

Audited Financial Statements and
Other Financial Information

Acton School Department

June 30, 2022



Proven Expertise & Integrity

ACTON SCHOOL DEPARTMENT

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Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT

Acton School Committee
Acton School Department
Acton, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Acton School Department, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Acton School Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Acton School Department as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Acton School Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Acton School Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 Acton School Department's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Acton School Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1 of Notes to Financial Statements, the financial statements of the Acton School Department are intended to present the financial position and the changes in financial position of only that portion of each major fund and the aggregate remaining fund information of the Town of Acton, Maine that is attributable to the transactions of the Acton School Department. They do not purport to and do not present fairly the financial position of the Town of Acton, Maine as of June 30, 2022 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 25 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.

Management has omitted the management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acton School Department's basic financial statements. The Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Departmental Operations - General Fund and combining and individual nonmajor 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 September 6, 2022, on our consideration of the Acton School Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the Acton School Department'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 the Acton School Department's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
September 6, 2022

ACTON SCHOOL DEPARTMENT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 161,187	\$ 16,403	\$ 177,590
Investments	-	2,744	2,744
Due from Town	1,961,477	-	1,961,477
Due from other governments	8,598	63,360	71,958
Inventory	5,214	-	5,214
Prepaid items	85,508	-	85,508
Due from other funds	23,445	-	23,445
TOTAL ASSETS	<u>\$ 2,245,429</u>	<u>\$ 82,507</u>	<u>\$ 2,327,936</u>
LIABILITIES			
Accounts payable	\$ 119,196	\$ 3,971	\$ 123,167
Accrued expenses	327,386	35,944	363,330
Accrued compensated absences	27,703	-	27,703
Due to other funds	-	23,445	23,445
TOTAL LIABILITIES	<u>474,285</u>	<u>63,360</u>	<u>537,645</u>
FUND BALANCES			
Nonspendable	90,722	-	90,722
Restricted	-	-	-
Committed	-	-	-
Assigned	635,783	19,147	654,930
Unassigned	1,044,639	-	1,044,639
TOTAL FUND BALANCES	<u>1,771,144</u>	<u>19,147</u>	<u>1,790,291</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,245,429</u>	<u>\$ 82,507</u>	<u>\$ 2,327,936</u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Local Assessments	\$ 4,406,971	\$ -	\$ 4,406,971
Intergovernmental Revenues	623,971	739,298	1,363,269
Charges for Services	345	-	345
Other	15,306	10,327	25,633
TOTAL REVENUES	5,046,593	749,625	5,796,218
EXPENDITURES			
Current:			
Regular Instruction	2,393,432	-	2,393,432
Special Education	1,036,394	-	1,036,394
Other Instruction	33,545	-	33,545
Student and Staff Support	519,578	-	519,578
System Administration	193,585	-	193,585
School Administration	142,299	-	142,299
Transportation	302,153	-	302,153
Facilities Maintenance	504,358	-	504,358
All Other Expenditures	165,597	-	165,597
State of Maine On-behalf Payments	254,707	-	254,707
Program Expenditures	-	560,845	560,845
TOTAL EXPENDITURES	5,545,648	560,845	6,106,493
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(499,055)	188,780	(310,275)
OTHER FINANCING SOURCES (USES)			
Transfers In	188,389	-	188,389
Transfers (Out)	-	(188,389)	(188,389)
TOTAL OTHER FINANCING SOURCES (USES)	188,389	(188,389)	-
NET CHANGE IN FUND BALANCES	(310,666)	391	(310,275)
FUND BALANCES - JULY 1	2,081,810	18,756	2,100,566
FUND BALANCES - JUNE 30	\$ 1,771,144	\$ 19,147	\$ 1,790,291

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Private-Purpose Trust Funds</u> <u>Scholarship Funds</u>
ASSETS	
Cash and cash equivalents	\$ 21,601
TOTAL ASSETS	<u>\$ 21,601</u>
LIABILITIES	
Deposits held for others	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted - held in trust	21,601
TOTAL NET POSITION	<u>21,601</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 21,601</u>

