

Audited Financial Statements and
Other Financial Information

Appleton School Department

June 30, 2020



Proven Expertise & Integrity

APPLETON SCHOOL DEPARTMENT

CONTENTS

JUNE 30, 2020

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
<u>BASIC FINANCIAL STATEMENTS</u>	
FUND FINANCIAL STATEMENTS	
STATEMENT A - BALANCE SHEET - GOVERNMENTAL FUNDS	4
STATEMENT B - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	5
STATEMENT C - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	6
NOTES TO FINANCIAL STATEMENTS	7 - 21
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	22
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	23
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	24
SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	25 - 31
SCHEDULE B - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	32
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	33
SPECIAL REVENUE FUNDS DESCRIPTION	34

SCHEDULE D - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	35 - 38
SCHEDULE E - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	39 - 42
CAPITAL PROJECTS FUNDS DESCRIPTION	43
SCHEDULE F - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	44
SCHEDULE G - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	45
<u>OTHER REPORTS</u>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	46
INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS	47
RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM	48



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

Appleton School Committee
Appleton School Department
Hope, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Appleton School Department, a department of the Town of Appleton, Maine as of and for the year ended June 30, 2020, and the related notes to the 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.

Auditors' 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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 each major fund and the aggregate remaining fund information of the Appleton School Department as of June 30, 2020 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.

Emphasis of Matter

As discussed in Note 1 of Notes to Financial Statements, the financial statements of the Appleton 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 Appleton, Maine that is attributable to the transactions of the Appleton School Department. They do not purport to and do not present fairly the financial position of the Town of Appleton, Maine as of June 30, 2020 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Appleton 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.

The Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related 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 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.

RHR Smith & Company

Buxton, Maine
May 27, 2021

APPLETON SCHOOL DEPARTMENT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,445	\$ -	\$ 7,445
Investments	-	172,714	172,714
Equity in Town Treasurer's Cash	504,584	-	504,584
Due from other governments	-	23,479	23,479
Inventory	-	624	624
Due from other funds	70,499	18,645	89,144
TOTAL ASSETS	<u>\$ 582,528</u>	<u>\$ 215,462</u>	<u>\$ 797,990</u>
LIABILITIES			
Accrued expenses	\$ 3,993	\$ -	\$ 3,993
Accrued payroll	168,778	-	168,778
Due to other funds	18,645	70,499	89,144
TOTAL LIABILITIES	<u>191,416</u>	<u>70,499</u>	<u>261,915</u>
FUND BALANCES			
Nonspendable	-	624	624
Restricted	-	18,645	18,645
Committed	-	172,714	172,714
Assigned	40,207	-	40,207
Unassigned	350,905	(47,020)	303,885
TOTAL FUND BALANCES	<u>391,112</u>	<u>144,963</u>	<u>536,075</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 582,528</u>	<u>\$ 215,462</u>	<u>\$ 797,990</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Local Assessments	\$ 1,633,893	\$ -	\$ 1,633,893
Intergovernmental Revenues	1,180,436	106,243	1,286,679
Charges for Services	-	16,827	16,827
Other	6,736	7,323	14,059
TOTAL REVENUES	2,821,065	130,393	2,951,458
EXPENDITURES			
Current:			
Regular Instruction	976,944	-	976,944
Special Education	513,184	-	513,184
Other Instruction	33,383	-	33,383
Student and Staff Support	257,399	-	257,399
System Administration	82,069	-	82,069
School Administration	173,368	-	173,368
Transportation	109,560	-	109,560
Facilities Maintenance	218,094	-	218,094
All Other Expenditures	57,559	-	57,559
State of Maine On-behalf Payments	164,941	-	164,941
Program Expenditures	-	188,989	188,989
TOTAL EXPENDITURES	2,586,501	188,989	2,775,490
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	234,564	(58,596)	175,968
OTHER FINANCING SOURCES (USES)			
Transfers In	-	123,659	123,659
Transfers (Out)	(123,659)	-	(123,659)
TOTAL OTHER FINANCING SOURCES (USES)	(123,659)	123,659	-
NET CHANGE IN FUND BALANCES	110,905	65,063	175,968
FUND BALANCES - JULY 1	280,207	79,900	360,107
FUND BALANCES - JUNE 30	\$ 391,112	\$ 144,963	\$ 536,075

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u> <u>Student</u> <u>Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,625
Investments	<u>3,591</u>
TOTAL ASSETS	<u><u>\$ 9,216</u></u>
 LIABILITIES	
Deposits held for others	\$ 9,216
TOTAL LIABILITIES	<u><u>\$ 9,216</u></u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Appleton School Department was incorporated under the laws of the State of Maine and operates as a department of the Town of Appleton, Maine, the financial statements of which have been issued in a separate report for the year ended June 30, 2020. 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 Appleton, Maine in accordance with generally accepted accounting principles (GAAP). Certain disclosures relevant to both the Town of Appleton, Maine and the Appleton 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).

