TOWN OF CASTINE
SCHOOL DEPARTMENT

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR
ENDED JUNE 30, 2024

CASTINE SCHOOL DEPARTMENT
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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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.

INDEPENDENT AUDITOR'S REPORT

Members of the School Committee
and the Superintendent of Schools
Castine School Department
Castine, ME 04421

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Castine School Department (the School Department) as of and for the year ended June 30, 2024, including the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Castine School Department as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for out audit opinions.

Responsibilities of Management 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 Unites States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted

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in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Department's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Department's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of historical pension information and schedules of historical other post-employment benefits on pages 4 through 7 and 25 through 31 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 School Department's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the State of Maine, and is also not a part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the schedule of expenditures of federal awards 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
February 19, 2025

Castine School Department
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Management of the Castine School Department (the 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, 2024. 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 the School Department using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34 and related subsequent statements.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the School Department exceeded its liabilities at fiscal year ending June 30, 2024 by $342,474 (presented as "net position"). Of this amount, $161,972 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 $23,076 (a 7.2% increase) for the fiscal year ended June 30, 2024.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2024; the School Department's governmental funds reported a combined ending fund balance of $318,259 with $114,908 being general unassigned fund balance. This unassigned fund balance represents approximately 6.2% of the total general fund expenditures for the year.

Long-term Debt:

The Department had no long-term debt obligations during the fiscal year ended June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the 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 pension disclosures) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements (pages 8-9) present the financial picture of the School Department from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School Department (including infrastructure) as well as all liabilities (including long-term debt, if applicable). 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 one category of activity – governmental funds. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. 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 10-11 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 12-24 of this report.

Required Supplementary Information
This section includes a budgetary comparison schedule (page 25), 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. This section also includes the pension disclosure schedules as required by GASB Statement #68 (pages 26-28) and the other post-employment benefits disclosure schedules as required by GASB Statement #75 (pages 29-31).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position
36% 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 (if applicable) must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2024	*Governmental Activities 2023*
Current Assets	$ 905,679	$ 446,432
Capital Assets	$ 124,582	$ 117,451
Total Assets	$ 1,030,260	$ 563,884
Deferred Outflows	$ 47,506	$ 42,535
Total Assets & Deferred Outflows	$ 1,077,767	$ 606,419
Other Liabilities	$ 587,420	$ 153,098
Long-Term Liabilities	$ 125,534	$ 105,671
Deferred Inflows	$ 22,339	$ 28,251
Net Position;		
Invested in Capital Assets	$ 124,582	$ 117,451
Restricted	$ 55,920	$ 53,144
Unrestricted	$ 161,972	$ 148,804
Total Liabilities, Deferred Inflows and Net Position	$ 1,077,767	$ 606,419

Changes in Net Position

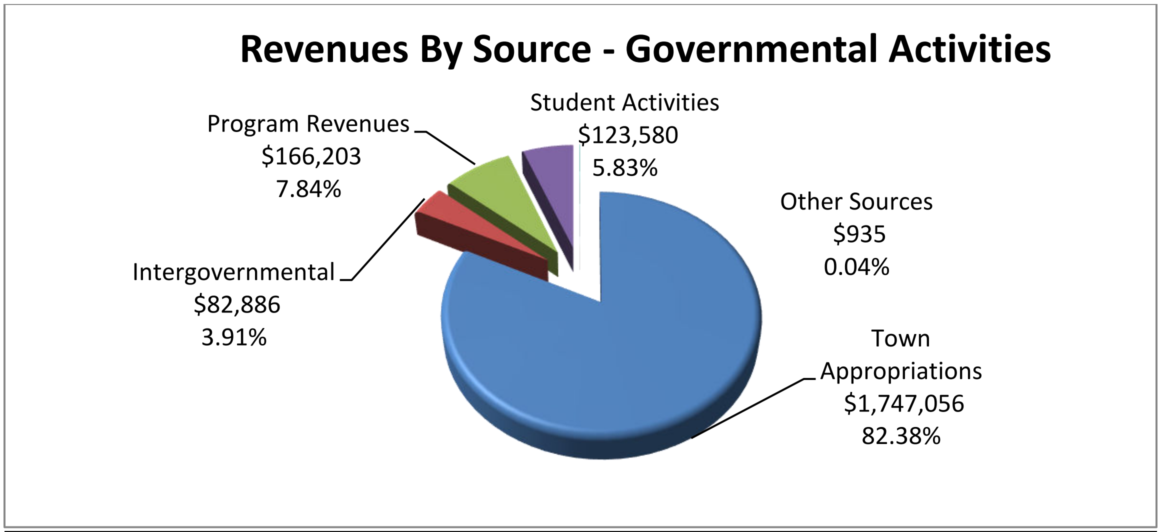
Approximately 83 percent of the School Department's total revenue came from local appropriations, approximately 11 percent came from State subsidies and grants, and approximately 6 percent came from services and other sources. Depreciation expense on the School Department's governmental assets represents $10,241 of the total expenses for the fiscal year.