See accompanying independent auditor’s report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private Purpose Trust Scholarship Funds
ADDITIONS	
Interest income	\$ 1
Total additions	<u>1</u>
DEDUCTIONS	
Scholarship awards	<u>-</u>
Total deductions	<u>-</u>
CHANGE IN NET POSITION	1
NET POSITION - JULY 1	<u>21,600</u>
NET POSITION - JUNE 30	<u><u>\$ 21,601</u></u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Acton School Department was incorporated under the laws of the State of Maine and operates as a department of the Town of Acton, Maine, the financial statements of which have been issued in a separate report for the year ended June 30, 2022. Therefore, the financial statements that follow present only the operations for the Department and are not intended to present fairly the financial position and results of operations of the Town of Acton, Maine in accordance with generally accepted accounting principles (GAAP). Certain disclosures relevant to both the Town of Acton, Maine and the Acton School Department have been omitted from these financial statements and have been disclosed in the Town's financial statements.

The Department's financial statements are prepared in accordance with generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Department are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Department:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Department:

Major Fund:

- a. The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds:

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Department programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The Department's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third-party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Revenue Recognition

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 Acton School Department, available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt which has not matured are recognized when paid. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

Budgetary Accounting

Acton School Department utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund. The budget is established in accordance with the various laws that govern Acton School Department operations. Annually, the Acton School Committee votes on the budget by the cost centers. The School Committee then submits its budget to the Acton Selectboard for approval. The Acton Selectboard approves the total budget and it then goes to the voters as part of the budget validation referendum process. Budgetary control at the appropriation account level resides with the Acton School Committee. During the year, the Acton School Committee may transfer up to 5% of one cost center to another cost center. The Acton School Department does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Department's policy to value investments at fair value. None of the Department's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Department Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Acton School Department has no formal investment policy but instead follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies and the Town of Acton. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible amounts is estimated to be \$0 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$2,033,435 for the year ended June 30, 2022.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost which approximate market, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). The general fund inventory consists of school lunch supplies and food on hand at the end of the year.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Accrued Compensated Absences

The Department’s policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements of the Town. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2022, the Department’s liability for accrued compensated absences is \$27,703.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Department is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town of Acton. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Department. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given through Town meetings and is expressed by the Acton School Committee.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Department considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Department considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Department meeting vote has provided otherwise in its commitment or assignment actions.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Department does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Department's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

ACTON SCHOOL DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS

The Department’s investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Department funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Department will not be able to recover its deposits. The Department does not have a policy covering custodial credit risk for deposits. However, the Department maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2022, the Department’s deposits of \$199,191 were comprised of bank deposits of \$495,179. Bank deposits (and cash equivalents) are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Department’s cash (and cash equivalents) balance. All of these bank deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	\$ 26,584
Savings accounts	21,601
ICS accounts	446,994
	\$ 495,179

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Department does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

local financial institutions for \$2,744 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2022, the Department had \$2,744 invested in a certificate of deposit. The entire amount was insured by federal deposit insurance and consequently was not exposed to custodial credit risk.

Credit risk - Statutes for the State of Maine authorize the Department to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Department does not have an investment policy on credit risk.

NOTE 3 - INTERFUND RECEIVABLES

The Department had the following interfund receivables at June 30, 2022:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 23,445	\$ -
Nonmajor Special Revenue Funds	-	23,445
	\$ 23,445	\$ 23,445

The result of amounts owed between funds are considered to be in the course of normal operations by the Department. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2022 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ -	\$ 188,389
Nonmajor Special Revenue Funds	188,389	-
	\$ 188,389	\$ 188,389

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

ACTON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - BUDGETARY VS. GAAP BASIS OF ACCOUNTING

Revenues and expenditures as reported in the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund (Schedule 1) are reported on the basis budgeted by the Department. Statement B is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, the Department has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on-behalf of the Department. 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 generally accepted accounting principles of \$282,652. These amounts have been included as intergovernmental revenue and as education expenditures in the General Fund on Statement B (GAAP basis). There is no effect on the total fund balance at the end of the year.

