

**MAINE SCHOOL ADMINISTRATIVE
DISTRICT NO. 28**

Annual Financial Statements

For the Year Ended June 30, 2021

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Financial Statements
For the Year Ended June 30, 2021

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor’s Report		1-3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	7
Statement of Activities	2	8
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Budgetary Basis – General Fund	6	12
Notes to Basic Financial Statements		13-34
Required Supplementary Information:		
Schedule of District’s Proportionate Share of the Net Pension Liability		35
Schedule of District Contributions – Net Pension Liability		36
Schedule of District’s Proportionate Share of the Net OPEB Liability		37
Schedule of Changes in the District’s Total Health Plan OPEB Liability and Related Ratios		38
Notes to the Required Supplementary Information		39
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	43
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	44-46
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	B-1	49
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances	B-2	50
School Grants and Other Programs - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C	51

Independent Auditor's Report

Board of Directors
Maine School Administrative District No. 28

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 Maine School Administrative District No. 28, 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 for Maine School Administrative District No. 28, 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, Maine School Administrative District No. 28 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 Maine School Administrative District No. 28'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 our report dated April 28, 2022, on our consideration of Maine School Administrative District No. 28'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 Maine School Administrative District No. 28'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 Maine School Administrative District No. 28's internal control over financial reporting and compliance.



April 28, 2022
South Portland, Maine

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BASIC FINANCIAL STATEMENTS

These financial statements provide an overview of the financial position of all fund types and of the operating results by fund. They also serve as an introduction to the more detailed schedules that follow. The notes to the combined financial statements are an integral part of the basic financial statements.

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MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,077,006
Accounts receivable	22,832
Due from other governments	442,386
Inventory	11,360
Capital assets, not being depreciated	3,856,642
Capital assets, net	43,415,749
Total assets	53,825,975
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	276,542
Deferred outflows of resources related to OPEB	114,678
Total deferred outflows of resources	391,220
LIABILITIES	
Accrued wages and benefits	1,222,576
Accounts payable	953,868
Unearned revenue	9,287
Accrued interest	267,182
Noncurrent liabilities:	
Due within one year	2,518,556
Due in more than one year	37,421,126
Total liabilities	42,392,595
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	35,632
Deferred inflows of resources related to OPEB	146,102
Total deferred inflows of resources	181,734
NET POSITION	
Net investment in capital assets	11,959,965
Restricted for grants and other	439,178
Unrestricted	(756,277)
Total net position	\$ 11,642,866

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Activities
For the year ended 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	Governmental activities
Governmental activities:					
Regular instruction	\$ 4,949,401	93,978	2,163	-	(4,853,260)
Special education	2,172,042	-	32,530	-	(2,139,512)
Other instruction	41,055	-	-	-	(41,055)
Student and staff support	1,031,198	-	-	-	(1,031,198)
System administration	348,507	-	-	-	(348,507)
School administration	741,368	-	-	-	(741,368)
Transportation	663,696	242,904	-	-	(420,792)
Facilities maintenance	2,911,452	75,019	-	213,663	(2,622,770)
Other	45,677	-	-	-	(45,677)
Maine PERS - on-behalf payments	1,160,965	-	1,160,965	-	-
Student activities	24,809	-	35,690	-	10,881
Program expenditures	1,405,550	-	1,439,896	-	34,346
School lunch program	349,772	4,982	257,936	-	(86,854)
Interest expense	1,343,286	-	-	-	(1,343,286)
Total governmental activities	17,188,778	416,883	2,929,180	213,663	(13,629,052)
Total primary government	17,188,778	416,883	2,929,180	213,663	(13,629,052)
General revenues:					
Local assessments					15,258,168
State allocation					948,554
Unrestricted investment earnings					15,106
Miscellaneous					29,365
Total general revenues					16,251,193
Change in net position					2,622,141
Net position--beginning, as restated					9,020,725
Net position--ending				\$	11,642,866

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Balance Sheet
Governmental Funds
June 30, 2021

