

***TOWN OF TRENTON
SCHOOL DEPARTMENT***

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT***

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2021***

**TRENTON SCHOOL DEPARTMENT
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

April 3, 2022

Members of the School Committee
Trenton School Department
Trenton, Maine 04605

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trenton School Department as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 School Department'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 School Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the Trenton School Department of June 30, 2021, and the respective changes in financial position 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, the financial statements of the Trenton School Department are intended to present the financial position, the changes in financial position of only that portion of the governmental activities and the aggregate remaining fund information of the Town of Trenton, Maine that is attributable to the transactions of the Trenton School Department. They do not purport to, and do not, present fairly the financial position of the Town of Trenton, Maine as of June 30, 2021, 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 management's discussion and analysis, budgetary comparison, pension plan schedules, and other post-employment benefits schedules on pages 3 through 8 and 35, 36 through 38, and 39 through 42 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trenton School Department's basic financial statements. The 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 expenditure of federal awards is presented for purposes of additional analysis as required by the State of Maine, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and individual nonmajor fund financial statements are 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. 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 expenditures of federal awards and nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully Submitted,

James W. Wadman, CPA

James W. Wadman, CPA

Trenton School Department
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Management of Trenton School Department provides this *Management's Discussion and Analysis* of the School Department's financial performance for readers of the School Department's financial statements. This narrative overview and analysis of the financial activities of the School Department is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of Trenton School Department (the School Department) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net position – The assets of the School Department exceeded its liabilities at fiscal year ending June 30, 2021 by \$2,474,776 (presented as “net position”). Of this amount, \$756,759 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the School Department's ongoing obligations to citizens and creditors.

Changes in Net position – The School Department's total net position increased by \$244,096 (a 11% increase) for the fiscal year ended June 30, 2021.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2021; the School Department's governmental funds reported a combined ending fund balance of \$997,020 with \$748,276 being general unassigned fund balance. This unassigned fund balance represents approximately 19% of the total general fund expenditures for the year.

Long-term Debt:

The School Department had no debt as of June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School Department's basic financial statements. The School Department's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the School Department from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the School Department (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the School Department's government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the School

Department's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 11-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 14-34 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). This section also includes the pension disclosure schedules as required by GASB Statement #68 and the Other Post-Employment Benefits schedules as required by GASB Statement #75. Required supplementary information can be found on page 36-42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

65% of the School Department's net position reflects its investment in capital assets such as land, buildings, and equipment less any related debt used to acquire those assets that are still outstanding. The School Department uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the School Department's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

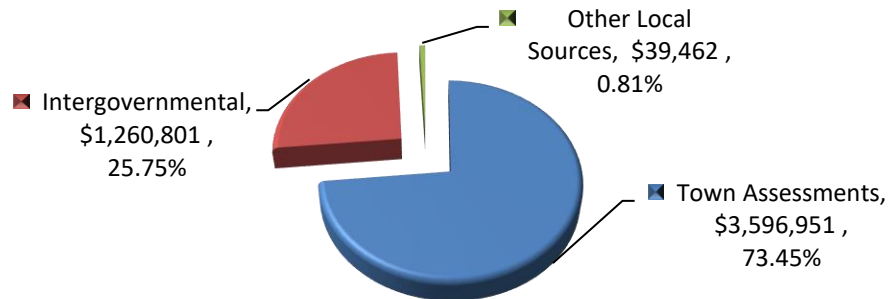
	<i>Governmental Activities Total 2021</i>	<i>Governmental Activities Total 2020</i>
Current Assets	1,309,919	1,041,918
Capital Assets	1,642,005	1,668,553
<i>Total Assets</i>	<i>2,951,924</i>	<i>2,710,471</i>
Related to Pensions	79,805	70,407
Related to Other Post Employment Benefits	80,682	11,043
<i>Total Deferred Outflows of Resources</i>	<i>160,487</i>	<i>81,450</i>
<i>Total Assets and Deferred Outflows of Resources</i>	<i>3,112,411</i>	<i>2,791,921</i>
Current Liabilities	337,713	337,755
Other Liabilities	288,887	243,370
<i>Total Liabilities</i>	<i>626,600</i>	<i>581,125</i>
Related to Pensions	5,454	13,438
Related to Other Post Employment Benefits	5,581	6,976
<i>Total Deferred Inflows of Resources</i>	<i>11,035</i>	<i>20,414</i>
<i>Net Position:</i>		
Net Investment in Capital Assets	1,616,070	1,636,738
Restricted	101,947	45,147
Unrestricted	756,759	508,497
<i>Total Net Position</i>	<i>2,474,776</i>	<i>2,190,382</i>
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	<i>3,112,411</i>	<i>2,791,921</i>

Changes in Net Position

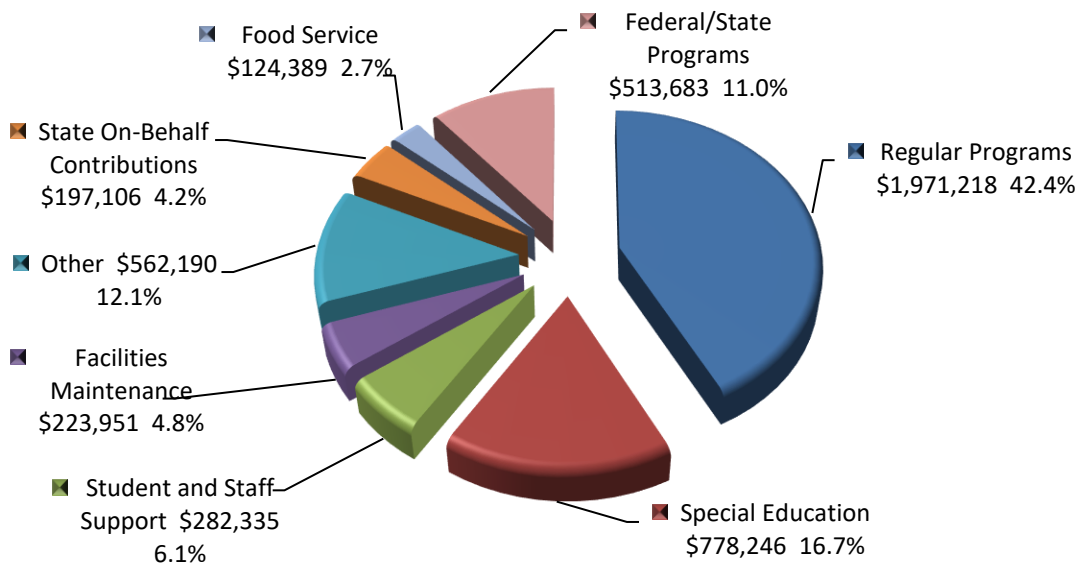
Approximately 73.4 percent of the School Department's total revenue came from Local appropriations, approximately 25.7 percent came from State subsidies and grants, and approximately .9 percent came from services, investment earnings and other sources. Depreciation expense on the School Department's governmental assets represents \$60,371 of the total expenses for the fiscal year.

