technical education	897,275	-	-	-	(897,275)
Other instruction	378,217	-	-	-	(378,217)
Student and staff support	992,724	-	52,717	-	(940,007)
System administration	462,041	-	-	-	(462,041)
School administration	509,119	-	-	-	(509,119)
Transportation	469,153	-	-	-	(469,153)
Facilities maintenance	1,990,196	-	-	-	(1,990,196)
Other	4,955	-	-	-	(4,955)
Maine PERS - on-behalf payments	1,117,760	-	1,117,760	-	-
Student activities	141,605	-	179,065	-	37,460
Program expenses	1,973,006	504,227	1,171,026	-	(297,753)
Food service	304,179	23,507	190,363	-	(90,309)
Total governmental activities	15,444,918	1,242,116	2,750,190	-	(11,452,612)
Total primary government	\$ 15,444,918	1,242,116	2,750,190	-	(11,452,612)
General revenues:					
Local assessments				\$	10,627,175
Local assessments - Adult Education					225,853
State allocation					1,742,646
Unrestricted investment earnings					17,476
Miscellaneous					22,434
Total general revenues					12,635,584
Change in net position					1,182,972
Net position--beginning, restated					15,022,321
Net position--ending				\$	16,205,293

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Capital Reserve Fund	Other Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	\$ 4,771,340	-	265,368	5,036,708
Due from other governments	200,632	-	631,214	831,846
Inventory	-	-	6,275	6,275
Interfund receivables	-	799,654	829,457	1,629,111
Total assets	4,971,972	799,654	1,732,314	7,503,940
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued wages and benefits	1,041,298	-	20,346	1,061,644
Accounts payable	322,708	3,274	37,693	363,675
Unearned revenue	64,821	-	10,715	75,536
Interfund payables	1,774,326	-	623,374	2,397,700
Total liabilities	3,203,153	3,274	692,128	3,898,555
Fund balances:				
Nonspendable	-	-	6,275	6,275
Restricted by grantors and donors	-	-	1,078,574	1,078,574
Committed - capital reserve	-	796,380	-	796,380
Assigned	490,000	-	-	490,000
Unassigned	1,278,819	-	(44,663)	1,234,156
Total fund balances:	1,768,819	796,380	1,040,186	3,605,385
Total liabilities and fund balances	\$ 4,971,972	799,654	1,732,314	
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.				14,977,606
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				174,619
Total OPEB liability, including deferred outflows and inflows of resources				(1,479,162)
Notes from direct borrowings				(1,073,155)
Net position of governmental activities			\$	16,205,293

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, 2021

	General Fund	Capital Reserve Fund	Other Governmental Funds	Totals
Revenues:				
Local assessments	\$ 10,627,175	-	225,853	10,853,028
Intergovernmental	2,952,382	-	1,540,454	4,492,836
Charges for services	714,382	-	81,796	796,178
Interest earned	16,193	-	1,283	17,476
Other revenues	22,434	-	445,938	468,372
Total revenues	14,332,566	-	2,295,324	16,627,890
Expenditures:				
Current:				
Regular instruction	4,813,432	-	-	4,813,432
Special education	1,273,816	-	-	1,273,816
Career and technical education	87,432	-	-	87,432
Other instruction	378,217	-	-	378,217
Student and staff support	1,118,074	-	-	1,118,074
System administration	462,041	-	-	462,041
School administration	512,221	-	-	512,221
Transportation	463,753	-	-	463,753
Facilities maintenance	1,393,934	-	-	1,393,934
Other	4,955	-	-	4,955
Maine PERS - on-behalf payments	1,117,760	-	-	1,117,760
Student activities	-	-	141,605	141,605
Program expenditures	-	-	1,973,006	1,973,006
Food service	-	-	302,808	302,808
Debt service	1,751,284	-	-	1,751,284
Capital outlay	146,504	28,841	-	175,345
Total expenditures	13,523,423	28,841	2,417,419	15,969,683
Excess (deficiency) of revenues over (under) expenditures	809,143	(28,841)	(122,095)	658,207
Other financing sources (uses):				
Proceeds from financed purchases	146,504	-	-	146,504
Transfer in	-	212,500	117,605	330,105
Transfer out	(330,105)	-	-	(330,105)
Total other financing sources (uses)	(183,601)	212,500	117,605	146,504
Net change in fund balances	625,542	183,659	(4,490)	804,711
Fund balances, beginning of year, restated	1,143,277	612,721	1,044,676	2,800,674
Fund balances, end of year	\$ 1,768,819	796,380	1,040,186	3,605,385