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state of emergency was only extended to May 13, 2021 but may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. Among other measures, this LD gave guidance ceasing in-house operations and moving to nontraditional learning systems while continuing to provide meals to students during the state of emergency. The Department chose to use various methods of nontraditional learning such as Zoom, Google Classroom, emails and packets sent home. Teachers called parents weekly to check up on progress. The Department also continued to provide meals to students by bus delivery 5 days a week. This application of this LD in coordination with other Executive Orders necessitated that these methods remained in force for the remainder of the scheduled school year.

In accordance with Executive Order 15, issued by the Governor of Maine on March 19, 2020, the Department was required to pay their hourly school employees for the duration of this school year.

Impact on Finances

The Department does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable State programs.

Expected Federal/State Support

The Department may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Department expects that if those actions are necessary, that the Department would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Department, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Department. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Department.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Department's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). 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 Appleton School Department, available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Nonexchange transactions, in which Appleton 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 Appleton School Department must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to Appleton 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,

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Appleton 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 Appleton School Department operations. Annually, the Appleton School Committee votes on the budget by the cost centers. The School Committee then submits its budget to the Appleton Board of Selectmen for approval. The Appleton Board of Selectmen 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 Appleton School Committee. During the year, the Appleton School Committee may transfer up to 5% of one cost center to another cost center. The Appleton School Department does not adopt budgets for Special Revenue Funds or Capital Projects Funds.

The Department's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$ 2,656,124
Add: On-behalf payments	<u>164,941</u>
Total GAAP basis	<u>\$ 2,821,065</u>
Expenditures per budgetary basis	\$ 2,545,219
Add: On-behalf payments	<u>164,941</u>
Total GAAP basis	<u>\$ 2,710,160</u>

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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

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

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The special revenue fund inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables include amounts due from governmental agencies and the Town of Appleton. 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, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$528,063 for the year ended June 30, 2020.

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.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town of Appleton. 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 expressed by the Appleton 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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2020, the Department's deposits of \$13,070 were comprised of bank deposits of \$86,846. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Department's cash balance. All of these bank deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 86,846</u>

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 local financial institutions for \$176,305 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, 2020, the Department had \$176,305 invested certificates of deposit. The entire amount was insured by federal deposit insurance and consequently was not exposed to custodial credit risk.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General fund	\$ 70,499	\$ 18,645
Nonmajor special revenue funds	18,645	70,499
	<u>\$ 89,144</u>	<u>\$ 89,144</u>

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, 2020 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 123,659
Nonmajor special revenue funds	33,659	-
Nonmajor capital projects funds	90,000	-
	<u>\$ 123,659</u>	<u>\$ 123,659</u>

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

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 5 - NONSPENDABLE FUND BALANCE

The Department had the following nonspendable fund balance at June 30, 2020:

Nonmajor Special Revenue Funds (Schedule D)	\$ 624
---	--------

NOTE 6 - RESTRICTED FUND BALANCES

The Department had the following restricted fund balances at June 30, 2020:

Nonmajor Special Revenue Funds (Schedule D)	\$ 18,645
---	-----------

NOTE 7 - COMMITTED FUND BALANCES

The Department had the following committed fund balances at June 30, 2020:

Nonmajor Special Revenue Funds (Schedule D)	\$ 50,292
Nonmajor Capital Projects Funds (Schedule F)	122,422
	<u>\$ 172,714</u>

NOTE 8 - ASSIGNED FUND BALANCE

The Department had the following assigned fund balance at June 30, 2020:

General Fund:	
Use in FY 2021 budget	\$ 40,207

NOTE 9 - DEFICIT FUND BALANCES

The Department had the following deficit fund balances at June 30, 2020:

Nonmajor Special Revenue Funds (Schedule D):	
Title IA	\$ 7,918
Title IIA	2,531
IDEA Special Education	24,265
Title IVA	4,227
School nutrition programs	2,113
CRF	2,798
PEPG	2,242
E-Rate	302
	<u>\$ 46,396</u>

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION 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. 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, 2019, the retirement system consisted of 239 participating employers.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - 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 2.69%.

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 \$1,151,018 for the year ended June 30, 2020. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.33% 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 \$164,941 for the year ended June 30, 2020. Title 5 of the Maine Revised Statutes Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 4.16%, which totaled \$47,886 for 2020. 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 14.95% of compensation and totaled \$8,598 the year ended June 30, 2020.

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) 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 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

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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, 2020, the following employees were covered by the benefit terms:

Active members	26
Retirees and spouses	<u>4</u>
Total	<u><u>30</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.

APPLETON SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020. 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 requirement 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.