	<i>Governmental Activities Total 2021</i>	<i>Governmental Activities Total 2020</i>
<i>Revenues:</i>		
Town Appropriation	3,596,951	3,333,891
Intergovernmental Revenues	1,260,801	778,391
Local Sources	39,462	24,136
<i>Total</i>	4,897,214	4,136,418
<i>Expenses:</i>		
Regular Instruction	1,971,218	1,762,655
Student and Staff Support	282,335	286,485
Special Education	778,246	814,793
Other Instruction	31,872	67,161
System Administration	87,365	79,840
School Administration	216,661	199,019
Facilities Maintenance	223,951	222,231
Transportation and Buses	162,997	154,464
Depreciation	50,053	48,130
State On-Behalf Contributions	197,106	194,775
Food Service	124,389	136,805
Federal/State Programs	513,683	131,917
Other Grants and Donation	13,242	3,688
	4,653,118	4,101,963
<i>Changes in Net Position</i>	244,096	34,455

Revenues By Source - Governmental Activities



Expenditures By Source - Governmental Activities



FINANCIAL ANALYSIS OF THE SCHOOL DEPARTMENT'S INDIVIDUAL FUNDS

Governmental Funds

The focus of the School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the School Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School Department's governmental funds reported ending fund balances of \$997,020 an increase of \$229,765 in comparison with the prior year. Approximately 75 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

Variances between actual General Fund revenues and expenditures and the final amended budget include the following:

- \$15,462 negative variance in regular instruction – salaries teachers. The variance is due to personnel changes.
- \$42,364 positive variance in tuition other SAU within state. The variance is due to not as many students as anticipated.
- \$70,089 positive variance in special education salaries – ed techs and \$74,210 positive variance in special education blue cross blue shield. There were personnel and needs changes.
- \$25,989 positive variance in other professional services. The costs were not as great as anticipated.
- \$28,930 positive variance in special education tuition. The costs were not as great as anticipated.
- \$23,686 positive variance in 9-12 special education salaries – ed tech. The needs were less than anticipated.
- \$35,654 positive variance in co-curricular stipends. There were not as many activities due to COVID.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The School Department's investment in capital assets for its governmental activities amounts to \$2,824,511, net of accumulated depreciation of \$1,182,506 leaving a net book value of \$1,642,005. Current year additions include \$12,800 for a heater in the cafeteria and \$21,022 for a telephone system. Additional information on the School's capital assets can be found in Note 3C of the notes to the financial statements on page 21 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School Department's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the School Department's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Trenton School Department, 59 Oak Point Rd., Trenton, ME 04605

TRENTON SCHOOL DEPARTMENT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit A

<i>Assets and Deferred Outflows of Resources</i>	<i>Governmental Activities</i>
<i>Assets</i>	
Cash	100
Due from Other Governments	1,095,497
Accounts Receivable	213,395
Inventory	927
Capital Assets:	
Land	90,000
Other Capital Assets, Net of Depreciation	1,552,005
<i>Total Assets</i>	<u>2,951,924</u>
<i>Deferred Outflows of Resources</i>	
Related to Pensions	79,805
Related to Other Post-Employment Benefits	80,682
<i>Total Deferred Outflows of Resources</i>	<u>160,487</u>
<i>Total Assets and Deferred Outflows of Resources</i>	<u><u>3,112,411</u></u>
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
<i>Liabilities</i>	
Accrued Salaries Payable	226,706
Accounts Payable	86,065
Due to Students	128
Compensated Absences Payable	18,702
Long-term Liabilities:	
Net Pension Liability	57,096
Net Other Post-Employment Benefits Liability	211,968
<i>Capital Leases Payable</i>	
Due Within One Year	6,112
Due in More Than One Year	19,823
<i>Total Liabilities</i>	<u>626,600</u>
<i>Deferred Inflows of Resources</i>	
Related to Pensions	5,454
Related to Other Post-Employment Benefits	5,581
<i>Total Deferred Inflows of Resources</i>	<u>11,035</u>
<i>Net Position</i>	
Net Investment in Capital Assets	1,616,070
Restricted	101,947
Unrestricted	756,759
<i>Total Net Position</i>	<u>2,474,776</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	<u><u>3,112,411</u></u>

The notes to financial statements are an integral part of this statement.

TRENTON SCHOOL DEPARTMENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
<u>Primary Government</u>		<u>Services</u>	<u>Grants</u>	<u>Changes in Net Position</u>
<u>Governmental Activities</u>				<u>Governmental</u>
				<u>Activities</u>
Regular Instruction	1,971,218			(1,971,218)
Student and Staff Support	282,335			(282,335)
Special Education	778,246			(778,246)
Other Instruction	31,872			(31,872)
System Administration	87,365			(87,365)
School Administration	216,661			(216,661)
Facilities Maintenance	223,951			(223,951)
Transportation and Buses	162,997			(162,997)
Depreciation	50,053			(50,053)
State On -Behalf Contributions	197,106		197,106	-
Food Services	124,389	2,889	111,457	(10,043)
Federal/State Programs	513,683			(513,683)
Other Programs	13,242			(13,242)
<i>Total Governmental Activities</i>	<u>4,653,118</u>	<u>2,889</u>	<u>308,563</u>	<u>(4,341,666)</u>
<i>Total Primary Government</i>	<u>4,653,118</u>	<u>2,889</u>	<u>308,563</u>	<u>(4,341,666)</u>
<u>General Revenues:</u>				
Town Assessments				3,596,951
Intergovernmental				952,238
Local Sources				<u>36,573</u>
<i>Total Revenues, Special Items and Transfers</i>				<u>4,585,762</u>
<i>Changes in Net Position</i>				244,096
<i>Net Position - Beginning, Restated</i>				<u>2,230,680</u>
<i>Net Position - Ending</i>				<u>2,474,776</u>

The notes to financial statements are an integral part of this statement.

**TRENTON SCHOOL DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit C

	<i>General Fund</i>	<i>School Grants</i>	<i>Other Governmental Funds</i>	<i>Total</i>
Assets				
Cash	100		42,302	42,402
Due from Other Governments	1,053,195			1,053,195
Due from Other Funds		58,718		58,718
Accounts Receivable	213,395			213,395
Inventory	927			927
Total Assets	1,267,617	58,718	42,302	1,368,637
Liabilities				
Accounts Payable	86,065			86,065
Due to Students	128			128
Accrued Salaries Payable	226,706			226,706
Due to Other Funds	58,718	-	-	58,718
Total Liabilities	371,617	-	-	371,617
Fund Balances				
Nonspendable	927			927
Restricted		58,718	42,302	101,020
Assigned	146,797			146,797
Unassigned	748,276			748,276
Total Fund Balances	896,000	58,718	42,302	997,020
Total Liabilities and Fund Balances	1,267,617	58,718	42,302	1,368,637

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance	997,020
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$1,182,506	1,642,005
Deferred outflows of resources related to pension plans	79,805
Deferred inflows of resources related to pension plans	(5,454)
Deferred outflows of resources related to OPEB	80,682
Deferred inflows of resources related to OPEB	(5,581)
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued Compensated Absences	(18,702)
Capital Lease Payable	(25,935)
OPEB Liability	(211,968)
Net Pension Liability	(57,096)
Net Position of Governmental Activities	2,474,776

The notes to financial statements are an integral part of this statement.

TRENTON SCHOOL DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit D
Page 1 of 2

	<i>General Fund</i>	<i>School Grants</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Town Assessments	3,596,951			3,596,951
Intergovernmental Revenues	730,806	529,995		1,260,801
Local Sources	5,156	19,060	15,246	39,462
Total Revenues	4,332,913	549,055	15,246	4,897,214
Expenditures				
Regular Instruction	1,984,375			1,984,375
Student and Staff Support	282,335			282,335
Special Education Instruction	801,653			801,653
Other Instruction	31,872			31,872
System Administration	87,365			87,365
School Administration	212,368			212,368
Facilities Maintenance	236,015			236,015
Transportation and Buses	162,997			162,997
State On Behalf Payments	197,106			197,106
Food Services	123,415			123,415
Federal/State Programs		534,706		534,706
Student Activity Fund			13,242	13,242
Total Expenditures	4,119,501	534,706	13,242	4,667,449
Excess of Revenues Over (Under)				
Expenditures	213,412	14,349	2,004	229,765
Fund Balance - July 1, Restated	682,588	44,369	40,298	767,255
Fund Balance - June 30	896,000	58,718	42,302	997,020

(continued)

The notes to financial statements are an integral part of this statement.

TRENTON SCHOOL DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit D
Page 2 of 2

Net change in fund balances - total governmental funds	229,765
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased	33,823
Depreciation expense	(60,371)
Bond proceeds provided current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Lease principal payments	5,880
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Pension Plans (Deferred Outflows, Net Pension Liability, Deferred Inflows)	15,432
OPEB (Deferred Outflows, OPEB Liability, Deferred Inflows)	21,355
Accrued compensated absences	(1,788)
Change in net position of governmental activities	<u><u>244,096</u></u>

The notes to financial statements are an integral part of this statement.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trenton School Department have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for the governmental accounting and financial reporting principles. The more significant of the Department's accounting policies are described below.