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, 2021

Net change in fund balances--total governmental funds (from Statement 4)	\$	804,711
<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>		
Less: depreciation expense	(610,227)	(610,227)
<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	133,494	
Proceeds from financed purchases	(146,504)	928,431
<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	11,560	
Change in OPEB liability, with related deferred outflows and inflows of resources	48,497	60,057
<hr/>		
Change in net position of governmental activities (see Statement 2)	\$	1,182,972

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, 2021

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 10,627,175	10,627,175	10,627,175	-
Intergovernmental	1,701,951	1,701,951	1,834,622	132,671
Charges for services	611,522	611,522	714,382	102,860
Interest earned	15,000	15,000	16,193	1,193
Other revenues	22,000	22,000	22,434	434
Total revenues	12,977,648	12,977,648	13,214,806	237,158
Expenditures:				
Current:				
Regular instruction	5,153,255	5,153,255	4,913,903	239,352
Special education	1,438,086	1,438,086	1,273,816	164,270
Career and technical education	87,432	87,432	87,432	-
Other instruction	615,311	615,311	378,217	237,094
Student and staff support	1,167,097	1,167,097	1,118,074	49,023
System administration	468,766	468,766	462,041	6,725
School administration	524,951	524,951	512,221	12,730
Transportation	475,989	475,989	463,753	12,236
Facilities maintenance	1,523,492	1,523,492	1,393,934	129,558
Other	110,000	110,000	4,955	105,045
Debt service	1,695,664	1,695,664	1,751,284	(55,620)
Total expenditures	13,260,043	13,260,043	12,359,630	900,413
Excess (deficiency) of revenues over (under) expenditures	(282,395)	(282,395)	855,176	1,137,571
Other financing sources (uses):				
Transfer to food service	(42,605)	(42,605)	(117,605)	(75,000)
Use of fund balance	325,000	325,000	-	(325,000)
Total other financing sources (uses)	282,395	282,395	(117,605)	(400,000)
Net change in fund balance - budgetary basis	-	-	737,571	737,571
Reconciliation to GAAP basis:				
Transfer to capital reserve			(212,500)	
Change in accrued teacher summer salaries and accrued hourly payroll			100,471	
Net change in fund balance - GAAP basis			625,542	
Fund balance, beginning of year			1,143,277	
Fund balance, end of year			\$ 1,768,819	

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

		Private- purpose Trust Funds
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ASSETS		
Interfund receivables	\$	768,589
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Total assets		768,589
<hr/>		
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable		-
Total liabilities		-
<hr/>		
Net position:		
Held in trust		768,589
Total net position		768,589
<hr/>		
Total liabilities and net position	\$	768,589

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, 2021

		Private- purpose Trust Funds
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Additions:		
Contributions	\$	60,374
Interest and dividends		1,171
Total additions		61,545
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Deductions:		
Scholarships and other		63,225
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Change in net position		(1,680)
<hr/>		
Net position, beginning of year		770,269
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Net position, end of year	\$	768,589

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Notes to Basic Financial Statements

THE REPORTING ENTITY

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-wide Financial Statements:

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

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

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The nonmajor Special Revenue Funds include federal, state, and local grant funds.

2. Fiduciary 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 custodial 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.

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 unearned revenue, and in the presentation of expenses versus expenditures.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

1. Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

2. Expenses/Expenditures:

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

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

E. Budgetary Accounting

A budget is formally adopted for the General Fund each year by a referendum vote, and is prepared on a basis consistent with generally accepted accounting principles except for accrued wages and benefits, transfers to reserve, and Maine Public Employees Retirement System on-behalf payments as described later in these notes. The school lunch fund, adult education fund, and other special revenue funds do not have legally adopted budgets, but have adopted budgets through formal authorizations by the Board of Directors and through grant agreements.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the District. All encumbrances lapse at year end except those authorized to be carried forward.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Interfund Transactions

During the course of normal operations, the District has several transactions between funds. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.