Appleton 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 2021 could include expenditures from the fiscal year of 2020 that would normally be accrued. The actual amount cannot be determined at this time; however, it is the position of the Appleton School Department that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units 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

APPLETON SCHOOL DEPARTMENT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 280,207	\$ 280,207	\$ 280,207	\$ -
Resources (Inflows):				
Local Assessments	723,774	723,774	723,774	-
Local Additional	852,559	852,559	852,559	-
Intergovernmental revenues:				
State Subsidy	1,015,495	1,015,495	1,015,495	-
Local Debt Service Allocation Article	57,560	57,560	57,560	-
Other Revenue	-	-	6,736	6,736
Amounts Available for Appropriation	<u>2,929,595</u>	<u>2,929,595</u>	<u>2,936,331</u>	<u>6,736</u>
Charges to Appropriations (Outflows):				
Regular Instruction	1,087,995	1,087,995	976,944	111,051
Special Education	606,104	606,104	513,184	92,920
Other Instruction	41,565	41,565	33,383	8,182
Student and Staff Support	290,375	290,375	257,399	32,976
System Administration	92,692	92,692	82,069	10,623
School Administration	181,230	181,230	173,368	7,862
Transportation and Buses	118,650	118,650	109,560	9,090
Facilities Maintenance	239,558	239,558	218,094	21,464
Transfers to Other Funds	121,264	123,659	123,659	-
Debt Service	57,560	57,560	57,559	1
Other	2,395	-	-	-
Total Charges to Appropriations	<u>2,839,388</u>	<u>2,839,388</u>	<u>2,545,219</u>	<u>294,169</u>
Budgetary Fund Balance, June 30	<u>\$ 90,207</u>	<u>\$ 90,207</u>	<u>\$ 391,112</u>	<u>\$ 300,905</u>
Utilization of Unassigned Fund Balance	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ (190,000)</u>

See accompanying independent auditors' 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 Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Regular Instruction (Article 2) -				
K-8 instruction:				
Teacher Salaries - Reg Instruction	\$ 629,110	\$ 629,110	\$ 628,873	\$ 237
Ed Tech Salaries	5,081	5,081	4,787	294
Other Wages Paid (xtra curric hrs)	3,938	3,938	430	3,508
Tutor Wages - Summer Program	2,400	2,400	3,594	(1,194)
Substitute Salaries	70,000	70,000	17,967	52,033
Certification Stipends	2,500	2,500	1,000	1,500
Teacher Leader Stipend	16,625	16,625	18,525	(1,900)
Health Insurance - Prof	174,422	174,422	138,411	36,011
FICA/Medicare--Stipends	277	277	276	1
FICA/Medicare - Prof	9,122	9,122	8,733	389
FICA/Medicare - Ed Techs	74	74	69	5
FICA/Medicare - Subs	5,355	5,355	588	4,767
FICA/Medicare - Tutors	35	35	20	15
FICA/Medicare - Other Wages	57	57	6	51
MainePers (stipends)	692	692	792	(100)
MainePers Contributions	26,171	26,171	30,109	(3,938)
Employer Ded MSRSRETER	141	141	198	(57)
MainePers - Subs	2,912	2,912	66	2,846
MainePers	164	164	18	146
Tuition/Course Reimb - Prof	10,752	10,752	4,153	6,599
Unemployment - Stipends	420	420	22	398
Unemployment - Prof/Teachers	1,176	1,176	766	410
Unemployment - Ed Techs	106	106	8	98
Unemployment - Subs	168	168	90	78
Unemployment - Other	4	4	-	4
Employee Training/Prof Dev	1,000	1,000	-	1,000
Equipment Repair	3,700	3,700	-	3,700
Equipment Maint - Copier	3,141	3,141	-	3,141
Equipment Lease - Copier	5,155	5,155	3,135	2,020
Communications (On Line Subscriptions)	-	-	5,863	(5,863)
Equipment/Furniture (non instr/non cap)	950	950	1,231	(281)
Instructional Supplies	17,483	17,483	941	16,542
Textbooks/Periodicals	9,305	9,305	17,036	(7,731)
Misc Exp--Field Trips (admissions, etc)	-	-	7,880	(7,880)
Dues/Fees	3,200	3,200	580	2,620
Transportation--Field Trips	950	950	1,484	(534)
Purchased Prof Services	4,394	4,394	5,580	(1,186)
Subtotal K-8 Instruction	<u>1,010,980</u>	<u>1,010,980</u>	<u>903,231</u>	<u>107,749</u>