		General Fund	Mary E. Taylor Building Fund	School Construction Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$	1,216,473	3,946,821	730,385	-	183,327	6,077,006
Accounts receivable		22,832	-	-	-	-	22,832
Due from other governments		33,146	-	-	-	409,240	442,386
Interfund loans receivable		1,612,431	-	-	999,878	-	2,612,309
Inventory		-	-	-	-	11,360	11,360
Total assets		2,884,882	3,946,821	730,385	999,878	603,927	9,165,893
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accrued wages and benefits		1,172,035	-	-	-	50,541	1,222,576
Accounts payable		304,421	614,485	28,260	3,274	3,428	953,868
Unearned revenue		-	-	-	-	9,287	9,287
Interfund loans payable		-	1,629,908	797,043	-	185,358	2,612,309
Total liabilities		1,476,456	2,244,393	825,303	3,274	248,614	4,798,040
Fund balances:							
Restricted by grantors and donors		-	-	-	-	439,178	439,178
Restricted - capital projects		-	1,702,428	-	-	-	1,702,428
Committed		-	-	-	996,604	-	996,604
Assigned		360,000	-	-	-	-	360,000
Unassigned		1,048,426	-	(94,918)	-	(83,865)	869,643
Total fund balances (deficit)		1,408,426	1,702,428	(94,918)	996,604	355,313	4,367,853
Total liabilities and fund balances	\$	2,884,882	3,946,821	730,385	999,878	603,927	
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.							47,272,391
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.							
Bonds payable							(27,090,000)
Notes from direct borrowing							(7,454,326)
Unamortized bond premium							(2,470,528)
Net pension liability, including deferred outflows and inflows of resources							71,531
Total OPEB liability, including deferred outflows and inflows of resources							(2,786,873)
Accrued interest							(267,182)
Net position of governmental activities							\$ 11,642,866

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	General Fund	Mary E. Taylor Building Fund	School Construction Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Local assessments	\$ 15,258,168	-	-	-	-	15,258,168
Intergovernmental	2,144,212	-	-	-	1,585,448	3,729,660
Charges for services	336,882	-	-	-	4,982	341,864
Interest earned	11,815	28,538	7,341	-	3,291	50,985
Other revenues	104,384	42,231	135,553	-	148,074	430,242
Total revenues	17,855,461	70,769	142,894	-	1,741,795	19,810,919
Expenditures:						
Current:						
Regular instruction	5,229,267	-	-	-	-	5,229,267
Special education	2,172,042	-	-	-	-	2,172,042
Other instruction	41,055	-	-	-	-	41,055
Student and staff support	1,076,018	-	-	-	-	1,076,018
System administration	498,507	-	-	-	-	498,507
School administration	741,368	-	-	-	-	741,368
Transportation	648,494	-	-	-	-	648,494
Facilities maintenance	1,549,341	-	-	-	-	1,549,341
Other	54,955	-	-	-	-	54,955
Maine PERS - on-behalf payments	1,160,965	-	-	-	-	1,160,965
Student activities	-	-	-	-	24,809	24,809
Program expenditures	-	-	-	-	1,405,550	1,405,550
School lunch program	-	-	-	-	337,633	337,633
Debt service	3,809,716	-	-	-	-	3,809,716
Capital outlay	153,740	3,685,585	3,145,336	31,924	107,724	7,124,309
Total expenditures	17,135,468	3,685,585	3,145,336	31,924	1,875,716	25,874,029
Excess (deficiency) of revenues over (under) expenditures	719,993	(3,614,816)	(3,002,442)	(31,924)	(133,921)	(6,063,110)
Other financing sources (uses):						
Proceeds from notes from direct borrowing	153,740	-	-	-	-	153,740
Transfer from other funds	-	292,530	1,952,909	175,000	64,000	2,484,439
Transfer to other funds	(264,000)	-	-	(2,220,439)	-	(2,484,439)
Total other financing sources (uses)	(110,260)	292,530	1,952,909	(2,045,439)	64,000	153,740
Net change in fund balances	609,733	(3,322,286)	(1,049,533)	(2,077,363)	(69,921)	(5,909,370)
Fund balances, beginning of year	798,693	5,024,714	954,615	3,073,967	425,234	10,277,223
Fund balances (deficit), end of year	\$ 1,408,426	1,702,428	(94,918)	996,604	355,313	4,367,853

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
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)	\$	(5,909,370)
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) 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	7,133,587	
Less: book value of disposed assets	(26,350)	
Less: depreciation expense	<u>(1,448,744)</u>	5,658,493
<p>Debt and financed purchase 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 bond principal	1,505,000	
Repayment of notes from direct borrowing	789,345	
Amortization of bond premiums	290,238	
Proceeds from notes from direct borrowing	<u>(153,740)</u>	2,430,843
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. More specifically, this represents:</p>		
Change in interest accrual	12,309	
Change in litigation claims	150,000	
Change in net pension liability, with related deferred outflows and inflows of resources	6,611	
Change in OPEB liability, with related deferred outflows and inflows of resources	<u>273,255</u>	442,175
<hr/>		
Change in net position of governmental activities (see Statement 2)	\$	2,622,141