H. Inventories

Food services inventories are valued at 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 30th and sick time is only paid out to certain ed techs and secretaries who meet specific retirement criteria specified in the union contract.

K. Use of Estimates

Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.
- *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.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

B. Overspent Appropriations - The following cost centers exceeded budgeted appropriations at June 30, 2021:

Debt Service	\$ 55,620
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C. Deficit Fund Balance - At June 30, 2021, the following funds had a deficit fund balance:

Special Revenue Funds:

Supporting Effective Instruction	\$ 3,082	Zenith Housing	112
AEFLA Grant (pass-through)	7,830	Trailblazers	556
Adult Ed Continuity of Service Grant	31,975	MaineCare Fund	919
EE Reduction Benefits	189		

These deficits will be funded by future operating revenues.

RISK MANAGEMENT

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

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2021.

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, 2021, the District reported deposits of \$5,036,708 with a bank balance of \$5,427,500. As of June 30, 2021, \$250,000 of the District's bank balance was covered by the FDIC and the remaining \$5,177,500 was collateralized by underlying securities held by the bank in the District's name.

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, 2021 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	1,774,326
Capital Reserve Fund	799,654	-
Nonmajor special revenue funds:		
School Lunch Fund	19,189	-
Adult Education Fund	164,600	-
School Categorical Funds	-	622,455
MaineCare Fund	-	919
F1 Visa Fund	77,295	-
Other programs	568,373	-
Total nonmajor special revenue funds	829,457	623,374
Fiduciary funds:		
Private-purpose trust funds	768,589	-
Total fiduciary funds	768,589	-
Total all funds	\$ 2,397,700	2,397,700

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2021 were as follows:

	Transfers <u>in</u>	Transfers <u>out</u>
General Fund	\$ -	330,105
Capital Reserve Fund	212,500	-
School Lunch Fund	117,605	-
Total transfers	\$ 330,105	330,105

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

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance <u>6/30/20</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/21</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,000	-	-	24,000
Total capital assets, not being depreciated	24,000	-	-	24,000
Capital assets, being depreciated:				
Buildings and improvements	25,587,274	-	-	25,587,274
Equipment	926,878	-	-	926,878
Furniture and fixtures	112,388	-	-	112,388
Total capital assets, being depreciated	26,626,540	-	-	26,626,540
Less accumulated depreciation:				
Buildings and improvements	10,418,085	562,572	-	10,980,657
Equipment	534,646	45,242	-	579,888
Furniture and fixtures	109,976	2,413	-	112,389
Total accumulated depreciation	11,062,707	610,227	-	11,672,934
Capital assets, being depreciated, net	15,563,833	(610,227)	-	14,953,606
Governmental activities capital assets, net	\$ 15,587,833	(610,227)	-	14,977,606

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,152
Food service	1,371
Transportation	5,400
Facilities maintenance	601,304
Total depreciation expense	\$ 610,227

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, 2021:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Notes from direct borrowings	\$2,001,586	146,504	1,074,935	1,073,155	985,483
Total OPEB liability	1,597,666	448,629	-	2,046,295	-
Net pension liability	73,748	-	3	73,745	-
Governmental activities long-term liabilities	\$3,673,000	595,133	1,074,938	3,193,195	985,483

B. Notes from Direct Borrowings

Notes from direct borrowings at June 30, 2021 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 6/30/21</u>
Notes payable:					
High School construction	10/28/99	\$ 18,828,817	4.41-5.91%*	11/1/21	941,441
Financed purchases:					
Student computers	8/10/20	146,504	1.99%	8/10/23	108,788
Color copiers	8/22/18	16,432	5.47%	8/22/22	6,737
8 passenger van	10/15/19	27,001	3.43%	10/15/23	16,189
Sub-total financed purchases					131,714
Total notes from direct borrowings					\$1,073,155

* 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. At June 30, 2021 the net book value of capitalized equipment under financed purchase agreements was \$10,800.

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2021 are as follows:

<u>Year ended June 30,</u>	<u>Notes from</u> <u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 985,483	3,099
2023	45,113	2,028
2024	42,559	927
Totals	\$ 1,073,155	6,054

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, 2021, the District's direct debt of \$1,073,155 was within the minimum statutory limit of 10% of the five participating municipalities.