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Regular Instruction (Continued)				
Gifted and talented:				
Gifted and Talented - Teacher Salary	59,036	59,036	59,036	-
Other Wages Paid (xtra curric hrs)	480	480	-	480
G and T - Health Ins	9,252	9,252	9,739	(487)
FICA/Medicare - Prof	855	855	848	7
MainePers	2,456	2,456	2,456	-
Tuition/Course Reimbursement	2,458	2,458	-	2,458
Unemployment - Prof/Teacher	84	84	60	24
Employee Training/Dev (conf/wrkshps)	325	325	100	225
Gifted and Talented - Mileage/Travel	230	230	67	163
Dues/Fees	125	125	-	125
Instructional Supplies - G and T	1,714	1,714	1,407	307
Subtotal Gifted and Talented	<u>77,015</u>	<u>77,015</u>	<u>73,713</u>	<u>3,302</u>
Total Regular Instruction (Article 2)	<u>1,087,995</u>	<u>1,087,995</u>	<u>976,944</u>	<u>111,051</u>
Special Education (Article 3) -				
Resource room:				
Spec Progrm - Teacher Salaries	100,749	100,749	78,844	21,905
Spec Progrm - Ed Tech Wages	95,477	95,477	106,195	(10,718)
Tutor Wages - Summer Program	2,800	2,800	2,800	-
Spec Ed - Sub Pay	4,000	4,000	3,913	87
Health Insurance - Prof	30,625	30,625	31,112	(487)
Health Ins - Ed Techs	40,905	40,905	38,957	1,948
FICA/Medicare - Prof	1,454	1,454	982	472
FICA/Medicare - Ed Techs	2,715	2,715	3,562	(847)
FICA/Medicare - Tutor/Subs	520	520	138	382
FICA/Medicare - Tutor	41	41	73	(32)
MainePers Contributions	4,170	4,170	3,397	773
MainePers	3,972	3,972	2,859	1,113
MainePers	116	116	42	74
Unemployment - Prof/Teachers	84	84	172	(88)
Unemployment - Ed Techs	480	480	308	172
Unemployment - Subs	168	168	20	148
Purchased Education Serv - Tutoring	1,200	1,200	-	1,200
Employee Training	800	800	(2,300)	3,100
Subtotal Resource Room	<u>290,276</u>	<u>290,276</u>	<u>271,074</u>	<u>19,202</u>
Contracted services:				
Contracted Services - Special Programs	2,200	2,200	-	2,200
Contracted Serv - Speech	50,400	50,400	38,903	11,497
Contracted Serv - Social worker	-	-	2,082	(2,082)
Contracted Serv - Psychological	-	-	5,900	(5,900)
Contracted Serv - OT	12,160	12,160	16,637	(4,477)
Contracted Serv - PT	-	-	2,413	(2,413)
Contracted Serv - Psych Serv	8,960	8,960	-	8,960
Subtotal Contractual Services	<u>73,720</u>	<u>73,720</u>	<u>65,935</u>	<u>7,785</u>

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Special Education (Continued)				
Tuition (to other schools)	174,403	174,403	113,500	60,903
Travel	300	300	98	202
Equipment	1,000	1,000	1,016	(16)
Instructional Supplies	485	485	596	(111)
Books/Periodicals	1,040	1,040	-	1,040
Equipment - Tech software	400	400	404	(4)
Misc Exp - Fees	400	400	-	400
SEED expense	20,000	20,000	20,551	(551)
Legal Fees Special Education	5,000	5,000	-	5,000
Speech therapist	300	300	-	300
Special Education Office				
Assessment for Administration	38,780	38,780	40,010	(1,230)
Subtotal Special Education Office	38,780	38,780	40,010	(1,230)
Total Special Education (Article 3)	606,104	606,104	513,184	92,920
Other Instruction (Article 5) -				
Co-curricular activities:				
Stipends - Activities/Co-Curricular	5,336	5,336	4,850	486
FICA/Medicare - Stipends	408	408	70	338
MainePers (stipends)	222	222	202	20
Unemployment - Stipends	10	10	7	3
Purchased Serv(other) Activities admissn	405	405	143	262
Supplies	2,337	2,337	2,973	(636)
Transportation - Activities	400	400	200	200
Subtotal Co-curricular Activities	9,118	9,118	8,445	673
Extra-curricular activities:				
Athletic Stipends	9,350	9,350	8,051	1,299
FICA/Medicare - Stipends	715	715	259	456
MainePers - Stipends	387	387	216	171
Prof Services (other)--Refs/Officials	4,750	4,750	2,519	2,231
Athletic Equipment	11,015	11,015	9,561	1,454
Athletic Supplies	1,300	1,300	148	1,152
Dues	530	530	310	220
Transportation--Athletics	4,400	4,400	3,874	526
Subtotal Extra-curricular Activities	32,447	32,447	24,938	7,509
Total Other Instruction (Article 5)	41,565	41,565	33,383	8,182

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Student and Staff Support (Article 6) -				
Guidance:				
Student Guidance Salary	39,299	39,299	37,462	1,837
Health Insurance	9,252	9,252	-	9,252
FICA/Medicare	570	570	543	27
MainePers Contributions	1,635	1,635	1,556	79
Unemployment - Prof/Teachers	84	84	58	26
Purchased Prof Services	4,950	4,950	2,475	2,475
Employee Training/Prof Dev (conf/wrkshps)	450	450	-	450
Travel Exp (Prof Dev) mlg,meals, etc	150	150	251	(101)
Guidance Supplies	906	906	95	811
Subtotal Guidance	<u>57,296</u>	<u>57,296</u>	<u>42,440</u>	<u>14,856</u>
Library services:				
Library Salary - Ed Tech III	26,389	26,389	25,083	1,306
Health Insurance - Ed Tech	9,739	9,739	9,739	-
FICA/Medicare - Ed Tech	341	341	364	(23)
MainePers	1,098	1,098	1,042	56
Unemployment - Ed Tech	84	84	60	24
Employee Training/Prof Dev (conf/wrkshp)	100	100	-	100
Travel Exp (Prof Dev) mlg,meals,etc	75	75	-	75
Library - Instructional Supplies	290	290	195	95
Books/Periodicals	2,000	2,000	1,043	957
Subtotal Library Services	<u>40,116</u>	<u>40,116</u>	<u>37,526</u>	<u>2,590</u>
Health services:				
School Nurse Wages	52,561	52,561	50,323	2,238
School Nurse Health	14,651	14,651	14,651	-
Nurse - FICA/Medicare	762	762	678	84
Nurse - MEPEERS	2,187	2,187	2,085	102
Nurse - Unemployment	84	84	115	(31)
Health Supplies	1,001	1,001	1,065	(64)
Subtotal Health Services	<u>71,246</u>	<u>71,246</u>	<u>68,917</u>	<u>2,329</u>
Instructional Staff Training:				
Purchased Professional Services	3,676	3,676	-	3,676
Employee Training/Development	3,875	3,875	1,728	2,147
Employee Travel for Prof Development	1,559	1,559	348	1,211
Subtotal Curriculum	<u>9,110</u>	<u>9,110</u>	<u>2,076</u>	<u>7,034</u>