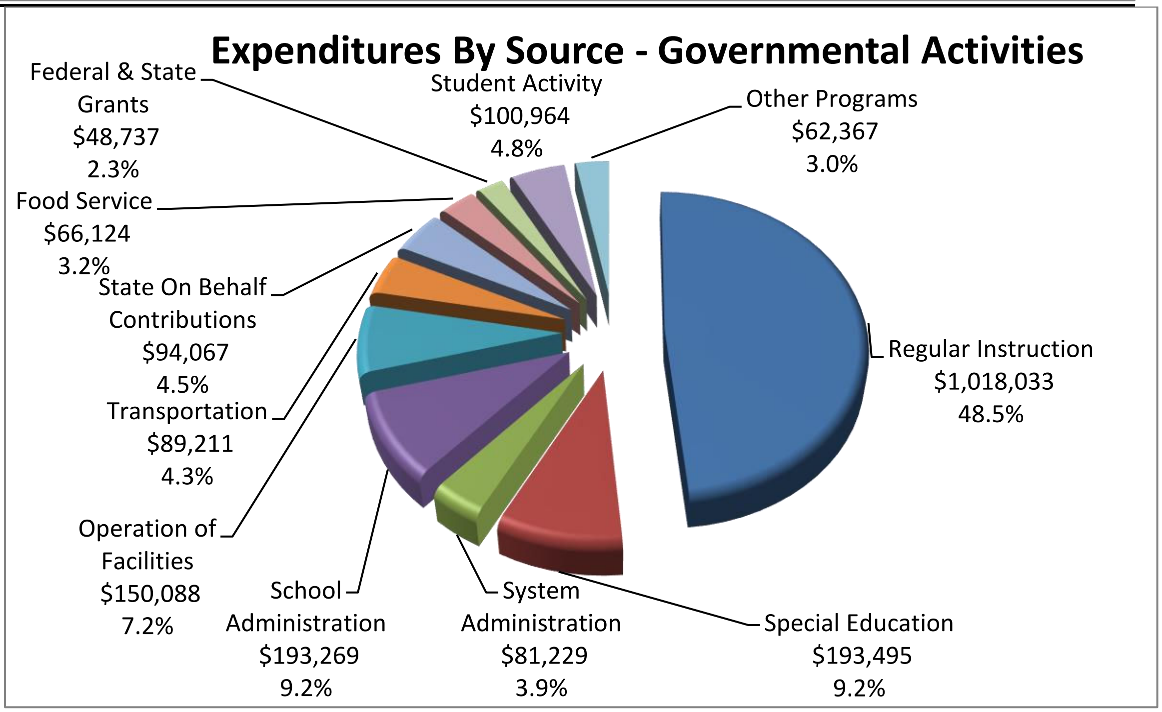
	Governmental Activities *2024*	*Governmental Activities* *2023*
Revenues;		
Local Appropriations	$ 1,747,056	$ 1,590,615
Program Revenues	$ 166,203	$ 174,990
Intergovernmental	$ 82,886	$ 81,462
Student Activity	$ 123,580	$ 45,934
Other	$ 935	$ 638
Total Revenues	$ 2,120,660	$ 1,893,640
Expenses;		
Regular Instruction	$ 1,018,033	$ 1,052,541
Special Education	$ 193,495	$ 166,476
System Administration	$ 81,229	$ 78,654
Transportation	$ 89,211	$ 73,865
School Administration	$ 193,269	$ 177,040
Facilities Maintenance	$ 150,088	$ 93,338
Other Programs	$ 62,367	$ 64,932
School Lunch Program	$ 66,124	$ 50,027
Student Activity	$ 100,964	$ 40,968
State & Federal Grant Programs	$ 48,737	$ 24,461
State On-Behalf Contributions	$ 94,067	$ 93,984
Total Expenses	$ 2,097,584	$ 1,916,286
Changes in Net Position	$ 23,076	$ (22,646)

CAPITAL ASSET ADMINISTRATION

Capital Assets

The School Department's investment in capital assets for its governmental activities amounts to $307,816 net of accumulated depreciation of $183,234 leaving a net book value of $124,582. Current year additions include $17,372 for Electric Vehicle Charger purchase, not is use, and held for sale as of year end. There were no current year retirements or impairments. Additional information on the School Department's capital assets can be found in Note 2 of the notes to the financial statements on page 16 of this report





FINANCIAL ANALYSIS OF THE SCHOOL DEPARTMENT'S INDIVIDUAL FUNDS

Governmental Funds

At the end of the fiscal year, the School Department's governmental funds reported ending fund balances of $318,259, an increase of $24,925 in comparison with the prior year. Approximately 43 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.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Castine School Department, P.O. Box 630, Blue Hill, Maine 04614.

CASTINE SCHOOL DEPARTMENT *(Exhibit I)*
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
Assets & Deferred Outflows	
Assets	
Cash	$78,884
Due from Town	$778,135
Accounts Receivable	$47,238
Inventory	$1,421
Capital Assets	
Land	$49,844
Other Capital Assets, net of Accumulated Depreciation	$74,738
Total Capital Assets	$124,582
Total Assets	$1,030,260
Deferred Outflows of Resources	
Related to Pensions	$35,658
Related to Other Post-Employment Benefits	$11,848
Total Deferred Outflows of Resources	$47,506
Total Assets & Deferred Outflows	$1,077,767
Liabilities, Deferred Inflows and Net Position	
Liabilities	
Current Liabilities:	
Accounts Payable	$470,747
Accrued Contracted Salaries	$116,672
Long-Term Liabilities:	
Compensated Absences	$33,600
Net Pension Liability	$0
Net Other Post-Employment Benefits Liability	$91,934
Total Liabilities	$712,953
Deferred Inflows of Resources:	
Related to Pensions	$0
Related to Other Post-Employment Benefits	$22,339
Total Deferred Inflows of Resources	$22,339
Net Position	
Net Investment in Capital Assets	$124,582
Restricted	$55,920
Unrestricted	$161,972
Total Net Position	$342,474
Total Liabilities, Deferred Inflows & Net Position	$1,077,767

The Notes to the Financial Statements are an Integral Part of this Statement.