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2021

	General Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 15,258,168	15,258,168	15,258,168	-
Intergovernmental	915,341	915,341	983,247	67,906
Charges for services	306,908	306,908	336,882	29,974
Interest earned	15,000	15,000	11,815	(3,185)
Other revenues	82,000	82,000	104,384	22,384
Total revenues	16,577,417	16,577,417	16,694,496	117,079
Expenditures:				
Current:				
Regular instruction	5,519,792	5,519,792	5,385,846	133,946
Special education	2,298,391	2,298,391	2,172,042	126,349
Other instruction	120,454	120,454	41,055	79,399
Student and staff support	1,119,443	1,119,443	1,076,018	43,425
System administration	472,512	472,512	498,507	(25,995)
School administration	775,764	775,764	741,368	34,396
Transportation	726,841	726,841	648,494	78,347
Facilities maintenance	1,837,311	1,837,311	1,549,341	287,970
Other	65,000	65,000	54,955	10,045
Debt service	3,827,909	3,827,909	3,809,716	18,193
Total expenditures	16,763,417	16,763,417	15,977,342	786,075
Excess (deficiency) of revenues over (under) expenditures	(186,000)	(186,000)	717,154	903,154
Other financing sources (uses):				
Budgeted use of fund balance	425,000	425,000	-	(425,000)
Transfer to Capital Reserve Fund	(175,000)	(175,000)	(200,000)	(25,000)
Transfer to School Lunch Fund	(64,000)	(64,000)	(64,000)	-
Total other financing sources (uses)	186,000	186,000	(264,000)	(450,000)
Net change in fund balance - budgetary basis	-	-	453,154	453,154
Reconciliation to GAAP basis:				
Change in accrued teacher summer salaries and accrued hourly payroll			156,579	
Net change in fund balance - GAAP basis			609,733	
Fund balance, beginning of year			798,693	
Fund balance, end of year			\$ 1,408,426	

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements

THE REPORTING ENTITY

Maine School Administrative District No. 28 (District) is located in Knox County in the central coastal region of Maine. The District was organized in 1964 and provides elementary education for its member towns of Camden and Rockport.

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 Maine School Administrative District No. 28 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 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.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. Non-major funds are aggregated and presented in a single column.

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. The District utilizes only the governmental fund category.

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.

Mary E. Taylor Building Fund - The Mary E. Taylor Building Fund is used to account for financial resources segregated for the renovation of the Mary E. Taylor building. Such resources are derived principally from proceeds of general obligation bond issues.

School Construction Fund - The School Construction Fund is used to account for financial resources segregated for the construction of the new middle school. Such resources are derived principally from proceeds of general obligation bond issues.

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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus

1. Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

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. 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.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include local assessments, grants, entitlements, and donations. On an accrual basis, revenue from local assessments is recognized in the fiscal year for which the assessments 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. 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. All encumbrances lapse at year end except those which have been authorized to be carried forward.
- F. Interfund Transactions** - During the course of normal operations, the District has several transactions between funds including expenditures and transfers of resources to provide services. These transactions are reported as transfers. 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.
- G. Inventories** - Food services inventories are valued at the lower of cost (first-in, first-out basis) or market. Inventories include the value of the U.S. Department of Agriculture commodities donated to the School Lunch Fund.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- H. 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 unused sick time is only paid out to certain ed techs and secretaries who meet specific retirement criteria specified in the union contract.
- I. 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, liabilities, and deferred inflows 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.
- J. 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 estimated acquisition cost as of the date received. The District maintains a capitalization threshold of \$7,500. The District does not possess any 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 and land improvements and construction in progress 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	5-100 years
Furniture and Equipment	5-40 years
Vehicles	10-20 years

- K. Accrued Liabilities and Long-term Obligations** - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and reported as obligations of the governmental funds. The capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

- L. Comparative Data/Reclassifications** - Comparative data for the prior year has been presented only for certain funds in the financial statements in order to provide an understanding of the changes in financial position and operations of these funds. In addition, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- 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. Other Postemployment Benefits (OPEB)** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System Group Life Insurance Plan for State Employees and Teachers (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.
- O. 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

As of June 30, 2021, fund balance components consisted of the following:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:			
Subsequent budget	\$ -	-	250,000
Reserves	-	-	110,000
Mary E. Taylor Building Fund	1,702,428	-	-
Capital Reserve Fund	-	996,604	-
Other Governmental Funds:			
Grants and other purposes	342,091	-	-
Student activities	97,087	-	-
Totals	\$ 2,141,606	996,604	360,000

In addition, the General Fund had an unassigned fund balance of \$1,048,426 and the School Construction Fund and Other Governmental Funds had unassigned fund deficits of \$94,918 and \$83,865, respectively, at year-end.