A. Financial Reporting Entity

The Trenton School Department is a separate department of the Town of Trenton, Maine. The Trenton School Department is administered by AOS #91. The School Department has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Department. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. The elected school committee has management responsibility over all activities related to the elementary and secondary education of the Department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the School Department. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and various intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support (if applicable).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Assessments and other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditure related to compensated absences are recorded only when payment is due.

Assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School Department.

The School Department reports the following major governmental funds:

The *general fund* is the School's primary operating fund. It accounts for all financial resources of the Department, except those required to be accounted for in another fund.

Additionally, the School Department reports the following fund types:

Student activity funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the School Department's own programs.

The effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the School department's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Fund Equity

1. Deposits and Investments

The School 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. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The School Department may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Maine Statute 5705 Title 30-A and as provided in the authorized investment guidelines of the Maine Statutes 5711 through 5719 in effect on the date the investment is made.

Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (continued)

2. Receivables and Payables

Revenues for the most part are recorded when received, except that amounts have been recorded as receivables for amounts due from other governments. Transactions between funds that result in outstanding balances are reported as due to/from other funds.

Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.

3. Inventories

School Lunch inventories are valued at cost and are offset with a reserve for inventories. The costs of other governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Capital assets, which property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School Department as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	30-50
Equipment	6-20

5. Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The School Department has an item that qualifies as deferred outflows of resources, and it has an item that qualifies as a deferred inflow. Both items are related to pensions. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and an inflow of resources (revenue) in the period that the amounts become available.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (continued)

6. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Employees Retirement System (System) and additions to/deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

7. Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the Maine Education Association Benefits Trust (MEABT) and additions to / deductions from their fiduciary net position have been determined on the same basis as they are reported by MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

8. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

9. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as reported as another financing source.

10. Fund Balances/Net Position

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, the School classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net position or Fund Equity (continued)

10. Fund Balances/Net Position (continued)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through School meeting voting and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the School Board.

Unassigned – includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balance in other governmental funds.

The School considers restricted, committed, assigned, and unassigned amounts to be spent in that order when expenditures for which any of those amounts are available. The School does not have a formal minimum fund balance policy.

Fund Balances

The School has identified June 30, 2021 fund balances on the balance sheet as follows:

	<i>General Fund</i>	<i>School Grants</i>	<i>Other Governmental Funds</i>	<i>Total</i>
<u><i>Nonspendable</i></u>				
Lunch Inventory	927			927
<u><i>Restricted</i></u>				
Federal/State Projects		37,952		37,952
DHHS Dental Grant		662		662
Emery Grant - Lambert		5,702		5,702
Friends of Acadia Grant		2,842		2,842
Genyouth Grant		5,000		5,000
Math Counts Grant		60		60
MEAA Outdoor Learning		1,500		1,500
Greenhouse Garden Donation		5,000		5,000
Student Activity Fund			42,302	42,302
<u><i>Assigned</i></u>				
Special Education Reserve	13,372			13,372
Maintenance of Plant Reserve	60,000			60,000
School Lunch	60,862			60,862
Deductible Coverage	10,153			10,153
Pre K Program	2,410			2,410
<u><i>Unassigned</i></u>				
General Fund	748,276			748,276
<u><i>Total Fund Balance</i></u>	<u>896,000</u>	<u>58,718</u>	<u>42,302</u>	<u>997,020</u>

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net position or Fund Equity (continued)

10. Fund Balances/Net Position (continued)

Net position

Net position are required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portions of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the School Department’s operations. At the annual Town meeting, the School Department adopts a budget for the current year. However, the School Department does not budget for the revenues and expenditures associated with the employer’s teacher retirement contribution made by the State of Maine on behalf of the School Department to the Maine State Retirement System. School grant funds and the school lunch fund do not have legally adopted budgets. All appropriations lapse at fiscal year-end to the extent that they have not been encumbered. Budgets are adopted on a basis consistent with generally accepted accounting principles. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are carried forward to supplement appropriations of the subsequent year.

B. Budget/GAAP Reconciliation

The Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Exhibit G) reconciles financial data on a budgetary basis for the government’s general and budgeted special revenue funds to the data shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit D). The differences are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP), and, as required by generally accepted accounting principles, the School Department has recorded a revenue and expenditure for Maine State Retirement contributions and Retiree Group Life insurance made by the State of Maine on behalf of the School Department totaling \$197,106. These amounts have not been budgeted in the School Department, resulting in a budgetary/GAAP reporting difference. These amounts have been included as intergovernmental revenues and departmental expenditures in the School Department Special Revenue Fund on Exhibit D.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The School's deposit policy for custodial credit risk requires compliance with the provisions of state law. State Statute 5706 require banks to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town Treasurer in the amount of the School's deposits. The Statutes allow pledged securities to be reduced by the amount of Federal Deposit Insurance Corporation (FDIC).

One or more of the financial institutions holding the School's cash accounts are participating in the FDIC Transaction Account Guarantee Program. For all accounts, the School's cash deposits, including certificates of deposits, are insured up to \$250,000 per custodian by the FDIC. Any cash deposits or certificates of deposits in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the School and thus no custodial risk exists.

At year-end, the School's carrying amount of deposits was \$42,402 and the bank balance was \$42,402. Of the bank balance, \$42,402 was covered by federal depository insurance.

B. Interfund Balances and Activity

Individual fund interfund receivable and payable at June 30, 2021, were as follows:

	<i>Interfund Receivable</i>	<i>Interfund Payable</i>
General Fund		58,718
Special Revenue Funds		
School Grants	58,718	
Totals	<u>58,718</u>	<u>58,718</u>

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. The above amounts represent cash transfers between the donations and grant program and the general fund. These amounts are expected to be repaid over the next year.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	90,000			90,000
<i>Total capital assets not being depreciated</i>	90,000	-	-	90,000
<i>Capital assets being depreciated</i>				
Buildings	2,603,440	12,800		2,616,240
Equipment	94,253	21,023	(9,520)	105,756
Infrastructure	12,515			12,515
<i>Total capital assets being depreciated</i>	2,710,208	33,823	(9,520)	2,734,511
<i>Less accumulated depreciation for</i>				
Buildings	1,079,064	47,010		1,126,074
Equipment	43,993	12,801	(9,520)	47,274
Infrastructure	8,598	560		9,158
<i>Total accumulated depreciation</i>	1,131,655	60,371	(9,520)	1,182,506
<i>Net capital assets being depreciated</i>	1,578,553	(26,548)	-	1,552,005
<i>Governmental Activities Capital Assets, net</i>	1,668,553	(26,548)	-	1,642,005

Depreciation expense was charged to functions/programs of the primary government as follows;

Governmental Activities

School Administration	8,608
Facilities Maintenance	736
Other Depreciation - All Functions	50,053
Food Services	974
Total Depreciation Expense - Governmental Activities	60,371

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Leases

The School Department is obligated under certain leases accounted for as capital leases. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30:

<i>Year Ended</i> <i>June 30,</i>	<i>Minimum</i> <i>Lease Payment</i>
2022	7,136
2023	7,136
2024	7,136
2025	7,137
Total Minimum Lease Payments	28,545
Less: Amount Representing Interest	(2,610)
Present Value of Future Minimum Lease Payments	<u>25,935</u>

NOTE 4 - OTHER INFORMATION

A. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the School Department expects such amount, if any to be immaterial.

B. Defined Benefit Employee Pension Plan

Plan Description

Qualifying personnel of the School Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is also a non-employer contributing entity in that the State pays the unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for the teacher members.

The Plan is administered by the Maine Public Employees Retirement System (the System).

Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occur 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

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

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 employees and teacher members.

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 interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers, and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or by the System's Board of Trustees and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2020, the member contribution rate was 7.65% and the employer contribution rate was 4.16% of applicable member compensation. The employer is also responsible for contributing 14.95% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.33% of the applicable member compensation into the System.