CASTINE SCHOOL DEPARTMENT *(Exhibit II)*
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Regular Instruction	$1,018,033	$9,000		($1,009,033)
Special Education	$193,495			($193,495)
System Administration	$81,229			($81,229)
Office of Principal	$193,269			($193,269)
Transportation	$89,211			($89,211)
Operation of Building	$150,088			($150,088)
Student and Staff Support	$48,530			($48,530)
Other Instruction	$13,837			($13,837)
State & Federal Programs	$48,737		$29,414	($19,323)
School Lunch Program	$66,124	$1,144	$32,578	($32,402)
Student Activity	$100,964			($100,964)
State On-Behalf Contributions	$94,067		$94,067	$0
Total Governmental Funds	$2,097,584	$10,144	$156,059	($1,931,381)
Total Department	$2,097,584	$10,144	$156,059	($1,931,381)
General Revenues				
Local Appropriations				$1,747,056
State Subsidy				$82,886
Student Activity				$123,580
Other Revenues				$935
Total Revenues				$1,954,457
Changes in Net Position				$23,076
Net Position - Beginning				$319,398
Net Position - Ending				$342,474

The Notes to the Financial Statements are an Integral Part of this Statement.

CASTINE SCHOOL DEPARTMENT *(Exhibit III)*

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Assets				
Cash	$27,908		$50,977	$78,884
Due from Town	$778,135			$778,135
Accounts Receivable			$47,238	$47,238
Due from Other Funds		$29,250	$22,308	$51,558
Inventory			$1,421	$1,421
Total Assets	$806,043	$29,250	$121,943	$957,236
Liabilities & Fund Balances				
Liabilities				
Accounts Payable	$461,093		$9,654	$470,747
Accrued Contracted Salaries	$112,833		$3,839	$116,672
Due to Other Funds	$22,208		$29,349	$51,558
Total Liabilities	$596,135	$0	$42,842	$638,977
Fund Balances				
Nonspendable			$1,421	$1,421
Restricted			$54,499	$54,499
Committed	$95,000	$29,250		$124,250
Unassigned	$114,908		$23,181	$138,089
Total Fund Balances	$209,908	$29,250	$79,101	$318,259
Total Liabilities & Fund Balances	$806,043	$29,250	$121,943	$957,236

Total Fund Balance - Governmental Funds	$318,259
Net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	$124,582
Deferred outflows related to pension plans	$35,658
Deferred Inflows related to pension plans	$0
Deferred outflows of resources related to other post-employment benefit plans	$11,848
Deferred inflows related to other post-employment benefit plans	($22,339)
Some liabilities, including notes and bonds payable, are not due and payable in the current period and therefore, are not reported in the funds, including:	
Compensated Absences	($33,600)
Net Other Post-Employment Benefits Liability	($91,934)
Net Position of Governmental Activities	$342,474

The Notes to the Financial Statements are an Integral Part of this Statement.

CASTINE SCHOOL DEPARTMENT *(Exhibit IV)*

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	*Capital Projects Funds*	*Special Revenue Fund*	*Total Governmental Funds*
Revenue;				
Local Appropriations	$1,747,056			$1,747,056
State On-Behalf Contributions	$94,067			$94,067
State Subsidy	$82,886			$82,886
State & Federal Programs			$29,414	$29,414
School Lunch Program			$33,723	$33,723
Student Activity			$123,580	$123,580
Tuition & Other Revenues	$9,935			$9,935
Total Revenues	$1,933,943	$0	$186,717	$2,120,660
Expenditures;				
Current:				
General Operations	$1,753,471	$15,000		$1,768,471
State On-Behalf Contributions	$94,067			$94,067
State & Federal Programs			$48,737	$48,737
School Lunch Program			$66,124	$66,124
Student Activity			$100,964	$100,964
Capital Outlay	$17,372			$17,372
Total Expenditures	$1,864,910	$15,000	$215,826	$2,095,736
Excess of Revenue over Expenditures	$69,033	($15,000)	($29,108)	$24,925
Other Financing Sources (Uses)				
Operating Transfers In		$15,000	$33,834	$48,834
Operating Transfers Out	($48,834)			($48,834)
	($48,834)	$15,000	$33,834	$0
Excess Revenues and Other Sources Over Expenditures and Other Uses	$20,200	$0	$4,725	$24,925
Beginning Fund Balance, as restated	$189,709	$29,250	$74,375	$293,334
Ending Fund Balance	$209,908	$29,250	$79,101	$318,259

Reconciliation to Statement of Activities, change in Net Position

Net Change in Fund Balance - Above	$24,925
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)	$11,538
Other Post-Employment Benefit Plans (Deferred Outflows, Net OPEB Liability, Deferred Inflows)	($4,895)
Compensated Absences	($15,623)
Governmental funds report capital outlays as expenditures, while in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense	$17,372
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds	($10,241)
Changes in Net Position of Governmental Activities	$23,076

The Notes to the Financial Statements are an Integral Part of this Statement.

CASTINE SCHOOL DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Castine School Department (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 Castine School Department's accounting principles are described below.

A. Financial Reporting Entity

The Town of Castine School Department is a separate department of the Town of Castine, Maine. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. The School Department has an elected school committee which has management responsibilities over all activities related to the public elementary and secondary education of the school department. The School Department is a member of School Union #93.

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 nonfiduciary activities of the School Department. Fiduciary activities, whose resources are not available to finance the School Department's programs are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 students 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 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*.

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 and deductions 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures 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 are 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 Department's primary operating fund. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

The capital projects fund is used to account for all resources and project authorizations used in the acquisition or construction of capital facilities and other fixed assets.