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS

General Information about the Pension Plan

Plan Description - Employees of the District are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.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, 2021, 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 \$256,272 for the year ended June 30, 2021.

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, 2020, 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, 2021, 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	\$ 73,745
State's proportionate share of the net pension liability associated with the District	7,379,315
Total	\$ 7,453,060

At June 30, 2020, the District's proportion of the SET Plan was 0.0045%.

For the year ended June 30, 2021, the District recognized pension expense of \$1,127,495 and revenue of \$882,783 for support provided by the State for the SET Plan.

At June 30, 2021, 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	\$ 797	-
Net difference between projected and actual earnings on pension plan investments	3,057	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	11,762
District contributions subsequent to the measurement date	256,272	-
Total	\$ 260,126	11,762

An amount of \$256,272 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, 2022. 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:

2022	(10,518)
2023	(2,790)
2024	2,714
2025	2,686

Actuarial Assumptions - The total pension liability in the June 30, 2020 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% plus merit
Investment return, per annum, compounded annually	6.75%
Cost of living benefit increases, per annum	2.20%

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

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

The actuarial assumptions used in the June 30, 2020 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, 2020 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%	7.2%
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	\$ 127,896	73,745	28,612

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, 2021.

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.

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 \$15,667 for the year ended June 30, 2021. 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, 2021, 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 \$139,525 as of June 30, 2021. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020, the District’s proportion was 0.00%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$15,667 and also revenues of \$15,667 for support provided by the State. At June 30, 2021, 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, 2020 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, 2020 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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE

General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>118</u>
Total	<u><u>146</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 \$2,046,295 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that same date.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 1,597,666
Changes for the year:	
Service cost	22,403
Interest	55,980
Changes of benefit terms	(171,377)
Differences between expected and actual experience	97,837
Changes in assumptions or other inputs	485,420
Benefit payments	(41,634)
Net changes	<u>448,629</u>
Balance at June 30, 2021	<u>2,046,295</u>

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%. The Change in benefit terms reflects the implementation of the Medicare Advantage Plan, effective July 1, 2020.

For the year ended June 30, 2021, The District recognized OPEB gain of \$48,497. At June 30, 2021, 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
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 85,607	-
Changes of assumption or other inputs	450,094	-
District contributions subsequent to measurement date	31,432	-
Total	<u>\$ 567,133</u>	<u>-</u>

\$31,432 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, 2022. 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:	
2022	\$ 75,929
2023	75,929
2024	75,929
2025	75,931
2026	86,174
Thereafter	145,809

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, 2020 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	2.00%
Salary increases	2.75% per year
Discount rate	2.21% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2021 grading over 18 years to 3.25%
Healthcare cost trend rates - Medicare	0.00% for 2021, then 6.30% in 2022 grading over 17 years to 3.25%
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 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 2.21% 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 2.21%, 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 (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 2,425,503	2,046,295	1,742,240

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	\$ 1,712,505	2,046,295	2,474,202

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, 2021 - GAAP basis (Statement 4)	\$1,768,819
<u>Teacher summer salaries and accrued hourly payroll and benefits</u>	<u>1,041,298</u>
 <u>Fund balance, June 30, 2021 - budgetary basis</u>	 <u>\$2,810,117</u>

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

Additionally, as required by accounting principles generally accepted in the United States of America, the District has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the District. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$1,117,760.

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, 2021, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund – reserve contributions	\$ -	-	-	165,000
General Fund – subsequent budget	-	-	-	325,000
Capital reserve	-	-	796,380	-
Nonmajor special revenue funds:				
School lunch fund	6,275	9,700	-	-
Adult Education	-	154,884	-	-
School categoricals	-	2,788	-	-
F1 Visa	-	77,295	-	-
Student activity funds	-	222,931	-	-
Other Programs	-	610,976	-	-
Totals	\$ 6,275	1,078,574	796,380	490,000

The General fund also reports an unassigned fund balance of \$1,278,819 at year-end. In addition, the School Categorical, MaineCare, and the Other Programs funds report an unassigned fund deficit of \$10,912, \$919, and \$32,832, respectively.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

NET POSITION

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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, 2021:

Capital assets	\$26,650,540
Accumulated depreciation	(11,672,934)
Notes from direct borrowing	(1,073,155)
<u>Total net investment in capital assets</u>	<u>\$13,904,451</u>