The required contributions paid into the System for the ended June 30, 2021 and the previous two years are as follows:

For the year ended June 30,	Employee Contributions	Employer Contributions	State of Maine Contributions	Applicable Member Compensation	Federal Compensation	Total
2021	\$ 111,323	\$ 75,612	\$ 194,091	\$ 1,354,440	\$ 100,769	\$ 1,455,209
2020	\$ 106,446	\$ 64,522	\$ 193,032	\$ 1,347,049	\$ 44,401	\$ 1,391,450
2019	\$ 102,128	\$ 58,503	\$ 142,698	\$ 1,287,885	\$ 47,116	\$ 1,335,001

Revenue Recognition

The Schedule of Employer Allocations for the SET Plan reflects current year employer contributions, adjusted to remove contributions related to employer specific liabilities to the Plan and other adjustments. In addition, to reflect the unique funding arrangement that currently exists with the SET Plan for teachers, total employer and non-employer entity contributions were used as the basis for the allocation, adjusted to remove the normal cost contributions paid by the local school districts on behalf of their employees. This leaves contributions toward the unfunded liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those districts contributing towards the unfunded liability of the plan using grant funding.

Special Funding Situation

The State of Maine participates in the SET Plan as a non-employer contributing entity in that the State pays the Initial Unfunded Actuarial Liability (IUAL) associated with the teachers and the local teacher districts pay the normal cost contributions as determined by the actuary.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

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

As of June 30, 2021, the School Department reported a net pension liability of \$57,096. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2020, the School Department's proportion was .003498%, which was a decrease of 0.000264% from its proportion measured at June 30, 2019.

For the fiscal year ended June 30, 2021, the School Department recognized pension expense of \$75,612. At June 30, 2021, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	1,827	1,210
Changes in Assumption		
Net Difference between projected between projected and actual earnings on pension plan investments	2,366	
Changes in proportion and differences between employer contributions and proportionate share of contributions		4,244
Employer Contributions made subsequent to measurement date	75,612	
	<u>79,805</u>	<u>5,454</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2021	<u>(3,956)</u>
2022	<u>(1,487)</u>
2023	<u>2,102</u>
2024	<u>77,692</u>

Actuarial Methods and Assumptions

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal cost method is used to develop costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognized in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The IUAL of the SET Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses, and changes are amortized over twenty-year period beginning on the date as of which they occur.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follow:

Inflation	2.75%
Salary Increases	2.75%, plus merit component based on each employee's years of service.
Investment Rate of Return	6.75%, per annum, compounded annually
Cost of Living Benefit Increases	2.20%

Mortality Rates - For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females is used.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

B. Defined Benefit Employee Pension Plan (continued)

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	7.2%
Diversifiers	10.0%	5.9%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total collective total pension liability was 6.75% for 2020 for each plan. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table shows how the collective net pension liability/(asset) as of June 30, 2020 would change if the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<i>1% Decrease ▼ (5.75%)</i>	<i>Current Discount Rate (6.75%)</i>	<i>1% Increase ▲ (7.75%)</i>
Proportionate Share of the Net Pension Liability	\$ 99,022	\$ 57,096	\$ 22,152

Pension Plan Financial and Actuarial Information

Additional financial and actuarial information, with respect to the Plan, can be found in the System's 2020 Comprehensive Annual Financial Reports available online at www.maineopers.org or contacting the System at (207) 512-3100.

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Post Employment Benefits (OPEB) – Group Life Plan

Plan Description

Qualifying personnel of the Department participate in the Group Life Insurance Plan for Retired State Employees and Teachers as provided by the Maine Public Employees Retirement System (SET Plan). The plan is a multiple-employer, cost sharing plan with a special funding situation. As of June 30, 2019, there are 239 employers, including the State of Maine participating in the plan. The State of Maine is also a non-employer contributing entity in the State pay contributions for retired public school teachers in the plan.

The Plan is administered by the Maine Public Employees Retirement System (the System).

Other Post-Employment Benefits (OPEB)

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 a rate of 15% per year to the greatest of 40% of the initial amount or \$2,500.

Funding Policy

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for basic life insurance for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

Revenue Recognition

The Schedule of Employer and Non-Employer Entity Allocations for the SET Plan reflects current year employer and non-employer contributing entity premium contributions to the Plan.

Special Funding Situation

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.

Actuarial Methods and Assumptions

The collective total OPEB liability for the plan was determined by an actuarial valuation of June 30, 2020, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the funding methodologies. Costs are developed using the individual entry age normal cost method based on a level percentage

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

C. Other Post Employment Benefits (OPEB) – Group Life Plan

of payroll. Experience gains and losses, i.e., actual decreases or increases in the liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

Amortization

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2020, there were 17 years remaining in the amortization schedule for the SET Plan

The actuarial assumptions used in the June 30, 2020 actuarial valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

Significant Actuarial Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

Inflation	2.75%
Annual Salary Increases, including inflation	2.75%-14.50%
Investment Rate of Return	6.75%, per annum, compounded annually
Participation Rates for Future Retirees	100% of those currently enrolled
Conversion Charges	Apply to the cost of active group life insurance, net retiree group life insurance
Form of Benefit Payment	Lump Sum

Mortality Rates - For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

On-Behalf Payments

As mentioned in Plan Description above, contributions are made by the System for participating retired teachers. The summary below provides the School Department's allocation of these contributions as well as the proportionate share of the Net OPEB liability. The Net OPEB liability is not recorded on the School Department's financial statements since it is a liability of the State of Maine and not a liability of the School Department.

	<i>Allocation of:</i>		
	<i>On-Behalf</i>	<i>Benefits</i>	<i>Net OPEB</i>
	<i>Payments</i>	<i>Expense</i>	<i>Liability</i>
2020	\$3,015	\$2,973	\$26,851
2019	\$1,743	\$1,787	\$18,933

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB)- School Health Insurance Plan

Plan Description

Qualifying personnel of the School Department participate in the Maine Education Association Benefits Trust (MEABT) postretirement benefit plan. The plan is a single employer OPEB plan.

Eligibility

The employee must have participated in the MEABT health plan for the 12 months prior to retirement, and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits.

A retiree who terminates coverage may elect to re-enroll in coverage at a later date if the participant participated in the health plan for 12 months prior to terminating coverage, if the re-enrollment occurs within 5 years from the date of termination coverage, and if the retiree does not surpass attaining age 62 at the time of re-enrollment. The participant has to have maintained continuous health insurance coverage during this break in coverage. To be eligible for re-enrollment, a retiree may not take more than one break in coverage.

Cost Sharing Provisions

The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members.

The retiree pays 55% of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. The total premium is paid for by the State and the retiree and/or spouse. The MEABT is not responsible for the premium, but instead the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and per-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy. This is the basis of the liability for the School Department.

Employees covered by benefit terms:

At June 30, 2020, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	24
Average age	50.13
Average service	16.77

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) - School Health Insurance Plan

Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Discount Rate	2.21% per annum.
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost

Trend assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs		
Variable	Rate	
Rate of Inflation	2.00%	
Rate of Growth in Real Income/GDP per capita 2030+	1.23%	
Extra Trend due to Taste/Technology 2030+	1.10%	
Expected Health Share of GDP 2030	20.00%	
Health Share of GDP Resistance Point	25.00%	
Year of Limiting Cost Growth to GDP Growth	2040	

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

Pre-Medicare Medical: Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare Medical: Initial trend of 0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Rates of mortality for the different level of participants are described below:

Healthy Annuitants: based on 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows: 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80. 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) - School Health Insurance Plan

Healthy Employees: based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

The actuarial assumptions are the teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets. The plan has no assets to apply against the liabilities.

For claim curves, the Actuary used actual community rated premiums and census records provided by MEABT through June 30, 2018. Participation experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

The Actuary report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 related to legislation and regulations.