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Student and Staff Support (Continued)				
Technology:				
Technology Support - Ed Tech	15,888	15,888	13,114	2,774
Technology Coordinator/Teacher	34,018	34,018	35,780	(1,762)
Health Ins - Ed Techs	4,870	4,870	4,870	-
Health Ins - Tech Coord	10,687	10,687	10,687	-
FICA/Medicare - Ed Tech	1,216	1,216	279	937
FICA/Medicare - Tech Coord	493	493	441	52
MEPERS - Ed Tech	-	-	484	(484)
Employer Ded Retirement	1,415	1,415	1,486	(71)
Unemployment - Ed Tech	84	84	66	18
Unemployment - Professional	84	84	58	26
Equip Repairs/Maint - Technology Hardware	2,500	2,500	486	2,014
Technology - Computer Lease/laptops	12,614	12,614	12,741	(127)
Travel Exp (Prof Dev) mlg,meals,etc	200	200	-	200
Supplies	732	732	476	256
Supplies - Technology Related	1,500	1,500	1,657	(157)
Equipment - Technology - Hardware	17,213	17,213	16,928	285
Equipment - Technology - Software	3,639	3,639	3,271	368
Subtotal Technology	<u>107,153</u>	<u>107,153</u>	<u>102,824</u>	<u>4,329</u>
Other Support Services:				
Student Assessment - Instr Supplies	4,377	4,377	2,534	1,843
Sub Coordinator - Stipend	1,000	1,000	1,000	-
FICA/Medicare - Stipends	77	77	77	-
Unemployment - Stipends	-	-	5	(5)
Subtotal Other Support Services	<u>5,454</u>	<u>5,454</u>	<u>3,616</u>	<u>1,838</u>
Total Student and Staff Support (Article 6)	<u>290,375</u>	<u>290,375</u>	<u>257,399</u>	<u>32,976</u>
System Administration (Article 7) -				
School Committee:				
School Committee Stipends	2,100	2,100	2,100	-
FICA/Medicare - Stipends	161	161	161	-
Unemployment - Stipends	-	-	6	(6)
Legal Fees	5,000	5,000	647	4,353
Auditor Fees	5,500	5,500	1,700	3,800
School Board Insurance	1,982	1,982	1,819	163
School Committee Advertising	575	575	92	483
Travel expense	220	220	-	220
Supplies	200	200	-	200
Dues/Fees	1,558	1,558	2,294	(736)
Conference Fees for School Board	500	500	-	500
Subtotal School Committee	<u>17,796</u>	<u>17,796</u>	<u>8,819</u>	<u>8,977</u>

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
System Administration (Continued)				
Superintendent's office:				
Assessment for Administration Supts Off	52,058	52,058	48,779	3,279
Subtotal Superintendent's Office	<u>52,058</u>	<u>52,058</u>	<u>48,779</u>	<u>3,279</u>
Business office:				
Assessment for Admin Business Office	22,838	22,838	24,471	(1,633)
Subtotal Business Office	<u>22,838</u>	<u>22,838</u>	<u>24,471</u>	<u>(1,633)</u>
Total System Administration (Article 7)	<u>92,692</u>	<u>92,692</u>	<u>82,069</u>	<u>10,623</u>
School Administration (Article 8) -				
Principal offices:				
Principal's Salary	90,710	90,710	90,710	-
Secretary Wages	40,015	40,015	43,213	(3,198)
Office Clerk Wages	4,862	4,862	128	4,734
Principal's Benefits	16,500	16,500	16,723	(223)
Health Ins - Reg staff	11,739	11,739	9,739	2,000
FICA/Medicare - Admin	1,315	1,315	1,176	139
FICA/Medicare - reg staff	3,433	3,433	3,316	117
MainePers Contributions	3,774	3,774	4,437	(663)
Tuition Course Reimb - Admin	1,546	1,546	-	1,546
Unemployment - Admin	84	84	51	33
Unemployment - Reg/Hrly Staff	168	168	88	80
Employee Training/Prof Dev (conf/wrkshps)	1,600	1,600	62	1,538
Postage	700	700	699	1
Cell Phone Reimbursement	600	600	600	-
Travel Exp Prof Dev - mlg, meals, etc	1,900	1,900	745	1,155
General Supplies	1,669	1,669	1,306	363
Dues/Fees	615	615	375	240
Total School Administration (Article 8)	<u>181,230</u>	<u>181,230</u>	<u>173,368</u>	<u>7,862</u>
Transportation and Buses (Article 9) -				
Transportation - Bus contracts	78,400	78,400	85,117	(6,717)
Transportation - Fuel	11,000	11,000	5,358	5,642
Transportation - spec needs out of district	29,250	29,250	19,085	10,165
Total Transportation and Buses (Article 9)	<u>118,650</u>	<u>118,650</u>	<u>109,560</u>	<u>9,090</u>