RESTATEMENT OF NET POSITION/FUND BALANCE

For the fiscal year ended June 30, 2021, the District has elected to implement Statement No. 84 of the Government Accounting Standards Board – *Fiduciary Activities*. As a result of implementing GASB Statement No. 84, the District has restated the beginning net position of the governmental activities and the beginning fund balance in the other governmental funds to account for certain activities that were previously reported as fiduciary funds. Net position and fund balance were increased as of July 1, 2020 by \$185,471.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
SET Plan							
District's proportion of the net pension liability	0.0045%	0.0050%	0.0064%	0.0051%	0.0080%	0.0097%	0.0084%
District's proportionate share of the net pension liability	\$ 73,745	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	7,379,315	6,471,297	6,058,936	6,320,975	11,187,649	5,494,004	4,442,374
Total	\$ <u>7,453,060</u>	<u>6,545,045</u>	<u>6,145,854</u>	<u>6,395,650</u>	<u>11,328,894</u>	<u>5,624,533</u>	<u>4,532,625</u>
District's covered payroll	\$ 5,920,042	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	1.25%	1.29%	1.55%	1.38%	2.70%	2.73%	1.93%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	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 seven 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*

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 256,272	246,274	226,503	222,168	181,814	175,513	126,739	124,030
Contributions in relation to the contractually required contribution	(256,272)	(246,274)	(226,503)	(222,168)	(181,814)	(175,513)	(126,739)	(124,030)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
District's covered payroll	\$ 6,160,387	5,920,042	5,705,368	5,596,168	5,411,131	5,223,599	4,782,609	4,680,371
Contributions as a percentage of covered payroll	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only eight 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.00%	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	139,525	127,700	134,825	125,356
Total	\$ 139,525	127,700	134,825	125,356
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	48.04%	47.29%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 22,403	18,956	20,227
Interest	55,980	56,690	53,578
Changes of benefit terms	(171,377)	-	-
Differences between expected and actual experience	97,837	-	-
Changes of assumptions or other inputs	485,420	92,868	(71,720)
Benefit payments	(41,634)	(33,160)	(32,014)
Net change in total OPEB Liability	448,629	135,354	(29,929)
Total OPEB liability - beginning	1,597,666	1,462,312	1,492,241
Total OPEB liability - ending	\$ 2,046,295	1,597,666	1,462,312
Covered-employee payroll	\$ 5,654,090	5,856,383	5,699,643
Total OPEB liability as a percent of covered-employee payroll	36.19%	27.28%	25.66%

*Only three years of information available.

FIVE TOWN CSD
Notes to Required Supplementary Information

Changes of Benefit Terms (Pension) - None

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

	<u>2018</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate	6.75%	6.75%	6.875%	7.125%	7.125%	7.250%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases	2.75% plus merit	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%	2.20%	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) - Effective July 1, 2020 the District implemented the Medicare Advantage Plan.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.21%	3.50%	3.87%	3.58%

Mortality rates:

In 2018 and going forward, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Beginning in 2021, the mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

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

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, 2021 and 2020

	2021	2020
ASSETS		
Cash and equivalents	\$ 4,771,340	3,588,950
Due from other governments	200,632	260,395
Total assets	4,971,972	3,849,345
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages and benefits	1,041,298	1,141,769
Accounts payable	322,708	39,519
Unearned revenue	64,821	-
Interfund payables	1,774,326	1,524,780
Total liabilities	3,203,153	2,706,068
Fund balance:		
Assigned - capital reserve contributions	90,000	75,000
Assigned - special education reserve contributions	75,000	-
Assigned - subsequent budget	325,000	325,000
Unassigned	1,278,819	743,277
Total fund balance	1,768,819	1,143,277
Total liabilities and fund balance	\$ 4,971,972	3,849,345