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are the State and Federal Programs, the School Lunch Program, the Student Activity Fund and several other special programs.

D. Assets, Liabilities and Net Position or Fund Balance

Due from Town

The Castine School Department cash is maintained by the Town Treasurer. Warrants are submitted to the Town and checks are written by the Treasurer out of a separate checking account. Cash receipts are submitted to the Treasurer of the Town of Castine. Receipts are prepared by the Treasurer and submitted to the School Department. All deposits of the Town are in banks insured by the Federal Government.

Accounts Receivable and Accounts Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Inventories

All inventories are valued at cost using the first in/first our (FIFO) method. Inventories of governmental funds are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used rather than when purchased. Inventory in the School Lunch Program consist of food, supplies and U.S.D.A. Donated Commodities.

Capital Assets

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental 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 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. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	*Years*
Buildings	50
Equipment	5-10

Interfund Activities

Interfund receivables and payables arise from interfund activity and are recorded by all funds effected in the period in which transactions are executed.

Compensated Absences

Teachers may accumulate 120 days of sick leave at the rate of 15 days per year. Full time employees other than teachers accrue vacation and sick leave in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance. When applicable, an obligation for compensated absences is recorded in the general fund balance sheet for compensated sick pay for employees eligible for retirement, there are currently none. Under the current contract provisions, teachers who have taught in Castine for a minimum of ten years, have attained the age of fifty-five and are eligible to retire are entitled to thirty days of compensated sick pay at their per diem rate.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System (the System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

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 position of the Maine Education Association Benefits Trust (MEABT) and additions to / deductions from MEABT's 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.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued is reported as an other financing source.

Governmental Fund Balances

The School Department has identified June 30, 2024 fund balances on the balance sheet as follows:

	General Fund	*Capital Projects*	*Special Revenue Fund*	*Total*
Nonspendable				
School Lunch Inventory			$1,421	$1,421
Restricted				
State and Federal Grants			$3,523	$3,523
Student Activity			$50,977	$50,977
Committed				
Capital Projects Reserve		$29,250		$29,250
Bus Reserve	$25,000			$25,000
Special Education Reserve	$60,000			$60,000
Technology Reserve	$10,000			$10,000
Assigned				
Unassigned	$114,908		$23,181	$138,089
Total Fund Balances	$209,908	$29,250	$79,101	$318,259

In accordance with GASB Statement 54, the Department 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 grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted nor Committed.

Unassigned - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The School Department considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The School Board is authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position is 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 consist 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.

Restricted - This component of net position consists of restrictions place on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $55,920 of restricted net position, of which enabling legislation restricts $0.

Unrestricted - This component consists of net position that do not meet the definition of "restricted" or "net investment in capital assets".

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Special Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the Superintendent level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
Governmental Activities;				
Capital assets not being depreciated				
Land	$49,844			$49,844
	$49,844	$0	$0	$49,844
Capital assets being depreciated				
Buildings and Improvements	$154,343			$154,343
Equipment and Vehicles	$86,257	$17,372		$103,629
Total capital assets being depreciated	$240,600	$17,372	$0	$257,972
Less accumulated depreciation for				
Buildings and Improvements	$121,239	$1,615		$122,854
Equipment and Vehicles	$51,754	$8,626		$60,380
Total accumulated depreciation	$172,993	$10,241	$0	$183,234
Governmental Activities, Capital Assets, net	$117,451	$7,131	$0	$124,582

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

Governmental Activities	
Operation and Maintenance of Plant	$1,615
Transportation	$8,626
Total Depreciation Expense - Governmental Activities	$10,241

Note 3 - Interfund Transactions

Individual fund interfund receivable and payable balances at June 30, 2024 were as follows:

	Interfund Receivable	*Interfund Payable*
General Fund		$22,208
Capital Projects Fund	$29,250	
Special Revenue Fund		
Federal/State Projects		$29,349
Food Service	$22,308	
	$51,558	$51,558

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 payable is classified as Due to Other Funds with an offsetting receivable classified as Due from Other Funds on the governmental fund financial statements. The change in the balance of the accounts during the current fiscal year represent cash activity for the special revenue grant programs and capital project reserves. Monies are held in the General Fund for ease of investing and disbursements. This fund has sufficient liquid assets to retire the interfund balances at any given time.

Operating transfers in and out represent the transfer of funds to the school lunch program to help fund the program and budgeted transfers to the capital reserve funds from the general fund. These transfers represent budgeted transfers to and from the general fund.

Note 4 - Obligation Under Contracted Services

An obligation for July 2024 and August 2024 salaries for employees under September 2023 through August 2024 contracts is reflected on the financial statements. This obligation includes the related employee benefits. This obligation, if applicable represents Generally Accepted Accounting Principles (GAAP) reporting for the School Department.

Note 5 - Lease and Service Based Information Technology Agreement (SBITA) Reporting

Governmental Accounting Standards Board (GASB) Statement No. 87 related to lease reporting became effective during the fiscal year ended June 30, 2022. This Statement requires the recognition of certain lease assets and liabilities, deferred inflows and outflows related to lease activity previously classified as operating leases by governmental entities. Governmental Accounting Standards Board (GASB) Statement No. 96 related to service based information technology agreement (SBITA) reporting became effective during the fiscal year ended June 30, 2023.

During the fiscal year ended June 30, 2024 the School Department had no material lease or SBITA activity to report. The School Department has no lease agreements in effect. The School Department has immaterial SBITA agreements in effect related to accounting software and other software in use.

Note 6 - Defined Benefit Employee Pension Plan

A. 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 the non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. 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) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

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.