SCHEDULE A (CONTINUED)

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Facilities Maintenance (Article 10) -				
Operations:				
Insurance Package	12,720	12,720	9,609	3,111
Telephones/Communications	3,000	3,000	3,123	(123)
Travel Exp Other (mlg reimb etc)	1,000	1,000	519	481
Custodial/Maint Supplies	10,725	10,725	8,532	2,193
Equipment/Furniture (non instr/non capd)	12,993	12,993	12,346	647
Building Utilities	14,400	14,400	10,279	4,121
Building Heating Fuel	15,000	15,000	13,333	1,667
Gas/Diesel-Mower/Tractor	750	750	171	579
Miscellaneous Expenditures	5,000	5,000	799	4,201
Minor Capital Improvements	-	-	1,259	(1,259)
Subtotal Operations	<u>75,588</u>	<u>75,588</u>	<u>59,970</u>	<u>15,618</u>
Custodial:				
Maintenance/Custodian Wages	70,740	70,740	71,316	(576)
Maint (temporary/fill in) wages	1,000	1,000	455	545
Health Ins - Reg Staff	19,478	19,478	19,478	-
FICA/Medicare - Reg Staff	5,412	5,412	5,377	35
FICA/Medicare - (temp custodian)	77	77	35	42
Unemployment - Reg/Hrly Staff	168	168	122	46
Worker's Comp Insurance	7,500	7,500	7,706	(206)
Training and Development	200	200	768	(568)
Contracted Services - Maint	17,150	17,150	19,704	(2,554)
Subtotal Custodial	<u>121,725</u>	<u>121,725</u>	<u>124,961</u>	<u>(3,236)</u>
Building maintenance:				
Property Services-- Repairs and Maint	15,075	15,075	8,343	6,732
Property Serv - RandM - Plowing/Sanding	4,075	4,075	5,950	(1,875)
Property Serv - RandM - Trash	1,750	1,750	1,591	159
Property Serv - RandM - Security	2,020	2,020	1,868	152
Property Serv - Repairs/Maint - Heating	17,825	17,825	15,242	2,583
Equip Repairs/Maint (contracted -non tech)	1,500	1,500	169	1,331
Subtotal Building Maintenance	<u>42,245</u>	<u>42,245</u>	<u>33,163</u>	<u>9,082</u>
Total Facilities Maintenance (Article 10)	<u>239,558</u>	<u>239,558</u>	<u>218,094</u>	<u>21,464</u>
All Other Expenditures (Article 11)				
Food service transfer	31,264	33,659	33,659	-
Capital Facilities Fund Transfer	90,000	90,000	90,000	-
Debt (article 14)				
Principal	46,249	46,249	46,249	-
Interest	11,311	11,311	11,310	1
Other	2,395	-	-	-
Total All Other Expenditures (Article 11)	<u>181,219</u>	<u>181,219</u>	<u>181,218</u>	<u>1</u>
Total Departmental Operations (Article 16)	<u>\$ 2,839,388</u>	<u>\$ 2,839,388</u>	<u>\$ 2,545,219</u>	<u>\$ 294,169</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments	\$ 50,292	\$ 122,422	\$ 172,714
Due from other governments	23,479	-	23,479
Inventory	624	-	624
Due from other funds	18,645	-	18,645
TOTAL ASSETS	<u>\$ 93,040</u>	<u>\$ 122,422</u>	<u>\$ 215,462</u>
LIABILITIES			
Due to other funds	\$ 70,499	\$ -	\$ 70,499
TOTAL LIABILITIES	<u>70,499</u>	<u>-</u>	<u>70,499</u>
FUND BALANCES			
Nonspendable	624	-	624
Restricted	18,645	-	18,645
Committed	50,292	122,422	172,714
Assigned	-	-	-
Unassigned	(47,020)	-	(47,020)
TOTAL FUND BALANCES	<u>22,541</u>	<u>122,422</u>	<u>144,963</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 93,040</u>	<u>\$ 122,422</u>	<u>\$ 215,462</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental revenues	\$ 106,243	\$ -	\$ 106,243
Charges for services	16,827	-	16,827
Other	5,887	1,436	7,323
TOTAL REVENUES	<u>128,957</u>	<u>1,436</u>	<u>130,393</u>
EXPENDITURES			
Other	188,988	1	188,989
TOTAL EXPENDITURES	<u>188,988</u>	<u>1</u>	<u>188,989</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,031)</u>	<u>1,435</u>	<u>(58,596)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	33,659	90,000	123,659
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>33,659</u>	<u>90,000</u>	<u>123,659</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(26,372)	91,435	65,063
FUND BALANCES (DEFICITS) - JULY 1	<u>48,913</u>	<u>30,987</u>	<u>79,900</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 22,541</u>	<u>\$ 122,422</u>	<u>\$ 144,963</u>

See accompanying independent auditors' 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.