- P. 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information - A budget is formally adopted for the General Fund each year through the passage of articles through a District-wide referendum vote, and is prepared on a basis consistent with accounting principles generally accepted in the United States of America except for teachers' summer salaries and benefits and Maine Public Employees Retirement System on-behalf payments. 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. Deficit Fund Balance - At June 30, 2021, the following funds had a deficit fund balance:

School Construction Fund	\$94,918
Local Entitlement	67
Private Transportation Service – Homeless	4,222
HR Support	136
Friends of MSAD 28	491
CRMS Yearbooks	3,804
Volvo Challenge	206

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 a public entity risk pool sponsored by the Maine School Management Association (MSMA) for Workers' Compensation coverage. Based on the coverage provided by this pool, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2021.

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 \$6,077,006 with a bank balance of \$6,317,205. Of the District's bank balance of \$6,317,205, \$336,124 was covered by FDIC. The remaining \$5,981,081 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/21</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 28,483,676	6,844,766	(31,471,800)	3,856,642
Total capital assets, not being depreciated	28,483,676	6,844,766	(31,471,800)	3,856,642
Capital assets, being depreciated:				
Buildings and improvements	21,729,009	31,471,800	(551,505)	52,649,304
Furniture and equipment	770,688	-	-	770,688
Vehicles	1,170,578	288,821	-	1,459,399
Total capital assets, being depreciated	23,670,275	31,760,621	(551,505)	54,879,391
Less accumulated depreciation:				
Buildings and improvements	(9,044,519)	(1,324,841)	525,155	(9,844,205)
Furniture and equipment	(664,762)	(23,059)	-	(687,821)
Vehicles	(830,772)	(100,844)	-	(931,616)
Total accumulated depreciation	(10,540,053)	(1,448,744)	525,155	(11,463,642)
Capital assets being depreciated, net	13,130,222	30,311,877	(26,350)	43,415,749
Governmental capital assets, net	\$ 41,613,898	37,156,643	(31,498,150)	42,272,391

Depreciation expense was charged to governmental functions as follows:

Transportation	\$ 100,844
Facilities maintenance	1,335,761
School lunch program	12,139
Total depreciation expense	\$ 1,448,744

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES

Individual interfund receivables and payables at June 30, 2021 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ 1,612,431	-
Mary E. Taylor Building Fund	-	1,629,908
School Construction Fund	-	797,043
Capital Reserve Fund	999,878	-
Other Governmental Funds	-	185,358
Total all funds	\$ 2,612,309	2,612,309

During the normal operations of the District, most cash transactions occur in the General Fund; the use of interfund accounts ensures that activity is reflected in the proper funds.

INTERFUND TRANSFERS

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

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	(264,000)
Mary E. Taylor Building Fund	292,530	-
School Construction Fund	1,952,909	-
Capital Reserve Fund	175,000	(2,220,439)
School Lunch Fund	64,000	-
Total transfers	\$ 2,484,439	(2,484,439)

These transfers were to fund the School Lunch fund operating expenses and to set aside funds for major capital improvement projects.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term Debt - The following is a summary of long-term debt transactions of the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending balance	Due within one year
Bonds payable	\$ 28,595,000	-	1,505,000	27,090,000	1,505,000
Bond premium	2,760,766	-	290,238	2,470,528	273,755
Notes from direct borrowings	8,089,931	153,740	789,345	7,454,326	739,801
Litigation claims	150,000	-	150,000	-	-
Total OPEB liability	3,271,387	-	515,938	2,755,449	-
Net pension liability	188,424	-	19,045	169,379	-
Total long-term debt	\$ 43,055,508	153,740	3,269,566	39,939,682	2,518,556

Bonds payable and notes from direct borrowings at June 30, 2021 are comprised of the following individual issues:

	Date of issue	Amount issued	Interest rate	Maturity date	Balance 6/30/2021
Bonds payable:					
Middle School Construction	6/11/18	\$ 25,200,000	4.0 - 5.0%	5/1/2039	22,680,000
MET Building Renovation – Series A	2/18/19	3,297,000	3.0 - 5.0%	5/1/2039	2,970,000
MET Building Renovation – Series B	2/18/19	1,600,000	3.5 - 4.0%	5/1/2039	1,440,000
Total bonds payable					\$ 27,090,000

Notes from direct borrowings:

Notes payable:

CRES Project	5/05/08	\$14,791,797	2.0 - 5.5%	11/1/2031	7,074,342
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Financed purchases:

Bus	3/26/18	58,936	5.05%	4/15/22	12,387
Bus	8/31/18	86,650	5.39%	9/15/22	35,575
Kitchen equipment	12/6/18	236,482	4.41%	7/15/30	201,117
Computers	7/25/19	43,969	1.99%	7/25/21	14,655
Computers	11/20/20	44,740	0.00%	11/20/23	29,827
Bus	8/14/20	109,000	2.15%	9/15/24	86,423
Total financed purchases					379,984

Total notes from direct borrowings **\$ 7,454,326**

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The District has entered into various financed purchase agreements to finance the cost of various food service equipment, computers, and school buses. These financed purchases qualify as notes from direct borrowing for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments as of their inception. The amount capitalized under financed purchases as of June 30, 2021 was \$509,014 with related accumulated depreciation of \$147,012.

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>Bonds Payable</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,505,000	1,236,719	739,801	303,910
2023	1,505,000	1,162,669	714,870	265,440
2024	1,505,000	1,088,619	682,921	228,264
2025	1,505,000	1,014,569	684,165	185,589
2026	1,505,000	940,119	662,709	155,028
2027-2031	7,525,000	3,584,004	3,326,738	284,203
2032-2036	7,525,000	1,804,478	643,122	-
2037-2039	4,515,000	355,425	-	-
Totals	\$ 27,090,000	11,186,602	7,454,326	1,422,434

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 Maine Department 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 \$34,544,326 was within the minimum statutory limit of 10% of the two participating municipalities.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

PENSIONS

General Information about the Pension Plan

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

Benefits Provided - The SET Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET 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.

SET Plan - 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 School 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 \$267,693 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 liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

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:

District's proportionate share of the net pension liability	\$ 169,379
State's proportionate share of the net pension liability associated with the District	7,788,165
Total	\$ 7,957,544

At June 30, 2020, the District's proportion of the SET Plan was 0.0104%.

For the year ended June 30, 2021, the District recognized pension expense of \$1,183,207 and revenue of \$922,125 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	\$ 1,828	-
Net difference between projected and actual earnings on pension plan investments	7,021	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	35,632
District contributions subsequent to the measurement date	267,693	-
Total	\$ 276,542	35,632

An amount of \$267,693 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date 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	\$ (26,215)
2023	(12,971)
2024	6,234
2025	6,169

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:

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

	<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%

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 plan's 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.

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:

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

PENSIONS, CONTINUED

<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	\$ 293,753	169,379	65,716

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.mpers.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 retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - 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 District were \$16,242 for the year ended June 30, 2021. Employers and employees are not required to contribute to the OPEB plan.

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 \$144,652 as of June 30, 2021. The net OPEB liability was measured as of June 30, 2020, and 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 \$16,242 and also revenues of \$16,242 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 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%

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*.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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	74
Inactive employee entitled to but not yet receiving benefits	-
Active employees	138
Total	212

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

The District's total OPEB liability of \$2,755,449 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	\$	3,271,387
Changes for the year:		
Service cost		29,321
Interest		112,712
Changes of benefit terms		(269,127)
Differences between expected and actual experience		(94,927)
Changes in assumptions or other inputs		(131,765)
Benefit payments		(162,152)
Net changes		(515,938)
Balance at June 30, 2021	\$	2,755,449

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

For the year ended June 30, 2021, The District recognized OPEB gain of \$273,255. 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
Difference between expected and actual experience	\$ -	79,106
Changes of assumption or other inputs	\$ -	66,996
District contributions subsequent to measurement date	114,678	-
Total	\$ 114,678	146,102

\$114,678 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	\$ (31,483)
2023	(31,484)
2024	(7,571)
2025	(37,782)
2026	(37,782)

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 grading over 18 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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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	\$ 3,194,887	2,755,449	2,399,532

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	\$ 2,376,972	2,755,449	3,228,380

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

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 bonds and capital leases payable and adding back any unspent proceeds. The District's net investment in capital assets was calculated as follows at June 30, 2021:

	<u>Governmental activities</u>
Capital assets	\$ 58,736,033
Accumulated depreciation	(11,463,642)
Bonds payable	(27,090,000)
Bond premium	(2,470,528)
Notes from direct borrowings	(7,454,326)
<u>Unspent bond and note proceeds</u>	<u>1,702,428</u>
<u>Total net investment in capital assets</u>	<u>\$ 11,959,965</u>

BUDGETARY ACCOUNTING

Through June 30, 2021, the District did not budget for expenditures for teacher summer salaries or accrued payroll on an accrual basis as required by generally accepted accounting principles (GAAP). The following is a reconciliation of the General Fund GAAP and budgetary fund balances.