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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Camden	\$ 4,045,998	4,045,998	-	4,091,539
Rockport	3,691,456	3,691,456	-	3,659,828
Appleton	494,217	494,217	-	527,766
Hope	777,846	777,846	-	850,470
Lincolntonville	1,617,658	1,617,658	-	1,663,166
Total local assessments	10,627,175	10,627,175	-	10,792,769
Intergovernmental:				
State allocation	1,701,951	1,742,646	40,695	1,601,010
State Agency Client	-	-	-	4,613
National Board Salary Supplement	-	28,112	28,112	28,309
MLTI reimbursement	-	52,717	52,717	-
Medicaid reimbursement	-	11,147	11,147	-
Total intergovernmental	1,701,951	1,834,622	132,671	1,633,932
Charges for services:				
Tuition	598,522	714,382	115,860	591,211
Athletic receipts	13,000	-	(13,000)	10,447
Total charges for services	611,522	714,382	102,860	601,658
Investment income:				
General investment earnings	15,000	16,193	1,193	39,808
Total investment income	15,000	16,193	1,193	39,808
Other revenues:				
HAL revenue - Curriculum ITS	3,000	-	(3,000)	-
Rentals	16,000	-	(16,000)	14,601
Miscellaneous revenue	3,000	22,434	19,434	8,729
Total other revenues	22,000	22,434	434	23,330
Total revenues	12,977,648	13,214,806	237,158	13,091,497

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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Expenditures:				
Current:				
Regular instruction:				
Instructional services 9-12	\$ 4,804,050	4,592,391	211,659	4,670,588
ESL	29,981	28,884	1,097	27,933
Instructional services - Horizon	43,788	37,714	6,074	36,458
Alternative education	275,436	254,914	20,522	260,697
Total regular instruction	5,153,255	4,913,903	239,352	4,995,676
Special education programs:				
Instructional services	1,270,634	1,144,196	126,438	1,113,158
Administration	167,452	129,620	37,832	129,378
State Agency Client grant	-	-	-	4,613
Total special education programs	1,438,086	1,273,816	164,270	1,247,149
Career and technical education	87,432	87,432	-	67,036
Other instruction - extra/co-curricular	615,311	378,217	237,094	485,304
Student and staff support:				
Guidance 9-12	557,130	533,657	23,473	520,038
Health	98,724	98,720	4	94,213
Curriculum development	72,059	60,658	11,401	63,240
Library 9-12	127,765	119,288	8,477	115,287
Technical services	298,886	305,328	(6,442)	299,055
Assessment	12,533	423	12,110	4,353
Total student and staff support	1,167,097	1,118,074	49,023	1,096,186
Transportation	475,989	463,753	12,236	410,985
Administration:				
School Board	68,588	64,072	4,516	78,943
Business Office	157,334	158,747	(1,413)	203,485
Office of Superintendent	242,844	239,222	3,622	187,033
Principal's office and staff	524,951	512,221	12,730	504,317
Total administration	993,717	974,262	19,455	973,778
Facilities maintenance:				
Operations of building	1,454,505	1,332,566	121,939	1,188,272
Auditorium	68,987	61,368	7,619	70,713
Total facilities maintenance	1,523,492	1,393,934	129,558	1,258,985

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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Other	\$ 110,000	4,955	105,045	-
Debt service	1,695,664	1,751,284	(55,620)	1,724,234
Total expenditures	13,260,043	12,359,630	900,413	12,259,333
Excess (deficiency) of revenues over (under) expenditures	(282,395)	855,176	1,137,571	832,164
Other financing sources (uses):				
Use of fund balance	325,000	-	(325,000)	-
Transfer to food service	(42,605)	(117,605)	(75,000)	(32,000)
Total other financing sources (uses)	282,395	(117,605)	(400,000)	(32,000)
Net change in fund balance - budgetary basis	-	737,571	737,571	800,164
Reconciliation to GAAP basis:				
Transfer to capital reserve		(212,500)		(75,000)
Change in accrued teacher summer salaries and accrued hourly payroll		100,471		42,024
Net change in fund balance		625,542		767,188
Fund balance, beginning of year		1,143,277		376,089
Fund balance, end of year	\$	1,768,819		1,143,277

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.