NOTE 6 - NONSPENDABLE FUND BALANCES

The Department had the following nonspendable fund balances at June 30, 2022:

General Fund:	
Inventory	\$ 5,214
Prepaid items	<u>85,508</u>
	<u>\$ 90,722</u>

NOTE 7 - ASSIGNED FUND BALANCES

The Department had the following assigned fund balances at June 30, 2022:

General Fund:	
FY 2023 Budget	\$ 296,636
Capital Reserve	100,000
Fuel Reserve	10,000
Tuition and Assistive Technology Reserve	150,000
Professional Reserve	10,000
Technology Reserve	10,000
Health Reserve	15,000
Capital Improvement Reserve	15,000
Matching Grant Reserve	10,000
Nonmajor Special Revenue Funds (Schedule D)	<u>19,147</u>
	<u>\$ 635,783</u>

ACTON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All schoolteachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 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. The System also provides disability and death benefits which are established by statute for State employee and teacher members. During the year ended June 30, 2021, the retirement system consisted of 238 participating employers.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 0.93%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Department's teachers are required to contribute 7.65% of their compensation to the retirement system. The Department's payroll for teachers covered by this program was approximately \$1,977,968 for the year ended June 30, 2022. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% of the Department's contractually required contributions, which 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 (UAL). Contributions paid by the State were approximately \$250,641 for the year ended June 30, 2021. Title 5 of the Maine Revised Statutes Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 3.84%, which totaled \$75,953 for 2022. In addition, the Department is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.89% of compensation and totaled \$28,058 the year ended June 30, 2022.

NOTE 9 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2021, there were 228 employers, including the State of

ACTON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Group Life Insurance Plan (the Plan) 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 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement 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

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For the Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2022 were approximately \$4,066.

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the Department's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the Department and/or the Department retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the Department concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the

ACTON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Active members	41
Retirees and spouses	<u>11</u>
Total	<u><u>52</u></u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - DEFERRED COMPENSATION PLAN

The School Department offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all school employees, permits them to defer a portion of their salary until future years. There is no employer match by the School Department. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries

It is the opinion of the School Department's management that the School Department has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 12 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Department carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by Maine School Management Association.

Based on the coverage provided by the insurance purchased, the Department is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2022. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Department's financial position.

The Department participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Department's compliance with applicable grant requirements may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

ACTON SCHOOL DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 - CONTINGENCIES (CONTINUED)

Acton School Department receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the School and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2023 could include expenditures from the fiscal year of 2022 that would normally be accrued. The actual amount cannot be determined at this time; however, it is the position of the Acton School Department that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine schools concerning this matter.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

ACTON SCHOOL DEPARTMENT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,081,810	\$ 2,081,810	\$ 2,081,810	\$ -
Resources (Inflows):				
Local Assessments	4,406,971	4,406,971	4,406,971	-
Intergovernmental Revenues:				
State Subsidy	356,694	356,694	369,264	12,570
Federal Subsidy	80,000	105,000	-	(105,000)
Charges for services	-	-	345	345
Interest Income	-	-	940	940
Other	-	-	14,366	14,366
Transfers from Other Funds	-	-	188,389	188,389
Amounts Available for Appropriation	<u>6,925,475</u>	<u>6,950,475</u>	<u>7,062,085</u>	<u>111,610</u>
Charges to Appropriations (Outflows):				
Regular Instruction	2,610,176	2,610,176	2,393,432	216,744
Special Education	1,063,323	1,063,323	1,036,394	26,929
Other Instruction	58,450	58,450	33,545	24,905
Student and Staff Support	568,101	568,101	519,578	48,523
System Administration	228,633	228,633	193,585	35,048
School Administration	143,632	143,632	142,299	1,333
Transportation	309,000	309,000	302,153	6,847
Facilities Maintenance	464,601	505,673	504,358	1,315
All Other Expenditures	147,749	172,749	165,597	7,152
Total Charges to Appropriations	<u>5,593,665</u>	<u>5,659,737</u>	<u>5,290,941</u>	<u>368,796</u>
Budgetary Fund Balance, June 30	<u>\$ 1,331,810</u>	<u>\$ 1,290,738</u>	<u>\$ 1,771,144</u>	<u>\$ 480,406</u>
Utilization of Assigned Fund Balance	<u>\$ 750,000</u>	<u>\$ 791,072</u>	<u>\$ -</u>	<u>\$ (791,072)</u>