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Rural Education Achievement	Comprehensive School Health	Title IA	Title IIA	IDEA Special Education	Title IVA
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	13,879	800	8,700	100
Inventory	-	-	-	-	-	-
Due from other funds	1,176	3,890	-	-	-	-
TOTAL ASSETS	\$ 1,176	\$ 3,890	\$ 13,879	\$ 800	\$ 8,700	\$ 100
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 21,797	\$ 3,331	\$ 32,965	\$ 4,327
TOTAL LIABILITIES	-	-	21,797	3,331	32,965	4,327
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	1,176	3,890	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	(7,918)	(2,531)	(24,265)	(4,227)
TOTAL FUND BALANCES (DEFICITS)	1,176	3,890	(7,918)	(2,531)	(24,265)	(4,227)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,176	\$ 3,890	\$ 13,879	\$ 800	\$ 8,700	\$ 100

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	School Nutrition Program	CRF	PEPG	Maine Arts Community	Transition Grant	E-Rate
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Inventory	624	-	-	-	-	-
Due from other funds	-	-	-	39	3,032	-
TOTAL ASSETS	<u>\$ 624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 3,032</u>	<u>\$ -</u>
LIABILITIES						
Due to other funds	\$ 2,737	\$ 2,798	\$ 2,242	\$ -	\$ -	\$ 302
TOTAL LIABILITIES	<u>2,737</u>	<u>2,798</u>	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>302</u>
FUND BALANCES (DEFICITS)						
Nonspendable	624	-	-	-	-	-
Restricted	-	-	-	39	3,032	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	(2,737)	(2,798)	(2,242)	-	-	(302)
TOTAL FUND BALANCES (DEFICITS)	<u>(2,113)</u>	<u>(2,798)</u>	<u>(2,242)</u>	<u>39</u>	<u>3,032</u>	<u>(302)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)						
	<u>\$ 624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 3,032</u>	<u>\$ -</u>

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Roots Garden	Gulf of Maine Grant	Special Education Reserve	Laptop Insurance	Donations
ASSETS					
Investments	\$ -	\$ -	\$ 50,292	\$ -	\$ -
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	522	601	-	1,971	4,977
TOTAL ASSETS	\$ 522	\$ 601	\$ 50,292	\$ 1,971	\$ 4,977
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	522	601	-	1,971	4,977
Committed	-	-	50,292	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	522	601	50,292	1,971	4,977
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 522	\$ 601	\$ 50,292	\$ 1,971	\$ 4,977

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	F. Meservey Fund	Helprin Summer Camp Scholarship	Athletics	Wind Turbine	Total
ASSETS					
Investments	\$ -	\$ -	\$ -	\$ -	\$ 50,292
Due from other governments	-	-	-	-	23,479
Inventory	-	-	-	-	624
Due from other funds	62	1,250	825	300	18,645
TOTAL ASSETS	<u>\$ 62</u>	<u>\$ 1,250</u>	<u>\$ 825</u>	<u>\$ 300</u>	<u>\$ 93,040</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 70,499
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,499</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	624
Restricted	62	1,250	825	300	18,645
Committed	-	-	-	-	50,292
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(47,020)
TOTAL FUND BALANCES (DEFICITS)	<u>62</u>	<u>1,250</u>	<u>825</u>	<u>300</u>	<u>22,541</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 62</u>	<u>\$ 1,250</u>	<u>\$ 825</u>	<u>\$ 300</u>	<u>\$ 93,040</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Rural Education Achievement	Comprehensive School Health	Title IA	Title IIA	IDEA Special Education	Title IVA
REVENUES						
Intergovernmental revenues	\$ 599	\$ -	\$ 31,810	\$ 8,353	\$ 41,015	\$ -
Charges for services	-	-	-	-	-	-
Other	-	4,590	-	-	-	-
TOTAL REVENUES	<u>599</u>	<u>4,590</u>	<u>31,810</u>	<u>8,353</u>	<u>41,015</u>	<u>-</u>
EXPENDITURES						
Other	-	879	31,810	8,353	48,455	6,340
TOTAL EXPENDITURES	<u>-</u>	<u>879</u>	<u>31,810</u>	<u>8,353</u>	<u>48,455</u>	<u>6,340</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>599</u>	<u>3,711</u>	<u>-</u>	<u>-</u>	<u>(7,440)</u>	<u>(6,340)</u>
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>
NET CHANGE IN FUND BALANCES (DEFICITS)	599	3,711	-	-	(7,440)	(6,340)
FUND BALANCES (DEFICITS) - JULY 1	<u>577</u>	<u>179</u>	<u>(7,918)</u>	<u>(2,531)</u>	<u>(16,825)</u>	<u>2,113</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,176</u>	<u>\$ 3,890</u>	<u>\$ (7,918)</u>	<u>\$ (2,531)</u>	<u>\$ (24,265)</u>	<u>\$ (4,227)</u>