Discount Rate

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2019 is 3.50% per annum. The discount rate as of June 30, 2020 is 2.21% per annum. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) - School Health Insurance Plan

Changes in the Net OPEB Liability

	<i>Total OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability</i>
<u>Balances at 6/30/2019</u>	\$162,289	\$0	\$162,289
<u>Changes:</u>			
Service Cost	\$2,526		\$2,526
Interest	\$5,752		\$5,752
Changes of Benefits	(\$39,353)		(\$39,353)
Changes between expected and actual experience	\$20,871		\$20,871
Change of Assumptions	\$60,821		\$60,821
Contributions - Employer		\$938	(\$938)
Benefit Payments	(\$938)	(\$938)	\$0
<u>Net changes</u>	<u>\$49,679</u>	<u>\$0</u>	<u>\$49,679</u>
<u>Balances at 6/30/2020</u>	<u>\$211,968</u>	<u>\$0</u>	<u>\$211,968</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Changes in the discount rate affect the measurement of the Total OPEB Liability (TOL). Lower discount rates produce a higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the TOL to the discount rate:

	<i>1% Decrease (1.21%)</i>	<i>Current Discount Rate (2.21%)</i>	<i>1% Increase (3.21%)</i>
Net OPEB Liability (Asset)	\$ 263,013	\$ 211,968	\$ 172,234

A one percent decrease in the discount rate increases the Net OPEB Liability (NOL) by approximately 24.1%. A one percent increase in the discount rate decreases the NOL by approximately 18.7%.

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Changes in the healthcare trend rate affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rate:

	<i>1% Decrease</i>	<i>Healthcare Trend Rate</i>	<i>1% Increase</i>
Net OPEB Liability (Asset)	\$ 168,199	\$ 211,968	\$ 270,280

A one percent decrease in the healthcare trend rates decreases the NOL by approximately 20.6%. A one percent increase in the healthcare trend rate increases the NOL by approximately 27.5%.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) - School Health Insurance Plan

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

The impact of experience gains or losses and assumption changes on the TOL are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 8 years.

The table below summarized the current balances of deferred outflows and deferred inflows of resources along with net recognition over the next five years, and thereafter.

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	18,262	-
Changes in Assumption	62,420	5,581
Net Difference between projected between projected and actual earnings on OPEB plan investments	-	-
	<u>80,682</u>	<u>5,581</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	
2021	<u>10,658</u>
2022	<u>10,658</u>
2023	<u>10,658</u>
2024	<u>10,657</u>
2025	<u>12,050</u>
Thereafter	<u>20,420</u>

E. Risk Management

The School Department is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions; and natural disasters for which the School Department participates in public entity risk pools sponsored by Maine School Department Management Association (MSMA) for both Workers' Compensation coverage and Property Casualty coverage. These pools, and the risks of loss to which the School Department is exposed, are as follows.

Workers' Compensation – MSMA's workers' compensation self-insured trust retains \$500,000 of risk and purchases excess insurance for claims which exceed \$500,000 up to a maximum coverage of \$25,000,000. All participants are jointly and severally liable; therefore, if collective claims exceed collective contributions the trust has the right to assess additional contributions to members. It is not anticipated that additional assessments will be necessary. Based on the coverage provided by the pools described above, the School Department is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2021.

TRENTON SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

F. Restated Net Position and Fund Balance

The prior year net position and fund balance on the special revenue fund has been restated by \$40,298 due to the student activity fund being reclassified from trust fund to special revenue fund. The restatement is due to GASB #84 Fiduciary Activities.

**TRENTON SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit E

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Town Assessments	3,596,951	3,596,951	3,596,951	-
Intergovernmental Revenues	424,705	424,705	422,243	(2,462)
Local Sources	11,077	11,077	2,267	(8,810)
Total Revenues	4,032,733	4,032,733	4,021,461	(11,272)
Expenditures				
Regular Instruction	2,072,312	2,072,312	1,984,375	87,937
Student and Staff Support	300,035	300,035	282,335	17,700
Special Education	1,057,444	1,057,444	801,653	255,791
Other Instruction	83,008	83,008	31,872	51,136
System Administration	82,097	82,097	87,365	(5,268)
School Administration	214,643	214,643	212,368	2,275
Facilities Maintenance	252,866	252,866	236,015	16,851
Transportation and Buses	174,000	174,000	162,997	11,003
Total Expenditures	4,236,405	4,236,405	3,798,980	437,425
Excess of Revenues Over (Under) Expenditures	(203,672)	(203,672)	222,481	426,153
Other Financing Sources				
Transfers In	-	-	17,893	17,893
Transfers Out	(25,000)	(25,000)	(35,153)	(10,153)
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(17,260)	7,740
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(228,672)	(228,672)	205,221	433,893
Beginning Fund Balance			543,055	
Special Ed Reserve			13,372	
Maintenance of Plant Reserve			60,000	
Pre-K Program			2,410	
Deductible Coverage			10,153	
Food Service			61,789	
Ending Fund Balance			896,000	
Reconciliation to Exhibit D:				
Total Revenues per above			4,021,461	
State On-Behalf Contributions			197,106	
Food Service Fund			114,346	
Total Revenues per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			\$4,332,913	
Total Expenditures per above			3,798,980	
State On-Behalf Contributions			197,106	
Pre-K Program			-	
Food Service			123,415	
Total Expenditures per Statement of Revenues, Expenditures and Fund Balances - Governmental Funds			4,119,501	

TRENTON SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - TEACHER AND STATE EMPLOYEE PLAN
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit F
Page 1 of 2

	<i>For the Fiscal Year Ended June 30</i>	<i>For the Fiscal Year Ended June 30</i>	<i>For the Fiscal Year Ended June 30</i>	<i>For the Fiscal Year Ended June 30</i>	<i>For the Fiscal Year Ended June 30</i>	<i>For the Fiscal Year Ended June 30,</i>	<i>For the Fiscal Year Ended June 30,</i>
	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Last 10 Fiscal Years							
Proportion of Net Pension Liability	0.003498%	0.003762%	0.004100%	0.004623%	0.005050%	0.006134%	0.005426%
Proportionate Share of the Net Pension Liability (Asset)	\$57,096	\$55,146	\$55,327	\$67,151	\$89,216	\$82,816	\$58,619
Covered Employee Payroll	\$1,455,209	\$1,391,450	\$1,335,001	\$1,252,762	\$1,272,871	\$1,242,446	\$1,199,649
Proportionate Share of the Net Pension Liability (Asset) as a % Of Its Covered Employee Payroll	3.923560%	3.963204%	4.144341%	5.360236%	7.009037%	6.665561%	4.886346%
Plan Total Pension Liability	\$14,865,460,130	\$14,547,222,913	\$14,031,187,845	\$13,484,886,512	\$13,069,954,948	\$12,616,287,054	\$12,320,158,783
Plan Fiduciary Net Position	\$12,044,918,612	\$12,035,563,047	\$11,632,179,683	\$10,893,291,864	\$9,960,335,390	\$10,242,097,022	\$10,337,615,927
Plan Net Pension Liability	\$2,820,541,518	\$2,511,659,866	\$2,399,008,162	\$2,591,594,648	\$3,109,619,558	\$2,374,190,032	\$1,982,542,856
Plan Fiduciary Net Position as a % Of the Total Pension Liability	81.026%	82.734%	82.902%	80.781%	76.208%	81.182%	83.908%
Plan Covered Employee Payroll	\$2,003,075,813	\$1,924,006,618	\$1,808,274,919	\$1,860,230,663	\$1,816,435,084	\$1,699,160,889	\$1,676,857,294
Plan Net Pension Liability as a % Of the Covered Employee Payroll	140.811%	130.543%	132.668%	139.316%	171.194%	139.727%	118.230%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

TRENTON SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit F
Page 2 of 2

	<i>For the Fiscal Year Ended June 30 2021</i>	<i>For the Fiscal Year Ended June 30 2020</i>	<i>For the Fiscal Year Ended June 30 2019</i>	<i>For the Fiscal Year Ended June 30 2018</i>	<i>For the Fiscal Year Ended June 30 2017</i>	<i>For the Fiscal Year Ended June 30, 2016</i>	<i>For the Fiscal Year Ended June 30, 2015</i>
Last 10 Fiscal Years							
Contractually required contribution	\$75,612	\$64,522	\$58,503	\$55,586	\$48,727	\$48,035	\$41,624
Actual Contribution	(\$75,612)	(\$64,522)	(\$58,503)	(\$55,586)	(\$48,727)	\$48,035	\$41,624
Contribution Deficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered Employee Payroll	\$1,455,209	\$1,391,450	\$1,335,001	\$1,252,762	\$1,272,871	\$1,242,446	\$1,199,649
Contributions as a % of Covered Employee Payroll	5.20%	4.64%	4.38%	4.44%	3.83%	3.866%	3.470%

* Amounts presented for each fiscal year were determined as of June 30 of the prior year. Prior year information is not required. A full year schedule will be displayed as it becomes available.