Fund balance – June 30, 2021 - GAAP Basis (Statement 3)	\$ 1,408,426
<u>Teacher summer salaries and accrued hourly payroll</u>	<u>1,172,035</u>
<u>Fund balance - June 30, 2021 - budgetary basis</u>	<u>\$ 2,580,461</u>

The following is a reconciliation of the net change in fund balance, GAAP basis, and budgetary basis.

Net change in fund balance - budgetary basis (Statement 6)	\$ 453,154
Reconciliation to budgetary basis:	
<u>Change in accrued teacher summer salaries and accrued hourly payroll</u>	<u>156,579</u>
<u>Net change in fund balance - GAAP basis (Statement 4)</u>	<u>\$ 609,733</u>

Additionally, as required by generally accepted accounting principles (U.S. GAAP), the District has recorded a revenue and an expenditure for Maine Public Employees Retirement and life insurance contributions made by the State of Maine on behalf of the District. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$1,160,965. These amounts have been included as an intergovernmental revenue and an education expense/expenditure on Statement 2 and Statement 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

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 \$85,106.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
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>
District's proportion of the net pension liability	0.0104%	0.0129%	0.0151%	0.0113%	0.0152%	0.0121%	0.0139%
District's proportionate share of the net pension liability	\$ 169,379	188,424	204,117	164,660	268,161	163,297	150,490
State's proportionate share of the net pension liability associated with the District	7,788,165	7,018,008	6,480,646	6,953,342	8,511,885	6,481,267	4,918,991
Total	\$ 7,957,544	7,206,432	6,684,763	7,118,002	8,780,046	6,644,564	5,069,481
District's covered payroll	\$ 6,319,237	6,279,491	6,086,303	5,924,974	5,834,998	5,631,745	5,258,155
District's proportionate share of the net pension liability as a percentage of its covered payroll	2.68%	3.00%	3.35%	2.37%	4.60%	2.90%	2.86%
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%

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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Required Supplementary Information, Continued

Schedule of District Contributions – Net Pension Liability
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	\$ 267,693	262,880	249,296	241,626	199,079	196,056	149,241	139,368
Contributions in relation to the contractually required contribution	(267,693)	(262,880)	(249,296)	(241,626)	(199,079)	(196,056)	(149,241)	(139,368)
Contribution deficiency (excess)	\$ -	-						
District's covered payroll	\$ 6,434,924	6,319,237	6,279,491	6,086,303	5,924,974	5,834,998	5,631,745	5,258,155
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 available.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Required Supplementary Information, Continued

Schedule of District's Proportionate Share of the Net OPEB Liability
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	144,652	145,362	142,632	114,531
Total	\$ 144,652	145,362	142,632	114,531
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	48.04%	47.29%

** Only four years of information available.*

Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Required Supplementary Information, Continued

Schedule of Changes in the District's Total Health Plan OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	2021	2020	2019
Total OPEB Liability			
Service cost	\$ 29,321	25,090	26,536
Interest	112,712	118,882	114,176
Changes of benefit terms	(269,127)	-	-
Differences between expected and actual experience	(94,927)	-	-
Changes of assumptions or other inputs	(131,765)	151,055	(119,561)
Benefit payments	(162,152)	(139,568)	(134,744)
Net change in total OPEB Liability	(515,938)	155,459	(113,593)
Total OPEB liability - beginning	3,271,387	3,115,928	3,229,521
Total OPEB liability - ending	\$ 2,755,449	3,271,387	3,115,928
Covered-employee payroll	\$ 6,101,796	6,675,463	6,496,801
Total OPEB liability as a percent of covered-employee payroll	45.16%	49.01%	47.96%