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions 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 Board rule 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, 2024, the member contribution rate was 7.65% and the employer contribution rate was 4.47% of applicable member compensation. The employer is also responsible for contributing 12.24% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.51% of the applicable member compensation into the System.

The required contributions paid into the System for the year ended June 30, 2024 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*
2024	$55,381	$35,658	$105,044	$723,940
2023	$49,448	$24,821	$92,368	$646,381
2022	$40,572	$20,366	$75,787	$530,352

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension 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 School Systems contributing towards the net pension liability of the plan using grant funding.

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

At June 30, 2024, the School Department reported a net pension liability of $0. The net pension liability was measured as of June 30, 2023, 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, 2023, the School Department's proportion was 0.000000%, which was a net change of 0.00% from its proportion measured at June 30, 2022.

For the fiscal year ended June 30, 2024, the School Department recognized pension expense of $24,120. At June 30, 2024, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$0	$0
Changes in Assumptions	$0	$0
Net Difference between projected and actual earnings on pension plan investments	$0	$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	$0	$0
Employer Contributions made subsequent to measurement date	$35,658	$0
	$35,658	$0

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

Year ended June 30,	
2024	$35,658
2025	$0
2026	$0
2027	$0

F. Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.80% - 13.03% at selected years of service
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense

For the School employees, the mortality rate is based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table for males and females, projected generationally using the RPEC_2020 model for the SET Plan.

The actuarial assumptions used in the June 30, 2023 valuation were based on the Entry Age Normal actuarial funding method. 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 in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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 pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	*Long-Term Expected Real Rate of Return*
Public Equities	6.0%
U.S. Government	2.6%
Private Equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural Resources	5.0%
Traditional Credit	3.2%
Alternative Credit	7.4%
Diversifiers	5.0%

G. Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that 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 pension plan's 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.

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

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	*Current Discount Rate (6.50%)*	*1% Increase (7.50%)*
Proportionate Share of the Net Pension Liability	$0	$0	$0

I. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the System's 2023 Comprehensive Annual Financial Report available online at www.mainepers.org or by contacting the System at (207) 512-3100.

Note 7 - Other Post Employment Benefits

A. Plan Description - Group Life Plan

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, 2023 there were 234 employers, including the State of Maine participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the Plan.

B. Benefits

The Group Life Insurance Plans (the Plans) provide basis group life insurance benefits, during retirement to retirees who participated in the Plans 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 greater of 40% of the initial amount or $2,500.

C. 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.

D. Actuarial Methods and Assumptions

The collective total OPEB liability for the plans was determined by an actuarial valuation as of June 30. 2023, 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 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.

Significant Actuarial Assumptions

Inflation	2.75%
Salary Increases	2.80% - 13.03% at selected years of service
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Participation Rates for Future Retirees	100% of those currently enrolled
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance
Form of Benefit Payment	Lump Sum

For the School employees, the mortality rate is based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table for males and females, projected generationally using the RPEC_2020 model for the SET Plan.

E. On-Behalf Payments

As mentioned in Section A. above, contributions are made by the System for participating retired teachers. The summary below provides the 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 Department financial statements since it is a liability of the State of Maine and not a liability of the Department.

	Allocation of:		
	On-Behalf Payments	*Benefits Expense*	*Net OPEB Liability*
2023	$1,699	$1,603	$12,387

A. Plan Description - Health Insurance Plan

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

B. 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.

C. Cost Sharing Provisions

The retiree is eligible for a State subsidy of 60% 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 40% (November 1, 2023 and later) and 45% (effective July 1,2021) of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus the total premium is paid for by both the State and the retiree and/or spouse. 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 pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy.

D. Employees covered by benefit terms:

At June 30, 2023, the following employees were covered under the benefit terms:

Active employees	13
Average age	51.92
Average service	8.50
Retirees	5
Average age	73.40

E. Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.54% per annum for 2022 reporting.
	3.65% per annum for 2023 reporting.
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost
Healthcare cost trend rates:	

Pre -Medicare Medical: Initial trend of 7.95% applied in FYE 2023 grading over 19 years to 4.00% per annum.
Medicare Medical: Initial trend of 0.00% applied in FYE 2023 grading over 18 years to 4.29% per annum.

F. Actuarial Assumptions

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

Healthy Annuitants: Based on the 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.

Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

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, 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.

The actuarial assumptions are the assumptions that were adopted by the Maine Public Employees Retirement System State Employee and Teacher Program valuation at June 30, 2023 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020.

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, 2020. Participation experience for Medicare eligible (ME) and non-Medicare eligible (NME) (activities 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 legislation and regulations.

G. 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, 2022 is 3.54% per annum. The discount rate as of June 30, 2023 is 3.65% 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.

H. Changes in the Net OPEB Liability

	Total OPEB Liability	*Plan Fiduciary Net Position*	*Net OPEB Liability*
Balances at 6/30/2022 (Reporting 6/30/2023)	$87,694	$0	$87,694
Changes:			
Service Cost	$3,028		$3,028
Interest	$3,205		$3,205
Change of Benefits	$0		$0
Differences between expected and actual experience	$0		$0
Change of Assumptions	($1,627)		($1,627)
Contributions - Employer	$0	$366	($366)
Benefit Payments	($366)	($366)	$0
Net changes	$4,240	$0	$4,240
Balances at 6/30/2023 (Reporting 6/30/2024)	$91,934	$0	$91,934

I. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1.0% Decrease (2.65%)	*Discount Rate (3.65%)*	*1.0% Increase (4.65%)*
Net OPEB Liability (Asset)	$108,280	$91,934	$78,774

J. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1.0% Decrease	*Healthcare Trend Rate*	*1.0% Increase*
Net OPEB Liability (Asset)	$77,095	$91,934	$110,774

J. 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 Total OPEB Liability 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 6 years.