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Statement of Net Position - Fiduciary Funds - Private-Purpose Trust Funds
- Combining Statement of Changes in Net Position - Fiduciary Funds - Private-Purpose Trust Funds

ACTON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Regular Instruction (Article 2) -				
Salaries and benefits	\$ 1,549,933	\$ 1,549,933	\$ 1,395,942	\$ 153,991
Secondary instruction	947,108	947,108	947,107	1
Other	113,135	113,135	50,383	62,752
	<u>2,610,176</u>	<u>2,610,176</u>	<u>2,393,432</u>	<u>216,744</u>
Special Education (Article 3) -				
Salaries and benefits	540,418	540,418	533,213	7,205
Professional services	120,700	120,700	83,681	37,019
Psychological services	25,000	25,000	10,385	14,615
Speech	25,000	25,000	14,059	10,941
Occupational therapy	40,000	40,000	8,557	31,443
Physical therapy	8,000	8,000	6,033	1,967
Transportation	59,000	59,000	92,020	(33,020)
Other	245,205	245,205	288,446	(43,241)
	<u>1,063,323</u>	<u>1,063,323</u>	<u>1,036,394</u>	<u>26,929</u>
Other Instruction (Article 5) -				
Extra-curricular	58,450	58,450	33,545	24,905
Student and Staff Support (Article 6) -				
Social worker	74,205	74,205	69,744	4,461
Nurse	95,622	95,622	93,986	1,636
Professionals	157,657	157,657	137,825	19,832
Librarians	85,432	85,432	83,008	2,424
Technology	155,185	155,185	135,015	20,170
	<u>568,101</u>	<u>568,101</u>	<u>519,578</u>	<u>48,523</u>
System Administration (Article 7) -				
School Board	17,992	17,992	7,504	10,488
Superintendent	87,137	87,137	83,072	4,065
Business staff	114,504	114,504	96,191	18,313
Insurance	9,000	9,000	6,818	2,182
	<u>228,633</u>	<u>228,633</u>	<u>193,585</u>	<u>35,048</u>

SCHEDULE A (CONTINUED)
 ACTON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
School Administration (Article 8) - Principals	143,632	143,632	142,299	1,333
Student Transportation (Article 9) - Transportation	309,000	309,000	302,153	6,847
Facilities Maintenance (Article 10) -				
Salaries and benefits	261,881	261,881	251,010	10,871
Professional services	5,000	5,000	3,964	1,036
Insurance	14,000	14,000	12,647	1,353
Utilities	89,500	89,500	102,565	(13,065)
Equipment, repairs and maintenance	69,000	110,072	113,534	(3,462)
Other	25,220	25,220	20,638	4,582
	<u>464,601</u>	<u>505,673</u>	<u>504,358</u>	<u>1,315</u>
All Other Expenditures (Article 12) -				
Nutrition	147,749	172,749	165,597	7,152
	<u>147,749</u>	<u>172,749</u>	<u>165,597</u>	<u>7,152</u>
Total Departmental Operations	<u>\$ 5,593,665</u>	<u>\$ 5,659,737</u>	<u>\$ 5,290,941</u>	<u>\$ 368,796</u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 16,403	\$ 16,403
Investments	2,744	2,744
Due from other governments	63,360	63,360
TOTAL ASSETS	<u>\$ 82,507</u>	<u>\$ 82,507</u>
LIABILITIES		
Accounts payable	\$ 3,971	\$ 3,971
Accrued expenses	35,944	35,944
Due to other funds	23,445	23,445
TOTAL LIABILITIES	<u>63,360</u>	<u>63,360</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	19,147	19,147
Unassigned	-	-
TOTAL FUND BALANCES	<u>19,147</u>	<u>19,147</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 82,507</u>	<u>\$ 82,507</u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Intergovernmental revenues	\$ 739,298	\$ 739,298
Other	10,327	10,327
TOTAL REVENUES	<u>749,625</u>	<u>749,625</u>
EXPENDITURES		
Other	560,845	560,845
TOTAL EXPENDITURES	<u>560,845</u>	<u>560,845</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>188,780</u>	<u>188,780</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	(188,389)	(188,389)
TOTAL OTHER FINANCING SOURCES	<u>(188,389)</u>	<u>(188,389)</u>
NET CHANGE IN FUND BALANCES	391	391
FUND BALANCES - JULY 1	<u>18,756</u>	<u>18,756</u>
FUND BALANCES - JUNE 30	<u>\$ 19,147</u>	<u>\$ 19,147</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