TRENTON SCHOOL DEPARTMENT
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date June 30, 2020, is as follows:

A. Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member’s projected future benefits, and dividing it by the value, also as of the member’s entry age, of their expected future salary. The normal cost for each employee is the product of their pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

B. Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actual assumption for investment return.

C. Amortization

The net pension liability of the SET Plan is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

Inflation	2.75%
Annual Salary Increases, Including Inflation	2.75% plus merit component based on each employee’s year of service.
Investment Rate of Return	6.875%, per annum, compounded annually
Cost of Living Benefit Increases	2.20%

For the School Department employees, the mortality rate is based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Table, for males and females is used. There were no changes in the assumptions for the fiscal year ended June 30, 2021.

TRENTON SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit G
Page 1 of 2

Schedule 1 - Schedule of Changes in Net OPEB Liability and Related Ratios

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
<u>Total OPEB Liability</u>			
Service Cost (BOY)	\$2,526	\$2,066	\$2,264
Interest (includes interest on service cost)	\$5,752	\$5,567	\$5,238
Changes of benefit terms	(\$39,353)		
Differences between expected and actual experience	\$20,871		
Changes in assumptions	\$60,821	\$12,884	(\$9,766)
Benefit payments, including refunds of member contributions	(\$938)		
Net Change in total OPEB liability	\$49,679	\$20,517	(\$2,264)
Total OPEB liability - beginning	\$162,289	\$141,772	\$144,036
Total OPEB liability - ending	\$211,968	\$162,289	\$141,772
<u>Plan fiduciary net position</u>			
Contributions - employer	\$938		
Contributions - member			
Net investment income			
Benefit payments, including refunds of member contributions	(\$938)		
Administrative expense			
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning			
Plan fiduciary net position - ending	-	-	-
Net OPEB liability - ending	\$211,968	\$162,289	\$141,772
Plan Fiduciary Net Position as a % Of the Total OPEB Liability	N/A	N/A	N/A
Covered Employee Payroll	\$1,230,309	\$1,331,531	\$1,295,894
Net OPEB Liability as a % Of the Covered Employee Payroll	17.229%	12.188%	10.940%

* Amounts presented for each fiscal year were determined as of January 1. A full year schedule will be displayed as it becomes available.

**TRENTON SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES - LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2021**

**Exhibit G
Page 2 of 2**

Schedule 2 - Schedule of Contributions:

	<i>For the Fiscal Year Ended June 30, 2021</i>	<i>For the Fiscal Year Ended June 30, 2020</i>	<i>For the Fiscal Year Ended June 30, 2019</i>
Contractually required contribution	\$938		
Contribution in relation to the contractually required contribution	(\$938)		
Contribution deficiency	\$0	\$0	\$0

* Amounts presented for each fiscal year were determined as of January 1. A full year schedule will be displayed as it becomes available.

**TRENTON SCHOOL DEPARTMENT
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – Actuarial Methods and Assumptions

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

Benefit Changes

Effective July 1, 2020, the MEABT implemented several additional Plan updates for the non-Medicare program design.

Changes of Assumptions

The report reflects updated census, demographic assumptions, and economic assumptions.

Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Discount Rate	2.21% per annum.
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost

Trend assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs		
Variable	Rate	
Rate of Inflation	2.00%	
Rate of Growth in Real Income/GDP per capita 2030+	1.23%	
Extra Trend due to Taste/Technology 2030+	1.10%	
Expected Health Share of GDP 2030	20.00%	
Health Share of GDP Resistance Point	25.00%	
Year of Limiting Cost Growth to GDP Growth	2040	

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

Pre-Medicare Medical: Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare Medical: Initial trend of 0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

TRENTON SCHOOL DEPARTMENT
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021

Rates of mortality for the different level of participants are described below:

Healthy Annuitants: based on 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows: 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80. 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80.

Healthy Employees: based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

TRENTON SCHOOL DEPARTMENT

Exhibit A-1

GENERAL FUND

STATEMENT OF ESTIMATED AND ACTUAL REVENUES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Town Assessment	<u>3,596,951</u>	<u>3,596,951</u>	<u>-</u>
Intergovernmental Revenues			
State of Maine			
State Subsidy	424,705	415,376	(9,329)
State Agency Client		3,867	3,867
NBCT Stipend		3,000	3,000
	<u>424,705</u>	<u>422,243</u>	<u>(2,462)</u>
Local Sources			
Miscellaneous	<u>11,077</u>	<u>2,267</u>	<u>(8,810)</u>
	<u>11,077</u>	<u>2,267</u>	<u>(8,810)</u>
Total Revenues	4,032,733	4,021,461	(11,272)
Other Financing Sources (Uses)			
Operating Transfers In		<u>17,893</u>	<u>17,893</u>
Total Revenues and Other Financing Sources	4,032,733	<u>4,039,354</u>	<u>6,621</u>
Beginning Fund Balance Used to Reduce Town Assessment	<u>228,672</u>		
Total Revenues and Use of Fund Balance	<u>4,261,405</u>		

STATEMENT OF APPROPRIATIONS AND EXPENDITURES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Regular Instruction			
Salaries - Teachers	558,266	573,728	(15,462)
Salaries - Teachers K-2	233,050	222,650	10,400
Salaries - Teacher - G&T	24,680	24,680	-
Salaries - Ed Techs		6,101	(6,101)
Substitutes	30,000	23,108	6,892
Benefits	48,178	48,265	(87)
Blue Cross/Blue Shield	197,781	184,204	13,577
Deductible Coverage	13,672	8,360	5,312
Tuition Reimbursements	23,000	17,690	5,310
Pre-K Professional Services	50,000	49,554	446
Other Professional Services	500		500
Unemployment	4,500		4,500
Workers Compensation	22,500	22,854	(354)
Repairs and Maintenance - Equipment	900		900
Staff Travel	2,150		2,150
Instructional Supplies	20,600	18,832	1,768
Books and Periodicals	7,600	8,691	(1,091)
Equipment	6,100	3,067	3,033
Dues & Fees	6,450	1,100	5,350
Special Academic Programs	5,000	470	4,530
Other Items		1,000	(1,000)
Contingency	5,000		5,000
Tuition - Other SAU Within State	812,385	770,021	42,364
Total Regular Instruction	2,072,312	1,984,375	87,937
Student & Staff Support			
Guidance			
Salaries	68,450	68,450	-
Benefits	3,840	3,998	(158)
Blue Cross/Blue Shield	5,000	5,000	-
Staff Travel	250		250
Supplies	500	114	386
Books and Periodicals	300	282	18
Dues and Fees	450		450
	78,790	77,844	946
Health Services			
Purchased Professional Services	33,984	33,657	327
Repairs and Maintenance - Equipment	250	65	185
Supplies	900	228	672
Equipment	500		500
	35,634	33,950	1,684