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FIVE TOWN CSD
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Student Activity Funds	Other Programs	Total
ASSETS								
Cash and equivalents	\$ 226	150	-	-	-	222,931	42,061	265,368
Due from other governments	13,976	-	617,238	-	-	-	-	631,214
Inventory	6,275	-	-	-	-	-	-	6,275
Interfund receivables	19,189	164,600	-	-	77,295	-	568,373	829,457
Total assets	39,666	164,750	617,238	-	77,295	222,931	610,434	1,732,314
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accrued wages and benefits	12,976	7,370	-	-	-	-	-	20,346
Accounts payable	-	2,496	2,907	-	-	-	32,290	37,693
Unearned revenues	10,715	-	-	-	-	-	-	10,715
Interfund payables	-	-	622,455	919	-	-	-	623,374
Total liabilities	23,691	9,866	625,362	919	-	-	32,290	692,128
Fund balances (deficits):								
Nonspendable	6,275	-	-	-	-	-	-	6,275
Restricted	9,700	154,884	(29,187)	-	77,295	222,931	642,951	1,078,574
Unassigned	-	-	(10,912)	(919)	-	-	(32,832)	(44,663)
Total fund balances (deficits)	15,975	154,884	(40,099)	(919)	77,295	222,931	610,119	1,040,186
Total liabilities and fund balances	\$ 39,666	164,750	585,263	-	77,295	222,931	642,409	1,732,314

FIVE TOWN CSD
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

	School Lunch Fund	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Student Activity Funds	Other Programs	Totals
Revenues:								
Local assessments	\$ -	225,853	-	-	-	-	-	225,853
Intergovernmental	190,363	75,273	1,274,818	-	-	-	-	1,540,454
Charges for services	23,207	58,589	-	-	-	-	-	81,796
Investment income	-	-	-	-	-	-	1,283	1,283
Other income	300	-	-	-	-	179,065	266,573	445,938
Total revenues	213,870	359,715	1,274,818	-	-	179,065	267,856	2,295,324
Expenditures:								
Current:								
Food service	297,844	-	-	-	-	-	-	297,844
Student activities	-	-	-	-	-	141,605	-	141,605
Recreation - cultural	-	-	-	-	-	-	123,300	123,300
Education	-	346,119	1,361,834	-	2,645	-	137,910	1,848,508
Total expenditures	297,844	346,119	1,361,834	-	2,645	141,605	261,210	2,411,257
Excess (deficiency) of revenues over (under) expenditures	(83,974)	13,596	(87,016)	-	(2,645)	37,460	6,646	(115,933)
Other financing sources:								
Transfer from General Fund	117,605	-	-	-	-	-	-	117,605
Total other financing sources	117,605	-	-	-	-	-	-	117,605
Net change in fund balance - budgetary basis	33,631	13,596	(87,016)	-	(2,645)	37,460	6,646	1,672
Reconciliation to GAAP basis:								
Change in accrued payroll	(4,964)	(1,198)	-	-	-	-	-	(6,162)
Net change in fund balance	28,667	12,398	(87,016)	-	(2,645)	37,460	6,646	(4,490)
Fund balances (deficits), beginning of year, restated	(12,692)	142,486	46,917	(919)	79,940	185,471	603,473	1,044,676
Fund balances (deficits), end of year	\$ 15,975	154,884	(40,099)	(919)	77,295	222,931	610,119	1,040,186

FIVE TOWN CSD
School Categoricals and Other Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