*Only three years of information available.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
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>2021</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate	6.75%	6.75%	6.88%	7.13%	7.13%	7.25%
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	6.75%	6.88%
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>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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Comparative Balance Sheets
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,216,473	4,265,179
Accounts receivable	22,832	1,339
Due from other governments	33,146	75,816
Interfund loans receivable	1,612,431	-
Total assets	2,884,882	4,342,334
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages and benefits	1,172,035	1,328,614
Accounts payable	304,421	95,218
Interfund loans payable	-	2,119,809
Total liabilities	1,476,456	3,543,641
Fund balance:		
Assigned	360,000	425,000
Unassigned	1,048,426	373,693
Total fund balance	1,408,426	798,693
Total liabilities and fund balance	\$ 2,884,882	4,342,334

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2021

	2021		Variance positive (negative)
	Budget	Actual	
Revenues:			
Local assessments:			
Camden	\$ 7,960,678	8,383,464	422,786
Rockport	7,297,490	6,874,704	(422,786)
Total local assessments	15,258,168	15,258,168	-
Intergovernmental:			
State allocation	915,341	948,554	33,213
State agency clients	-	7,685	7,685
National board salary supplement	-	2,163	2,163
Medicaid reimbursement	-	24,845	24,845
Total intergovernmental	915,341	983,247	67,906
Charges for services:			
Tuition	68,696	93,978	25,282
Transportation	238,212	242,904	4,692
Total charges for services	306,908	336,882	29,974
Investment income:			
General investment earnings	15,000	11,815	(3,185)
Total investment income	15,000	11,815	(3,185)
Other revenues:			
Rentals	75,000	75,019	19
Miscellaneous revenue	7,000	29,365	22,365
Total other revenues	82,000	104,384	22,384
Total revenues	16,577,417	16,694,496	117,079

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis, Continued

	2021		Variance positive (negative)
	Budget	Actual	
Expenditures:			
Current:			
Administration:			
School Board	\$ 91,550	107,539	(15,989)
Office of Superintendent	380,962	390,968	(10,006)
K-4 Principal Office	368,828	360,652	8,176
5-8 Principal Office	406,936	380,716	26,220
Total administration	1,248,276	1,239,875	8,401
Regular instruction:			
Instructional services K-4	2,675,332	2,640,087	35,245
Instruction services 5-8	2,719,439	2,683,474	35,965
ESL	32,180	25,643	6,537
Horizons Program	92,841	36,642	56,199
Total regular instruction	5,519,792	5,385,846	133,946
Other instruction:			
Summer School	8,286	366	7,920
K-4 Extra/Co-curricular	11,144	-	11,144
5-8 Extra/Co-curricular	101,024	40,689	60,335
Total other instruction	120,454	41,055	79,399
Student and staff support:			
Guidance K-4	171,908	168,261	3,647
Guidance 5-8	210,507	213,561	(3,054)
Health services	186,170	183,865	2,305
Curriculum development	78,188	55,705	22,483
Instructional training	7,050	6,222	828
Library K-4	117,227	111,576	5,651
Library 5-8	116,309	108,619	7,690
Technical services	216,131	218,478	(2,347)
Assessment	15,953	9,731	6,222
Total student and staff support	1,119,443	1,076,018	43,425
Special education:			
Instructional services	2,066,997	1,995,683	71,314
Administration	229,394	176,359	53,035
State agency client grant	2,000	-	2,000
Total special education	2,298,391	2,172,042	126,349
Facilities and maintenance:			
K-4 operation and maintenance	832,622	740,197	92,425
5-8 operation and maintenance	1,004,689	809,144	195,545
Total facilities and maintenance	1,837,311	1,549,341	287,970

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis, Continued

	2021		Variance positive (negative)
	Budget	Actual	
Expenditures, continued			
Current, continued:			
Transportation	\$ 726,841	648,494	78,347
Total transportation	726,841	648,494	78,347
Other	65,000	54,955	10,045
Debt service	3,827,909	3,809,716	18,193
Total expenditures	16,763,417	15,977,342	786,075
Excess (deficiency) of revenues over (under) expenditures	(186,000)	717,154	903,154
Other financing sources (uses):			
Budgeted use of fund balance	425,000	-	(425,000)
Transfer to Capital Reserve Fund	(175,000)	(200,000)	(25,000)
Transfer to School Lunch	(64,000)	(64,000)	-
Total other financing sources (uses)	186,000	(264,000)	(450,000)
Net change in fund balance - budgetary basis	-	453,154	453,154
Reconciliation to GAAP basis:			
Change in accrued summer salaries		156,579	
Net change in fund balance		609,733	
Fund balance, beginning of year		798,693	
Fund balance, end of year	\$	1,408,426	