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	School Nutrition Program	CRF	PEPG	Maine Arts Community	Transition Grant	E-Rate
REVENUES						
Intergovernmental revenues	\$ 24,466	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	14,232	-	-	-	-	-
Other	500	-	-	-	-	-
TOTAL REVENUES	<u>39,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Other	87,912	2,798	-	-	63	-
TOTAL EXPENDITURES	<u>87,912</u>	<u>2,798</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,714)</u>	<u>(2,798)</u>	<u>-</u>	<u>-</u>	<u>(63)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	33,659	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>33,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(15,055)	(2,798)	-	-	(63)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>12,942</u>	<u>-</u>	<u>(2,242)</u>	<u>39</u>	<u>3,095</u>	<u>(302)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (2,113)</u>	<u>\$ (2,798)</u>	<u>\$ (2,242)</u>	<u>\$ 39</u>	<u>\$ 3,032</u>	<u>\$ (302)</u>

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Roots Garden	Gulf of Maine Grant	Special Education Reserve	Laptop Insurance	Donations
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Other	-	-	751	-	-
TOTAL REVENUES	-	-	751	-	-
EXPENDITURES					
Other	58	-	-	-	-
TOTAL EXPENDITURES	58	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58)	-	751	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(58)	-	751	-	-
FUND BALANCES (DEFICITS) - JULY 1	580	601	49,541	1,971	4,977
FUND BALANCES (DEFICITS) - JUNE 30	\$ 522	\$ 601	\$ 50,292	\$ 1,971	\$ 4,977

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	F. Meservey Fund	Helprin Summer Camp Scholarship	Athletics	Wind Turbine	Total
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 106,243
Charges for services	-	-	2,595	-	16,827
Other	46	-	-	-	5,887
TOTAL REVENUES	<u>46</u>	<u>-</u>	<u>2,595</u>	<u>-</u>	<u>128,957</u>
EXPENDITURES					
Other	-	250	2,070	-	188,988
TOTAL EXPENDITURES	<u>-</u>	<u>250</u>	<u>2,070</u>	<u>-</u>	<u>188,988</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>46</u>	<u>(250)</u>	<u>525</u>	<u>-</u>	<u>(60,031)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	33,659
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,659</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	46	(250)	525	-	(26,372)
FUND BALANCES (DEFICITS) - JULY 1	<u>16</u>	<u>1,500</u>	<u>300</u>	<u>300</u>	<u>48,913</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 62</u>	<u>\$ 1,250</u>	<u>\$ 825</u>	<u>\$ 300</u>	<u>\$ 22,541</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

APPLETON SCHOOL DEPARTMENT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	AVE Renovation Bond	School Facilities Capital Reserve	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments	\$ -	\$ 122,422	\$ 122,422
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 122,422</u>	<u>\$ 122,422</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	122,422	122,422
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>122,422</u>	<u>122,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 122,422</u>	<u>\$ 122,422</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	AVE Renovation Bond	School Facilities Capital Reserve	Total
REVENUES			
Other	\$ -	\$ 1,436	\$ 1,436
TOTAL REVENUES	<u>-</u>	<u>1,436</u>	<u>1,436</u>
EXPENDITURES			
Other	<u>1</u>	<u>-</u>	<u>1</u>
TOTAL EXPENDITURES	<u>1</u>	<u>-</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1)</u>	<u>1,436</u>	<u>1,435</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	90,000	90,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>90,000</u>	<u>90,000</u>
NET CHANGE IN FUND BALANCES	(1)	91,436	91,435
FUND BALANCES - JULY 1	<u>1</u>	<u>30,986</u>	<u>30,987</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 122,422</u>	<u>\$ 122,422</u>

See accompanying independent auditors' report and notes to financial statements.

APPLETON SCHOOL DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture Passed-through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	013.3024.05	\$ 29,455	\$ -
Subtotal Child Nutrition Cluster			<u>29,455</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>29,455</u>	<u>-</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	013.3107.13	<u>31,810</u>	<u>-</u>
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	013.3046.12	<u>48,455</u>	<u>-</u>
Subtotal Special Education Cluster (IDEA):			<u>48,455</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367	013.3042.11	<u>8,353</u>	<u>-</u>
Total U.S. Department of Education			<u>88,618</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 118,073</u>	<u>\$ -</u>

DISCLOSURES:

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

See accompanying independent auditors' report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Appleton School Committee
Appleton School Department
Hope, Maine

We have audited the financial statements of the Appleton School Department for the year ended June 30, 2020 and have issued our report thereon dated May 27, 2021. 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 Appleton 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 Appleton 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 Appleton 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 Appleton 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
May 27, 2021

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

APPLETON SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2020

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Funds (3000)	Total
June 30, 2020 Balance Per MEFS	\$ -	\$ -	\$ -	\$ -
Fund balances	389,612	24,041	122,422	536,075
Audited GAAP Basis Fund Balance June 30, 2020	<u>\$ 389,612</u>	<u>\$ 24,041</u>	<u>\$ 122,422</u>	<u>\$ 536,075</u>