	Fund balances (deficits) beginning of year	Program revenues			Program expenditures	Fund balances (deficits) end of year
		Federal	State	Other		
Federal and state programs:						
Local Entitlement	\$ -	172,825	-	-	172,825	-
Elementary and Secondary School Emergency Relief Funds (ESSER)	-	88,235	-	-	88,235	-
Coronavirus Relief Funds	-	474,653	-	-	474,653	-
Coronavirus Relief Funds - Adult Ed	-	14,660	-	-	14,660	-
Coronavirus Relief Funds II	-	442,776	-	-	442,776	-
Elementary and Secondary School Emergency Relief Funds (ESSER III)	-	2,026	-	-	2,026	-
Supporting Effective Instruction	(3,082)	5,218	-	-	5,218	(3,082)
AEFLA Grant	30,870	-	-	-	28,846	2,024
AEFLA Grant (pass-through)	19,129	67,912	-	-	94,871	(7,830)
Adult Education Continuity of Service Grant	-	-	-	-	31,975	(31,975)
College Transitions	-	-	6,513	-	5,749	764
Total school categorical funds	46,917	1,268,305	6,513	-	1,361,834	(40,099)
Other programs:						
Full Plates Full Potential	500	-	-	4,500	-	5,000
EE Reduction Benefits	(365)	-	-	16,005	15,829	(189)
Bisbee Sport Fund	193,033	-	-	75,040	123,300	144,773
Bisbee Washington Fund	158,282	-	-	126,434	-	284,716
ADF	53,048	-	-	441	-	53,489
R. Clark Bequest	50,575	-	-	77	-	50,652
Emily Hall	31,375	-	-	48	-	31,423
Carl & Stella Hopkins Fund	5,074	-	-	8	-	5,082
Zenith McLean	409	-	-	1	-	410
Zenith Housing	20,699	-	-	-	20,811	(112)
Zenith Homeless	21,603	-	-	-	21,420	183
Zenith Greenhouse	1,033	-	-	2	-	1,035
Nurse Grant SLVC	334	-	-	1	-	335
The Hatchery	5,044	-	-	8	-	5,052
Innovation Conference	4,726	-	-	8	-	4,734
Trailblazers	3,979	-	-	-	4,535	(556)
MLTI Protection Plan	39,006	-	-	45,264	72,892	11,378
Professional Development	4,967	-	-	4	2,423	2,548
Bleacher Account	6	-	-	-	-	6
Ice Hockey	10,145	-	-	15	-	10,160
Total other programs	603,473	-	-	267,856	261,210	610,119
Total	\$ 650,390	1,268,305	6,513	267,856	1,623,044	570,020

FIDUCIARY FUNDS

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

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FIVE TOWN CSD
Fiduciary Funds - Scholarship Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2021

	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	\$ 381	-	-	350	31
Amelia Bucholz Scholarship	2,787	4	500	750	2,541
Appleton H.S. Alumni Association	27,937	41	-	1,000	26,978
B. G. Gushee Scholarship	4,019	5	-	500	3,524
Basil Arau Scholarship	12,324	18	-	500	11,842
A. Mosher Bradford Scholarship	2,960	4	-	-	2,964
Camden Rotary	1,136	2	-	-	1,138
Camden Real Estate	5,055	8	2,000	2,000	5,063
Carelton Wood	221	-	-	-	221
Chickawaukee	731	1	-	-	732
David Eaton Scholarship	3,648	5	-	500	3,153
Sarah Doubleday	24,867	38	2,000	2,000	24,905
Emma M. Brewster Scholarship	(3)	-	-	-	(3)
Ernest Earl Mahoney Scholarship	4,916	7	-	-	4,923
Eugene T. Pitney Scholarship	1,118	2	-	-	1,120
Florence Kimball Fine Arts Scholarship	4,329	7	-	-	4,336
Forest Priestly Memorial	1,243	1	-	500	744
Gladys P. Larrabee	16,070	24	-	500	15,594
Harold Tribou	1,998	3	-	-	2,001
Ken & Prudence Dickey Bus	216,461	329	-	-	216,790
Leforest Doucette	1,056	2	-	-	1,058
Linwood Thorndike	405	1	400	300	506
Megunticook Fish & Game	292	-	-	-	292
Miscellaneous	6,933	10	-	-	6,943
Nancy Crawford	25	-	-	-	25
Olive Coates Trust	55,146	81	35,364	37,025	53,566
Polson - Back to school	475	1	-	-	476
RC Gushee	(3,106)	-	6,000	6,000	(3,106)
Reny Charitable	(1,927)	-	3,000	1,000	73
Richard Sorenson	195	-	-	-	195
Rockport Alumni Association	3,698	7	3,610	3,000	4,315
Sarah Hunter Memorial Scholarship	7,174	10	-	500	6,684
Senior Class	350	1	-	-	351
Simel Education Trust	302,774	458	-	1,000	302,232
T.W. Williams Scholarship	27,923	42	-	-	27,965
Timothy Crockett Scholarship	30,160	45	-	500	29,705
West Bay Rotary	1,050	2	-	-	1,052
Billy Williams	2,320	4	3,000	3,000	2,324
JR Kindness	303	-	-	-	303
The Rae Scholarship for Women Artists	303	-	-	300	3
MELMAC Aspirations Scholarship	-	-	2,000	2,000	-
Aleishas Scholarship	2,522	8	2,500	-	5,030
Total private-purpose trusts	\$ 770,269	1,171	60,374	63,225	768,589