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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MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	School Lunch Fund	School Grants and Other Programs	Student Activity Funds	Total
ASSETS				
Cash and equivalents	\$ 4,418	81,822	97,087	183,327
Due from other governments	26,731	382,509	-	409,240
Inventory	11,360	-	-	11,360
Total assets	42,509	464,331	97,087	603,927
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued wages and benefits	9,634	40,907	-	50,541
Accounts payable	-	3,428	-	3,428
Unearned revenues	9,287	-	-	9,287
Interfund payables	98,527	86,831	-	185,358
Total liabilities	117,448	131,166	-	248,614
Fund balances:				
Restricted	-	342,091	97,087	439,178
Unassigned	(74,939)	(8,926)	-	(83,865)
Total fund balances (deficit)	(74,939)	333,165	97,087	355,313
Total liabilities and fund balances	\$ 42,509	464,331	97,087	603,927

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2021

	School Lunch Fund	School Grants and Other Programs	Student Activity Funds	Totals
Revenues:				
Intergovernmental	\$ 257,936	1,325,975	-	1,583,911
Charges for services	4,982	-	-	4,982
Investment income	-	2,191	1,100	3,291
Other income	-	112,384	35,690	148,074
Total revenues	262,918	1,440,550	36,790	1,740,258
Expenditures:				
Current:				
Food service	336,706	-	-	336,706
Student Activities	-	-	24,809	24,809
Recreation - cultural	-	63,577	-	63,577
Program expenditures	-	1,340,436	-	1,340,436
Capital Outlay	107,724	-	-	107,724
Total expenditures	444,430	1,404,013	24,809	1,873,252
Excess (deficiency) of revenues over (under) expenditures	(181,512)	36,537	11,981	(132,994)
Other financing sources:				
Transfer from General Fund	64,000	-	-	64,000
Total other financing sources	64,000	-	-	64,000
Net change in fund balance - budgetary basis	(117,512)	36,537	11,981	(68,994)
Reconciliation to GAAP basis:				
Change in accrued payroll	(927)	-	-	(927)
Net change in fund balance	(118,439)	36,537	11,981	(69,921)
Fund balances, beginning of year, restated	43,500	296,628	85,106	425,234
Fund balances (deficit), end of year	\$ (74,939)	333,165	97,087	355,313

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
School Grants 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:						
Title IA *	\$ -	127,716	-	-	127,716	-
Title IIA*	-	56,119	-	-	56,119	-
Title IV	-	8,821	-	-	8,821	-
Local Entitlement *	(67)	172,847	-	-	172,847	(67)
MaineCare	4,364	-	-	-	-	4,364
Elementary and Secondary School Emergency Relief (ESSER I)	-	12,962	-	-	12,962	-
Coronavirus Relief Funds	-	443,968	-	-	443,968	-
Coronavirus Relief Funds II	-	470,322	-	-	470,322	-
Private Transportation Service - Homeless	-	-	-	-	4,222	(4,222)
Elementary and Secondary School Emergency Relief (ESSER II)	-	7,770	-	-	7,770	-
Elementary and Secondary School Emergency Relief (ESSER III)	-	24,500	-	-	24,500	-
National Board Certification Scholarship	-	-	950	-	-	950
Total federal and state programs	4,297	1,325,025	950	-	1,329,247	1,025
Other programs:						
Bisbee Sport Fund	131,904	-	-	100,012	63,577	168,339
MBNA ADF Fund	61,101	-	-	852	-	61,953
R. Clark Bequest	53,407	-	-	265	-	53,672
Emily Hall Fund	41,915	-	-	549	2,269	40,195
HR Support	(70)	-	-	8,854	8,920	(136)
Influenza Grant	1,824	-	-	9	-	1,833
MLTI Insurance	6,438	-	-	32	-	6,470
Food Champs	313	-	-	2	-	315
Friends of MSAD 28	(491)	-	-	-	-	(491)
CRMS Yearbooks	(3,804)	-	-	-	-	(3,804)
Volvo Challenge	(206)	-	-	-	-	(206)
Full Plates Full Potential	-	-	-	4,000	-	4,000
Total other programs	292,331	-	-	114,575	74,766	332,140
Total	\$ 296,628	1,325,025	950	114,575	1,404,013	333,165

* Program revenues and expenditures vary from Statement 4 as a result of accrued payroll liabilities and related receivables, which are not considered under the basis of accounting reflected above.