ACTON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Local Entitlement	Title IV	Title IA	Small Rural School	Student Activities	State Grant MLTI	ARP IDEA 611
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 16,403	\$ -	\$ -
Investments	-	-	-	-	2,744	-	-
Due from other governments	-	-	-	3,971	-	-	10,753
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 3,971	\$ 19,147	\$ -	\$ 10,753
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,971	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	10,753
TOTAL LIABILITIES	-	-	-	3,971	-	-	10,753
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	19,147	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	19,147	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 3,971	\$ 19,147	\$ -	\$ 10,753

ACTON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	ESSERF #2	Local Entitlement Preschool	ESSER III Funds	Federal Lunch Subsidy	Learning Management System Grant	Teacher Training and Recruiting	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,403
Investments	-	-	-	-	-	-	2,744
Due from other governments	-	1,007	47,629	-	-	-	63,360
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 47,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,507</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,971
Accrued expenses	-	-	35,944	-	-	-	35,944
Due to other funds	-	1,007	11,685	-	-	-	23,445
TOTAL LIABILITIES	<u>-</u>	<u>1,007</u>	<u>47,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,360</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	19,147
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,147</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 47,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,507</u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Local Entitlement	Title IV	Title IA	Small Rural School	Student Activities	State Grant MLTI	ARP IDEA 611
REVENUES							
Intergovernmental revenues	\$ 101,162	\$ 10,736	\$ 53,621	\$ 31,283	\$ -	\$ 15,542	\$ 18,814
Other	-	-	-	-	10,327	-	-
TOTAL REVENUES	<u>101,162</u>	<u>10,736</u>	<u>53,621</u>	<u>31,283</u>	<u>10,327</u>	<u>15,542</u>	<u>18,814</u>
EXPENDITURES							
Other	101,162	10,736	53,621	31,283	9,936	15,542	18,814
TOTAL EXPENDITURES	<u>101,162</u>	<u>10,736</u>	<u>53,621</u>	<u>31,283</u>	<u>9,936</u>	<u>15,542</u>	<u>18,814</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	391	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	391	-	-
FUND BALANCES - JULY 1	-	-	-	-	18,756	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,147</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

ACTON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	ESSERF #2	Local Entitlement Preschool	ESSER III Funds	Federal Lunch Subsidy	Learning Management System Grant	Teacher Training and Recruiting	Total
REVENUES							
Intergovernmental revenues	\$ 161,743	\$ 2,486	\$ 138,652	\$ 188,389	\$ 4,708	\$ 12,162	\$ 739,298
Other	-	-	-	-	-	-	10,327
TOTAL REVENUES	<u>161,743</u>	<u>2,486</u>	<u>138,652</u>	<u>188,389</u>	<u>4,708</u>	<u>12,162</u>	<u>749,625</u>
EXPENDITURES							
Other	161,743	2,486	138,652	-	4,708	12,162	560,845
TOTAL EXPENDITURES	<u>161,743</u>	<u>2,486</u>	<u>138,652</u>	<u>-</u>	<u>4,708</u>	<u>12,162</u>	<u>560,845</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,389</u>	<u>-</u>	<u>-</u>	<u>188,780</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(188,389)	-	-	(188,389)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(188,389)</u>	<u>-</u>	<u>-</u>	<u>(188,389)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	391
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,756</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,147</u>

See accompanying independent auditor’s report and notes to financial statements.

Private-Purpose Trust Funds

Private-purpose trust funds are used to report assets held in a trustee capacity for others and therefore are not available to support the School Department's programs.