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

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$0	$10,829
Changes in Assumptions	$11,482	$11,510
Net Difference between projected and actual earnings on OPEB plan investments	$0	$0
Employer contributions made subsequent to measurement date	$366	$0
	$11,848	$22,339

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

Year ended	
2024	$621
2025	($889)
2026	($4,894)
2027	($5,057)
2028	($272)
Thereafter	$0

Note 8 - Restricted Net Position

The School Department reports restricted net position totaling $55,920 on its statement of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the governmental fund balance note above.

Note 9 - Commitment and Contingencies

The School Department participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time, however, the School Department does not believe such amounts would be significant.

Note 10 - Risk Management

The School Department is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School Department carries commercial insurance. The School Department also participates in a public entity risk pool sponsored by the Maine School Management Association for worker's compensation and unemployment compensation. Based on the coverage provided by the Maine School Management Association risk pool as well as coverage provided by commercial insurance purchased, the School Department is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2024.

CASTINE SCHOOL DEPARTMENT (Exhibit V)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues;				
Local Appropriations	$1,747,056	$1,747,056	$1,732,056	($15,000)
State Subsidy	$82,886	$82,886	$82,886	$0
Other Revenues	$0	$0	$9,935	$9,935
Total Revenues	$1,829,941	$1,829,941	$1,824,877	($5,065)
Expenditures;				
Regular Instruction	$1,080,567	$1,080,567	$1,009,053	$71,513
Special Education	$205,854	$205,854	$193,495	$12,360
System Administration	$84,768	$84,768	$81,229	$3,539
Office of Principal	$187,832	$187,832	$193,269	($5,437)
Transportation	$55,290	$55,290	$97,958	($42,668)
Operation of Building	$112,269	$112,269	$133,473	($21,203)
Student and Staff Support	$51,485	$51,485	$48,530	$2,955
Other Services	$18,042	$18,042	$13,837	$4,205
Total Expenditures	$1,796,108	$1,796,108	$1,770,843	$25,264
Excess of Revenues over Expenditures	$33,834	$33,834	$54,033	$20,200
Other Financing Uses:				
Operating Transfers Out	($33,834)	($33,834)	($48,834)	($15,000)
Excess Revenues and Other Uses over Expenditures	$0	$0	$5,200	$5,200
Beginning Fund Balance - Budget Basis	$189,709	$189,709	$189,709	$0
Ending Fund Balance - Budget Basis	$189,709	$189,709	$194,908	$5,200

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds;

Total Revenues per above	$1,824,877
State On-Behalf Contributions	$94,067
Total Revenues per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	$1,918,943
Total Expenditures per above	$1,770,843
State On-Behalf Contributions	$94,067
Total Expenditures per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	$1,864,910

CASTINE SCHOOL DEPARTMENT *(Exhibit VI)*

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - STATE EMPLOYEE AND TEACHER PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

For the Fiscal Year Ended June 30,	*Proportion of Net Pension Liability*	*Proportionate Share of Net Pension Liability (Asset)*	*Covered Employee Payroll*	*Proportionate Share of Net Pension Liability (Asset) as a % of Its Covered Employee Payroll*	*Plan Total Pension Liability*	*Plan Fiduciary Net Position*	*Plan Net Pension Liability*	*Plan Fiduciary Net Position as a % of the Total Pension Liability*	*Plan Covered Employee Payroll*	*Plan Net Pension Liability as a % of the Covered Employee Payroll*
2024	0.000000%	$0	$723,940	0.000%	$17,520,535,684	$15,073,155,781	$2,447,379,903	86.031%	$2,312,413,537	105.837%
2023	0.000000%	$0	$646,381	0.000%	$16,981,792,082	$14,568,691,334	$2,413,100,748	85.790%	$2,221,410,193	108.629%
2022	0.000000%	$0	$530,352	0.000%	$16,392,351,328	$14,900,644,020	$1,491,707,308	90.900%	$2,096,365,332	71.157%
2021	0.000136%	$2,220	$517,884	0.429%	$14,865,460,130	$12,044,918,612	$2,820,541,518	81.026%	$2,003,075,813	140.811%
2020	0.000619%	$9,074	$575,175	1.578%	$14,547,222,913	$12,035,565,075	$2,511,657,838	82.734%	$1,924,006,618	130.543%
2019	0.001372%	$18,514	$560,425	3.304%	$14,031,187,845	$11,632,179,683	$2,399,008,162	82.902%	$1,808,274,919	132.668%
2018	0.001519%	$22,049	$522,845	4.217%	$13,484,886,512	$10,893,291,864	$2,591,594,648	80.781%	$1,860,230,663	139.316%
2017	0.000216%	$3,816	$508,568	0.750%	$13,069,954,948	$9,960,335,390	$3,109,619,558	76.208%	$1,816,435,084	171.194%
2016	0.000980%	$13,231	$537,469	2.462%	$12,616,287,054	$10,242,097,022	$2,374,190,032	81.182%	$1,699,160,889	139.727%
2015	0.001069%	$11,549	$514,715	2.244%	$12,320,158,783	$10,337,639,472	$1,982,519,311	83.908%	$1,676,857,294	118.228%

* *Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

CASTINE SCHOOL DEPARTMENT *(Exhibit VII)*

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - STATE EMPLOYEE AND TEACHER PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