TRENTON SCHOOL DEPARTMENT

GENERAL FUND

STATEMENT OF APPROPRIATIONS AND EXPENDITURES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-2

Page 2 of 5

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Improvement of Instruction			
Salaries	3,700	3,677	23
Stipends Mentor	2,500	1,456	1,044
Benefits	348	290	58
Professional Employee Training	1,692	1,428	264
Reading Recovery	2,000		2,000
Assessment for Administration	61,807	61,806	1
	<u>72,047</u>	<u>68,657</u>	<u>3,390</u>
Library & Audio Visual			
Salaries: Ed Tech	17,254	16,632	622
Benefits	968	999	(31)
Staff Travel	100		100
Supplies	400		400
Books and Periodicals	3,000	1,557	1,443
Furniture and Fixtures	1,200		1,200
Dues & Fees	350		350
	<u>23,272</u>	<u>19,188</u>	<u>4,084</u>
Technology			
Salaries: Teacher	43,170	47,028	(3,858)
Benefits	2,422	2,775	(353)
Blue Cross/Blue Shield	3,000	3,000	-
Repairs and Maintenance	2,500	511	1,989
Rental	11,400	2,166	9,234
Staff Travel	650	50	600
Supplies and Software	6,150	3,874	2,276
Software Licenses - AOS #91	14,000	14,654	(654)
Furniture and Fixtures		80	(80)
Tech-related Hardware	6,000	8,478	(2,478)
Dues & Fees	1,000	80	920
	<u>90,292</u>	<u>82,696</u>	<u>7,596</u>
Total Student and Staff Support	<u>300,035</u>	<u>282,335</u>	<u>17,700</u>
Special Education			
Salaries - Teachers	221,400	212,282	9,118
Salaries - Ed Techs	180,827	110,738	70,089
Benefits	25,016	22,633	2,383
Blue Cross/Blue Shield	171,825	97,615	74,210
Deductible Coverage	7,200	5,559	1,641
Tuition Reimbursement	8,000		8,000
Other Professional Services	204,509	178,520	25,989

TRENTON SCHOOL DEPARTMENT

GENERAL FUND

STATEMENT OF APPROPRIATIONS AND EXPENDITURES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-2

Page 3 of 5

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Special Education Instruction (continued)			
Repairs and Maintenance	500		500
Tuition	171,900	142,970	28,930
Staff Travel	650	680	(30)
Instructional Supplies	3,350	2,392	958
Books & Periodicals	1,900	1,157	743
Furniture and Fixtures		489	(489)
Equipment	2,300	107	2,193
Dues and Fees	1,850	1,381	469
Dues and Fees - Medicaid Billing	600	1,080	(480)
AOS #91 Reserve	2,117	2,117	-
Contingency	5,000		5,000
	<u>1,008,944</u>	<u>779,720</u>	<u>229,224</u>
9-12 Special Education Instruction			
Salaries - Ed Tech	43,000	19,314	23,686
Other Professional Services	5,500	2,619	2,881
	<u>48,500</u>	<u>21,933</u>	<u>26,567</u>
Total Special Education	<u>1,057,444</u>	<u>801,653</u>	<u>255,791</u>
Other Instruction			
Co-Curricular			
Stipends	44,309	8,655	35,654
Stipends - Athletic	24,798	19,778	5,020
Benefits	2,901	1,938	963
Wellness Incentive		217	(217)
Repairs and Maintenance - Equipment	1,000		1,000
Other Purchased Services	2,500	555	1,945
Supplies	3,300	30	3,270
Staff Travel	100		100
Other Equipment	2,800	539	2,261
Dues and Fees	1,300	160	1,140
	<u>83,008</u>	<u>31,872</u>	<u>51,136</u>
Summer School			
Salaries			-
Benefits			-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Instruction	<u>83,008</u>	<u>31,872</u>	<u>51,136</u>
System Administration			
School Committee			
Stipends	2,750	2,750	-
Benefits	211	210	1
Professional Services Legal / Audit	8,000	13,379	(5,379)
Dues and Fees	1,200	1,090	110
	<u>12,161</u>	<u>17,429</u>	<u>(5,268)</u>

TRENTON SCHOOL DEPARTMENT

GENERAL FUND

STATEMENT OF APPROPRIATIONS AND EXPENDITURES - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-2

Page 4 of 5

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Office of Superintendent			
Assessment Serv. - Superintendent	69,936	69,936	-
Total System Administration	82,097	87,365	(5,268)
School Administration			
Salary - Principal	101,035	101,035	-
Salary - Secretary / Bookkeeper	46,531	53,358	(6,827)
Salary - Substitute	1,500	1,124	376
Benefits	9,343	9,449	(106)
Blue Cross Blue Shield	34,497	34,466	31
Deductible Coverage	3,200		3,200
Rental - Equipment	7,137	7,136	1
Advertising	2,500	1,554	946
Staff Travel	400	96	304
General Supplies	3,500	993	2,507
Books and Periodicals	200		200
Dues and Fees	2,000	559	1,441
Miscellaneous	2,800	2,598	202
Total School Administration	214,643	212,368	2,275
Facilities Maintenance			
Salaries - Custodians	99,189	96,857	2,332
Benefits	7,588	7,584	4
Blue Cross Blue Shield	15,289	15,597	(308)
Purchased Property Services		274	(274)
Rubbish Removal	2,500	1,451	1,049
Repairs and Maintenance - Equipment	1,500	2,088	(588)
Repairs and Maintenance - Building	25,000	20,884	4,116
Repairs and Maintenance - Grounds	10,000	6,093	3,907
Capital Renovations - Buildings	20,000	21,781	(1,781)
Insurance	6,900	6,722	178
Telephones	3,000	2,758	242
Staff Travel	150		150
Supplies	10,000	13,612	(3,612)
Electricity	25,000	20,891	4,109
Heating Oil	25,000	19,423	5,577
Equipment	1,500		1,500
Dues and Fees	250		250
Total Facilities Maintenance	252,866	236,015	16,851

TRENTON SCHOOL DEPARTMENT**GENERAL FUND****STATEMENT OF APPROPRIATIONS AND EXPENDITURES - BUDGETARY BASIS****FOR THE YEAR ENDED JUNE 30, 2021****Exhibit A-2****Page 5 of 5**

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Transportation and Buses			
Purchased Transportation Services	150,000	150,000	-
Fuel	14,000	8,282	5,718
Out of District Transportation - SPED	10,000	4,715	5,285
Total Transportation and Buses	174,000	162,997	11,003
Operating Transfers Out			
Deductible Coverage		10,153	(10,153)
Food Service	25,000	25,000	-
	25,000	35,153	(10,153)
Totals	4,261,405	3,834,133	427,272

TRENTON SCHOOL DEPARTMENT
GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-3

Unassigned Fund Balance - July 1		543,055
Budget Summary		
Revenue Surplus - Exhibit A-1	6,621	
Unexpended Balance of		
Appropriations - Exhibit A-2	<u>427,272</u>	
Budget Surplus		433,893
Deductions		
Beginning Fund Balance Used to Reduce		
Town Assessment		<u>(228,672)</u>
Unassigned Fund Balance - June 30		<u><u>748,276</u></u>

TRENTON SCHOOL DEPARTMENT
GENERAL RESERVE FUNDS
BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit A-4

<i>Assets</i>	<i>Special Ed Reserve</i>	<i>Maintenance of Plant Reserve</i>	<i>Pre K Program</i>	<i>Deductible Coverage</i>	<i>Food Service</i>	<i>Totals</i>
Due from Other Governments					115	115
Due from Other Funds	13,372	60,000	2,410	10,153	60,875	146,810
Inventory					927	927
Total Assets	13,372	60,000	2,410	10,153	61,917	147,852
<i>Liabilities and Fund Balance</i>						
Liabilities						
Due to Students					128	128
Total Liabilities	-				128	128
<i>Fund Balance</i>						
Fund Balance						
Nonspendable					927	927
Assigned	13,372	60,000	2,410	10,153	60,862	146,797
Total Fund Balance	13,372	60,000	2,410	10,153	61,789	147,724
Total Liabilities and Fund Balance	13,372	60,000	2,410	10,153	61,917	147,852