ACTON SCHOOL DEPARTMENT

COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2022

	Julia Smith Scholarship	Brian Beeler Scholarship	Total
ASSETS			
Cash and cash equivalents	\$ 16,724	\$ 4,877	\$ 21,601
TOTAL ASSETS	\$ 16,724	\$ 4,877	\$ 21,601
LIABILITIES			
Due to other governments	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
NET POSITION			
Restricted-held in trust	16,724	4,877	21,601
TOTAL NET POSITION	16,724	4,877	21,601
TOTAL LIABILITIES AND NET POSITION	\$ 16,724	\$ 4,877	\$ 21,601

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Julia Smith Scholarship	Brian Beeler Scholarship	Total
ADDITIONS			
Interest income	\$ -	\$ 1	\$ 1
TOTAL ADDITIONS	<u>-</u>	<u>1</u>	<u>1</u>
DEDUCTIONS			
Scholarships	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	-	1	1
NET POSITION - JULY 1	<u>16,724</u>	<u>4,876</u>	<u>21,600</u>
NET POSITION - JUNE 30	<u>\$ 16,724</u>	<u>\$ 4,877</u>	<u>\$ 21,601</u>

See accompanying independent auditor's report and notes to financial statements.

ACTON SCHOOL DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed-through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	013-3014	\$ -	\$ 41,690
National School Lunch Program	10.555	013-6662	-	8,818
National School Lunch Program	10.555	013-3022	-	9,096
National School Lunch Program	10.555	013-3024	-	106,881
Summer Food Service Program for Children (SFSPC)	10.559	013-3016	-	3,432
Summer Food Service Program for Children (SFSPC)	10.559	013-3018	-	353
Federal Lunch Subsidy			-	8,599
Subtotal Child Nutrition Cluster			<u>-</u>	<u>178,869</u>
Child Nutrition Supply Chain Assistance	10.560	013-6670	-	8,907
Pandemic EBT Administrative Costs	10.649	013-6184	-	614
Total U.S. Department of Agriculture			<u>-</u>	<u>188,390</u>
U.S. Department of Education				
Passed-through State of Maine - Department of Education and Cultural Services:				
Title I Grants to Local Educational Agencies	84.010	013-3107	-	53,621
Special Education Cluster (IDEA):				
Special Education-Grants to States	84.027	013-3046	-	101,162
Special Education-Preschool Grants	84.173	013-6247	-	2,486
Special Education ARP IDEA611	84.425	013-7170	-	18,814
Subtotal Special Education Cluster (IDEA):			<u>-</u>	<u>122,462</u>
Rural Education	84.358	013-06A-3005-03	-	31,283
Improving Teacher Quality State Grants	84.367	013-3042	-	11,418
Title IV - Student Supports & Academic Enrichment	84.424	013-3345	-	10,736
Education Stabilization Fund	84.425D	013-7041	-	161,743
Education Stabilization Fund	84.425U	025-7071	-	138,652
Education Stabilization Fund	84.425	13.7042	-	4,708
			<u>-</u>	<u>305,103</u>
Total U.S. Department of Education			<u>-</u>	<u>534,623</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ -</u>	<u>\$ 723,013</u>

DISCLOSURES:

This Department is not required to have a federal 2 C.F.R. Part 200 Uniform Guidance Audit.



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Acton School Committee
Acton School Department
Acton, Maine

We have audited the financial statements of Acton School Department for the year ended June 30, 2022 and have issued our report thereon dated September 6, 2022. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Acton School Department's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Acton School Department complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Acton School Department was in noncompliance with or in violation of those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Acton School Department and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the School Committee, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
September 6, 2022

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ACTON SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2022

	General Fund (1000)	Special Revenue Funds (2000) & (9000)	Total
June 30, 2021 Balance Per MEFS	\$ 2,081,810	\$ 18,756	\$ 2,100,566
Other Adjustments:			
Fund Balance	(310,666)	-	(310,666)
Fund 9000 Fund Balance	-	391	391
Audited GAAP Basis Fund Balance June 30, 2022	<u>\$ 1,771,144</u>	<u>\$ 19,147</u>	<u>\$ 1,790,291</u>