For the Fiscal Year Ended June 30,	*Contractually Required Contribution*	*Actual Contribution*	*Contribution Deficiency*	*Covered Employee Payroll*	*Contributions as a % of Covered Employee Payroll*
2024	$35,658	$35,658	$0	$723,940	4.926%
2023	$24,821	$24,821	$0	$646,381	3.840%
2022	$20,366	$20,366	$0	$530,352	3.840%
2021	$21,544	$21,544	$0	$517,884	4.160%
2020	$24,124	$24,124	$0	$575,175	4.194%
2019	$23,153	$23,153	$0	$560,425	4.131%
2018	$20,757	$20,757	$0	$522,845	3.970%
2017	$17,088	$17,088	$0	$508,568	3.360%
2016	$18,059	$18,059	$0	$537,469	3.360%
2015	$15,211	$15,211	$0	$514,715	2.955%

* *Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

CASTINE SCHOOL DEPARTMENT
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023, 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 rate 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

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect in statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The Amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. An amendment approved in November 2017 extends the period from ten to twenty years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

Inflation	2.75%
Salary Increases	2.80% - 13.03% at selected years of service
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For members, the mortality rate is based on the 2010 Public Plan Teachers Benefits Weighted Healthy Annuitant Mortality Table for males and females. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 30, 2023.

CASTINE SCHOOL DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
MAINE EDUCATION ASSOCIATION BENEFITS TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Exhibit VIII)

	Total OPEB Liability									*Plan Fiduciary Net Position*									
For the Fiscal Years Ended	*Service Cost (BOY)*	*Interest (Includes Interest on Service Cost)*	*Changes of Benefits Terms*	*Difference Between Expected and Actual Experience*	*Changes of Assumptions*	*Benefit Payments, Including Refunds of Member Contributions*	*Net Change in Total OPEB Liability*	*Total OPEB Liability - Beginning*	*Total OPEB Liability - Ending*	*Contributions-Employer*	*Contributions-Member*	*Benefit Payments, Including Refunds of Member Contributions*	*Net Change in Plan Fiduciary Net Position*	*Plan Fiduciary Net Position - Beginning*	*Plan Fiduciary Net Position - Ending*	*Net OPEB Liability - Ending*	*Plan Fiduciary Net Position as a % of the Total OPEB Liability*	*Covered Employee Payroll*	*Net OPEB Liability as a % of the Covered Employee Payroll*
Maine Education Association Benefit Trust School Plan																			
2024	$3,028	$3,205	$0	$0	($1,627)	($366)	$4,240	$87,694	$91,934	$366	$0	($366)	$0	$0	$0	$91,934	$0	$596,266	15.42%
2023	$3,546	$2,462	$0	($13,504)	($15,232)	$0	($22,728)	$110,422	$87,694	$0	$0	$0	$0	$0	$0	$87,694	$0	$581,723	15.07%
2022	$3,677	$2,366	$0	$0	$1,002	$0	$7,045	$103,377	$110,422	$0	$0	$0	$0	$0	$0	$110,422	$0	$645,672	17.10%
2021	$2,454	$3,529	($25,024)	($5,479)	$29,524	$0	$5,004	$98,373	$103,377	$0	$0	$0	$0	$0	$0	$103,377	$0	$629,924	16.41%
2020	$2,096	$3,410	$0	$0	$6,861	$0	$12,367	$86,006	$98,373	$0	$0	$0	$0	$0	$0	$98,373	$0	$759,387	12.95%
2019	$2,221	$3,152	$0	$0	($5,184)	$0	$189	$85,817	$86,006	$0	$0	$0	$0	$0	$0	$86,006	$0	$739,063	11.64%

* *Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

CASTINE SCHOOL DEPARTMENT *(Exhibit IX)*
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MAINE EDUCATION ASSOCIATION BENEFITS TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

For the Fiscal Year Ended June 30,	*Contractually Required Contribution*	*Actual Contribution*	*Contribution Deficiency*	*Covered Employee Payroll*	*Contributions as a percentage of Covered Employee Payroll*
2024	$366	$366	$0	$596,266	0.06%
2023	$0	$0	$0	$581,723	0.00%
2022	$0	$0	$0	$645,672	0.00%
2021	$0	$0	$0	$629,924	0.00%
2020	$0	$0	$0	$759,387	0.00%
2019	$0	$0	$0	$739,063	0.00%

* *Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

CASTINE SCHOOL DEPARTMENT
NOTES TO OPEB LIABILITY AND CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1 – Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Benefit Changes

Claims costs and retiree contributions were updated to reflect current healthcare costs.

Changes of Assumptions

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method

Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	3.65% per annum for 2023 reporting. 3.54% per annum for 2022 reporting.
Salary Increase Rate	2.75% per year
Administration and claims expense	Included in per-capita claims cost
Retirement Age	65

Healthcare cost trend rates;

Pre -Medicare Medical: Initial trend of 7.95% applied in FYE 2023 grading over 19 years to 4.00% per annum.
Medicare Medical: Initial trend of 0.00% applied in FYE 2023 grading over 18 years to 4.29% per annum.

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

Healthy Annuitants: Based on the 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.

Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

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, 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.