TRENTON SCHOOL DEPARTMENT
GENERAL RESERVE FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-5

	<i>Special Ed Reserve</i>	<i>Maintenance of Plant Reserve</i>	<i>Pre K Program</i>	<i>Deductible Coverage</i>	<i>Food Service</i>	<i>Totals</i>
Revenues						
Town Assessments						-
Intergovernmental Revenues					111,457	111,457
Local Sources					2,889	2,889
Total Revenues	-	-	-	-	114,346	114,346
Expenditures						
Salaries and Benefits					73,212	73,212
Food					44,160	44,160
Supplies					5,353	5,353
Professional Services						0
All Other					690	690
Total Expenditures	-	-	-	-	123,415	123,415
Excess of Revenues Over (Under) Expenditures	-	-	-	-	(9,069)	(9,069)
Other Financing Sources (Uses)						
Transfers In				10,153	25,000	35,153
Transfers Out			(17,893)			(17,893)
Total Other Financing Sources (Uses)	-	-	(17,893)	10,153	25,000	17,260
Excess of Revenues and Other Sources Over (Under) Expenditures	-	-	(17,893)	10,153	15,931	8,191
Fund Balance - July 1	13,372	60,000	20,303		45,858	139,533
Fund Balance - June 30	13,372	60,000	2,410	10,153	61,789	147,724

TRENTON SCHOOL DEPARTMENT
ALL SPECIAL REVENUE FUNDS
BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit B-1

<i>Assets</i>	<i>School Grants</i>	<i>Student Activity Fund</i>	<i>Total</i>
Cash		42,302	42,302
Due from Other Funds	58,718		58,718
Inventory			-
Total Assets	58,718	42,302	101,020
<i>Liabilities and Fund Balance</i>			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
<i>Fund Balance</i>			
Fund Balance			
Restricted	58,718	42,302	101,020
Total Fund Balance	58,718	42,302	101,020
Total Liabilities and Fund Balance	58,718	42,302	101,020

TRENTON SCHOOL DEPARTMENT
ALL SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B-2

	<i>School Grants</i>	<i>Student Activity Fund</i>	<i>Total</i>
Revenues			
Intergovernmental Revenues:			
Federal	529,995		529,995
Local Sources	19,060	15,246	34,306
Total Revenues	549,055	15,246	564,301
Expenditures			
Salaries and Benefits	215,054		215,054
Professional Services	75,634		75,634
Supplies	191,535		191,535
Professional Development	23,086		23,086
Miscellaneous	29,397	13,242	42,639
Total Expenditures	534,706	13,242	547,948
Excess of Revenues Over (Under)			
Expenditures	14,349	2,004	16,353
Fund Balance - July 1, Restated	44,369	40,298	84,667
Fund Balance - June 30	58,718	42,302	101,020

**TRENTON SCHOOL DEPARTMENT
SCHEDULE OF SCHOOL GRANTS
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit B-3

Program	Balance July 1	Revenues	Expenditures	Balance June 30
Federal Programs				
ESSA Title IA	35,073	90,790	(93,216)	32,647
ESSA Title V - REAP	5,090	21,920	(21,705)	5,305
Local Entitlement		62,689	(62,689)	-
Preschool Grant		782	(782)	-
CRF1 Grant		192,330	(192,330)	-
CRF2 Grant		161,484	(161,484)	-
	<u>40,163</u>	<u>529,995</u>	<u>(532,206)</u>	<u>37,952</u>
Other				
DHHS Dental Grant	662			662
Emery Grant	702	5,000		5,702
Friends of Acadia Grant	2,842			2,842
Genyouth Grant		5,000		5,000
Math Counts Grant		60		60
MEAA Outdoor Learning		1,500		1,500
Greenhouse Garden Donation		7,500	(2,500)	5,000
	<u>4,206</u>	<u>19,060</u>	<u>(2,500)</u>	<u>20,766</u>
Total	<u>44,369</u>	<u>549,055</u>	<u>(534,706)</u>	<u>58,718</u>

TRENTON SCHOOL DEPARTMENT
ELEMENTARY SCHOOL STUDENT ACTIVITY FUND
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B-4

<i>Activity</i>	<i>Balance July 1</i>	<i>Revenues and Transfers</i>	<i>Expenditures and Transfers</i>	<i>Balance June 30</i>
Grade 8	2,949		(1,227)	1,722
Library	1,155			1,155
Yearbook	2,302	541	(1,199)	1,644
Box Top	898	50	(40)	908
Green House	2,409	50	(361)	2,098
Bleacher	4,953			4,953
Coke	(14)	14		-
Principals Account	669	4,858	(1,396)	4,131
Baileys Science	500		(500)	-
Petty Cash	260	6,327	(4,489)	2,098
PTC	9,678	2,881	(3,227)	9,332
Robotics	987			987
Healthy Acadia	614		(62)	552
Show Choir	3,000		(374)	2,626
ASP	8,983			8,983
New Playground	242			242
Target Grant	700		(354)	346
Christmas Fund		525		525
Butterfly Garden	13		(13)	-
Total	40,298	15,246	(13,242)	42,302

TRENTON SCHOOL DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass-through Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Rural School Achievement Program	84.358		21,704
Passed Through Maine Department of Education			
Special Education Cluster (IDEA)			
Title VI, Part B - Local Entitlement	84.027	013-05A-3046-12-6306-3046-SLG	62,689
Title VI, Part B - Preschool Grants	84.173	013-05A-6247-23-6306-6247SPG	782
Total Special Education Cluster			63,471
Title I Grants to Local Education Agencies	84.010	013-05A-3106-13-6306-3106CIG	41,173
Title I Tier III Program Improvement Planning Grants	84.010	013-05A-3106-13-6306-3106PIG	26,354
Title I Reallocated Funds	84.010	013-05A-3106-13-6306-3106CIG	25,690
Total U.S. Department of Education			178,392
U.S. Department of Treasury			
Passed Through Maine Department of Education			
Coronavirus Relief Funds - CRF1	*	TRENTON7010CRF1	192,330
Coronavirus Relief Funds - CRF2	*	022-05A-7015-60-6306-7015CRF2-F2021	161,484
Total U.S. Department of Treasury			353,814
U.S. Department of Agriculture			
Passed Through Maine Department of Education			
Child Nutrition Cluster			
Summer Food Service Program	10.559		104,733
Total Child Nutrition Cluster			104,733
Commodity Supplemental Food Program	10.560		5,271
Total U.S. Department of Agriculture			110,004
Total			642,210

James W. Wadman

CERTIFIED PUBLIC ACCOUNTANT

James W. Wadman, C.P.A.
Ronald C. Bean, C.P.A.
Kellie M. Bowden, C.P.A.
Wanese L. Lynch, C.P.A.
Amy E. Atherton, C.P.A.

April 3, 2022

Members of the School Committee
Trenton School Department
Trenton, Maine

We have audited the financial statements of the Trenton School Department for the year ended June 30, 2021.

In connection with our audit, we make the following statements of assurances and determinations:

1. The audit has been conducted in accordance with applicable State and Federal laws relating to financial and compliance audits.
2. Budgetary controls are in place, except for cost center items in Statement of Appropriations and Expenditures, Exhibit A-2.
3. The corrected annual financial report submitted to the Department of Education and Cultural Services is materially correct.
4. The Trenton School Department has complied with the applicable provisions of the Maine Essential Programs and Services Funding Act in all material respects.
5. The Trenton School Department has complied with the transfer limitations between budget cost centers.
6. The Trenton School Department has complied with the statutory budget content requirements.
7. The Trenton School Department has not exceeded its authority to expend funds as provided with the total budget summary article.

Respectfully submitted,

James W. Wadman, CPA

James W. Wadman, CPA

TRENTON SCHOOL DEPARTMENT
RECONCILIATION OF AUDITED FINANCIAL STATEMENTS WITH NEO STATE REPORT
FOR THE YEAR ENDED JUNE 30, 2021

	<i>General Fund</i>	<i>School Grants</i>	<i>Other Governmental Funds</i>	<i>Totals (Memorandum (Only))</i>
June 30 Balance per Form NEO	896,000	58,718	42,302	997,020
Revenue Adjustments not on NEO state report:				-
				-
				-
				-
Expenditures not Reported on NEO state report:				-
				-
				-
				-
Audited Budget Basis Fund Balance	896,000	58,718	42,302	997,020