CASTINE SCHOOL DEPARTMENT *(Exhibit A-1)*

BUDGET vs. ACTUAL EXPENDITURES - GENERAL OPERATING FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget	*Actual*	*Unexpended or (Overdraft)*
Regular Instruction	$1,080,567	$1,009,053	$71,513
Special Education	$205,854	$193,495	$12,360
System Administration	$84,768	$81,229	$3,539
Office of Principal	$187,832	$193,269	($5,437)
Transportation	$55,290	$97,958	($42,668)
Operation of Building	$112,269	$133,473	($21,203)
Student and Staff Support	$51,485	$48,530	$2,955
Reserve Transfers	$15,000	$15,000	$0
Other Services	$18,042	$13,837	$4,205
Operating Transfer - Food Services	$33,834	$33,834	$0
Totals	$1,844,941	$1,819,677	$25,264

CASTINE SCHOOL DEPARTMENT *(Exhibit B-1)*
SCHEDULE OF SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Balance July 1, 2023	*Total Revenues Recognized*	*Expenditures*	*Operating Transfers In (Out)*	*Balance June 30, 2024*
Learning Programs;					
Title IA	$0	$0	$0		$0
Local Entitlement	$14,706	$20,054	$33,487		$1,273
ARP Local Entitlement	$3,940		$3,940		$0
Transition Grant	$159		$159		$0
Rural Education Achievement Program	$0	$9,360	$9,360		$0
Medicaid Reimbursement	$1,792		$1,792		$0
Total Learning Programs	$20,596	$29,414	$48,737	$0	$1,273
Emergency Funds;					
ESSERF2	$0				$0
ESSERF3	$2,250				$2,250
Total Emergency Funds	$2,250	$0	$0	$0	$2,250
School Nutrition Programs;					
School Lunch Program	$23,135	$32,089	$64,491	$33,834	$24,567
Donated Commodities	$35	$1,633	$1,633		$35
Total School Nutrition Programs	$23,169	$33,723	$66,124	$33,834	$24,601
Student Activity;					
Adams School	$28,360	$123,580	$100,964		$50,977
Total Student Activity	$28,360	$123,580	$100,964	$0	$50,977
Total Special Revenue Funds	$74,375	$186,717	$215,826	$33,834	$79,101

CASTINE SCHOOL DEPARTMENT *(Exhibit B-2)*
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	CFDA #	Grantor Pass-Through Number	Program Award Amount	Expenditures
U.S. Department of Education;				
Passed through State of Maine Department of Educational and Cultural Services				
Title IA - Disadvantaged	84.010	013-05A-3107-13	$0	$0
Small Rural School Achievement	84.358	013-05A-3305-03	$9,360	$9,360
Special Education Cluster:				
Title VI - Part B - Local Entitlement	84.027	013-05A-3046-12	$20,054	$33,487
Total Special Education Cluster			$20,054	$33,487
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425	-	$0	$3,940
Total U.S. Department of Education			$29,414	$46,787
U.S. Department of Agriculture;				
Passed through State of Maine Department of Educational and Cultural Services				
State Pandemic Electronic Benefit Transfer Grants	10.558	-	$653	$653
Child Nutrition Cluster:				
National School Lunch Program - Lunch	10.555	-	$7,626	$7,626
Supply Chain Assistance	10.555	-	$6,049	$6,049
Food Distribution Cluster:				
Food Distribution - Donated Commodities	10.565	-	$1,633	$1,633
Total U.S. Department of Agriculture			$15,961	$15,961
Totals			$45,375	$62,748

CASTINE SCHOOL DEPARTMENT *(Exhibit C-1)*

RECONCILIATION OF AUDITED FINANCIAL STATEMENTS WITH STATE NEO REPORTING

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	*Capital Projects Funds*	*Special Revenue Fund*	*Total*
NEO Fund Balances	$355,968	$14,250	$100,000	$470,218
Beginning Balance Variances	($15,276)	$15,000	($61,311)	($61,587)
Tuition	$3,000			$3,000
Local Additional Funds	$30,600			$30,600
Miscellaneous Revenues	$8			$8
Title IA Revenues				$0
Local Entitlement Revenue			$20,054	$20,054
REAP Revenue			$9,360	$9,360
Regular Instruction	($71,247)			($71,247)
Special Education Expenditures	($3,542)			($3,542)
Student/Staff Support Expenditures	($4,910)			($4,910)
System Administration Expenditures	$153			$153
School Administration Expenditures	($6,189)			($6,189)
Transportation Expenditures	($5,772)			($5,772)
Facilities Maintenance Expenditures	($23,412)			($23,412)
Other Inst	($640)			($640)
Local Capital Improvement Reserve Transfer	($15,000)	$15,000		$0
Medical Reimbursement Expenditures			($1,792)	($1,792)
Transition Grant Expenditures			($159)	($159)
Local Entitlement Exp.			($33,487)	($33,487)
ARP Local Ent. Expenditures			($3,940)	($3,940)
REAP Expenditures			($9,360)	($9,360)
Local Capital Improvement Reserve Expenditure		($15,000)		($15,000)
Student Activity Revenue			$123,580	$123,580
Student Activity Expenditures			($100,964)	($100,964)
School Lunch Transfer	($33,834)		$33,834	$0
School Lunch Revenue and Subsidies			$12,419	$12,419
School Lunch Expenditures			($9,134)	($9,134)
Audited GAAP Basis Fund Balances	$209,908	$29,250	$79,101	$318,259

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.

Members of the School Committee
and the Superintendent of Schools
Castine School Department
Castine, Maine 04421

We have audited the financial statements of the Castine School Department for the year ended June 30, 2024.

In connection with our audit, we make the following statements of assurance 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.

3. The annual financial report submitted to the Department of Education and Cultural Services is materially correct, with exception of the changes reported on page 35.

4. The School Department has complied with the applicable provisions of the Maine Essential Programs and Services Funding Act.

5. The School Department has complied with the transfer limitations between budget cost centers.

6. The School Department has complied with the statutory budget content requirements.

7. The School Department has not exceeded its authority to expend funds as provided with the total budget summary article.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
February 19, 2025

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